



**NEW SOUTH WALES**



*Legislative Assembly*

**PARLIAMENTARY  
DEBATES**

**(HANSARD)**

**FIFTY-FIRST PARLIAMENT  
THIRD SESSION**

**OFFICIAL HANSARD**

**Wednesday, 27 May 1998**

# LEGISLATIVE ASSEMBLY

Wednesday, 27 May 1998

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**Mr Speaker (The Hon. John Henry Murray)** took the chair at 10.00 a.m.

the then Prime Minister, Paul Keating, through to the *Sydney Morning Herald*.

**Mr Speaker** offered the Prayer.

## BILL RETURNED

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

Traffic Amendment (Pay Parking Schemes) Bill

## DARLING HARBOUR AUTHORITY AMENDMENT AND REPEAL BILL

### Second Reading

**Debate resumed from 20 May.**

**Mr ARMSTRONG** (Lachlan—Leader of the National Party) [10.01 a.m.]: The Opposition does not oppose this legislation. The bill will amend the Darling Harbour Authority Act 1984 so that the Darling Harbour Authority will cease to have environmental planning functions with respect to land in the Darling Harbour development area. Those functions will be exercised instead by the Minister administering the Environmental Planning and Assessment Act 1979. The bill will also dissolve the Darling Harbour Authority after 1 January 2001. As the honourable member for Vacluse will indicate when speaking to a related bill, the Opposition does not oppose the consolidation of all planning authorities and planning powers from Garden Island in the east to Blackwattle Bay in the west.

There is no doubt that the current disparate planning regimes have led to inconsistencies in policies and procedures, which have in turn led to inappropriate and ugly developments at various places along the foreshore. Indeed, one might argue that many such developments are to be found in Darling Harbour—although it is the current development at east Circular Quay that has captured the imagination of certain sections of Sydney society and the press. Without wishing to buy into that debate, it is worth noting that when the drawings of the east Circular Quay development were unveiled some years ago they received universal acclaim from

At the time it was thought that the proposal represented a happy compromise between economics and aesthetics. However, the public has now become accustomed to an open site and has forgotten the ugly buildings that preceded the current development. As Leader of the National Party I would not support one single dollar of taxpayers' funds being sunk into any so-called solution at east Circular Quay as long as there exists in regional New South Wales a massive infrastructure gap which hinders the greater economic and social development of one-third of the New South Wales population.

The Minister took the opportunity in his second reading speech to rewrite history by putting the best possible spin on the record of Australian Labor Party governments in major infrastructure work. The record should show that the so-called delivery skills of Laurie Brereton led to substantial cost overruns and a massive debt on Darling Harbour, which is still a burden today. On 18 January the *Sun-Herald* reported that even 10 years later the complex costs taxpayers almost \$1.5 million a week. That is Laurie Brereton's legacy to New South Wales. The Auditor-General has argued that because the Darling Harbour Authority is not required to repay the cost of building the complex—that debt having been assumed by the State—it is underutilising the capital invested in the facilities.

The Minister should comment on the accounting arrangements that will accompany the winding down of the authority and to what extent they will further hide the true cost of Darling Harbour. It should be noted that because of the abject failure of the Wran-Unsworth Government to successfully deliver the Darling Harbour project the Olympic construction project proceeds generally on time. The stakes are high and, given the record on Darling Harbour, the Labor Government cannot afford to fail in the same way. As shadow minister for the Olympics I am glad that is the case and that world-class facilities are being built around Sydney, largely through the involvement of the private sector and the use of fixed price and deadline contracts. Even so, it is worth noting that last week's strike by

the Construction, Forestry, Mining and Energy Union, in spite of a memorandum of understanding between the Government and the Labor Council, is the most stark warning yet that it is not possible to rule out further industrial action on the Olympic site. As the Minister noted in his second reading speech, the Darling Harbour Authority will be wound down some time after 1 January, 2001. Besides Olympic Park at Homebush, Darling Harbour will be the biggest Olympic venue, and continuity of administration is important.

As a member of the Sydney Organising Committee for the Olympic Games who is privy to information relating to Olympic preparations in Darling Harbour, I have no doubt that the task is enormous. Unlike Homebush Bay, which essentially will be a dedicated Olympic site, Darling Harbour is home to nearly 200 individual businesses and is a major thoroughfare. The Minister might like to outline to the House today some of the arrangements that will be put in place to enable those businesses to continue operating during the Olympics. The record should also note that despite the Minister's fine words on the success of Darling Harbour, even after 10 years it is still too early to make a final judgment. In the words of Deirdre Macken in the *Sydney Morning Herald* on 6 September:

The current \$1.5 billion burst of development may deliver what Darling Harbour has always promised—link-backs to the city, classier shops and spaces in Lend Lease's Darling Park, a completed aquarium, a functioning retail area around the Sega theme centre and finally, an end to construction . . . alternatively it may mark the final failure. If, when the dust subsides, Darling Harbour still hasn't found its place in Sydney; if, after 10 years, it still hasn't knitted into the fabric of Sydney, then it will never mean much more than a hired hall to the people of Sydney.

**Mr KNIGHT** (Campbelltown—Minister for the Olympics) [10.06 a.m.], in reply: I am pleased that on behalf of the Opposition the Leader of the National Party does not oppose the bill or the consolidation of planning powers as outlined in the bill. I am also pleased that the Leader of the National Party acknowledges the successful delivery of the Olympic building projects under this Government. However, I am disappointed that he mounted a gratuitous, passing attack on Laurie Brereton and the previous Labor Government's administration of Darling Harbour. It is worth making a brief comparison of the administration of the Darling Harbour Authority under Labor with its administration under the coalition. One need only look at the shambles that resulted from the construction of tennis courts and a gymnasium on a site now occupied by the Sega centre, under the administration of Robert Webster, a National Party

Minister in the previous Government, and a board of his choosing.

A developer paid several million dollars to obtain an option on that site. That money was used by the previous Darling Harbour Authority, under Robert Webster, to construct tennis courts and a gymnasium on the site for which the developer had paid the option money. One would assume that a developer buys an option with the prospect of exercising that option. Surprise, surprise! At the end of the option period the developer exercised the option, and the tennis courts and basketball gymnasium had to be demolished. Any sane person would have realised that would happen if the option was exercised. Consequently, all that money went down the drain, together with additional money that was put in by the Darling Harbour Authority. So it ill behoves the Leader of the National Party to cast aspersions on Laurie Brereton's record.

**Mr Armstrong:** On a point of order. The tennis courts and basketball centre were much valued by the people at Ultimo for healthy recreation and cultural and physical activities.

**Mr SPEAKER:** Order! No point of order is involved.

**Mr KNIGHT:** The disparity between the capacity of the Labor Government to do business and the capacity of the National and Liberal parties to stuff up business is very clear. Nonetheless, I appreciate the support of the Leader of the National Party in the passage of this bill. I commend the bill to the House.

**Motion agreed to.**

**Bill read a second time and passed through remaining stages.**

## **SYDNEY COVE REDEVELOPMENT AUTHORITY AMENDMENT BILL**

### **Second Reading**

**Debate resumed from 20 May.**

**Mr DEBNAM** (Vaucluse) [10.10 a.m.]: At the outset I state that the coalition will not oppose the bill. It wishes, however, to highlight several concerns in relation to the consolidation of planning powers under a Labor Minister. The Sydney Cove Redevelopment Authority Act 1968 was an initiative of the Askin Government and it has generally served New South Wales well until recent years, although it is clear that there have been significant difficulties

in administration for the past three years. Earlier this year the Government announced that planning control of all city of Sydney foreshore land and of key sites around the harbour and along the Parramatta River would be transferred to the Minister for Urban Affairs and Planning in the first instance. Part of the announcement was that a single foreshore land management authority would be established by 2001 to replace all existing corporation and/or authority boards, with the City West Development Corporation and the Sydney Cove Redevelopment Authority to be amalgamated immediately.

As with many issues, the Carr Government opened its mouth and issued a press release before engaging its brain. The chief executive of the Sydney Cove Redevelopment Authority was sacked without ceremony and in questionable circumstances, and the Parliament is now unlikely to have the amalgamation bill until later this year. Instead, management control of the Sydney Cove, city west and Darling Harbour authorities is being drawn under the hand of the ubiquitous Gerry Gleeson, the Labor Party behind-the-scenes mandarin. As many newspaper articles have noted, it is a question for all of New South Wales as to just how many different projects and responsibilities Gerry Gleeson can handle. He certainly has for several years had a record of pulling the Labor Party out of the fire, but people in New South Wales and especially in Sydney would have started to wonder how effectively he can control so many different aspects of public administration.

This bill does not amalgamate authorities but simply transfers planning consent authority from the Sydney Cove Redevelopment Authority to the Minister for Urban Affairs and Planning. As mentioned by the Leader of the National Party, the coalition generally supports the thrust of the rationalisation process. The Minister has himself on several occasions in recent years noted that such rationalisation is long overdue. The coalition does not, however, support the manner in which the Labor Party goes about achieving ruthless party control of so many government bodies. Neither the coalition nor the New South Wales community trusts the Carr Government to exercise its planning powers in the best interests of the community. This position is based on several examples in the past three years and in the time of the previous Labor administration, of which the current Premier was one of the so-called leading lights.

The question as to whether this bill should be passed through the Parliament is really one as to whether honourable members trust the Carr Government to exercise planning powers properly. In order to assist honourable members in their

decision, it is worth commenting briefly on some of the past and present displays of Carr Government planning abuses. Some people have argued that the coalition should oppose the bill based on the outrageous sort of ministerial power shown by Bob Carr three days before the 1988 election. Given that only 10 months remain before the State election, people should be rightly concerned about what the Carr administration will do in its dying days.

Under current conditions Ministers could attempt to destroy the foreshore of New South Wales, as they started to do in the mid to late 1980s. With only 10 months before the next election the coalition will not oppose the bill but will closely review the use of planning consent authorities in the last months and days of the Carr Government. It should be remembered that Labor Ministers, and especially Bob Carr, have a sad history of abusing planning controls or of simply being inept. Honourable members should bear in mind that three days before the 1988 State election Bob Carr, as the caretaker planning Minister—and I stress that he was the caretaker Minister—signed off on the vandalism of east Circular Quay, for reasons the community is yet to fully understand but about which we may hear more in the next 10 months.

**Mr Knowles:** On a point of order. The bill is limited in its scope. Whilst it might add to the content and length of the contribution of the honourable member for Vaucluse to refer to east Circular Quay, that is certainly not within the scope of the bill. I put the honourable member on notice that every time he strays to extraneous matters to score cheap political points I shall take a point of order. I ask you to require the honourable member for Vaucluse to stay within the leave of the bill and debate it within those terms.

**Mr O'Farrell:** On the point of order. I draw your attention to the Minister's second reading speech of 20 May, in which five of the eight paragraphs relate to planning issues concerning the whole of Sydney Harbour. The Minister in his second reading speech broadened the ambit of the debate to include a range of planning issues in relation to the harbour. I am happy to hand you a copy of the second reading speech. Reference is made to 15 government authorities that have a management role in the harbour, ranging across all three tiers of government. The Minister has widened the debate, and the honourable member for Vaucluse is simply responding.

**Mr Knight:** On the point of order. The fact that the Minister in his second reading speech referred to philosophical issues about planning does not broaden the leave of the debate to encompass matters that do not fall within the scope of the bill.

Indeed, the site to which the honourable member for Vacluse has been referring would not fall within the leave of the new authority foreshadowed by the Minister. The Government would be very happy to accommodate a debate with the Opposition about east Circular Quay, because the Minister has copious amounts of material demonstrating the culpability of the coalition Government. However, this is not the time for such a debate and that is not within the leave of the bill.

**Mr DEBNAM:** On the point of order. As I said at the beginning of my contribution, this bill is about one thing only: moving planning consent authority from the Sydney Cove Redevelopment Authority to the Minister for Urban Affairs and Planning. This is all about whether the public of New South Wales trusts the consolidation of planning power to the Minister. As such, it is entirely relevant for me to talk about the past excesses of the Carr Government and the previous Labor Government planning Minister, now the Premier.

**Mr Knowles:** Further to the point of order—

**Mr SPEAKER:** Order! I do not need to hear further on the point of order. The second reading speech delivered by the Minister for Urban Affairs and Planning referred to some 20 separate Acts or regulations affecting 15 government authorities. However, the second reading speech related specifically to development in the Sydney Cove area. The House would be better served if the debate was confined to proposed changes to the Sydney Cove area rather than expanded to include a consideration of the actions of past governments under the Environmental Planning and Assessment Act. The member for Vacluse was straying into those matters. He will confine his remarks to the leave of the bill.

**Mr DEBNAM:** The issue before the House is whether the people of New South Wales trust the Carr Government on planning issues. That is what this is all about.

**Mr Knight:** Are you opposing the bill?

**Mr DEBNAM:** I said at the outset that coalition members will not oppose the bill, but we will express our concerns about the way in which the Carr Government handles planning issues and the way in which it has handled such issues in the past. Sydney Cove is critical not only to the city of Sydney but to the people of New South Wales and Australia. It is just across the water from a very controversial site in relation to which the Carr

Government played a leading role. Another bill to be dealt with later today or tomorrow also deals with foreshore policy. The Minister for Urban Affairs and Planning is saying, "Trust us. We are from the Labor Party. We are here to help you." Any number of people in New South Wales will say that that simply does not hold water, especially in relation to foreshore issues. There are a number of concerns relating to various properties in the centre of the Sydney Cove area but I will not refer to them today.

**Mr Shedden:** You should read a few ICAC reports.

**Mr DEBNAM:** In a debate on planning issues the Labor Party has introduced the question of ICAC. Who is on the bus today going out to Redfern? How many Labor Party people are on the bus this month? How many have been on the bus in the last few months to talk about various issues? This is not something the Labor Party can talk proudly about; it should be ashamed of its administration of New South Wales. The issue with this bill is whether we trust the Carr Government on planning issues. Even if the Minister does not want me to talk about the very controversial project just across the water from Sydney Cove, he could talk about other projects with which he has been involved recently in relation to the foreshores of Newcastle and Wollongong, where Labor local governments and the State Government are considering more high-rise outrages.

Members of this House and the other place considering the bill have to decide whether they can trust the Labor Government. Coalition members do not but, as I said at the beginning of my speech, we will not oppose the bill because we agree with the general thrust of the rationalisation of harbour authorities; but we are extremely concerned about the consolidation of planning consent power under a Labor Minister. Therefore, the coalition and the people of New South Wales will watch very closely the exercise of that power in the remaining 10 months of the Carr Government as it dies a slow death. Rather than deal at length with the other outrages around New South Wales I will close on that point.

**Ms FICARRA** (Georges River) [10.24 a.m.]: I have pleasure in speaking on the Sydney Cove Redevelopment Authority Amendment Bill 1998. The purpose of the bill is to amend the Sydney Cove Redevelopment Authority Act to transfer environmental planning functions from the Sydney Cove Redevelopment Authority to the Minister for Urban Affairs and Planning. This is a very sensible move. Many authorities and developers in the past

have enhanced the Sydney Harbour area—Circular Quay east and Walsh Bay not included. I will not speak about those areas because I know that the Government is very sensitive. I have asked a question on notice about the proposed hotel development on the Wollongong foreshore, and there are proposals for Newcastle.

The bill amends the Sydney Cove Redevelopment Authority Act 1968 so that the authority ceases to have environmental planning functions with respect to land in the Sydney Cove development area. Those functions will be exercised instead by the Minister administering the Environmental Planning and Assessment Act 1979. In March the Government announced a plan to assume control of all city of Sydney foreshore land and key sites around the harbour and along the Parramatta River. A single authority is to be established by 2001 to replace existing corporation and authority boards, beginning the long overdue rationalisation process of authorities overseeing Sydney Harbour, particularly from Garden Island in the east to Blackwattle Bay in the west. However, as the honourable member for Vacluse pointed out, people are very sceptical about all governments—local, State and Federal—nowadays because of really poor planning decisions. We should heed the community outrage over a number of developments.

The harbour belongs to everybody and it is precious. There is only limited space and we have to be very careful about what developments we allow along any waterfront but particularly Sydney Harbour. It has been estimated that daily more than 100,000 tourists and sightseers enjoy Sydney Harbour's great lifestyle, beaches, waterfront eateries and entertainment venues. This heritage is an asset to future generations of Australians. Tourism brings an estimated \$15 billion per year to New South Wales and employs many people. The growth in the sector is evidenced by the many hotels, apartments and commercial centres being built, keeping the construction industry alive and employing many Australians.

The harbour is recognised throughout Australia and the world as a symbol of the Sydney 2000 Olympic Games. It is ludicrous to have 15 government authorities at Federal, State and local levels with a harbour management role. There is a need to rationalise. Twenty Acts or regulations relate to the waterfront. The coalition does not oppose the bill but rightly voices the concern of the community about what is going on around the harbour. The bill will effectively strip local councils of their planning powers over key foreshore land. Prime sites on the

harbour and the Parramatta River, including all important foreshore land in Federal, State or private ownership, will be deemed to be of State significance under the amendments to the Environmental Planning and Assessment Act due to come into force on 1 July. The State Government will become the consent authority for large-scale sites nominated for redevelopment.

The harbour needs to be managed as one place, and with high standards that reflect the value of the harbour and Parramatta River to the entire nation. The changes come after many years of public debate and increasing criticism about the lack of co-ordination in Sydney foreshore planning. At present more than 26 government agencies and local councils have responsibility for the harbour and Parramatta River. In the inner harbour the Sydney Cove Redevelopment Authority and the City West Development Corporation will be the first agencies to be disbanded, followed by the Darling Harbour Authority after the Olympics. The three will then become one super body headed by a chairperson and run by one board. This is welcomed. I hope that the legislation will assure continued public use of government-owned land along the river and around the harbour. If it does and the Act is administered well the public will overwhelmingly support it. Sydney has become big and crowded and any public land that can be kept for public recreation use should not be lost to private development.

There will be plenty of consolidation of private land. In fact, most local councils do a good job with urban consolidation but public space needs to be preserved. The consolidation that has occurred and the curtailment of the urban sprawl of Sydney merely strengthen the case for keeping land, if possible, for public recreation. I congratulate the Federal Government on preserving the 150 hectares of land that were held by the defence department and which the Government has incorporated into the Sydney Harbour National Park. The State Government's power to assume planning control of projects deemed to be of State significance is well understood. The amalgamation of the City West Development Corporation, the Darling Harbour Authority and the Sydney Cove Redevelopment Authority makes a lot of sense. Paola Totaro, the urban affairs writer for the *Sydney Morning Herald*, in an article on 11 March states:

The Government's decision to wrest control of planning powers for significant and valuable harbour sites effectively means that the third tier of government no longer has to play the desperate and more-often-than-not, unwinnable balancing act between appeasing a vocal and increasingly sophisticated resident population and the economic interests of individual municipalities—not to mention an organised and buoyant development industry.

She said that the buck might actually stop somewhere. However, councils should retain their community consultative role and the two tiers of government should work toward a common goal. I hope that the Minister for Urban Affairs and Planning, and Minister for Housing agrees that the feelings of the community and of local government authorities will not be overridden. Honourable members say that local government is the grassroots of the democratic process in Australia and that local communities should be heeded. I hope that the Minister, who has tremendous planning powers, will still listen.

**Mr Knowles:** We have been to the same local government conferences.

**Ms FICARRA:** That is right, we have been to the same local government conferences. A lot can be said about local government, good and bad. However, local governments represent local communities and provide the easiest means for residents to voice their complaints and concerns and to have them heard. I quote again from the article by Paola Totaro, for whom I have a great deal of respect:

The old cries denouncing an erosion of democratic rights have been replaced with a fierce desire not only to influence and have a role in decision-making but most importantly to identify exactly who is responsible when something goes drastically wrong.

The East Circular Quay saga, in retrospect, highlights just how impossible it has become to pin down decision-makers: . . .

There might be a long debate about who was at fault with that development and the involvement of the Sydney City Council, but it should be left to the public to decide on its fate because the issue has been aired at length on the radio and in the press. Paola Totaro's point is correct: we must learn from these disgusting decisions and monstrous developments that spoil the vista of some of our beautiful icons in the harbour, particularly the Opera House. The article continues:

. . . whether the State Government will actually have the will and use the political muscle to deliver a better outcome on our foreshores than the much-maligned "piecemeal" approach the harbour has survived until now.

She concludes:

Rather, the public spotlight should be turned to the many valuable and important State sites where the Government can prove itself. There are Wharves 9 and 10 on the eastern shores of Darling Harbour, the splendid and historic Strickland House in the east and Walsh Bay under the arches of the bridge. And that's three, just for starters.

Paola Totaro is right: all Australians eagerly await what is to happen not only with Circular Quay but with Walsh Bay. The State Government's new advisory panel for key harbourfront sites has been criticised for being skewed.

**Mr Knowles:** On a point of order. The honourable member for Georges River quoted considerably from an article by a *Sydney Morning Herald* journalist on matters which are beyond the scope of the bill. I did not take umbrage at her reading the article onto the record, but it is outside the scope of the second reading debate for the honourable member to extrapolate from and comment upon the article and to make reference to areas outside Sydney Cove. I ask you to draw the member back to the leave of the bill and to direct her to concentrate her remarks on the bill.

**Mr SPEAKER:** Order! I uphold the point of order.

**Ms FICARRA:** I realise that this is a sensitive matter. I know that the criticism from historical bodies about the lack of an historical input into the Minister's advisory panel hurts. Hopefully the Minister will take that criticism on board. Criticism can often be constructive and, when it is, it should be heeded. I am a member of the Hurstville Historical Society and a member of the Royal Historical Society of New South Wales. I became involved in local government in the first place because of the atrocious handling by a local government authority of some historic sites in the area.

I congratulate Nick Greiner, who was Premier at the time, on making a grant to preserve one of our major historical sites in the area. Historical and heritage sites are important to me. I will conclude now because I do not want to offend the Minister for Urban Affairs and Planning, and Minister for Housing any further by talking about sensitive aspects. The proposed amalgamation of the Sydney Cove Redevelopment Authority and the City West Development Corporation and, at a later date, the Darling Harbour Authority, is welcomed and is a long-awaited rationalisation of the bureaucratic management of our harbour. However, the coalition will watch like a hawk to ensure that the amalgamation achieves the overall objective of better protection of Sydney Harbour for generations to come. The coalition does not oppose the bill.

**Mr O'FARRELL** (Northcott) [10.36 a.m.]: This is an important bill which comes at an important time in this city's history, a time when perhaps planning issues relating to the harbour and

the city generally have reached their most popular level. Honourable members read and hear each day increasing commentary from the public about the sorts of planning issues that the legislation seeks to address. The Sydney Cove Redevelopment Authority Act 1968 was pioneering legislation by the Askin-Cutler Government. One has to cast one's mind back 30 years and realise what a different place and time it was to understand that far-reaching legislation.

Despite the opposition of the Minister for the Olympics, The Rocks remained an important heritage item in this city at a time when Labor governments and Labor councils were ripping down whole suburbs of Sydney and were destroying heritage areas across the city at a rate of knots. That legislation was one of the significant heritage achievements of the Askin Liberal Government, and one of which I am proud. It is clear that as Sydney developed during those 30 years problems arose, particularly as a result of other planning bodies being established to administer other parts of Sydney and because of the interaction between the various planning bodies.

As a result, and as the Minister said in his second reading speech, there is a need to try to centralise and bring together those planning authorities which cover much of Sydney, to ensure that Sydney remains a vibrant and modern city but at the same time to protect those significant, aesthetic and heritage aspects that we all hold so dear. Without infringing upon the ambit of the legislation, I want to touch briefly on some lessons that have been learnt from east Circular Quay and Walsh Bay but not in a way that I think the Minister will find offensive. As the honourable member for Vaucluse said, the centralisation of power is the real issue of the legislation. The honourable member for Vaucluse and I do not trust Labor's planning Ministers, who have a history in this State of doing the wrong thing, though it gives me no joy to say that.

The bill essentially removes certain powers from the Sydney Cove Redevelopment Authority and puts them into the hands of the Minister for Urban Affairs and Planning. I understand the need for reform and will welcome the Minister's raft of reform to decentralise and re-establish into a single authority the planning powers for this part of Sydney and other parts of the harbour. However, I am concerned that it will further exacerbate public perception about certain developments in these areas. If Walsh Bay were under the control of the Sydney Cove Redevelopment Authority—and was the Park Hyatt all over again—the legislation would raise public concern, because following the closing date

for tender the playing field changed. It has been suggested that perhaps the Independent Commission Against Corruption could somehow reassure the public.

It is clear that if ICAC has signed off each step of the initial process relating to some developments within the jurisdiction of the Sydney Cove Redevelopment Authority, it cannot be seen as independent or protecting the public interest. That leaves a genuine concern about the centralisation of power and who is protecting the public interest and keeping the developer, the department and the Minister honest. As I read the Minister's second reading speech, until such time as he introduces his full package of reforms he will be the final arbiter. That is unacceptable. The Minister must recognise public concerns about accountability, perceptions of lack of outside scrutiny, an uneven playing field and changing conditions. The public interest is not being protected and no solution has been presented to prevent the problems relating to east Circular Quay or Walsh Bay from recurring. I ask the Minister to give an assurance in reply that he will address those concerns. As the honourable member for Vaucluse said, the Opposition supports the thrust of the reforms but it shares the concerns along with tens of thousands of Sydneysiders, and I urge the Minister to address them.

**Mr SPEAKER:** I welcome to the gallery students from Auburn West Public School.

**Mr KNOWLES** (Moorebank—Minister for Urban Affairs and Planning, and Minister for Housing) [10.42 a.m.], in reply: I thank the honourable member for Vaucluse, the honourable member for Georges River and the honourable member for Northcott for their contributions. The honourable member for Georges River and the honourable member for Northcott gave constructive commentaries on the legislation and, despite the ritual slap that comes with these debates, they made valid and sensible points.

The honourable member for Vaucluse spoke about the history and genesis of the Sydney Cove Redevelopment Authority and the need to separate the proponent from regulatory aspects of the authority. However, he tried to politicise what is straightforward and narrow legislation, which says more about him for posterity than anything else. It is a shame that he did not pick up on some of the points made by the other Opposition speakers. In particular, I refer to comments made by the honourable member for Northcott about the need to ensure greater community confidence in those who regulate the management of Sydney's foreshores. I



refer especially to the Sydney Cove Redevelopment Authority precinct, given its proud history and its major contribution to the Australian economy in heritage and tourism.

If nothing else, the bill achieves what the honourable member for Northcott requires, that is, for the first time in the history of the Sydney Cove Redevelopment Authority the proponent of an activity is separated from the regulatory and consent authority. That has never been the case before. It is a continuation of the efforts of this Government and me, from my time in Opposition to my present role as the Minister for Urban Affairs and Planning, wherever possible, to separate those roles. The separation of roles commenced when Robert Webster was the Minister with responsibility for the Roads and Traffic Authority and introduced amendments to part 5 of the Act. The Government continues to follow that policy with other authorities because it is logical, sensible and reasonable in this day and age to bring together the proper and orderly management of Sydney Harbour foreshores. I commend the bill to the House.

**Motion agreed to.**

**Bill read a second time and passed through remaining stages.**

#### **ROADS AND TRAFFIC LEGISLATION AMENDMENT (LOAD RESTRAINT) BILL**

##### **Second Reading**

**Debate resumed from 20 May.**

**Mr SOURIS** (Upper Hunter—Deputy Leader of the National Party) [10.47 a.m.]: I have pleasure in leading for the Opposition. I indicate at the outset that the Opposition will not oppose the bill. I am thankful, in particular, to two industry organisations: the Australian Livestock Transporters Association and Road Transport Forum Ltd, which have had consultations with the Government and which support the legislation. As a consequence, the Opposition adds its support to the bill.

**Mr SCULLY** (Smithfield—Minister for Transport, and Minister for Roads) [10.47 a.m.], in reply: I thank the shadow minister for roads for his support on behalf of the Opposition.

**Motion agreed to.**

**Bill read a second time and passed through remaining stages.**

#### **TRAFFIC AMENDMENT (VARIABLE SPEED LIMITS) BILL**

##### **Second Reading**

**Debate resumed from 20 May.**

**Mr SOURIS** (Upper Hunter—Deputy Leader of the National Party) [10.48 a.m.]: I have pleasure in leading for the Opposition on the Traffic Amendment (Variable Speed Limits) Bill. The Opposition will not oppose the bill. However, I ask the Minister to address several issues when he replies to the debate. The Opposition does not intend to move amendments, but there are aspects of the way in which variable speed limits operate and are intended to operate that are of concern. The primary concern is that it may be possible to inadvertently incorporate a regime of the Roads and Traffic Authority to vary speed limits which would become an avenue of entrapment when policed by the Police Service.

The Opposition is concerned that the visibility and size of signs are sufficient for motorists who regularly use that road to notice that the speeds shown on the electronic signs have changed. For instance, an electronic sign which is changed may be approximately the same size as those installed on the M4, that is, marginally larger than the standard speed limit signs. In some cases the red light on a black background is not clearly identifiable, especially in bad weather, which is the time when a speed limit would be adjusted.

A second cause for concern is the way in which variable signs might be operated: changes in speed limits might be made in a way that would disadvantage motorists if they are done in an ad hoc fashion. It would be useful for motorists to know the regime that will apply when signs are to be varied. For instance, variable signs will almost routinely be activated in bad weather, and motorists should be on the lookout for any variations. In the education campaign motorists should be made aware of the conditions under which they could expect a variable speed sign to change.

Equally, the Opposition is concerned that the Roads and Traffic Authority may have a propensity to always vary speeds downwards. The present arrangement for setting a speed limit sign is a relatively disciplined procedure, particularly when it involves local government traffic committees. Those committees consist of local government personnel and engineers, Roads and Traffic Authority personnel and Police Service personnel. In this way

the community and relevant decision-makers can be involved—and indeed are involved on many occasions—in determining what speed limit ought to prevail.

In those circumstances decisions should be based on changing conditions and community attitudes which may reflect a recent incident that occurred on the road. Whilst ever that process is available the Opposition believes that the discipline it incorporates would tend to ameliorate the potential for a conservative bureaucratic decision to be made which would continuously downgrade speed limits. If the decision is always left to a single operator looking at a television screen one anticipates that any variations will be downwards. But there are many times when speed limits could be adjusted upwards.

On a very good freeway or motorway, such as the M2, the 90 kilometre per hour limit that applies throughout the day is inappropriate; there ought to be potential for the speed limit to be set at the standard 100 kilometres per hour. After all, the M2 is one of the best roads in the world and is clearly capable in non-congested conditions of allowing traffic to operate at 100 kilometres per hour. The system ought to be flexible in both directions. I reiterate that the Opposition is anxious to ensure that a relatively disciplined procedure is available to prevent excessive conservatism and bureaucratisation of the operation of variable speed signs. The Opposition does not intend to oppose the bill, but I hope that the Minister will address some of the points that I have raised.

**Mr RICHARDSON** (The Hills) [10.55 a.m.]: The general thrust of the bill is readily understandable by all honourable members. The Opposition does not oppose the bill as presented, however, as the Deputy Leader of the National Party indicated, it has concerns about the way in which the bill is to be implemented. The Minister said in his second reading speech:

It is intended that the initial introduction of variable speed signs will be on the M4. Variable speed limit technology will improve the safety and efficiency of major motorways and freeways.

I understand that the Minister would want to improve the speed limit signage on the M4. On 26 February I drove along the M4 and logged what I found concerning speed restrictions. On that day I published a media release, which stated:

The management of the roadworks, particularly the speed restrictions along the whole length of the M4, was appalling.

Just past Wallgrove Road the road is designated 80km/h, yet the inside lane is the shoulder of the road and two trucks could not safely have driven side-by-side.

A couple of kilometres on, outside the Arnott's Biscuits factory, the speed limit is just 60km/h but it's virtually a three-lane road. Perhaps not surprisingly, everyone was ignoring the 60 signs despite the stern warnings about police enforcing the worksite limits.

Past the Blacktown exit there are three traffic lanes and a good road surface but the speed limit is still only 80km/h.

The limit is then arbitrarily reduced to 60km/h on a first-class stretch of road, then upgraded to 80km/h and even 90km/h on a second-rate length of road which has had its top layer of asphalt removed and where there are no lane markings.

Not surprisingly we saw several marker poles knocked over—and an accident which fortunately wasn't blocking any lanes of the motorway.

In my press release I called on the Minister for Roads to review speed limits on the M4 and adjust them to a more appropriate level where possible. To his credit the Minister responded to my call and some days later undertook a review of the speed limits—and I noticed that there were improvements. However, last Friday I drove along the M4 to Penrith. I noticed one section of road, three lanes wide, where the speed limit had been arbitrarily set at 60 kilometres per hour. If one were to travel at 60 kilometres on that stretch of road one would likely be run over in the rush of trucks which travel there. My concern is that in his second reading speech—and as provided in the bill—the Minister linked the operation of variable speed limits to speed cameras. He said that policing will primarily be by the use of speed cameras.

If variable speed cameras are used properly and judiciously, one would expect no problem with such use. But if speed limits were to be altered at a whim, perhaps even from hour to hour—as the Minister suggested in his second reading speech—motorists who regularly commute on a particular stretch of road, perhaps twice in a morning, might not realise that the speed limit had changed and might unwittingly exceed the speed limit. Therefore policing of speeds by use of these cameras could lead to motorists being booked for an offence that they had no intention of committing.

My concern is that in its last budget the Government increased the amount of revenue to be raised from fees and fines by 19.5 per cent. The Government seems to regard radar cameras as an extension of the Office of State Revenue. Indeed, there is suspicion among members of the Opposition that the Traffic Amendment (Variable Speed Limits) Bill has been introduced not to improve traffic flow and safety, as the Minister said in his second

reading speech, but to assist the Government with its budgetary problems. If that is the case, the motoring community will be outraged, particularly people who consider they have been unfairly booked for driving along a stretch of road on which conditions have not apparently changed.

I related my experience last Friday of travelling along the M4 at 80 kilometres an hour, which some motorists might have been doing for the past three or four years. I can foresee circumstances in which the enforcement of this legislation could result in hundreds of motorists being booked for unwitting breaches of speed limits. I wonder how that could serve to improve the safety and efficiency of major motorways and freeways. The solution, as the Deputy Leader of the National Party said, is to ensure that variable speed signs are of sufficient prominence to ensure that motorists will see them and will not mistake their intent. I hope the Minister will address those concerns in his reply to this debate.

**Mr KINROSS** (Gordon) [11.02 a.m.]: The shadow minister for roads stated at the outset that the Opposition will not oppose the bill. However, I wish to emphasise the importance of uniformity generally in road speed limits, particularly on motorways and freeways, and express concern about inconsistencies in speed limits on some New South Wales roads. Examples of such inconsistencies are to be found on a 90-kilometre stretch of road between Penrith and Lithgow which has some 18 speed limit changes. Similar examples could be cited of other roads throughout New South Wales, particularly from Wagga Wagga all the way through to Sydney. An important principle is involved here.

I should have thought it desirable for the Minister to take a holistic approach to the issue—a whole-of-road approach, if you like—so that there is not a stop-start effect in road speed limits. It is important also that signs be not only of a similar, suitable size but that they be plainly visible. Recently the speed limit on one roadway in the Gordon electorate was reduced to 50 kilometres per hour. That new speed limit has nothing to do with school traffic zones, which I believe to be the purpose of 40 kilometre per hour limits in any event. The concern is that a motorist entering that roadway from a side street enters a different speed zone of which he may not be aware. There needs to be consistency in approach on this issue, including uniformity of speed zones, visibility and size of signs.

The other matter I would ask the Minister to address in reply is the extent to which the National Roads and Motorists Association has provided

feedback on the proposals contained in the bill. Clearly, it is important that there be compliance with these provisions. We do not want these traffic control laws to be used for revenue-raising purposes. Motorists are becoming suspicious about these sorts of provisions. We do not want variable speed limits used to entrap motorists, particularly by failing to ensure that a varied speed limit is well signposted. Many constituents approach me to lodge complaints about signage erected on and about the Pacific Highway and other arterial and minor roads in the Gordon electorate. We must make sure that the stated good intent and purpose of these road safety measures are based on genuine motives, that is, not of revenue raising but of concern for the community. When the coalition left office it was considering a proposal for an orbital linking of all roads. We need such a uniform approach in relation to traffic speed limits, traffic control and traffic signage. I look forward to hearing the Minister's response to these issues.

**Mr SCULLY** (Smithfield—Minister for Transport, and Minister for Roads) [11.05 a.m.], in reply: I thank the Opposition for its support of the bill. The shadow minister for roads indicated concern about the use of variable speed limits for entrapment and whether motorists will have sufficient warning and signage of changes in speed limits. I think it is important that motorists be given sufficient education and information to make them fully aware of this new means of regulating traffic speeds on portions of our roadways. Certainly I would seek to avoid as much as possible any situation in which police would take advantage of, and book, motorists who are not familiar with the new scheme. These measures are not for that purpose at all.

**Mr Souris:** Will speed cameras be used in conjunction with this measure?

**Mr SCULLY:** I cannot instruct police on operational matters, but I can assure the honourable member that this is a road safety initiative. As he indicated, when weather conditions are inclement the transport control centre obviously would post a lower speed limit; or, if traffic is congested, the centre might alter the speed limit, up or down, to try to get a smooth flow of traffic. That is the reason for these measures. It is not about implementing a system that would encourage police to park a radar unit and collect rent for the budget.

**Mr Souris:** Dial-a-fine.

**Mr SCULLY:** I know it is tempting for Opposition members to suggest such things, but nothing could be further from the reality. It is not

for me to tell the police operationally what they can and cannot do. Motorists who do not comply with speed limits place themselves at risk of penalty through enforcement of the speed limits. However, I will encourage the Roads and Traffic Authority to do all it can to provide the motoring public with information and education so that people will become familiar with these new measures. This new system will not be used on many of our roads initially. It will first be introduced on the M4, and mainly will be in place on major roads.

I understand that a maximum speed will still be set. For example, a particular stretch of road with a maximum speed limit of say 90, 100 or 110 kilometres per hour might have variable speeds set somewhere below those limits depending on conditions applying on the road at the time, such as congestion, potential for road accidents, or inclement weather. So this is somewhat of a moveable feast, but I would expect the Roads and Traffic Authority to continue to set maximum speed zones on particular sections of roadway and that variable speed signs would work within those limits. Comment was made about the size, colour and visibility of variable speed signs. I take those matters on board and will seek advice from the Roads and Traffic Authority on them. I think that was a positive contribution made by the shadow minister. I personally will look closely at those suggestions. It is important that motorists are able to see these signs.

**Mr Souris:** Signs might flash when the speeds have been varied.

**Mr SCULLY:** That is a good point. There could be some sort of warning so that motorists become aware that the speed limit in force is different from the limit that was in place when they drove along that section of roadway perhaps the day before. I shall take those interesting points on board. The operators of the M2 have put it to me on several occasions that the speed limit on the M2 should be raised. Prior to the opening of the M2 the Roads and Traffic Authority, in consultation with a number of stakeholders, determined that the speed limit should be 90 kilometres per hour. The shadow minister for roads has put it to me also that the speed limit should be increased. The RTA will continue to monitor whether 90 kilometres per hour is a suitable speed. These issues are not closed off, they are ongoing.

**Mr Souris:** Will you ask the RTA to review it?

**Mr SCULLY:** I do not mind doing that. I can undertake to have the RTA consider that suggestion.

The issue is put to me from time to time, but prior to the opening of the M2 I accepted the advice of the RTA that the speed was suitable. It may be appropriate to look at whether the speed should remain at 90, without raising expectations that it will be raised. I am happy to take up the honourable member's suggestion and consider whether the speed should remain at 90. However, I emphasise that I am not raising expectations. That means that as far as I am concerned the speed will remain at 90 at this stage. The honourable member has put something on the table and I am required to respond in a considered way, and I shall do so.

The honourable member for The Hills raised a number of issues. I am delighted that he knows where the M4 is. Indeed, I am delighted to hear that he knows where Penrith is. Many of the issues he raised about the M4 have been resolved; indeed, he indicated that in his contribution to the debate. The M4 is a work site, and it is difficult to balance maintaining a motorway under traffic conditions while at the same time expanding it from four lanes to six lanes from Church Street Parramatta out to Emu Plains. It is a complicated task to maintain a four-lane motorway while at the same time expanding its capacity by 50 per cent. In the circumstances the RTA and Statewide Roads have done a good job, notwithstanding the fact that concerns have been expressed from time to time.

Although some sections of the M4 with a speed limit of 60 kilometres per hour do not appear to have a great deal of work being done on them, inquiries usually show that they have been set out for lane marking or road testing before final asphalt is laid. Notwithstanding that, I have put in place M4 traffic managers who are there around the clock, and a complaints and information hotline has been established. I expect the upgrade of the M4 to be completed in the near future. The shadow minister for roads will be aware that we have been able to extract an additional lane from the alignment of the road around Parramatta to create a five-kilometre T2 transit lane. That was a good initiative. That is in addition to the lanes that will result from the upgrade. There is no suggestion that we suddenly took one lane off general motorists to create a T2 transit lane; it is an additional lane. That is good news for motorists. I appreciate the support of the Opposition. I have undertaken to consider the other matters raised by members opposite.

**Motion agreed to.**

**Bill read a second time and passed through remaining stages.**

**Mr ACTING-SPEAKER (Mr Gaudry):** I welcome to the gallery students, parents and principals of Meadowbank Public School, Ryde Public School, Ryde North Public School, Ryde East Public School and Holy Spirit School in North Ryde, and visitors from the electorate of the honourable member for Gladesville.

## **ROAD TRANSPORT (VEHICLE REGISTRATION) AMENDMENT BILL**

### **Second Reading**

**Debate resumed from 21 May.**

**Mr SOURIS** (Upper Hunter—Deputy Leader of the National Party) [11.14 a.m.]: I have pleasure in leading for the Opposition on this bill. Sadly, this is a non-controversial bill that merely transfers jurisdiction between Acts. I am pleased to indicate that the Opposition will not be opposing the bill.

**Mr SCULLY** (Smithfield—Minister for Transport, and Minister for Roads) [11.15 a.m.], in reply: The presence of the honourable member for Gladesville has had an overwhelming influence on the Opposition. Bipartisanship has sprung forth! The shadow minister for roads cannot bring himself to oppose a wonderful piece of legislation—and we all have the honourable member for Gladesville to thank for that. I thank the Opposition for its support. The shadow minister for roads and I do not always agree on legislation but on this occasion I appreciate his agreement to this bill.

**Motion agreed to.**

**Bill read a second time and passed through remaining stages.**

## **AGRICULTURAL INDUSTRY SERVICES BILL**

### **Second Reading**

**Debate resumed from 20 May.**

**Mr SLACK-SMITH** (Barwon) [11.16 a.m.]: I have pleasure in leading for the Opposition on the Agricultural Industry Services Bill. The Opposition will not oppose this bill, the aim of which is to bring all committees in the agricultural industry under one regulatory regime. At present agricultural industry committees exist under a number of different structures. This bill provides for existing boards and committees to be reconstituted and for new committees to be formed. It will facilitate the establishment of legal entities, described as "committees" in the bill, to provide a range of

services to agricultural industries. It is considered that all committees providing services to the agricultural sector should comply with basic principles, and they are embodied in this bill.

The agricultural committees that already exist include the primary products marketing committee, the poultry meat committee and the Cattle Compensation Fund. A committee should belong to the industry it serves but it should be subject to adequate supervision by government to ensure that its functions are properly exercised. Members of the industry should have adequate powers to direct and control a committee which has the power to levy compulsory charges upon its members. In the Barwon electorate the Cattle Compensation Fund, which is an important committee, does a fantastic job. Committees constituted under this bill will be subject to two overriding principles: that the formation of the committee will be subject to a transparent competition policy review, and that the committee will have a limited life and its continuation will be subject to a transparent competition review.

The Opposition, supported by the New South Wales Farmers Association, wishes to move in another place three amendments to the bill. I am pleased that the Minister has agreed to those amendments. The first relates to the potential for a transfer of the cost of government services to agriculture. It is recognised that the intent of the legislation is to provide agriculture with a mechanism to enable industries to take a collective approach to industrial problems, but the Opposition would not like to see committees deviating away from industry and becoming involved in community-based issues such as pollution, the environment and other community concerns which can often take over the agenda. The Opposition would like the proposed Act's definition of "agricultural industry services" to include the words "any service the benefits of which can be demonstrated to be largely industry-specific rather than community-wide". I believe that would narrow the guidelines, which would be of benefit.

The second amendment that the Opposition proposes to move relates to the ownership of assets in the event of a committee being wound up. A number of situations have occurred in New South Wales in which the residual assets of an industry program were taken by the Government and put into consolidated revenue. The Opposition believes that if committees are paid a levy by producers, upon those committees being wound up that money should be retained for the industry. The amendment would provide that any assets of a committee that exist after it has completed its activities will remain the

property of the contributing constituents, that is, the producers, and as far as practicable must be returned to them in proportion to their last full 12 months levy contributions. In some way this provides a sunset clause, and it is a good one. The amendment would also provide that if the Government has contributed funds from consolidated revenue the same formula should be used to calculate the proportion of the residual assets owned by the Government. The amendment would further provide that in the event that residual assets are of such a small size that redistribution is impractical, these assets should be used as directed by the committee for the benefit of the contributing commodity industry.

The third amendment to be proposed by the Opposition relates to the composition of a committee. While recognising that a committee can operate only with the majority agreement of industry participants, it would be of concern if the possibility existed that a government may seek to impose a majority of ministerial appointees on the committee as a precondition to allowing the proposal to go to a ballot. This has happened in other organisations and we must ensure that it does not happen again. The amendment would provide that a committee's foundation regulations must require that the committee has a majority of elected primary industry members, with the chairman to be elected by the committee from amongst the primary producer members. As the members of the committees are people from the primary producing areas whose livelihood is on the line, they should have the most input. They are the ones who can establish and identify problems that need to be addressed, especially research problems and problems with both ovine and bovine Johne's diseases. The first people in the line of those problems are the producers. They are the ones who have the most to contribute, but they are also the ones who have the most to lose. The Opposition supports the bill and thanks the Minister for agreeing to these amendments.

**Mr Amery:** Not all of them.

**Mr SLACK-SMITH:** We will get there. In any event, the Opposition does not oppose the bill.

**Mr McMANUS (Bulli) [11.24 a.m.]:** I support the Agricultural Industry Services Bill and congratulate the Minister for Agriculture, and Minister for Land and Water Conservation on introducing it. The bill gives a clear indication of the support given by the Minister to the rural sector of New South Wales and also the work done by the Minister, which is appreciated by the people in the rural sector. I am aware of the importance of the

Minister's visits to rural New South Wales and the accolades that he receives when he arrives there. The Minister receives active support in the bush. By the introduction of bills such as this and others, and the support that the Minister gives the rural sector, particularly in relation to ovine Johne's disease and other problems, it is obvious that he deserves all the support he gets.

The bill aims to facilitate, on the initiative of primary producers, the formation of committees for the provision of agricultural industry services to a specified class of primary producers in a specified area. A committee will be able to levy compulsory charges on its members, who are referred to in the bill as constituents. A feature of the bill is the degree of control given to constituents over the operations of the committee. Such control is not always present in some established committees and boards. Unlike the situation in which the control is exercised by central government, control by constituents will reinforce an essential feature of the bill, that is, that committees will belong to constituent members.

I wish to elaborate on the consultation process that the Minister continues to implement with the bush. The Government considers it necessary to ensure that introduction of bills of this nature is not seen simply as central government making decisions. These committees will be allowed to be self-regulating, to speak for themselves, and to elect wherever possible committee members who specifically relate to the concerns of constituents. The control and accountability features of the bill relate in part to the following issues. An essential part of the bill deals with accountability of a committee to its constituents. When first established a committee will be required to prepare a plan of its intended operations for the first five years. It will then be required to send the plan to each of its constituents and to hold, within six months of its establishment, a meeting with its constituents to consider the plan. The committee will be required to review its five-year plan each year and to send a copy of the revised plan to each of its constituents.

Under the Annual Reports (Statutory Bodies) Act 1984 the committee will be required to prepare an annual report. The bill requires a copy of this report to be sent to each of its constituents. Supervision of a committee by its constituents is an integral part of the bill. Constituents will be able to exercise supervision over a committee in a number of ways. The levying of a compulsory charge and the rate at which the charge is to be levied will require a resolution of a meeting of constituents. A committee will be required to call a special general

meeting if applications are made by as many of its constituents as would constitute a quorum at a general meeting. Constituents will be able, by means of a poll which they will be able to require to be taken, to give an instruction to the committee which will be binding on the committee. Constituents will also be able, by means of a poll which they will be able to require to be taken, to have the committee's affairs wound up and the committee's foundation regulation repealed. Basically, that covers most of the concerns that the honourable member for Barwon raised in relation to the bill. The importance of the legislation for the rural sector is that constituent members will be able to have their say in a fair and democratic system. Once again I congratulate the Minister on introducing the bill.

**Mr PRICE** (Waratah) [11.29 a.m.]: I support the bill and congratulate the Minister for Agriculture, and Minister for Land and Water Conservation on processing this legislation. It is really enabling legislation; it does not, in its own right, allow the formation of committees but simply facilitates the formation of committees which are initiated by the industry. Those aspects of the bill relate directly to the members of a particular agricultural pursuit being able to form a committee. The establishment and operation of the committee can be covered by regulation. That does not require legislation.

The essential feature of the bill is the requirement of the national competition policy that committees not be allowed to outlive their usefulness. That is a valuable provision because sometimes things tend to become tiring, sometimes they get too typecast and sometimes they do not relate to the original purpose of the committee. That has happened with co-operatives, in which the majority of shareholders are now people not related to the industry. This provision will ensure that does not happen with rural committees; they will remain in the hands of rural producers and their operation will be governed within a five-year cycle.

Of course, committees can apply on five occasions to extend their operation for a further 12 months. Effectively, this gives a committee an operational period of approximately 10 years without any serious legislative requirement. If a committee wishes to proceed past that point, it does not have to go through the formation procedure. A short-circuit system allows it to be re-established under the legislation and to start the five-year cycle without interference and with further annual reviews for up to five years. The legislation should not be feared.

The committee system will be established to support producers in their respective agricultural pursuits. The Government supports that initiative. The bill provides also for the life of a committee to be governed under section 10 of the Subordinate Legislation Act 1989, as it is governed now. That will operate to repeal a committee's foundation regulation within five years. It is clear that one Act refers to the other and other circumstances will be covered by regulation. The length of term of a committee, its tenure and its value to the industry is governed by methods that allow a committee to cease to function, which can occur in a number of ways. When the regulation expires there may be no reason to continue, therefore, the committee would automatically wind up. By agreement the committee has the capacity to petition the Minister to wind up early. Of course, this may require taking a poll of constituent committee members and of the group it looks after, but that should be only a procedural matter.

A committee may request the Minister to wind it up, provided there is no objection. And, of course, the Minister has the right at any time to wind up a committee if there is any objection or if circumstances change substantially. Any voluntary winding up of a committee will be done within the provisions of the Corporations Law. Other action will be taken under other Acts if deemed necessary. The Minister may appoint a liquidator if substantial funds are involved. As the honourable member for Barwon mentioned, provision is made for the Governor, on the recommendation of the Minister, to wind up a committee. That provision is important because in some cases significant assets may have been acquired through State or industry participation. I am sure that matter will be dealt with correctly by regulation or the Governor through direct ministerial intervention. This bill will facilitate a much smoother operation for many arms of the agricultural industry. I look forward to its implementation. I support the bill.

**Mr AMERY** (Mount Druitt—Minister for Agriculture, and Minister for Land and Water Conservation) [11.33 a.m.], in reply: I thank the honourable member for Barwon, who led for the Opposition, the honourable member for Bulli and the honourable member for Waratah for their contributions to and support for the bill. The honourable member for Barwon referred to representations by the New South Wales Farmers Association and foreshadowed that he would move three amendments during the Committee stage, for which I indicated support. However, a number of

matters emerged during discussion between the association and my office in an attempt to reach a compromise on some amendments. The honourable member for Barwon may feel ambushed, but I assure him that members will have ample opportunity to debate the matter fully when the amendments are moved in the Legislative Council. No doubt those amendments will be the subject of scrutiny by this House at a later date. The Government responded with good intentions to the comments of the New South Wales Farmers Association about the bill. In a letter dated 21 May Mick Keogh, policy director of the association, said:

... support is conditional on a number of amendments being made to the draft Bill.

Those amendments were listed under various headings in the letter, the first being "The potential for a transfer of the cost of Government services to Agriculture." The letter stated:

The Association would not like to see current or future Governments utilise this legislation to effect a transfer of the cost of current Government services to the rural sector on an industry-pays basis.

The association is concerned that there may be some difference in the way this generic piece of legislation may operate compared to current marketing orders and other legislation that reflects on individual industries. The association requested an amendment to a definition and its main point of concern was under the heading "Ownership of assets in the event of committee being wound up". The association said:

Recent history has demonstrated the dangers for rural industry in establishing and paying for industry programs without ensuring that the ownership and eventual fate of any residual assets is clearly defined. There have been a number of recent situations in NSW where the residual assets of an industry program were taken by Government, despite the fact that these assets were clearly paid for by industry, and not the taxpayer.

The honourable member for Barwon read the amendment requested by the New South Wales Farmers Association. Obviously, the association was referring to the Cattle Compensation Fund as one program that had accumulated assets through the industry. Whilst there may have been some concern about where those funds were distributed in the early stages, the honourable member for Barwon said the Cattle Compensation Fund had assisted his electorate. I assume he was referring to the fact that shortly after this Government was sworn in, it addressed the helix problem—that is, the feeding of cotton trash to cattle on drought-affected farms—which produced many residue problems. Despite inaction by the previous Government, this

Government pulled a problem out of the drawer and tackled it. It got \$3 million from the Cattle Compensation Fund, matched it with \$3 million from the Treasury Consolidated Fund and assisted farmers with testing costs and the like. It was the least that could be done. It would have been difficult to get that substantial amount of money had funds not been available through the Cattle Compensation Fund. The fund assisted northern parts of the State with problems associated with ovine Johne's disease. Funds were taken also from the swine industry fund, which was wound up. The Government guaranteed to cover any matters that normally would have been a responsibility of that fund.

The New South Wales Farmers Association raised legitimate concerns about winding up committees and funds being received by the Government. The bill does not intend to effect the wholesale transfer of the cost of government services to the agricultural sector. Rather, it will provide rural industries with a vehicle to collectively take initiatives considered to be of benefit to a particular sector. I assure the House that I am aware of the concerns of the New South Wales Farmers Association that industry contributions to the total asset base held by a committee be returned to an industry on completion of the committee's activities. The bill does not intend to perpetuate past practice where industry contributions to committee assets were returned to consolidated revenue.

Amendments will be introduced in the Legislative Council to ensure the ordinary distribution of assets between the various bodies that have contributed to the asset base of committees. The topical issue raised by the honourable member for Barwon—ovine Johne's disease—is the reason we need to pass the legislation as quickly as possible. Through the Agricultural Resource Management Council of Australia and New Zealand—ARMCANZ—we have developed a proposal for a national program that will require not only Federal money but also State and industry money. Unfortunately, New South Wales does not have the legislative vehicle to collect the funds, no matter how co-operative the Government and the industry are. This legislation will provide that vehicle and enable the Government to work with industry to resolve the ovine Johne's problem, which is a priority of the Government and a major concern of the industry. No doubt the program will require resources from both industry and government in the future.

In response to comments made by Opposition members, the honourable member for Bulli and the honourable member for Waratah put on record a



number of safeguards in the legislation. The honourable member for Bulli emphasised industry control, the power of the industry, the annual reporting process, the supervision by committee constituents and the winding-up provisions that require a poll to be taken. The honourable member for Waratah referred to the flexibility of the committee and the fact that it would come under the subordinate legislation. He also referred to other safeguards in the legislation, including the poll—which is the strong point of the bill—the use of liquidators and the power of the Minister under the legislation. The New South Wales Farmers Association raised concerns with the legislation that may be specific to one industry.

The legislation is not a specific law relating to one industry. It is generic legislation for different industries which may use all of it or parts of it to establish their committees. A number of members who have spoken in this House for various industries have referred to marketing orders. Some provisions in the legislation are not new. The legislation will introduce a standard set of rules to be followed by all industries when setting up marketing committees, which have had the support of individual agricultural industries in past decades. The legislation is timely. I thank both Opposition and Government members for their support. No doubt there will be further negotiations before the legislation is debated in the Legislative Council. I am sure that some common ground will be reached with the Opposition and the New South Wales Farmers Association. I commend the bill to the House.

**Motion agreed to.**

**Bill read a second time and passed through remaining stages.**

**Mr ACTING-SPEAKER (Mr Gaudry):** I welcome to the gallery students and staff of Carlingford High School, which is in the electorate of the honourable member for Eastwood.

#### **MARKETING OF PRIMARY PRODUCTS AMENDMENT (RICE MARKETING BOARD) BILL**

#### **Second Reading**

**Debate resumed from 20 May.**

**Mr SMALL (Murray)** [11.44 a.m.]: I am pleased to lead for the Opposition on this bill. I am also pleased that the Minister for Agriculture, and Minister for Land and Water Conservation has

introduced legislation to amend the Marketing of Primary Products Act. Both the Government and the Opposition are in favour of the amendments. The overview of the bill states:

The object of the Bill is to amend the *Marketing of Primary Products Act 1983* so as to make further provisions with respect to the following:

- (a) the appointment, by the Rice Marketing Board for the State of New South Wales constituted under that Act, of authorised agents and authorised buyers,
- (b) agreements between that Board and those agents and buyers,
- (c) the granting of exemptions by that Board under section 57 of that Act,
- (d) the authorisation of certain things for the purposes of section 51 of the *Trade Practices Act 1974* of the Commonwealth and the *Competition Code of New South Wales*.

The rice industry began in the early 1920s. At that time Burrinjuck was already part of the Murrumbidgee Irrigation Area. A farmer from the area travelled to California and found that the land structure, the climate and the soil were similar to the MIA. He brought back some seed rice, which was grown and tested. After several years it was found that the yields were acceptable. The Rice Marketing Board was established in 1928. It was the first such board established in New South Wales. The board sold the rice it grew to several private millers. It was not until the late 1960s that the Rice Milling Co-operative was formed. The rice industry, through the support of the growers, then established its own mills. There are now six rice mills—at Griffith, Yenda, Leeton, Coleambally, Deniliquin and Echuca. The industry thrived because it had the opportunity not only to grow rice as a raw material but also to value add by milling, packaging and selling it throughout Australia and the world.

Today the Australian rice industry produces 1.3 million tonnes annually. It has already produced just over that amount this year. Between 85 per cent and 93 per cent of that rice is sold overseas. I am not sure how much rice was produced worldwide in the past year, but it would have been in excess of 400 million tonnes. In recent years it has been around 430 million tonnes but it is probably approaching closer to 500 million tonnes today. India would produce in excess of 70 million tonnes and China would produce in excess of 130 million tonnes, most of which would be consumed at home. The United States of America was the largest exporter of rice, but now Thailand is the largest exporter. Australia is probably ranked fourth or fifth in the export market because only a small amount of

rice is traded around the world—approximately 12 million to 14 million tonnes. Australia is number one in the export market for quality rice, and California is a close second. Research in the rice industry has been unique and important. The Department of Agriculture, through this Minister and past Ministers, has played an important role.

A number of competent people have worked at the Yanco research station since its establishment, including Laurie Lewin who currently works there. They have worked together, through the Department of Agriculture, on behalf of the rice industry and they have done a tremendous job. The research funding has been shared between the State and the industry. One of the most important things for the industry was the establishment of the Rice Marketing Board. That board is composed of five grower members and two government-appointed nominees, whose input has always been beneficial. When I was a member of the Rice Marketing Board from 1977 to early 1985 I was impressed with the quality of the government appointees. Stan Lanham, a jeweller in Leeton, was a government appointee and in my view he did an excellent job. Merrick Burrell was another outstanding appointee, whose special interest was in shipping line work.

The Rice Marketing Board was given vesting powers and those powers, which have been extended over the years, have afforded protection to the industry. Those powers have assisted not only rice growers and the community but also the marketing and milling of rice. Each year the rice growers sign an agreement with the co-operative mill, which takes all the rice, mills it, produces it and sells it. The grower has to deliver the rice to the mill within seven days or risk contravening the vesting powers. Many people would regard this as a monopoly, and that may be the case, but it has assisted the industry to sell its rice on world markets where competition is intense. In the 1970s a 31 per cent tariff protection applied to the rice industry but 25 per cent of the tariff protection was removed in 1974. The industry faced great difficulty, but it put up a very strong case that any rice brought into Australia had to be of the same quality as rice produced in this country.

The industry was fearful that diseases that can be carried on the wind, particularly windblast, might be introduced into Australia. Australian rice is free of disease, but many Asian countries are not so fortunate. The Philippines has established a huge research station in an attempt to eradicate diseases affecting its rice. Only milled rice is allowed into Australia—except for some new varieties which are required for research and other purposes and are

subject to quarantine procedures imposed by the Department of Agriculture. The rice has to be dehulled because the spawn of disease is often carried in the husk. A number of shipments of rice brought to Australia have been rejected because the rice was not milled and the introduction of disease could have greatly harmed the Australian rice industry.

When the coalition was in office members of the rice industry and I had a meeting with the then Minister for Agriculture, the Hon. Ian Causley, who agreed to extend the vesting powers for the industry. After the change of government the present Minister for Agriculture undertook a review of the industry and further extended the vesting powers to 2004. The industry is grateful for that extension and for the Minister's continuing interest in the rice industry. The Minister has demonstrated that interest by officially opening a number of conferences in the Murrumbidgee Irrigation Area and in the Murray Valley region.

I want to touch on some of the more important issues contained in schedule 1 to the bill, which amends the Marketing of Primary Products Act 1983. Schedule 1[5] gives effect to the objects referred to in the outline of provisions by inserting proposed schedule 6 in the Marketing of Primary Products Act 1983. Clause 4(1) of proposed schedule 6 provides that the authorised agents and authorised buyers that the Rice Marketing Board for the State of New South Wales appoints under the Act may exercise their functions as such for the term, not exceeding four years, specified in the order of appointment, unless the order is rescinded before the term expires.

Clause 6 of the proposed schedule makes further similar provision in relation to the exemption that the board may grant under section 57 of the Act—that is, an exemption from the operation of section 56—which provides for the vesting of a commodity in the board constituted under the Act in respect of the commodity. Clause 6(5) applies the restriction on revocation of an exemption, imposed by proposed clause 6(4), to and in respect of the exemption granted by means of the notice of exemption signed for and on behalf of the board by its chairman and secretary on 10 February, and published in *Government Gazette* No. 52 of 13 March at page 1537. That notice:

... exempts from the operation of section 56 of the Act all sales of the commodity rice from producers to the Ricegrowers' Co-operative Limited (Co-operative), as the authorised buyer appointed by the Board under section 51 of the Act purchasing directly from its members (and others requested by the Board to sell to it as an authorised buyer)

and on its own account under the terms of any current or future agreement between the Board and the Co-operative relating or extending or amended to relate to rice harvested during the period from and including 31 January 1998 up to and including 31 January 2004.

Proposed clause 7 authorises certain things for the purposes of section 51 of the Commonwealth Trade Practices Act 1974 and the New South Wales Competition Code. Things authorised for those purposes are to be disregarded in deciding whether a person has contravened part 4 of the Trade Practices Act 1974. The things authorised are:

- (a) anything done, by or on behalf of the Board or any appointee of the Board under Part 3, in the exercise of any function in accordance with that Part or proposed Schedule 6, and
- (b) anything done under any agreement or arrangement entered into by or with the Board under Part 3 or proposed Schedule 6, and
- (c) anything done under the agreement made on 17 December 1985 between the Board and Ricegrowers' Co-operative Limited (relating to the whole of the annual New South Wales rice crop) as renewed and in force from time to time.

These amendments are important to this highly competitive Australian industry. Everyone in this House would agree that the rice industry should be given credit for the way in which it competes in the marketplace and for the quality products it produces. Migrants from many different countries are accustomed to eating various types of rice, and our industry produces many different types and qualities of rice. The Riverina area produces world-quality Basmati rice, flavoured rice and long-grain and short-grain rice. Regions near the Equator might not be able to grow some varieties of rice but, by and large, most varieties are being grown in Australia. Australia competes well in an open and free marketplace and produces most of the varieties of rice required by migrants. Rice can be imported into Australia if it matches the quality of locally produced rice and it is guaranteed to be disease free.

Through its own research, the rice industry has grown and developed to meet world markets, but competition has been tough. Rice produced in the Burdekin area of Queensland and in the Ord area of Western Australia faces stiff competition from rice produced in America and other countries. I praise all the growers and employers working in the rice industry. My son Geoff, my family and I have been growing rice since 1956, so I have been involved in the industry for 42 years. I was a member of the Rice Marketing Board and its deputy chairman when I retired. I was a member also of the Eastern Murray Valley Rice Seed Selection Co-ordination

Committee, which does an enormous amount of research and ensures that the rice that is harvested for seed and is stored is subject to quality control. I was also Chairman of the Rice Industry Research Committee, which is heavily involved in the industry.

I am pleased that the Minister introduced this legislation. I am concerned, however, that John Elliott, who has become the largest rice grower in New South Wales—although even with vesting powers he has not been able to sell rice in the New South Wales marketplace—is now growing rice in Victoria and expanding in that area. Without orderly marketing we cannot maintain our market strength. John Elliott must do the right thing by the industry. If not, he could open a door to Japan and put a lot of pressure on our industry to force prices down, and we would lose many secure growers who are doing a tremendous job. On behalf of the Opposition I thank the Minister for introducing the legislation. We support it and look forward to its progress through the Parliament.

**Mr ANDERSON** (St Marys) [12.04 p.m.]: The Government should rest its case on what the honourable member for Murray said. I compliment the member on his comprehensive knowledge of the rice industry and the legislation that regulates it. The clear message from the honourable member for Murray is that the rice industry is working effectively and well. The New South Wales rice industry was established in 1920 and must have been doing the right things for it to have developed in the way it has. It has developed to such an extent that it is now the biggest rice producer in the Commonwealth of Australia and it is an exporter of significance. The Minister for Agriculture is highly supportive of the industry. The agreement entered into by the Council of Australian Governments required the Minister to review 47 agricultural industries, and the Minister established a committee comprising delegates from Treasury, the Department of Agriculture, and the industry. That committee determined what the industry was doing, how it was developing and what it could do to become even more competitive.

The COAG agreement requires reviews to be undertaken of competitive industries with a view to their producing and providing better for the people of Australia. The rice industry is clearly doing all those things, and because of the way in which it is now structured it generates significant public benefits for the State. However, it must review its activities and find ways and means of improving them. The honourable member for Murray explained how rice is processed and how the industry is

further developing the process. The rice industry, like many other rural industries, has organised itself to quite an extent but other benefits can be gained from value adding. Overall, the rice industry is looking after its interests, its workers and the people of New South Wales. As a result of the review, the Minister decided that the COAG requirements should be considered, but not to the detriment of the industry. That is why we are debating this legislation. I support the Minister's aims and I compliment him on introducing this amending legislation, which is worthy of consideration and support.

**Mr AMERY** (Mount Druitt—Minister for Agriculture, and Minister for Land and Water Conservation) [12.08 p.m.], in reply: I thank the honourable member for Murray and the honourable member for St Marys for their support for the bill. The in-depth knowledge of the rice industry of the honourable member for Murray is unequalled in this House, and I thank him again for his comments in support of the bill. I hope he influences his Federal colleagues to ensure that no penalties are imposed on New South Wales as a consequence of its competition policy reviews of rural industries. A short time ago the Government made a similar decision in relation to the dairy industry. The honourable member for Murray explained why the State Government decided to maintain existing arrangements until 2004. Under competition policy arrangements entered into by the Council of Australian Governments, State governments are required to apply a public benefits test to any regulations that are seen as anticompetitive. The honourable member for Murray said—as I have said at many public forums—that the rice industry has satisfied that test.

The test is designed to make sure the industry is competitive. Eighty-five per cent of the rice produced in New South Wales is exported and competes on the world market at world parity prices. As I recall, about 40 per cent of rice bought in Australia is imported. Therefore, local rice is competing on the domestic market with rice imported from countries where it is produced at a lower cost. Another reason for the Government maintaining the existing arrangements is to recognise the significant contribution the rice industry makes to regional development and infrastructure, particularly in the region represented by the honourable member for Murray. On many occasions the Premier and I have been the guests of rice producers and have inspected first-hand some of their facilities.

A major facility is what was known as the Letona cannery, which is now used for the storage and distribution of many value-added products. I have personally opened many storage sheds, and on the Des Cudmore property I had one of my first opportunities to see first-hand what the rice industry is doing for that part of the State. With all that regional development go jobs and local wealth, and that is a major reason why the Government has continued the existing arrangements.

Another reason for maintaining the status quo is consumer benefits. A major concern of those who advocate deregulation is what benefits will flow on to the consumers. The record of the rice industry speaks for itself, and rice producers have defended their position on consumer benefits. Since 1984 the real price of rice to the Australian consumer has fallen. Australian rice competes on the export market and on the local market. In real terms its price is lower than it was in 1984, and the industry is a considerable contributor to regional development through its infrastructure program and job creation.

What more could those who believe the Government's decision is wrong want from an industry that has been one of our outstanding success stories? There have been some criticisms of the rice industry's need for water, and in recent times I have received representations about water policy and water allocation. A water policy should not hurt an industry as successful as this one. Future rice crops are not under threat from government policy, either national or State. At the moment they are more under threat from climatic conditions. Water storage levels in that part of the State represented by the honourable member for Murray are at an all-time low, and that is a worry for all agricultural industries, not only the rice industry.

I should make a couple of comments to those who are critical of the rice industry and its use of water. First, through the Department of Agriculture's advisory research services the industry is working closely with the Government to look at better on-farm management techniques, and it is experimenting with different varieties of rice with a view to reducing the industry's reliance on water. Rice producers are trying to respond to the pressure on all agricultural industries to get the best return from their water usage.

This industry has had some successes. Some time ago the rice industry was using about 10 megalitres—a megalitre being one million litres—per hectare per year. Now, with the industry

working with government and through its own projects, it is not unusual to achieve figures of six to seven megalitres per hectare per year; and of course the industry is aiming to lower that figure. With the assistance of the Department of Agriculture and the Department of Land and Water Conservation the rice industry is able to respond to the pressure to conserve water supply.

The honourable member for Murray spoke about the history of the rice industry. Obviously its strength has been a secure return to the farmers through their single-desk arrangement. The honourable member made some criticism of John Elliot's involvement in the industry. Obviously an open-market arrangement would be of considerable benefit to a large producer like Mr Elliot, but to the detriment of the majority of rice growers. Without the single-desk arrangement it would be easy for overseas buyers to go from farm gate to farm gate picking off producers one by one, offering them lower prices, again to the detriment of the whole industry. This is a classic example of how single-desk selling has been an outstanding success story, and the Government is pleased to continue to support such an arrangement.

Overall, this legislation gives the industry protection against any trade practice challenges, and that must be done by July this year. I conclude by offering both honourable members my thanks for their support. I congratulate the rice industry on its continued success. I am pleased to continue to work with the industry in an informal way. On my many visits to the region I have been pleased to be invited to open a number of conferences. The rice industry is an exciting one and the people in it deserve the support of the Government. The Government is pleased to respond to that need.

**Motion agreed to.**

**Bill read a second time and passed through remaining stages.**

## **REAL PROPERTY AMENDMENT BILL**

### **Second Reading**

**Debate resumed from 20 May.**

**Mr D. L. PAGE** (Ballina) [12.16 p.m.]: I lead for the Opposition on the Real Property Amendment Bill. At the outset I indicate that the Opposition will not oppose the legislation. Honourable members will be aware that the Real Property Act 1900 established and regulated the running of the Torrens system of land registration in New South Wales.

This legislation is a result of a recommendation from a committee that is representative of the private sector, the practitioners in the field and the agencies involved. It included representatives of the Law Society of New South Wales, the Association of Public Conveyancers, the Department of Fair Trading, the Institute of Surveyors, the Department of Urban Affairs and Planning, the Attorney General's Department and the Land Titles Office. All those organisations made a recommendation relating to the removal of obsolete restrictive covenants from titles.

It is important to know what restrictive covenants are. They are legally enforceable promises or agreements restricting the use to which land may be put. Existing methods used to extinguish restrictive covenants are often cumbersome and expensive, and a new mechanism is needed to facilitate the extinction of certain restrictive covenants recorded in the Torrens register. At present a request may be made to the Registrar General for the removal of a recording of a restrictive covenant. Such requests often encounter major difficulties, because the request must be signed by all those who own land that benefits from the covenant. This class of person is often difficult to define and they may be numerous, especially where the relevant land has been subdivided.

An alternative to obtaining a release or variation of a restrictive covenant is to make an application to the Supreme Court pursuant to section 89 of the Conveyancing Act 1919. Such applications are rarely successful, especially if they are opposed, and the proceedings usually prove to be costly and time consuming. This bill certainly improves the current situation in that it amends the Real Property Act to empower the Registrar General to extinguish certain restrictive covenants, including those that are no longer of any practical application or value. At the same time it provides for procedures, including notification and court action, to protect the interests of those who would benefit from a restrictive covenant. So, there is an admirable balance in this legislation. The legislation applies only to covenants involving building materials, fencing and the value of structures, where those covenants have been in existence for 12 years or longer. As examples of what this legislation is trying to improve I shall refer to building material covenants, which typically restrict the range and style of building materials. For example, they may require that only slate roofing be used, rather than terracotta tiles or other roofing material.

Other covenants in this category confine the materials used in construction, for example, to brick

or stone, or provide that only a certain percentage of a building may be constructed of materials other than brick. I am told that in some areas of the Blue Mountains restrictive covenants require the construction of timber houses—a ridiculous requirement in a high bushfire risk area at a time when so many other appropriate building materials are available. Covenants on the value of a structure will typically provide a minimum construction cost. Many such covenants are very old and require an expenditure of not less than £200—and I emphasise pounds—on the construction of a house. I am sure that the Minister has an eye for a good deal but I doubt that anyone could construct a dwelling these days for £200, even with the most favourable exchange rate. It is time that these outdated restrictive covenants were removed from land titles.

Fencing covenants were used to exempt a developer from contributing to the cost of erecting dividing fences in a subdivision. Others prohibited the construction of front fences and/or side boundary fences between the building and the street. The bill provides protective measures in this regard. Persons having the benefit of a covenant will be notified of any application for extinguishment of a covenant. They will have an opportunity to lodge a caveat and, if necessary, to support their interest in court. Proposed section 81J provides the Registrar General with a discretionary power to remove restrictive covenants from titles when the relevant covenant is clearly of no value or has lost any practical application. I would not generally support discretionary powers for bureaucrats in such circumstances, but I am led to believe from my reading of the legislation—although I am not entirely convinced—that a protective mechanism is always available for persons who perceive themselves to have a benefit under a restrictive covenant.

If the Registrar General can extinguish a restrictive covenant without receiving an application, I am concerned as to whether a person can be guaranteed the opportunity to apply for a caveat and pursue court action. I ask the Minister to clarify the discretionary power that is available to the Registrar General to remove restrictive covenants without receiving an application. Presumably, if an application is not received, a restrictive covenant could be removed from land without the owner being aware of it. That does not seem to be consistent with the flavour of the legislation. Some types of covenants are more likely to retain their value for the owner of the benefited land, even after a substantial period has elapsed since their creation.

An example are covenants that restrict the height of buildings to preserve a view. It is important to make the point that such covenants are not in any way affected by this legislation. Similarly, it is important to recognise that this legislation does not impact on people's rights under the Environmental Planning and Assessment Act. As a result of the removal of these restrictive covenants, a person is not denied the right to object to a development under the Environmental Planning and Assessment Act. In summary, legislation that removes restrictions which have run their course and are no more than nuisance value will improve the current situation in a quick, cheap and effective manner. At the same time, valid claims against the removal of valuable rights are protected and can be enforced in the courts. In conclusion I acknowledge and thank Julie King from the Minister's office and Andrew Simpson from the Land Titles Office for the briefings they provided me in this technical area of the law. As I said at the outset, this balanced legislation will improve the present position. Subject to the clarification I sought from the Minister, the Opposition supports the legislation.

**Mr PRICE** (Waratah) [12.24 p.m.]: I support the Real Property Amendment Bill. In relation to the proposal to allow an application to be made to the Registrar General for extinguishment of a restrictive covenant, I emphasise that effective procedural safeguards will allow landowners to protect any valuable property rights that may exist in an affected covenant. A relevant application will not be registerable unless the covenant sought to be extinguished falls within one or more of the three categories defined in the bill, which are by their nature likely to diminish in value over time. Any such restrictive covenant must be at least 12 years old at the time the application is lodged for the Registrar General to have discretion to consider the application. The three categories of covenant that are susceptible to becoming obsolete relate to restrictions on permissible building materials, restrictions protecting developers and others from fencing costs, and the imposition of a permissible value of structures.

The proposal does not mean that all such covenants will be automatically repealed after 12 years. Rather, it is proposed that after 12 years has elapsed the registered proprietor whose land is subject to such a covenant may apply for extinguishment. Recently the council in my electorate approved the relocation of a weatherboard cottage with a galvanised roof to an area that was subject to a covenant setting strict building

requirements. That created some angst among people in the community who had bought land in that area in good faith and had observed the covenant. This provision will allow some flexibility, but obviously it will have to be tested against local government requirements. There are significant examples in most communities of covenants being unnecessarily obstructive, and in some cases being overruled unfairly. Hopefully this mechanism will help to resolve that difficulty and make life easier for people in subdivisions that are at least 12 years old.

We must acknowledge that over time improvements are made in our society—new materials are invented and are applied in different ways. Because requirements were set in concrete 12 years ago does not mean that new materials, ideas and architectural requirements will not improve subdivisions and enhance the quality of community life. It is high time that such a provision was legislated to allow improvements to be considered without too much litigation. Significantly, the proposed 12-year limitation period applicable to applications accords with the statutory limitation period for enforcing an interest in land. That limitation period has been adopted for the purposes of certain other types of application, based on the effluxion of time, for registration as an owner of an interest in land.

For example, under the Real Property Act 1900 a qualified title caution may lapse after 12 years and an application for possessory title may be made on the basis of 12 years of possession adverse to the interests of the registered owner. Therefore, there is precedent for the use of a 12-year limitation period in similar circumstances to the proposed scheme for extinguishment of restrictive covenants. The proposed legislation will not allow an application to be granted unless all those with a registered or otherwise ascertainable interest in the relevant restrictive covenant are identified so that they may be served with notice of the application, either personally or by registered post, and, in appropriate cases, by advertisement in the press. An extended period of notice of three months for the first two years of the legislation's life will allow affected persons to become aware of the new law, to consider their position and to obtain relevant information without necessarily having to approach a solicitor or licensed conveyancer.

After two years of operation the required notice period will be at least one month, which is the usual period of notice required to be served for other real property applications, such as applications for possessory title and primary applications to bring land under Torrens title. The form of notice served

on affected persons will be approved by the Registrar General and must contain certain information. A notice must identify both the relevant restrictive covenant and the land burdened by the covenant, set out the procedure for extinguishment, and inform the benefited owner how to object to extinguishment by the lodgment of a caveat.

The lodgment of a caveat against the grant of an application by a person benefited by a restrictive covenant will allow him or her to take advantage of the existing caveat provisions of the Real Property Act 1900. The existing caveat mechanism has proved to be an effective and speedy method under which a person with an interest in land may invoke a statutory prohibition against the registration of a dealing or application inconsistent with the interests disclosed in the caveat. If after a caveat is lodged the application for extinguishment takes advantage of the caveat-lapsing procedure, the caveator may be served with what is known as a lapsing notice. The Real Property Act provides that a caveat may lapse 21 days after service of such notice on the caveator. In those circumstances, a caveator who wishes to retain his or her interest in a restrictive covenant may decide to seek a court order to preserve the operation of the caveat.

It is important to note that all a caveator who claims either an interest in the land benefited by the covenant or a right to extinguish the covenant or consent to the extinguishment of the covenant must prove in such proceedings is that he or she has an interest in a valid restrictive covenant or that the relevant right exists. The proposed legislation does not impose any burden on a person benefited by a restrictive covenant to prove in court that the covenant should continue on its merits. For example, there will be no need to prove that a caveat has retained any practical value, that it remains in use or that it does not impede the reasonable use of the burdened land.

It is anticipated that the availability of the lapsing procedure will not result in excessive litigation. Indeed, litigation will be discouraged, because all a relevant caveator must prove to uphold the caveat in court is the existence of a valid restrictive covenant or the existence of a contractual right contained in the covenant to extinguish or consent to the extinguishment. If an applicant for extinguishment considers that the relevant restrictive covenant is probably valid, it is unlikely that he or she would choose to commence the lapsing procedure. This follows because the service of a lapsing notice may result in court proceedings which may well decide against the applicant for extinguishment if the restrictive covenant is found to

be valid or a right to extinguish the covenant is found to exist. In most instances it is anticipated that the likely outcome of such proceedings would be clear from the outset.

It will remain possible for the existence of a restrictive covenant to be challenged in court on its merits according to the grounds set out in section 89 of the Conveyancing Act 1919. This bill was not arrived at lightly. The committee that undertook the inquiry came up with proposals that cover all aspects of the industry, from surveying to real estate to legal matters. The issues have been fairly judged and good recommendations have been made. The proposed amendments will ensure that the interests of those persons who have the benefit of a restrictive covenant will be protected. Provision is made for both adequate procedural safeguards and a right to approach the court for an order preserving a relevant caveat and covenant. This bill is necessary legislation. It will improve the lot of many people, particularly those concerned with subdivisions of some age. Circumstances have changed, requirements have altered and the styles of building and building materials have probably improved significantly. I support this bill and commend it to the House.

**Mr MERTON** (Baulkham Hills) [12.33 p.m.]: I have pleasure in supporting the Real Property Amendment Bill and I congratulate the Minister and those responsible on bringing it before the Parliament. It would be fair to say that restrictive covenants, whether they concern building materials or fencing, have for many years caused considerable concern to home owners, home buyers and legal practitioners. There is no doubt that some subdivisions contain covenants that would be considered to be onerous, excessive or completely irrelevant to the 1990s and into the future. It has been said, rightly, that once a covenant has been registered on the relevant deposited plan by way of restrictions to user, the land concerned is marked with an indelible seal until such time as a court of law sets the covenant aside. As the honourable member for Waratah said, that is often a difficult and expensive process.

This bill allows the Registrar General by application and, under proposed section 81J, of his own volition to extinguish a restrictive covenant. That is a great step forward. Many home owners and others involved in the property industry will be saved considerable expense, delay and difficulty. I again congratulate the Minister and those responsible on this legislation. The bill sets out certain provisions relating to building materials covenants and fencing covenants. The registered proprietor of

land the subject of a covenant that has been in existence for more than 12 years is given the ability to make application to the Registrar General to have the covenant extinguished. If everything is in order the Registrar General may extinguish the covenant. The bill also contains protections. Proposed section 81C provides:

- (1) The Registrar-General must reject an application to extinguish a restrictive covenant if, in the opinion of the Registrar-General, the restrictive covenant to which the application relates:
  - (a) is not a building covenant, fencing covenant or values of structures covenant, or
  - (b) took effect less than 12 years before the date on which the application was made.
- (2) The Registrar-General must reject the application if, for any other reason, the Registrar-General is satisfied that the application should not be accepted.

I ask the Minister whether this bill goes far enough. In the 1920s, and earlier, covenants took the form of a benefit burden annexed to land, were clearly enforceable and imposed further covenants stipulating that a house could not be built on the land unless the building materials, plans and specifications were of a type approved by the subdivider. It is my hope that the definition of "building materials covenant" in this bill covers such restrictions, because they need to be covered. The bill does not make that clear. Such a covenant causes great distress. The covenant could have been created in 1935, for example, and a home buyer today would be confronted by the dreadful restriction on the title that original plans and specifications of the house have to be approved by someone who subdivided the land in the 1930s. It is often impossible to meet the terms of the covenant. If it was a company that subdivided the land, the company may well have gone into liquidation. If an individual subdivided the land, it is highly probable that the individual is deceased or unable to be traced.

The home buyer often does not know whether there is a problem with a defective title. Often the reality is that if a covenant has been in existence since the 1930s and requires the permission of the original subdivider as to plans and specifications, then breach of the covenant occurred when the house was built, and the covenant does not refer to continuing breach. Many old covenants do not refer to continuing breach. Notwithstanding that, the element of uncertainty causes problems for the purchaser, the institution lending money and the person seeking a loan—given that most of us need to borrow money to buy a house. That matter should



be considered. The inclusion of a measure to cover this difficulty would round off this legislation very nicely and would be of service to the community.

A similar covenant applies in other situations in relation to vacant land. Many enthusiastic subdividers have imposed similar conditions relating to resort land: the land cannot be built on unless the plans and specifications are approved by a particular company, the subdivider. Such requirements have been imposed on many subdivisions on the north coast and south coast of New South Wales. People who have bought a block of vacant land and who want to build a house on it suddenly find that before they can begin construction they have to contact the original subdivider. The land may have been subdivided in 1962, much more than 12 years ago. After the purchaser finally finds the subdivider he is told, "Yes, send the plans down and our architect will have a look at them." Some dollars later the architect approves the plans and a magic stamp goes on. It is a bit like homing pigeons: they keep coming home.

Such a requirement is fundamentally wrong. The legislation should provide that after 12 years such covenants are unenforceable. The plans should not have to be approved by a particular party. I ask the Minister to consider whether the building materials covenant, which seems a fairly general type of description, should include such conditions. I assure the Minister that it is a very big problem. In a case involving an existing house a person can go to the great expense of applying to the Equity Court, notifying all the neighbours and residents and advertising in the newspaper. This is good legislation but I wonder whether it goes far enough. It provides adequate protections for everyone involved. The legislation stipulates that the Registrar General is to notify any person with an interest in a property who may be affected by a variation of a covenant, and protections are provided for such people to lodge a caveat to protect their interest. So they will not lose their rights.

The shadow minister expressed concern about new section 81J. I am very comfortable with it. It provides that the Registrar General has to be satisfied about certain criteria before a restrictive covenant can be extinguished. They include: the covenant is limited in its operation and the time of the operation has expired; separate parcels of land that were respectively burdened and benefited by the restrictive covenant have been consolidated into a single parcel; the restrictive covenant is personal and does not run with the land; there is no express annexation of the benefit of the burden—I spoke earlier about subdivisions prior to 1920—where it is

not expressly stated which land has the benefit and which land has the burden of the particular covenant; and there is no practical value or practical application of the covenant.

The words "only one main building may be erected on the subject land" appear on some restrictive covenants. That may be a difficult problem to tackle. An area of five acres may have been subdivided into 25 building blocks, with the covenant effectively flowing on to all the individual building blocks. So when the land is subdivided, a covenant that was intended to apply to a five-acre poultry farm in 1960 carries on to each of the building lots as 1990s home sites. Many council planning instruments and Department of Urban Affairs and Planning instruments provide that for that planning instrument to prevail, any restrictive covenant which may prevent the building of 25 houses on that five-acre subdivision is suspended. I have concern about the word "suspended". It does not mean that the covenant is extinguished, merely suspended. I question whether after 12 years or in other circumstances an application could be made to have the covenant extinguished rather than suspended.

If it is only suspended, the council or department could later change the zoning of the land. If by some misadventure something were to happen to a house, it could be argued that technically there would be problems in rebuilding the house. That is getting into an academic argument but the general thrust of the legislation is to simplify procedures, to make it easier and cheaper for people to buy a home and to ensure that they have a good title to their home. It is an excellent idea and it should have been done years ago. If the Minister and those advising him and the people in the Land Titles Office would consider some of the matters I have suggested, the bill could be even better than the excellent package it already is by going a little further to overcome the problems mentioned: plans and specifications having to be approved by the original subdivider and only one main building being permitted on a parcel of land. By and large this is great legislation. As the shadow minister said, it is consistent with qualified title: after a period of 12 years the qualification lapses. Introducing an almost mandatory sunset clause relating to restrictive covenants is very good legislation.

**Mr KINROSS** (Gordon) [12.48 p.m.]: It is very difficult to follow the learned member for Baulkham Hills, who had such a prolific practice in conveyancing generally and who has a thorough and learned knowledge of restrictive covenants and real property matters generally. I commend him

thoroughly for his efforts and statements on the Real Property Amendment Bill. I will be very brief. I too, having practised in this area, welcome a number of the reforms in the bill. The Real Property Act 1900 establishes and regulates the running of the Torrens title system of New South Wales land registration. The bill comes before the House based on the recommendations of a committee comprising representatives from the Law Society, the Association of Public Conveyancers, the Department of Fair Trading, the Institute of Surveyors, the Department of Urban Affairs and Planning, the Attorney General's Department and the Land Titles Office.

The bill amends the Real Property Act to empower the Registrar General to extinguish certain restrictive covenants, including those that are no longer of any practical application or value. It creates procedures, including notification and court action, to protect the interests of those whose land has the benefit of a restrictive covenant, land which is referred to as the dominant tenement. The legislation will assist in the quick, cheap and effective removal of restrictions which have run their course and are only of nuisance value. At the same time valid claims against the removal of valuable rights are protected and can be enforced in the courts. For those reasons the Opposition will not oppose the bill.

**Mr AMERY** (Mount Druitt—Minister for Agriculture, and Minister for Land and Water Conservation) [12.49 p.m.], in reply: I thank the honourable member for Ballina, who led for the Opposition, and the honourable members representing the electorates of Waratah, Baulkham Hills and Gordon for their positive and interesting contributions to the debate. They all agreed that the legislation is in need of an update. They acknowledged the contributions of the various organisations that were involved in the recommendations that resulted in the proposed changes. I also thank the honourable member for Ballina for his complimentary remarks about the work of Julie King and Andrew Simpson and their briefing of Opposition members.

Honourable members told some interesting tales, if I can use that description, about covenants that have been in place for some time. The honourable member for Ballina referred to building a house for £200. Obviously that cost is now well out of date. If it is not, I would like to know where I can build a house for that cost. The main emphasis in the legislation and in my second reading speech was on building materials. One example was a slate roof, but slate roofs are very rare these days. A

dangerous example highlighted by the honourable member for Ballina was a covenant requiring houses in the Blue Mountains to be constructed from wood. That covenant was obviously put in place at a time when the Blue Mountains were free of bushfires.

In the main the speakers in the debate have made complimentary and appropriate comments about the way in which the bill seeks to improve the cumbersome, expensive and time-consuming procedure of removing covenants. The honourable member for Ballina raised one matter about which I should like to comment. He questioned how those with the benefit of covenants can protect their rights if they are unaware that the Registrar General is about to remove the covenant. The honourable member for Ballina was also concerned about proposed section 81J. I have been advised that a narrow discretionary power is proposed to allow the Registrar General to remove a restrictive covenant in the absence of an application. That power will only be used if the Registrar General can be sure, following an examination of the relevant plans and dealings, that the covenant is of no value and has no practical use.

The power will also apply in the circumstances set out in proposed section 81J(1)(a) to (e). Those paragraphs set out the circumstances in which the Registrar General may extinguish a restrictive covenant without receiving an application. That is not a full answer to the question asked by the honourable member for Ballina but in the unlikely event, perhaps a one-in-a-million chance, that a covenant is extinguished without meeting the necessary criteria, application could be made to have that covenant reinstated. If the matter is in dispute, it could be subject to a court action. The bill contains a number of safeguards but the matter raised by the honourable member for Ballina will no doubt receive further consideration by the department if the unlikely event to which he has referred occurs.

The honourable member for Baulkham Hills questioned whether the legislation has gone far enough. If land is subject to an old covenant that requires the consent of the original subdivider, provided it is a building materials covenant it can be made the subject of an application for extinguishment. Alternatively, new section 81J will allow the Registrar General to unilaterally remove the covenant if it has no practical value or no practical application. The honourable member for Baulkham Hills asked the department to resolve the problems created by old covenants. He said that covenants of that nature more than 12 years old should be made unenforceable. Those matters have to be dealt with individually and I will take the suggestion on board.

The honourable member for Baulkham Hills gave the example of a large tract of land, for example a chicken farm, being subject to one main building covenant in 1962. He asked how the covenant would operate now if the land had been subdivided into 25 building lots. Such matters are subject to planning laws, rezoning by local government planning departments and so on. The committee decided specifically that such covenants should be varied only with the consent of all beneficiaries of the covenant or by a court. Concern was expressed that the legislation would take the same path. I acknowledge that there is a push by government and planning authorities to better use our land. For example, urban consolidation has been put forward as one way of handling Sydney's population growth.

Perhaps the honourable member for Baulkham Hills, with his expertise in real estate and legal matters, regards the legislation as a hindrance to that sort of progress. He also spoke about section 28 of the Environmental Planning and Assessment Act. I will make sure that his comments are forwarded to the appropriate Minister, that is, the Minister for Urban Affairs and Planning, for comment. Some of the questions asked by speakers in the debate will require a follow-up. I will ensure that an appropriate letter is drafted and sent to them explaining in more detail some of the matters they have asked about. Overall the contributions to the debate were positive and I thank honourable members for their support for the bill.

**Motion agreed to.**

**Bill read a second time and passed through remaining stages.**

# **DAIRY INDUSTRY AMENDMENT (TRADE PRACTICES EXEMPTION) BILL**

## **Second Reading**

**Debate resumed from 20 May.**

**Mr SLACK-SMITH** (Barwon) [12.56 p.m.]: I lead for the Opposition on this bill, which the coalition supports. The aim of the bill is to continue the dairy industry's protection from the Trade Practices Act for a further five years. There is an old saying, "If it ain't broke, don't fix it" and the dairy industry is working well. The Government's decision not to deregulate the dairy industry following the Hilmer review and to allow the present quota system to continue for a further five years under the Dairy Industry Act may be regarded as restricting trade practices under the Trade Practices Act.

The quota system is presently authorised under a regulation made in 1996 which grants exemption from the Trade Practices Act. The protection afforded by that regulation expires on 21 July this year and cannot be renewed by regulation. The bill seeks to continue the protection. The object of the bill is to ensure that, during a five-year period commencing on 21 July 1998, certain aspects of the current milk marketing arrangements in New South Wales administered by the Australian Dairy Corporation do not contravene part IV of the Trade Practices Act 1974 and the competition code of New South Wales.

The protection will expire on 21 July 2003, at which time there will be a further review of the dairy industry to establish whether the pricing and supply management arrangements for milk will be permitted beyond that date. The New South Wales Dairy Farmers Association supports the bill. Consumers receive a high-quality product at low cost, and farmers make a living from the dairy industry: if it ain't broke, don't fix it! Notwithstanding those matters, the Opposition does not oppose the bill.

**Mr NEILLY** (Cessnock) [12.59 p.m.]: I congratulate the Government on the Dairy Industry Amendment (Trade Practices Exemption) Bill. In doing so I suggest that the legislation continues what Labor governments have done for many years, that is, supported the dairy industry and, in particular, dairy farmers in New South Wales. I make specific reference to an extract from the submission of the Norco Co-operative Review of the New South Wales Dairy Industry Act 1979. At that time Norco was experiencing difficulties on the north coast in accessing the more lucrative Sydney market. In the lead-up to the 1975 State election Norco became active in lobbying politicians in New South Wales to restructure the industry.

At that time it sought to abolish the negotiability of quotas, remove the base market quantity concept from the Dairy Industry Act, and establish a mechanism to provide equity of market access to all producers over a phase-in period. Prior to the 1975 State election Norco put on record that continuation of the dairy industry policies of the Liberal Party-Country Party would have meant the continuing decline and eventual extinction of the dairy industry on the north coast of New South Wales. It stated:

History records that a Labor Government was elected to govern the State of New South Wales at the 1975 election and they had a clear mandate to implement changes to the DIA Act. These changes were directed at implementation of the

publicised policy which history demonstrates provided a stable basis on which the future economy of the region was built.

Those changes, not only on the north coast but across New South Wales, ensured the viability of the dairy industry in New South Wales, guaranteed that it operated under a profitable regime, and reversed the trends under the former coalition Government to drive dairy producers to the wall. I was surprised at the carping of National Party members following the Government's recent announcement. It has been suggested that New South Wales has delayed the introduction of a measure in response to the requirements of the national competition policy.

The National Party has conveniently forgotten that New South Wales is the first cab off the rank to grapple with this issue, although Victoria is the biggest dairy producer in Australia. The other States are waiting to see what will happen in New South Wales—and I remind the Opposition that they are not Labor States. This State has the most to lose by being first cab off the rank. Under the current agreement, the Crean agreement, New South Wales dairy producers assist Victorian producers by paying a subsidy to turn excess milk into product. The agreement will expire in June 2000 and the ramifications to New South Wales are not known at this time. The matter is in the hands of the Commonwealth Government. It is a figment of the imagination of National Party members that New South Wales has delayed carrying out a review of the dairy industry in compliance with the national competition policy. The opening two paragraphs of an article in the *Hunter Valley News* of 13 May are a load of codswallop, but I shall read them for the Minister's edification. The article stated:

Local dairy farmers have hit out at a state government decision to deregulate the dairy industry, saying the move will spell an end to dairy farming as we know it and increase milk prices.

Agriculture minister, Richard Amery, outlined the deregulation plans last week, with the proposed quota abolition currently before state cabinet. But State Cabinet is holding its cards close to its chest and has yet to release their findings.

To my knowledge at no stage did the Minister ever indicate that it was the intention of this Government to deregulate the dairy industry in New South Wales. I represent one of the biggest dairy farming areas in New South Wales. Last year I attended a meeting at Singleton when it was announced that the review would occur on 4 June. Almost 300 people attended that meeting, which signifies the importance of this matter to the people of Dungog and other parts of the Hunter region. About eight or nine meetings were held across New South Wales with an aggregate attendance of 1,350 to 1,400. The article further stated:

At the moment the region from Wyong to Tamworth is worth \$80 million in farm gate milk sales and includes over 350 farms and two major milk processing plants.

This industry contributes significantly to the local economy, and that is why so many people attended the meetings. The article further stated:

Singleton dairy farmer, Eric Moxey, said abolition of quotas would cause turmoil in the industry and force many smaller farmers out.

I believe if the dairy industry is deregulated the situation will be just like the egg industry where small farmers are squeezed out and just a few large producers supply the industry and consumers pay double and treble what they did before deregulation.

The former coalition Government, not this Government, deregulated the egg industry.

**Debate adjourned on motion, by leave, by Mr Neilly.**

*[Mr Acting-Speaker (Mr Mills) left the chair at 1.07 p.m. The House resumed at 2.15 p.m.]*

## BUSINESS OF THE HOUSE

### Precedence of Business

**Mr WHELAN** (Ashfield—Minister for Police) [2.15 p.m.]: I move:

That standing and sessional orders be suspended to allow Government Business to have precedence of General Business and General Business Orders of the Day (Committee Reports) on Thursday, 28 May 1998.

As I indicated last week, the Government has a heavy legislative program. I am cognisant of the need for private members' day, and therefore indicate that later in this session the Government will give due weight and consideration to private members' day.

**Mr HARTCHER** (Gosford) [2.16 p.m.]: It is important that honourable members who will vote on the motion know what business is listed for tomorrow. If they vote in favour of the motion, tomorrow they will not be able to debate a large number of bills on the notice paper that deal with issues important for New South Wales. Among those bills is the University of New South Wales Amendment (St George Campus) Bill. That important legislation, which is not supported by the Minister for Education and Training, will look after the interests of constituents in the highly marginalised seat of Kogarah, which is so inadequately represented in this place by Mr Langton.

Among the private members' bills on the notice paper is a bill that for three years I have been seeking to have debated in this House. Its objective is to give ordinary citizens of this State the right of self-defence in their own homes. The Premier often talks to Alan Jones, John Laws and other members of the media about his stance against crime and his belief in the right of self-defence, but I suspect that in a few minutes he will vote in favour of the Minister's suspension motion and therefore against debating a bill that tells the people of this State that the coalition will give them the right in their homes to protect themselves against intruders. The Government is showing no interest whatsoever in doing that. It never has. Across the State, but particularly in inner city areas of Sydney, homes are being invaded. People are being bashed and attacked in their homes, yet they have no clearly defined right at law to defend themselves.

**Mr SPEAKER:** Order! There is far too much interjection by Government members.

**Mr HARTCHER:** It is important that these facts be placed on the record. While Government members may wish to interject and pay no attention to what I am saying, at the end of the day law and order is one of the major concerns of the people of New South Wales. Law and order has been unsatisfactorily addressed by this Government. The Minister for Police was jeered at the annual conference of the Police Association last Monday. When he said, "We are giving you more powers and more assistance in maintaining law and order," the whole conference burst into laughter; the police all roared with laughter and jeered. Their only cheers were reserved for the honourable member for Eastwood, who is well regarded by police in this State as a person who is standing up for them and for law and order. The Home Owners Defence Bill tells the people of New South Wales, "These are your rights, these are your responsibilities, and if your home is invaded this is your statutory protection."

Another bill calls for the full cost of the Olympics to be revealed to the people of New South Wales. That bill is proposed by the Leader of the Opposition in an attempt to ensure that everyone in this State can find out what it is costing to run the Olympics. How much is it costing? Is it \$2 billion, or \$2.5 billion? The figure spirals each week. No-one knows where the money is going, but everyone knows that the funding is coming from schools, health, law and order, and from government department after government department. The Minister for the Olympics is making them pay for his profligate expenditure—expenditure for which he will not make himself accountable to the people of New South Wales. The Minister should support the bill, which has now been on the notice paper for 18

months, so that he can be made accountable to the people of New South Wales for the full cost of the Olympics. The Leader of the Opposition has no fewer than five bills on the notice paper, all of which should be debated by this House. Suspension should be denied.

**Dr MACDONALD:** I seek leave to speak on the motion to suspend standing orders.

**Leave not granted.**

**Mr O'Doherty:** On a point of order. Pursuant to Standing Order 65, which provides that a member may move without notice that a member who has risen but not received the call may be now heard, I move:

That the honourable member for Manly be now heard.

**Mr SPEAKER:** Order! The Clerk has advised that as the motion of the honourable member for Ku-ring-gai contravenes another standing order the Chair cannot accept it. I will put the question on the motion moved by the Leader of the House.

**Question—That the motion be agreed to—put.**

**The House divided.**

**Ayes, 50**

Ms Allan	Mr Markham
Mr Amery	Mr Martin
Mr Anderson	Ms Meagher
Ms Andrews	Mr Mills
Mr Aquilina	Mr Moss
Mrs Beamer	Mr Nagle
Mr Carr	Mr Neilly
Mr Clough	Ms Nori
Mr Crittenden	Mr E. T. Page
Mr Debus	Mr Price
Mr Face	Dr Refshauge
Mr Gaudry	Mr Rogan
Mr Gibson	Mr Rumble
Mrs Grusovin	Mr Scully
Ms Hall	Mr Shedden
Mr Harrison	Mr Stewart
Ms Harrison	Mr Sullivan
Mr Hunter	Mr Tripodi
Mr Iemma	Mr Watkins
Mr Knight	Mr Whelan
Mr Knowles	Mr Woods
Mr Langton	Mr Yeadon
Mrs Lo Po'	
Mr Lynch	<i>Tellers,</i>
Mr McBride	Mr Beckkroge
Mr McManus	Mr Thompson

**Noes, 48**

Mr Armstrong	Mr O'Farrell
Mr Beck	Mr D. L. Page
Mr Blackmore	Mr Peacocke
Mr Brogden	Mr Phillips
Mr Chappell	Mr Photios
Mrs Chikarovski	Mr Richardson
Mr Cochran	Mr Rixon
Mr Collins	Mr Rozzoli
Mr Cruickshank	Mr Schipp
Mr Debnam	Mr Schultz
Mr Ellis	Ms Seaton
Ms Ficarra	Mrs Skinner
Mr Glachan	Mr Slack-Smith
Mr Hartcher	Mr Small
Mr Hazzard	Mr Smith
Mr Humpherson	Mr Souris
Mr Jeffery	Mrs Stone
Dr Kernohan	Mr Tink
Mr Kinross	Mr J. H. Turner
Mr MacCarthy	Mr R. W. Turner
Dr Macdonald	Mr Windsor
Mr Merton	
Ms Moore	<i>Tellers,</i>
Mr Oakeshott	Mr Fraser
Mr O'Doherty	Mr Kerr

**Question so resolved in the affirmative.**

**Motion agreed to.**

**VISITORS**

**Mr SPEAKER:** I acknowledge the presence in the gallery of Michael Thompson, who recently received a "Golden Reel" award for his role as sound mixer and recordist in the American television movie *The Ripper*. This award, from the Motion Picture Sound Editors Association of the United States, is judged by all technicians within the industry; it is similar to a Gold Logie. Michael now works at the new Fox Studio site at Moore Park. He was also involved in the production of the film *Babe*.

I welcome also to the Parliament a group from the Women's Consular Corp.

**AUDITOR-GENERAL'S REPORT**

**Mr Speaker** announced, pursuant to the Public Finance and Audit Act 1983, receipt of the Auditor-General's Report for 1998, Volume One, dated 27 May 1998.

**Ordered to be printed.**

[*Notices of Motions*]

**Mr HARTCHER:** I give notice that on the next sitting day I shall move:

That this House:

- (1) notes the interest of the Queensland Government in holding an International Garden Festival in Queensland;
- (2) condemns the failure of the Carr Labor Government to support—

[*Interruption*]

**Mr HARTCHER:** I will start again.

**Mr Scully:** Make sure Hansard got that.

**Mr SPEAKER:** Order! The Minister for Roads will remain silent. The Chair heard what the member for Gosford said. He may continue.

**Mr HARTCHER:** I will continue:

- (2) condemns the failure of the Carr Labor Government—

**Mr Carr:** On a point of order.

**Mr SPEAKER:** Order! The Chair has been reasonably tolerant while the member for Gosford has attempted to read his notice of motion. Government and Opposition members should control their enthusiasm and allow the member for Gosford to present his notice of motion in an orderly manner.

**Mr HARTCHER:** I will start again. I give notice that on the next sitting day I shall move:

That this House:

- (1) notes the interest of the Queensland Government in holding an International Garden Festival in Queensland;
- (2) condemns the failure of the Carr Labor Government—

**Mr Carr:** On a point of order. It must now be incumbent on Hansard to record the contention of the honourable member for Gosford that the Fahey Government be condemned. Three times—

**Mr SPEAKER:** Order! There is no point of order.

**Mr HARTCHER:** What total nonsense! The Premier is flouting the rules and standing orders of this House.

**Mr SPEAKER:** Order! The Chair has already ruled that no point of order is involved.

**Mr HARTCHER:** It is nonsense. I will start again when you lot calm down.

**Mr SPEAKER:** Order! The member for Gosford will address his remarks through the Chair. He will continue reading his notice of motion from the point he had reached.

**Mr HARTCHER:** I said the Carr Labor Government—

**Mr SPEAKER:** Order! I will direct the member for Gosford to resume his seat if he does not comply with the direction of the Chair.

**Mr HARTCHER:** I will continue:

- (3) notes the disappointment of the people of the Central Coast with the failure of the honourable member for Peats, the honourable member for The Entrance and the honourable member for Wyong to support the holding of an International Garden Festival at Gosford.

## PETITIONS

### Governor of New South Wales

Petitions praying that the office of Governor of New South Wales not be downgraded, and that the role, duties and future of the office be determined by a referendum, received from **Mr Blackmore, Mr Brogden, Mrs Chikarovski, Mr Collins, Mr Debnam, Ms Ficarra, Mr Glachan, Mr Hartcher, Mr Hazzard, Mr Humpherson, Dr Kernohan, Mr Kerr, Mr Kinross, Mr MacCarthy, Mr Merton, Mr O'Doherty, Mr O'Farrell, Mr Photios, Mr Richardson, Mr Rozzoli, Mr Schipp, Mr Schultz, Ms Seaton, Mrs Skinner, Mr Smith and Mr Tink.**

### Ryde Hospital

Petition praying that Ryde Hospital and its services be retained, received from **Mr Tink.**

### Land Tax

Petition praying that land tax on the family home be repealed and that the land tax threshold on investment properties be doubled from \$160,000 to \$320,000, received from **Mrs Skinner.**

### Surry Hills Area Policing

Petition praying that police foot patrol numbers in the Surry Hills area be increased and that a permanent police van be located in the Taylor Square area, received from **Ms Moore.**

### Coffs Harbour Jetty

Petition praying that a platform be constructed on Coffs Harbour jetty for the purposes of jetty jumping, received from **Mr Fraser.**

### Public Housing

Petition praying that the Government protect the interests of New South Wales public housing tenants and defend their rights to housing by retaining and expanding existing levels of public and community housing; reject the reallocation of Federal Government funds away from the provision of public housing; reject the replacement of rental rebates with direct subsidies; and undertake not to sell off public housing stock, received from **Ms Moore.**

### Diabetes Research

Petition praying that research continue for a cure for diabetes, and that legislation regarding pound dogs not be amended, received from **Dr Refshauge.**

### Moore Park Passive Recreation

Petition praying that Moore Park be used for passive recreation after construction of the Eastern Distributor and that car parking not be permitted in Moore Park, received from **Ms Moore.**

## QUESTIONS WITHOUT NOTICE

### MINISTER FOR POLICE LICENSED PREMISES OWNERSHIP

**Mr COLLINS:** My question is directed to the Premier. Has he at any time received legal advice, formal or informal, that the honourable member for Ashfield should not be appointed either Minister for Police or Minister for Gaming and Racing while he continues to hold hotel interests? In view of such advice, does the Minister for Police enjoy the Premier's full confidence?

**Mr CARR:** I, of course, have seen no such advice, but let me read out an interesting list—a list that begins with the name Ian Armstrong and that has the following entries under that name: Australian Vineyard Management Ltd, director; Fleganze Pty Ltd, director; Minawie (Cowra) Pty Ltd, director; Australia Vineyards Ltd, director.

**Mr SPEAKER:** Order! I call the honourable member for Georges River to order. I call the honourable member for Vaucluse to order. I call the Deputy Leader of the National Party to order.

**Mr CARR:** The list continues and we come to the name of that die-hard foe of the Fahey Government, Chris Hartcher. Entry: Acris Pty Ltd, director. Bradley Ronald Hazzard, Magri Investments Pty Ltd, director.

**Mr SPEAKER:** Order! I place the honourable member for Wakehurst on three calls to order.

**Mr CARR:** Wayne Ashley Merton, for four months Minister for Corrective Services, is the next name on the list.

**Mr SPEAKER:** Order! I call the honourable member for Pittwater to order.

**Mr CARR:** Wayne Ashley Merton, Etalage Pty Ltd, Charcia Pty Ltd and Lancewood Pastoral Company Pty Ltd. I did not know he was a farmer!

**Mr O'Doherty:** On a point of order. The question related to whether the Premier had received legal advice in relation to the honourable member for Ashfield. It had nothing to do with any other member of this House. The Premier—

**Mr SPEAKER:** Order! There is no point of order.

**Mr O'Doherty:** The Premier is making an attack—

**Mr SPEAKER:** Order! The honourable member for Ku-ring-gai will resume his seat. I place him on three calls to order.

**Mr CARR:** Wayne Ashley Merton, Etalage Pty Ltd, Charcia Pty Ltd, Lancewood Pastoral Company Pty Ltd—he is a Pitt Street farmer—Castle Hill Pastoral Company, and Reisenak Pty Ltd. If honourable members think Reisenak sounds sinister, wait for the next one. Michael Stephen Photios, Photios Brothers Pty Ltd, shareholder. Michael John Richardson, rumoured to be a member of this Chamber, Aymnet Pty Ltd, director. But here is where it gets truly sinister. If you have tears, prepare to shed them now. Joseph John Schipp, Doodle Cooma Pastoral Company, director. Old Doodle Cooma! There is someone here called Peta Loser Seaton, and—this is awful—Murdering Creek Pty Ltd.

**Mr SPEAKER:** Order! I call the honourable member for Pittwater to order for the second time.

**Mr CARR:** That must be a reference to a question last week on periodic detainees, because the middle name is Loser.

**Mr Hazzard:** On a point of order. As I understand it, the standing orders preclude a Minister taking up the time of the House by simply reading from a register.

**Mr SPEAKER:** Order! That is not correct.

**Mr Hazzard:** The Premier should not take up the time of the House giving information that is publicly available from the pecuniary interest register.

**Mr SPEAKER:** Order! The member for Wakehurst is well aware that the Chair has no control over the way in which Ministers answer questions.

**Mr CARR:** Why did they get upset when I got to Murdering Creek Pty Ltd, of which she is director-secretary? There is also Pella Dreaming Superannuation Pty Ltd, director. The mind boggles!

**Mr SPEAKER:** Order! I call the honourable member for Ermington to order.

**Mr CARR:** Russell Harold Lester Smith, Russell Smith Pty Ltd, director. Finally, Andrew Arnold Tink, Saclay Holdings Pty Ltd, shareholder, and Counsel's Chambers Ltd, shareholder. I will ask the relevant administrations for a complete account of every licence, permit and development approval granted to each and every one of these companies. The fact is that those members, with their pecuniary interests, speak on legislation about the legal profession or agriculture whenever such matters arise.

**Mr SPEAKER:** Order! I call the honourable member for Northcott to order.

**Mr CARR:** There is no difference between those members with their interests and any member on this side of the House who has interests properly declared in the pecuniary interest register.

#### LEGIONNAIRE'S DISEASE

**Mr WATKINS:** My question without notice is to the Deputy Premier, Minister for Health, and



Minister for Aboriginal Affairs. What is the Government doing about the five cases of legionnaire's disease that were reported last week in Sydney and the Blue Mountains?

**Dr REFSHAUGE:** Legionnaire's disease poses a serious danger to the community. I am advised that New South Wales Health has been notified of five cases in the past week alone. Four of the cases are from northern Sydney and the fifth is from the Blue Mountains. Although investigations are continuing, I am advised that no common link between the patients has yet been identified. It is of significant concern that five cases have been reported in a single week. These cases represent almost half of the total number recorded for the first five months of the year. Legionnaire's disease can and does kill. Thankfully, it is also preventable. Legionella bacteria occur naturally in the environment. Legionnaire's disease is normally spread via contaminated air, with the most common sources being airconditioning systems, potting mixes and spa pools.

Simple measures can be taken by the public and building owners to reduce the risk of legionella contamination. Potting mix has been identified as the likely cause of more than one-quarter of all legionnaire's disease cases. Anyone using potting mix, particularly the elderly and those with compromised immune systems, should wear gloves and a mask, and particular care should be taken when opening bags of potting mix to avoid inhaling dust.

Potting mix should be moistened before use to minimise dust, and hands should be thoroughly washed when finished. More than half the cases of legionnaire's disease are the likely result of waterborne transmission. Building owners are required to maintain cooling towers according to strict regulations under the Public Health Act. Cooling towers must be cleaned every three months and should be inspected every month. Extra vigilance is important at this time of year as temperatures fluctuate.

Legionnaire's disease can be fatal. Those at particular risk include people with existing respiratory illnesses or compromised immune systems, the elderly, smokers and drinkers. The key symptoms of legionnaire's disease include a sudden high temperature or fever, dry cough, pneumonia, shortness of breath, chills, headaches and muscular aches and pains. The five cases identified last week present a stark warning to us all. Simple preventive measures can help avoid a major outbreak of this life-threatening disease. I urge everyone to heed this

warning and follow the established health guidelines which have helped us to effectively control legionnaire's disease.

#### **MINISTER FOR POLICE LICENSED PREMISES OWNERSHIP**

**Mr TINK:** My question is to the Premier. Given the legal advice by former Independent Commission Against Corruption head Ian Temby, QC, that the Minister for Police is in breach of the Liquor Act and can only fix the breach by resigning as police Minister or divesting himself of his Orient Hotel assets and offices, will the Premier now finally act to address this glaring conflict of interest?

**Mr CARR:** Mr Temby, indeed. Is it the same Mr Temby who said that the Opposition's former leader had committed a corrupt act by appointing Terry Metherell to a government job?

**Mr SPEAKER:** Order! I call the honourable member for Northcott to order for the second time.

**Mr CARR:** All of a sudden Ian Temby, who was reviled by the coalition day in and day out, gets a commission from it.

**Mr SPEAKER:** Order! I call the Deputy Leader of the National Party to order for the second time.

**Mr CARR:** If the Opposition has a complaint about liquor administration it can take it to the relevant authorities.

**Mr SPEAKER:** Order! I call the honourable member for Pittwater to order for the third time.

**Mr CARR:** When the Opposition last asked a question about liquor administration in The Rocks the Minister gave a comprehensive reply and read from independent reports that rebutted its complaints completely. Put up or shut up!

#### **OLYMPIC PARK RAIL LINK**

**Mr NAGLE:** I direct my question without notice to the Minister for Transport, and Minister for Roads. What steps will the Government take to improve public transport to Olympic Park station following completion of the Olympic stadium?

**Mr SCULLY:** The honourable member for Auburn shows an obvious interest in this matter. The 1998 Royal Easter Show involved Sydney's biggest ever public transport operation. Arrivals at Homebush Bay by public transport exceeded even

the most optimistic predictions. More than 85 per cent of show visitors arrived by public transport. That easily exceeded the Government's target of 70 per cent and was more than double the 40 per cent recorded at Moore Park in previous years. CityRail's contribution was outstanding.

Over the 16 days of the show CityRail operated 3,303 services to Olympic Park station, providing more than three million seats for show patrons. Extra services were provided for Olympic Park station with no negative impact on normal daily trains. The show rail timetable operated with an unprecedented level of flexibility and response to demand. Extra trains were regularly added to meet larger than expected crowds. The show service was quite easily Sydney's biggest and most successful rail service ever. The staff involved in delivering the service should be congratulated by all members of this House.

The success of the show's transport services has convinced many people throughout Sydney that public transport is a safe, affordable, and accessible way to travel. Having travelled to the Olympic site, many Sydney people expect to be provided with a similar regular public transport service. Following the Easter show the Government announced that CityRail would continue to run daily train services in and out of Olympic Park station. Currently, when there are no special events being held at Homebush Bay, Olympic Park station is served by a shuttle rail service from Central station that stops at Redfern and Strathfield stations. On weekdays four trains run to Olympic Park station, and 20 run on weekends. On weekends when demand is high commuters are provided with a more regular service to the Olympic site which runs all day between Flemington and Central.

In addition, both private and public bus services are available at regular intervals. These services are proving very popular with people wishing to visit the site, including those attending exhibitions, shows, and swimming and other sporting events that are already being hosted at the Olympic site. The completion of the Olympic Park stadium next year will see an increase in frequency of major events at the site. The Government recognises that as this occurs commuters must be provided with uninterrupted train services to the events without inconveniencing regular peak-hour commuters. As a result, I am pleased to be able to announce today—

**Mr Photios:** The Federal Government announced it earlier and it is its money.

**Mr SCULLY:** Wrong project.

**Mr Photios:** The interchange is what was needed and that is what you have got.

**Mr SCULLY:** The honourable member for Ermington is talking about the grade separation at Flemington, a \$30 million project. I thank the Federal Government for putting in \$15 million, and the State Government is putting in \$15 million. But I am not talking about that project. Before I was rudely interrupted by the shadow minister for transport on a project I would be delighted to talk about on another occasion, I was saying that I am pleased to announce to the House today that the Government will be spending \$12.5 million over the next year to construct a new track extension to provide a dedicated link from Lidcombe to Olympic Park station. The work will involve the construction of an additional rail track parallel to the existing main western line.

The new track will start at Lidcombe station and connect with the Olympic Park line near the Flemington maintenance centre. For the benefit of the shadow minister I state that it is quite separate from the Flemington grade separation. The Olympic Park rail shuttle will be able to move up to 6,000 passengers an hour. It will also supplement the direct services that operate to Olympic Park during periods of high demand generated by events such as the Royal Easter Show. Most importantly, it will allow rail access to Homebush Bay during peak hour on weekdays, a service which is not currently available without compromising other train services. Also, importantly, the new rail line will make access to the stadium easier, particularly for commuters from west and southwest Sydney.

As the Royal Easter Show demonstrated, Homebush Bay is a key destination for people from all over New South Wales. Its popularity will only increase as Olympic venues such as the stadium are opened to the people of New South Wales and the world. The new Olympic Park shuttle will improve access for all people of New South Wales to this great site and ensure that regular rail commuters continue to receive the safe, reliable and timely services provided by the CityRail network. I am happy to talk about the grade separation at Flemington but not today.

#### **MINISTER FOR POLICE LICENSED PREMISES OWNERSHIP**

**Mr SOURIS:** My question is directed to the Minister for Police. In light of the legal advice from

Ian Temby, QC, regarding the Minister's conflict of interest as police Minister and his continued ownership of pub interests, what action will he now take to ensure proper standards as a Minister of the Crown?

**Mr WHELAN:** I refer the honourable member to previous answers given in this Chamber on many occasions, including answers last week.

### FILM AND TELEVISION INDUSTRY

**Ms NORI:** Can the Minister for Energy, Minister for Tourism, Minister for Corrective Services, Minister for Emergency Services, and Minister Assisting the Premier on the Arts provide any information on the Jim Henson company producing a mini-series in New South Wales this year?

**Mr DEBUS:** Film, television and other media in New South Wales employ 5,000 people and generate \$600 million of investment each year. Sydney is the film production capital of Australia and it is the destination for film producers from America, Asia and Europe. The Carr Government, through the New South Wales Film and Television Office, has supported successful films such as *Oscar and Lucinda*, *The Well*, *Doing Time for Patsy Cline* and *Thank God He Met Lizzie*. Today I can announce that one of the world's most successful production companies has chosen New South Wales for a major project. Jim Henson's production company, the creator of the Muppets, is coming to New South Wales. The Jim Henson company, the team which brought Kermit the Frog and Miss Piggy to the world, will shoot a mini-series called *Farscape* in New South Wales.

Production will begin in September 1998. International casting is now under way. This is a great win for Sydney and the Australia film industry, injecting at least \$30 million into our economy and creating hundreds of jobs. It is a British and Australian co-production with the Jim Henson company. *Farscape* will be made up of 22 hours of programming presented in three instalments. Mr Brian Henson, president of the Jim Henson company, describes *Farscape* as a bold adventure of drama, romance and humour. The show's writing team will include Australian and British writers. The academy award winning Creature Shop in London will create many of the special effects and characters for the series. *Farscape* tells the story of an astronaut who, during an experimental space mission, is hurled across a thousand galaxies to a completely alien world. His quest is to return to earth.

**Mr SPEAKER:** Order! I call the honourable member for Ermington to order for the second time. I call the honourable member for Ermington to order for the third time.

**Mr DEBUS:** Millions of children have grown up with Bert and Ernie on *Sesame Street*, dragged their parents to Muppet movies and sung along with puppet stars of *Fraggle Rock*. The Jim Henson company has also produced films such as *The Dark Crystal*, *Labyrinth* and *The Witches*. It is an established leader in family entertainment, with more than 40 years as an independent multimedia production company. Sydney is carving out a position as a major entertainment capital of the Asia-Pacific region. But it is not the only place to benefit from the booming film industry: regional and rural New South Wales have also benefited from the growing film industry in this State.

Last year 15 films, miniseries or short films were shot on location in rural and regional New South Wales. The cast and crew of *Oscar and Lucinda* spent nearly a month filming in Grafton, plus another four months of pre-production. Newcastle City Council is presently in discussions with Fox Studios about using the Hunter for location shoots. This is good news for our film technicians, it is also very good news for builders, labourers, hoteliers and restaurant and shop owners in regional and rural centres. *Farscape* joins films like *The Matrix*, *Dark City* and *Babe 2* in being produced in New South Wales. The film *The Matrix* alone injected \$20 million into our economy. The New South Wales Government is developing New South Wales as the national centre for the film industry, one of the most dynamic industries in Australia.

### TOXIC WASTE DUMPING

**Mrs CHIKAROVSKI:** My question is to the Minister for the Environment. Was the Minister advised last August that 20,000 tonnes of toxic waste had been dumped on the banks of the Georges River, containing up to 40 times the safe level of lead? Why did she fail to take any action for five months and continue to allow waste to be dumped on the site despite this being a public safety hazard?

**Ms ALLAN:** It is pleasing that the honourable member for Lane Cove has been allowed by the Leader of the Opposition to ask a question about the environment. I assure her and the House that nothing untoward has been happening on the banks of the Georges River, despite comments made today by the *Daily Telegraph*. It is unfortunate that the *Daily Telegraph* and the honourable member for Lane Cove have got it wrong yet again. In August last

year under legislation approved by the former Fahey-Greiner Government the Environment Protection Authority, the responsible body for licensing the disposal of landfill and waste in this State, received a complaint alleging that highly contaminated soil was being excavated from the Chemplex-Monsanto redevelopment site in Rozelle and delivered to the Benedict Sand and Gravel inert waste landfill in Chipping Norton.

Walker Civil Engineering, the developers of the site, had the material analysed and claimed as a result of its classification by independent consultants that the material being delivered was inert, according to the environmental guidelines of the Environment Protection Authority. Chipping Norton Lakes Authority, as the owner of the Benedict landfill site, decided to take its own independent samples. Honourable members are yawning because they are bored with one of their questions—a question asked by the honourable member for Lane Cove. The Chipping Norton Lakes Authority, on behalf of the community of Chipping Norton Lakes, was so concerned about the possible contamination of that material that it decided to take its own independent samples of the material from the site. It found that the material contained unacceptable levels of lead.

As a result the Environment Protection Authority was immediately notified and it took immediate action to ensure that the material was no longer landfill but was stockpiled on the site. Further work was carried out and eventually, after considerable negotiation, a suitable alternative landfill site was found for that material. Walker Civil, which is a major construction company in Sydney and enjoys bipartisan support from both sides of the House, had difficulty finding a suitable landfill site over the Christmas period for this material. Would the Opposition have liked that company to have gone out of business and for a number of people to have become unemployed?

**Mr Knight:** They probably would have.

**Ms ALLAN:** They probably would have, as the Minister for the Olympics says. Instead, the Environment Protection Authority took the responsible action of providing an additional six weeks to find a suitable location for that material to be disposed of safely. As a result the material was disposed of within the said time frame and there was no untoward delay. In fact, the Environment Protection Authority is more than happy with the work done by Walker Civil. The honourable member for Lane Cove has got it wrong again.

## **Homebush Bay Millennium Parklands**

**Mr SHEDDEN:** My question is to the Minister for the Olympics. What is the progress of Millennium Parklands in Auburn?

**Mr KNIGHT:** I thank the honourable member for Bankstown for his deep and abiding interest in all Olympic preparations. Only yesterday I was with him at a site in Bankstown where work commenced on the new state-of-the-art velodrome named after one of our greatest Olympians and, until recently, our oldest living Olympian, Dunc Gray, who won a number of medals and represented Australia in three Olympic Games. It was a delight to witness, with the honourable member for Bankstown and the family of the late Dunc Gray, the dedication of a velodrome to him and to watch the start of construction on the earthworks for a velodrome described by the Australian Cycling Federation as not only the best in Australia but the best in the world.

The New South Wales Government is creating Millennium Parklands in the heart of Sydney on the Parramatta River at Homebush Bay. The parklands ultimately will be more than 450 hectares. To give the House an idea of the sheer size of the project, the parklands would cover the entire central business district, stretching from Central station to the Sydney Harbour Bridge and from Woolloomooloo to Darling Harbour. The Millennium Parklands will be 1½ times larger than Central Park in New York. The Department of Urban Affairs and Planning has given consent to the development application for the first stage works. These works will involve \$22.5 million of landscape and parkland infrastructure development before the year 2000. This does not include any acquisition costs and is in addition to moneys already spent on remediation. The \$22.5 million is specifically for park improvements.

The first stage of the parklands will surround the Olympic facilities and showground at Homebush Bay to provide a unique landscape setting for recreation, education and conservation. The future parkland area incorporates land owned or managed by the Bicentennial Park Trust, Auburn Council and the Olympic Co-ordination Authority. The first stage of the parklands, including Bicentennial Park, will offer 420 hectares of parkland at Homebush Bay at the time of the Olympics. First stage works will comprise work along the central corridor adjoining Hill Road and Haslams Creek, including reconstructed freshwater wetlands and five large

millennium marker landforms with colourful planting. The works will extend along Bennelong Road and the newly constructed parkway roads, including the international archery centre.

The brick rim will be planted out and its base will be cleaned up and retained for possible additional space during the Games, water storage and the protection of the green and gold bell frog. Over time more than two million plants will be planted within the parklands, including 65,000 native trees, with the remainder being native shrubs and grasses. The parklands will be accessible to all Sydney residents via public transport, which utilises the Olympic Park railway station, the Parramatta River ferry, buses and specially designed cycle networks. There will be a continuation of the green and gold bell frog research program to identify methods by which habitats can be preserved or created to sustain this rare species in the Sydney region.

**Mr Hazzard:** Are you excited about this?

**Mr KNIGHT:** Yes, I am. Are you not excited about this? You used to be the shadow minister for the environment, and before you lost that portfolio you used to have some interest in what was happening in parklands in Sydney. The Government has a vision to create something that was not in the former coalition Government's plans for Homebush—in fact, it never had a proper plan for Homebush at all. It never had a plan for the Olympic facilities, the showground or anything at Homebush. When this Government came to office I asked for a presentation on the master plan for Homebush and there was not one to be presented. The bureaucrats presented ream after ream of options because under the former coalition Government there was not a single plan drawn for new construction, and not a single sod of grass or earth had been turned, in the 18 months between Sydney winning the bid for the Olympic Games and the change of government.

The honourable member for Wakehurst should ask whether the Government is excited. The Government and the people of New South Wales are excited about this development. They showed their excitement when they went in record numbers to the Royal Easter Show at Homebush and travelled on the trains operated by my colleague the Minister for Transport, along with everyone else except the shadow minister for transport. Everybody except the shadow minister for transport caught the train; he drove down there in his BMW and attacked the public transport system, saying it would not work. Though he went down there for a special meeting

with the Royal Agricultural Society, he drove there in his BMW.

**Mr SPEAKER:** Order! Members who interject invite the Minister to respond to their interjections.

**Mr KNIGHT:** I am sorry I was diverted and used more of the valuable time of the House. A wide range of activities will be available for the community in the new Millennium Parklands. I am sure the honourable member for Auburn, who represents an adjoining area, will lead in some of those activities, such as cycling and jogging. We might even allow kite flying for the honourable member for Ermington. Other community activities include picnics, environmental and heritage interpretation through painting, studying, photography, guided tours, archery, theatre performances, or just sitting in peace. We cannot have the honourable member for Northcott at a picnic: there are only 450 hectares!

The overall purpose of the project is to join the diverse landscape and cultural elements within the parklands to form a cohesive, visually and spatially rich park for the new millennium and beyond for all people of Sydney and visitors to enjoy. Indeed, this parkland is right in the geographic and demographic heart of the Sydney metropolitan area. From its earliest years of operation in the new millennium, up to seven million people are expected to be attracted each year to the parklands and the sporting facilities at Homebush Bay. When completed, the parklands will show how once degraded urban land can be returned to a robust and sustainable parkland ecosystem. Millennium Parklands will be one of the greatest legacies of the Sydney 2000 Olympic Games and will make an important contribution to the lives of the people of Sydney for generations to come.

Millennium Parklands and the current focus on development of other metropolitan parks in Sydney, such as the work being done by the Minister for the Environment and the National Parks and Wildlife Service in developing regional parks like the gigantic Western Sydney Regional Park, indicate this Government's commitment to ensuring the correct balance in the future planning for Sydney. The parklands will be a unifying element of the Homebush Bay site and, along with the Olympic facilities, will undoubtedly attract international recognition of Homebush Bay and Millennium Parklands, as well as being one of the most unique parks in the world and the largest urban park anywhere.

## LACHLAN RIVER INTERIM FLOW RULES

**Mr ARMSTRONG:** I ask a question without notice of the Minister for Agriculture, and Minister for Land and Water Conservation. Were revised river flow figures supplied to the Lachlan Valley River Management Committee on 19 May yet again wrong, and were they replaced by new figures at the beginning of this week? Given this latest bungle, how does the Minister expect the committee to make a decision by this Friday's deadline, with no time for consultation and no guarantee that the latest figures are correct?

**Mr AMERY:** If my answer to the question resulted in some changes to the Native Vegetation Act—which would mean, of course, a change in the operation of and benefits for various pastoral companies of which the Leader of the National Party is a director—would this be a case of the Leader of the National Party demonstrating a conflict of interest in seeking changes to benefit his own companies in the Lachlan Valley? I will leave that to the lawyers. The Lachlan Valley native vegetation and water committees are both working extremely well. The honourable member mentioned data that was sent to the Lachlan Valley River Management Committee. I suggest that at the conclusion of question time today he ring the chairperson of that committee, Mrs Audrey Hardman, who will be pleased to explain to him that she has had a most co-operative working relationship with not only my office but also the Government. In fact, in the past couple of days, despite the fact that the Leader of the National Party will not return phone calls from the chairperson—

**Mr Knowles:** I'll bet Alby would be on the phone straight away.

**Mr AMERY:** I am sure he would. If the Leader of the National Party had inquired, he would have learned that Mrs Audrey Hardman has successfully negotiated with me an extension of time to bring in her report. The point I have been making all along is that these committees are working very well, bringing in people not only from the local region but also people of various farming interests, town interests, and so on. Mrs Hardman is doing an excellent job. She sought more information and more time to report. We have granted that to Mrs Hardman. No pressure has been placed on the committee. As I said recently, we have given the committee all the information that we can to enable it to make the right decision. That is why Mrs Hardman has been so successful in making representations to me to get a few extra weeks in which to bring in her report.

The Lachlan Valley River Management Committee is working very well. Let us congratulate the members of that committee for the good work they are doing. Why does not the Leader of the National Party get off the committee's back? Perhaps the shadow minister for land and water conservation might ask the question: why are all these water and native vegetation questions centred only on the Lachlan? I have a file full of answers on questions that might be asked about the Hunter Valley, but the Leader of the National Party talks only about the Lachlan Valley. He is using his influence as Leader of the National Party to try to save his hide in a ballot that he will not win against the honourable member for Burrinjuck.

**Mr ARMSTRONG:** I ask a supplementary question. Will the Minister now acknowledge that the Lachlan Valley is the only valley on which the Minister did not announce policy in his recent announcement? When will the Minister be fair to the people of the Lachlan Valley?

**Mr AMERY:** On 29 April when I announced the water reform I announced and released, in a nice glossy brochure, the Lachlan environmental flow rules for 1998-99. The Lachlan Valley was not the only valley that had difficulty with flow rules. That is why other valleys have been granted an extension of time. I would be happy to send a copy of the speech to the Leader of the National Party. The release of that documentation on 29 April resulted in a lot of things now happening in the water debate. I will get the Leader of the National Party a seat on the gravy train. Though a lot of things are happening in the water debate, he seems to be outside the circle. I invite him to come on board and work with these people who are doing positive things for agriculture in New South Wales.

## GRAVE SITE SHORTAGE

**Mr HARRISON:** I ask a question of the Minister for Agriculture, and Minister for Land and Water Conservation. What is the Government doing to address the shortage of grave sites in Sydney, Newcastle and Wollongong?

**Mr AMERY:** I commend the honourable member for Kiama for asking this question. Since I was appointed shadow minister for natural resources in 1988 the honourable member has shown an admirable and keen interest in how we manage grave sites and cemeteries in New South Wales. He has been careful to ensure that any changes in how we deal with grave sites and shortages in grave sites are dealt with in an appropriate fashion. He should be commended for keeping a close watch on the

matter. The availability of land in urban areas for burial sites is now a problem. In Sydney and Newcastle in particular, and to a lesser extent in Wollongong, land in which to bury our loved ones is steadily running out. A number of burial sites in New South Wales are publicly owned, that is, they are on Crown land and managed by Crown reserve trusts. Others are owned by local councils, churches, or private companies, or are on private property.

The burial sites on publicly owned land are largely found in Sydney and Newcastle, where burial capacity is running out. Many could be full within 30 or 40 years while others, such as the various cemeteries at Rookwood, will be full in barely 10 years. The Government is considering ways to address this problem and today I am releasing a discussion paper that outlines possible strategies. One option is to reallocate burial plots which were bought by people more than 50 years ago and remain unused. The Government will also consider the possible development of new public cemeteries on other State-owned land. However, I point out—and the honourable member for Kiama has a particular interest in this issue—that the option of reusing existing burial sites is most definitely not on the agenda. That practice, known as limited tenure, has been introduced in South Australia and Western Australia, but I would not want it to be introduced in New South Wales.

I take this opportunity to congratulate Peter Luck on his program *This Day Tonight*, which highlighted the unsavoury practices in the reuse of cemeteries and grave sites in South Australia. The program showed in a graphic way what should be avoided in New South Wales. We should be careful about ever contemplating the practice of burying a person in an existing grave site. The reallocation of burial sites, however, is a possible option that should be considered. The prospect attracts a great deal of support from the industry. There are 204,000 unused burial sites in Sydney cemeteries alone. Of these, some 21,000 were bought more than 50 years ago and may be reallocated. The subject of burial sites is always sensitive, and if the Government were to reallocate unused grave sites it would, of course, follow strict guidelines. The discussion paper suggests a defined process for reallocating burial sites. That process begins with the cemetery trust trying to trace the last known owner of the burial site and offering to buy back what is called the right of burial. If the owner cannot be traced, the cemetery trust will search the Registry of Births, Deaths and Marriages to determine whether the owner has died and who is the next of kin.

If no next of kin is found the cemetery trust will advertise in local and national newspapers at least three times over the ensuing 12 months. It will also place notices at the cemetery trust office and the unused grave site for 12 months. If either the owner or next of kin comes forward, a decision can be made as to whether he or she wants to keep the burial site or sell it back to the cemetery trust. If the owner or next of kin comes forward after the 12-month period and after the right of burial has been revoked, the cemetery trust would provide compensation either in monetary form or in the form of another burial site. This is an important issue that will affect all of us at one stage or another. That is merely stating the obvious. The options should be considered. I invite my colleagues and their constituents to examine the discussion paper and make their submissions by the end of July. I again reassure the honourable member for Kiama that limited tenure is not an option that the Government will contemplate when a decision is made.

#### **Questions without notice concluded.**

### **CONSIDERATION OF URGENT MOTIONS**

#### **Elective Surgery Waiting Lists**

**Mrs SKINNER** (North Shore) [3.33 p.m.]: Every member of this House should acknowledge that about 51,000 people are now waiting for elective surgery in this State. That figure is to be compared with the figure of 44,000 when the Government came to office. The Premier and the Minister for Health made a pre-election promise that they would halve the waiting lists. On my calculation that meant reducing the figure to 22,000. Each of the 51,000 people now on hospital waiting lists considers this matter to be most urgent.

**Mr Gibson:** On a point of order. The honourable member for North Shore must establish why her motion should have priority. She has not mentioned urgency at any stage. She has moved straight to the substance of the debate, which she is not at liberty to do. You and other Speakers have ruled that that is contrary to the standing orders. I ask you to direct her to return to what she is supposed to be doing, that is, establishing priority.

**Mr SPEAKER:** Order! It is a little early for the Chair to rule on the point of order.

**Mrs SKINNER:** The House should regard the fact that a record number of people are waiting for elective surgery in our hospitals as being of the

utmost urgency. If that is not urgent, I do not know what is. The fact that under this Government the average waiting time has doubled should be regarded as urgent by every member of this House. The fact that there are now more than 4,000 people waiting more than 12 months for surgery should be regarded as urgent by every member of this House.

**Mr Tripodi:** We don't want to hear the facts.

**Mrs SKINNER:** I know you do not want to hear the facts, but the facts speak for themselves. It is urgent that members of the electorate of the honourable member for Fairfield are dying while they are on waiting lists.

**Mr Tripodi:** On a point of order. The honourable member for North Shore is straying into the substance of the debate. She is addressing the facts. She herself asserted that she was doing so. She should address why the motion of which she has given notice should receive priority.

**Mrs SKINNER:** The motion itself mentions those figures. I am suggesting that every member of this House should be telling those on the waiting lists that they are concerned about their health and that they understand the urgency of this matter. If members opposite do not vote in favour of my motion proceeding, they will be sending a message to those on the waiting lists that they do not matter. Members opposite will be sending the message to those on the waiting lists that they do not care that they are sick, that they do not care that they could die without getting treatment in hospital, and that they do not care that they have been waiting more than 12 months. If members opposite do not agree that that is urgent, they do not have consciences and do not understand what the word "urgent" means.

**Mr Gibson:** On a point of order. The honourable member for North Shore must establish why her motion should have priority. She is not at liberty to enter into the substance of the debate for five minutes and to simply say at the start and finish of her contribution that the matter is urgent and that all people in New South Wales should realise it is urgent. She must establish why her motion should have priority over the motion of which the honourable member for Cabramatta has given notice. She has not attempted to do that at any stage.

**Mr SPEAKER:** Order! The Chair is of the view that the member for North Shore is giving reasons why her motion should receive priority.

**Mrs SKINNER:** There is absolutely no doubt about the urgency of this matter. I cannot understand how members opposite cannot accept that it is urgent to discuss the fact that people are getting

sicker, they are waiting longer for treatment, and the average waiting time for that treatment has doubled. The number of people waiting for elective surgery is not 22,000, the number to which the Premier and the Minister for Health promised they would reduce waiting lists or resign. The number is now 51,000. People in a number of hospitals are not even being included in the waiting lists, so the figure of 51,000 is flawed; it is an underestimate. Every one of those 51,000 people will note the names of the members of this House who do not vote in favour of my motion being given priority.

Those on the waiting lists deserve to have their elected representatives speak on their behalf in this Chamber in a debate on this urgent matter. But instead members opposite run away from the political embarrassment of having so many people on hospital waiting lists. Those people are getting sicker and sicker. Many of them have waited for as long as two years for treatment and some of them will now have to wait until after the Olympic Games for treatment. If the honourable member for Londonderry does not believe that is urgent, he needs a lesson on what the word "urgent" means. After this debate I would be happy to take him aside and give him some instruction as to what it means. If he does not understand that the treatment of sick and dying people is a matter of urgency, he does not deserve to be a member of Parliament.

**Mr Gibson:** On a point of order. I intended to take a point of order, but I would not want the honourable member for North Shore taking me aside to give me any information.

#### Federal Employment Services Policy

**Ms MEAGHER** (Cabramatta) [3.40 p.m.]: My motion is most urgent. The honourable member for North Shore referred to a situation that relates probably to 51,000 people—

**Mr Beck:** On a point of order. I bring to your attention that there is not a Minister either at the table or in the Chamber.

**Mr SPEAKER:** Order! The standing orders do not specifically require the presence of a Minister at the table. However, while I am the occupant of the chair I seek to maintain the decorum of the Chamber by having a Minister present. I note that the Leader of the House is now present.

**Ms MEAGHER:** My motion is urgent because it applies to 800,000 Australians who are currently trying to seek work. They have been confronted by a Federal Government that has denied them the basic right to a job, has put dollars before people and has dismantled employment services in this country.



**Mr Hartcher:** On a point of order. The honourable member for Cabramatta is now entering into the subject matter of the debate. She is making points about the failures of the Federal Government. That is appropriate when she has moved her motion, if she is ultimately able to do so. However, in this priority debate she must demonstrate why her motion should receive priority over the motion of which the honourable member for North Shore has given notice.

**Mr SPEAKER:** Order! I uphold the point of order.

**Ms MEAGHER:** My motion is urgent because the people who are unemployed and seeking a job are getting a right royal run-around because of the inferior system introduced to replace the Commonwealth Employment Service. In some cases, contracts have been awarded to tenderers who have no offices, no phones and no staff, while reputable job agencies missed out. Nothing is more important than one's right to a job. I commend my motion to the House.

**Question—That the motion for urgent consideration of the honourable member for North Shore be proceeded with—put.**

**The House divided.**

**Ayes, 48**

Mr Armstrong	Mr O'Farrell
Mr Beck	Mr D. L. Page
Mr Blackmore	Mr Peacocke
Mr Brogden	Mr Phillips
Mr Chappell	Mr Photios
Mrs Chikarovski	Mr Richardson
Mr Cochran	Mr Rixon
Mr Collins	Mr Rozzoli
Mr Cruickshank	Mr Schipp
Mr Debnam	Mr Schultz
Mr Ellis	Ms Seaton
Ms Ficarra	Mrs Skinner
Mr Glachan	Mr Slack-Smith
Mr Hartcher	Mr Small
Mr Hazzard	Mr Smith
Mr Humpherson	Mr Souris
Mr Jeffery	Mrs Stone
Dr Kernohan	Mr Tink
Mr Kinross	Mr J. H. Turner
Mr MacCarthy	Mr R. W. Turner
Dr Macdonald	Mr Windsor
Mr Merton	
Ms Moore	<i>Tellers,</i>
Mr Oakeshott	Mr Fraser
Mr O'Doherty	Mr Kerr

**Noes, 50**

Ms Allan	Mr Markham
Mr Amery	Mr Martin
Mr Anderson	Ms Meagher
Ms Andrews	Mr Mills
Mr Aquilina	Mr Moss
Mrs Beamer	Mr Nagle
Mr Carr	Mr Neilly
Mr Clough	Ms Nori
Mr Crittenden	Mr E. T. Page
Mr Debus	Mr Price
Mr Face	Dr Refshauge
Mr Gaudry	Mr Rogan
Mr Gibson	Mr Rumble
Mrs Grusovin	Mr Scully
Ms Hall	Mr Shedden
Mr Harrison	Mr Stewart
Ms Harrison	Mr Sullivan
Mr Hunter	Mr Tripodi
Mr Iemma	Mr Watkins
Mr Knight	Mr Whelan
Mr Knowles	Mr Woods
Mr Langton	Mr Yeadon
Mrs Lo Po'	
Mr Lynch	<i>Tellers,</i>
Mr McBride	Mr Beckroge
Mr McManus	Mr Thompson

**Question so resolved in the negative.**

**Question—That the motion for urgent consideration of the honourable member for Cabramatta be proceeded with—put.**

**The House divided.**

**Ayes, 50**

Ms Allan	Mr Markham
Mr Amery	Mr Martin
Mr Anderson	Ms Meagher
Ms Andrews	Mr Mills
Mr Aquilina	Mr Moss
Mrs Beamer	Mr Nagle
Mr Carr	Mr Neilly
Mr Clough	Ms Nori
Mr Crittenden	Mr E. T. Page
Mr Debus	Mr Price
Mr Face	Dr Refshauge
Mr Gaudry	Mr Rogan
Mr Gibson	Mr Rumble
Mrs Grusovin	Mr Scully
Ms Hall	Mr Shedden
Mr Harrison	Mr Stewart
Ms Harrison	Mr Sullivan
Mr Hunter	Mr Tripodi
Mr Iemma	Mr Watkins
Mr Knight	Mr Whelan
Mr Knowles	Mr Woods
Mr Langton	Mr Yeadon
Mrs Lo Po'	
Mr Lynch	<i>Tellers,</i>
Mr McBride	Mr Beckroge
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Mr Ellis	Ms Seaton
Ms Ficarra	Mrs Skinner
Mr Glachan	Mr Slack-Smith
Mr Hartcher	Mr Small
Mr Hazzard	Mr Smith
Mr Humpherson	Mr Souris
Mr Jeffery	Mrs Stone
Dr Kernohan	Mr Tink
Mr Kinross	Mr J. H. Turner
Mr MacCarthy	Mr R. W. Turner
Dr Macdonald	Mr Windsor
Mr Merton	
Ms Moore	<i>Tellers,</i>
Mr Oakeshott	Mr Fraser
Mr O'Doherty	Mr Kerr

**Question so resolved in the affirmative.****FEDERAL EMPLOYMENT SERVICES  
POLICY****Urgent Motion**

**Ms MEAGHER** (Cabramatta) [3.54 p.m.]: I move:

That this House:

- (1) condemns the Federal Government for its dismantling of essential services to the unemployed, particularly the New South Wales unemployed;
- (2) notes that hundreds of successful job agencies and small private employment agencies have been forced to shut down, which has resulted in nearly 10,000 job losses in Australia—7,000 in the community and private sector and another 3,000 from the Commonwealth Employment Service;
- (3) further condemns the Federal Government's dismantling of the Commonwealth Employment Service and its replacement with the inferior Employment National; and
- (4) urges the Federal Government to show leadership and tackle long-term and youth unemployment.

John Howard, the man the Leader of the Opposition will be supporting over the next few months, was

elected Prime Minister on a platform of governing for all of us. He meant that he would govern for us all, but only if we are among those who do not need help paying dental bills, who can afford up-front fees for elderly parents, or who do not need safe, reliable and affordable child care while they work. Many people in my electorate of Cabramatta would not be included in that equation by John Howard. Today I speak for those people. John Howard, the Federal leader of the party of which the Leader of the Opposition is the State leader, has reserved his most savage attack for people looking for jobs and for those trying to create jobs. Since coming to office the Federal Government has punished the unemployed and made it harder for them to find real jobs with real skills and a real future. John Howard's privatisation of the Commonwealth Employment Service put an end to the 50-year tradition of providing free employment services to all Australians.

For the first time in 50 years the Commonwealth Government is denying its responsibility to guarantee all Australians the fundamental right to a job. Those who need jobs and those who can create them are being asked by the Commonwealth Government to pay for the privilege. Job creation is merely another service that can be contracted out. The first responsibility of any Australian government is to find jobs for all Australians, but for John Howard finding a job is a luxury for which we now have to pay. The system that John Howard introduced, and which the Leader of the Opposition supports, is simply not working. By promising new job agencies that the Government will help them make a profit out of the unemployed, John Howard has put a bounty on the head of every unemployed person. He has said that the Government's coffers matter more to him than giving Australians a chance.

For the third consecutive year the Howard-Costello Government has brought down a budget which does not even attempt to generate jobs or tackle unemployment. The Federal Government has forecast that the unemployment rate will increase to above 8 per cent within the next few months and that economic growth will slump well below the 4 per cent needed for job creation. The Federal Government is aiming for less than half the employment growth that Labor generated while it was in office. Since coming to office, the Federal Government has driven up youth unemployment to 27.1 per cent nationally and youth unemployment has reached nearly 40 per cent in south-western Sydney. In other words, in my electorate nearly half the young people who want jobs cannot find them.

John Howard now says that employers who can create jobs for those young people will have to pay the remnants of the CES to do it. Does the Leader of the Opposition support the ditching of this most basic responsibility of government? The number of long-term unemployed has increased by nearly 27,000 since John Howard became Prime Minister, and the Government has predicted that the number of people seeking unemployment benefits will increase by an additional 5 per cent during the September quarter. These figures, which paint a picture of despair, show that many have given up hope of trying to find work and that the Federal Government has given up hope of trying to get Australians back to work. The May Federal budget served only to entrench these trends. It contained no new initiatives to tackle unemployment. In fact, during the next four years funding for employment initiatives will be reduced by more than \$140 million. Net new spending on jobs programs represents less than one-fifth of what has been cumulatively taken out of jobs programs by the Commonwealth Government. That still leaves a \$1.5 billion gap in investment to get unemployed Australians back to work.

The budget contained no helping hand for displaced mature workers to obtain new skills. Although the Commonwealth Government should be providing a decent start for young people, apprenticeship commencements have fallen significantly below that of Labor's record while it was in office. Howard and Costello have achieved their budget surplus, but at what cost? The lean and mean policy mix of the Federal Government punishes Australians for falling off the job wheel and the new look Employment National kicks them while they are down. A failure to tackle unemployment will be the hallmark of the Howard Government. The Leader of the Opposition is silent as he stands by and watches the men and women of western Sydney being told, "Get competitive, we are not here to help you," as he watches businesses trying to create jobs for young people being told that they will have to pay for the privilege.

That silence, which will be the hallmark of the Leader of the Opposition, tells us that the same approach of promising moderation and delivering mean-spirited, nasty, divisive politics is what the Leader of the Opposition, is planning for this State if he were ever elected to government. With the creation of the new employment service market, hundreds of successful community job agencies and small private employment agencies have been forced to shut down and 199 Commonwealth Employment Service offices have closed their doors. As a result of this revamp, not one new job has been created. In

fact, an estimated 10,000 jobs have been lost by that exercise. If the Federal Government was serious about helping the unemployed, why did its tender process deliver such unfathomable results? Agencies with celebrated track records lost their contracts and others with no expertise and no ability to carry out the terms of the contract won lucrative offers. The unemployment rate in the Fairfield local government area is nearly twice the national average, yet a million-dollar contract for employment services was awarded to a tenderer who had no staff, no office and no telephones.

Following an Ombudsman's investigation into the awarding of that tender to someone who was so obviously ill-equipped to carry out the vital function of job placement, the tenderer subcontracted his responsibilities to another company, but not before holding on to part of the taxpayers' money. Under the new employment service market spivs get rich on shonky deals. But our local unemployed are denied access to assistance—they are told to look elsewhere, that the Federal Government will no longer help them, and businesses trying to attract jobs are attacked for their initiative. The sad tale of mismanagement of a vital service does not stop there. Job Network and Employment National have been failures since their inception. Last week my local newspaper reported on an accountant who could not even give a job away through the Federal Government's new employment service.

He said that he called Employment National's number and left two messages on Monday. He left another message on Tuesday and called again on Wednesday. On each occasion he was told that a nearby office would contact him. By late Monday afternoon the following week he decided to advertise in the paper and faxed the job specifications to TAFE. It was Thursday afternoon before he was contacted by the Liverpool office of Employment National. He is not the only employer to complain about the increased burden on small business. Recently a Lane Cove restaurateur told the *Sydney Morning Herald* that the Commonwealth Employment Service used to provide him with a list of unemployed candidates free of charge, from which he could select workers for his restaurant. However, Employment National wanted to charge him \$250 for a list of names. If he wanted a fully screened prospective employee he would have had to pay \$800.

The Federal Government is taxing jobs as surely as it proposes to tax everything else with its goods and services tax—the tax it said it would never introduce and the tax that the Leader of the Opposition will support later this year. The long-

term unemployed, those who require the most help to get back on their feet, have been disadvantaged by this new system of dollars first, people last. The number of organisations that provide help to the long-term unemployed has been more than halved and the number of sites where the unemployed can seek assistance has been reduced by 20 per cent.

Not only western Sydney is being told by John Howard, "You are not one of us", but country New South Wales is also suffering. What do the Nationals have to say about that? Nothing. The Federal Government streamlined the provision of employment services and, with the stroke of a pen, also streamlined the number of unemployed who are eligible for such services. Under the Federal Government, 400,000 unemployed people are ineligible to seek help from Employment National unless a prospective employer pays a fee. Retrenched workers and part-time workers who want full-time work will be denied access to the service. John Howard's true colours are shining through. He does not govern for all of us, he governs for his club—and God help you if you are not part of that exclusive club.

**Mr BROGDEN** (Pittwater) [4.03 p.m.]: Today we are faced with yet another of a succession of hopeless attacks by this pathetic Government on a Federal Government that is making great efforts to get the nation working again. Day after day, week after week this Government continues to launch attacks on the Federal Government. But we do not hear a word about what it is doing for the people of New South Wales or about any programs that offer a better solution. Indeed, so dismal is its record in three years of government that the best it can do is scrape together some pathetic attacks on the Federal Government. It has made yet another one today.

Clearly, the speech by the honourable member for Cabramatta is an attempt to get back on track her campaign to move from this Parliament to the Federal Parliament—which I notice from close scrutiny of the media seems to have stalled lately. Labor's dismal record on employment during 13 years in government, from 1983 to 1996, is a tale of woe, and one that should disgust all members of the Australian Labor Party. During 13 years of the Hawke and Keating governments Australia was dragged down to the depths of unemployment, to a recession we had to have, to a banana republic State, and only a Liberal-National Government has had the capacity to bring it back on track.

Indeed, in six years from July 1990 through to March 1996, of the 16,000 jobs that were created by the Federal Labor Government only 7,100 were for

full-time employment. The unemployment rate reached a peak of 11 per cent in December 1992 under that Government. When the Federal Leader of the Opposition, Kim Beazley, was Minister for Employment the number of long-term unemployed increased by 95,000. At the peak of its power in government, more than one million Australians were unemployed and youth unemployment was at 34.1 per cent. The message to young people from the Labor Government was that the dole was an acceptable alternative to education and training. In Labor's 13 years in government, what was its great solution to the woes of the Australian people caused by its pathetic employment record? Government members might remember Working Nation, an absolutely unadulterated \$12 billion disaster.

#### **Mr Tripodi: One Nation?**

**Mr BROGDEN:** The honourable member for Fairfield has forgotten what Working Nation is. It is probably shamefully burned out of his memory. An increase in Working Nation expenditure did not lead to more placements in full-time jobs; rather, it led to higher average costs and more multiple placements—a churning over of employment. The share of labour market assistance to the long-term unemployed actually fell and costly, ineffective programs valued at \$500 million or \$143,00 per job were created. Training for training's sake was undertaken with no job at the end. Job seekers were on a merry-go-round—recycled as short-term unemployed. Over 13 years the Federal Labor Government dealt with unemployment by hiding it in pathetic training programs with no jobs at the end.

Working Nation was the centrepiece of that pathetic attempt to get Australia working again. The Federal Labor Government ran down the apprenticeship scheme to its lowest level in three decades; the Commonwealth Employment Service was ineffective. Labor opposed and will abolish the extremely successful work-for-the-dole program that the Federal Government has established. Our record on employment at the Federal level has seen the creation of 183,300 new jobs since August 1997, of which 137,400 or 75 per cent are full-time jobs. Listen to those figures again. The honourable member for Cabramatta and the honourable member for Fairfield should listen to what one government can do in two years compared with the destruction that its Federal colleagues caused in 13 years. There have been 183,300 new jobs since August 1997. The simple program of the Federal Labor Government was tax and spend. It dealt with unemployment by creating farcical schemes. In the last three years the New South Wales Government has only taxed the

people of New South Wales more. A tax comparison in the Auditor-General's Report for 1998, volume 1, which was released today, shows that in 1992-93 per capita State taxes for residents of New South Wales were \$1,382. In 1996-97 the tax rate per capita—

**Mr Tripodi:** On a point of order. I cannot understand what the tax rates have to do with explaining the demolition of the CES.

**Mr SPEAKER:** Order! The Chair will hear the point of order being taken by the member for Fairfield without further interruption.

**Mr Tripodi:** I cannot understand what New South Wales tax rates have to do with the abolition of the CES and assisting people to find work. The honourable member should come back to the subject, which is how we can assist the unemployed to find work.

**Mr SPEAKER:** Order! The point of order has some validity. The terms of the motion confine debate to the unemployed. The motion makes no reference to taxation. The member for Pittwater will confine himself to the subject matter of the motion.

**Mr BROGDEN:** On the point of order—

**Mr SPEAKER:** Order! I have ruled on the point of order.

**Mr BROGDEN:** The issue at hand is what taxation can do to reduce the level of employment in New South Wales. In two years the outrageous tax increases by the Carr Labor Government have created a climate in which it is impossible to employ people. Indeed, if we compare the New South Wales taxation level with that in other States—

**Mr SPEAKER:** Order! As I understand it, the member for Fairfield will soon seek the call. If he continues to interrupt he will have nothing to say.

**Mr BROGDEN:** Having nothing to say is a permanent position for the honourable member. Per capita taxes in 1997-98 are: New South Wales, \$2,120; Western Australia, \$1,167; Queensland, \$1,161; and Victoria, \$1,807. Labor has created a tax climate in which it is impossible to increase employment levels. Jobs are drying up in this State. Earlier this month Morgan and Banks, a reputable employment agency, released the job market index for May to July this year. In a press release of 7 May 1998 it stated:

The quarterly Morgan & Banks Jobs Index released today indicates that the NSW job market is at its lowest ebb since August 1996—a period of 21 months. A net effect of 20.3%

of NSW employers are expecting to hire staff in the following three months.

It is clear that the Carr Government has made no effort to do anything for unemployment in New South Wales, and this pathetic attack by the honourable member for Cabramatta and her colleague says nothing for their capacity to solve problems. [*Time expired.*]

**Mr TRIPODI** (Fairfield) [4.13 p.m.]: I voice my concern about the inaction and ineptitude of the Federal Government's efforts to reduce unemployment. I represent a part of western Sydney which has local government areas with the highest unemployment rates in New South Wales and youth unemployment levels of about 40 percent. It is obvious that something dramatic needs to be done for our unemployed. In the Federal budget the Howard Government showed its tendency to punish the unemployed for their predicament, particularly the long-term unemployed and unemployed youth, through further cuts to unemployment benefits.

What is needed is a pro-active Federal job creation program. We had that in Working Nation. Only three months after the Federal Government announced the new job network those who are meant to be finding jobs are struggling to find out what it all means and those who need people to fill positions in their businesses are complaining about the exorbitant fees being charged by the new operators that have won Federal Government contracts. One restaurateur complained to the *Sydney Morning Herald* that a position he had previously filled without cost through the Commonwealth Employment Service would now cost him \$800 to fill through the new local employment office. It was extremely unlikely that the position would go to a long-term unemployed person, as it had in the past under Working Nation.

Employment National, which has taken over from the CES, has fees to employers ranging from \$300 to \$2,000 per unemployed person. The Federal Government has promised greater access to job vacancies, more sites for employment services and a reduced burden on the taxpayer. But what we are witnessing now, particularly in south-west Sydney, is very different from the picture which Peter Costello and David Kemp are painting on our television screens. Effectively, a national service provider has been dismembered and replaced with a system that shuffles around the unemployed between various inexperienced private operations which, despite their best intentions, are ill-equipped to provide the necessary service.

Imagine the confusion and hardship this is causing in areas where unemployment is compounded with language, cultural and educational disadvantages. It is a clear example of privatisation and a focus on the bottom line not working. A 50-year tradition of providing a free and accessible employment service to all Australians has come to an end. The unemployed in this State are lucky that it is against the law in New South Wales to charge a fee for the provision of a job opportunity. In South Australia, Tasmania, Victoria and the Northern Territory jobs seekers who are deemed ineligible by Centrelink for government-supported free services may be asked to pay as much as \$250 to find a job.

The Federal Government is supposed to be the government of small business. All it has done is introduce more fees and red tape for small business. It has kicked small business in the knees. The introduction of the new fees means that small businesses have to cough up money every time they want to give someone a job. We know that small business is the biggest generator of employment. Small businesses have to pay for the privilege of giving some poor youngster a job. That is a disgrace. Yet the Federal Government was elected on the promise that it would look after small business. What has it done? There used to be private employment agencies but they have been wiped out because the new arrangement subsidises their competitors.

The Federal Government has done nothing to help small business. The biggest losers are the long-term unemployed. The Howard Government has slashed funding support to the long-term unemployed by at least 30,000 places even though the actual number of long-term unemployed has grown by 26,800 under the Howard Government. The real measure of the unemployment situation is the number of long-term unemployed, those who cannot help themselves. We can make a moral judgment that John Howard has failed them. [*Time expired.*]

**Mr OAKESHOTT** (Port Macquarie) [4.18 p.m.]: Usually words are spoken in this place but I wish to refer to figures. The figure of 7.9 per cent is clear to the Opposition, but I am not quite sure what part of the 7.9 per cent the Government does not understand. I will read the coalition's current figures for unemployment, seasonally adjusted at a Federal level. The lowest seasonally adjusted unemployment rate since October 1990 was 7.9 per cent. There has been a sustained reduction in the number of long-term unemployed—the number has fallen every month for the past six months. These figures get up the Government's nose but they dispel the myth the Government is trying to spread about the changes that are being made. The figure of 7.9 per cent is the best since October 1990.

I should like to refer to motions for urgent consideration that have been moved in the House in the past month—not one has been relevant to the public administration of New South Wales. A motion for urgent consideration was moved about World Heritage listing for the Sydney Opera House. The honourable member for Fairfield moved a motion regarding the Commonwealth dental health care scheme, which, according to him, has nothing to do with the State, although it is a State scheme. On 19 May a motion was moved in regard to the One Nation Party and on 20 May the Minister for Regional Development moved a motion that the Federal Government has abandoned rural Australia—which has a lot to do with State administration! The honourable member for Wallsend moved a motion opposing a Federal goods and services tax, and that does not relate to State administration.

This Government is wasting the time of the Parliament and wasting the opportunity to do something about employment in New South Wales. It has no involvement in the Federal Government's decision-making process and is just wasting time. I shall talk about the Government's administration because it is relevant to this Parliament. I refer to the backflip on club poker machine tax, the St Vincent's Hospital closure and the backflip about police marching in the Mardi Gras parade.

**Ms Meagher:** On a point of order. The terms of the motion are quite specific and relate to the dismantling of the Commonwealth Employment Service and the inferior replacement of Employment National, and its impact on the unemployed. It has nothing to do with poker machines. I ask you to bring the honourable member back to the leave of the motion.

**Mr SPEAKER:** Order! The member for Port Macquarie will confine his remarks to the subject matter of the motion.

**Mr OAKESHOTT:** I will refer to a couple of matters that are relevant to New South Wales, such as unemployment, and I shall refer to the Government's backflip on TAFE. In June 1995 the Minister for Education and Training announced a TAFE restructure in which 310 jobs would go and 5,000 places would be created. At the time of the announcement he admitted that for obvious reasons he had not consulted with senior TAFE officials. One week later there was a backflip because the Minister for Education and Training's lack of consultation caught up with him following pressure from the Opposition and key interest groups.

**Mr Tripodi:** On a point of order. We do not want to hear about the good administration of this

House but about the dismantling of the employment assistance scheme under the previous Federal Government. The member is speaking about the good administration of this State rather than about the motion.

**Mr SPEAKER:** Order! No point of order is involved.

*[Time expired.]*

**Mr STEWART** (Lakemba) [4.23 p.m.]: The honourable member for Port Macquarie is excited, perhaps because it is the first day he has had to shave; he is growing up. I was surprised by his comments because he represents an electorate that is severely affected by unemployment and in which many programs have been axed. A number of Federal Government employment programs targeting youth in his region have been thrown out the window and he has done nothing about it. That is shameful. His young constituents are asking their local member to do something about this tragic situation. They seek jobs; they deserve and are entitled to jobs and training, but their local member has done nothing for them. He, along with the honourable member for Pittwater, has put an argument based on the logic that this is not relevant to the State of New South Wales.

The honourable member should not be in this House if he suggests that jobs are not relevant to our future and the future of our youth, and those who have been made redundant by the terrible policies of the Howard-Costello Federal Government. Those policies have seen job losses at BHP Newcastle and in many other regions. Youth unemployment has increased to unparalleled levels in this country, yet the honourable member for Port Macquarie said this is not a State issue. It is a State issue and I am proud to support the motion. Jobs must be created and programs put in place.

The backbone of the country is being broken by a Federal Government that does not care. I shall use my electorate of Lakemba as an example. Programs were in place to target youth and those who have been made redundant, but now all but two of the dozen or so strategic programs have been axed. The last program to survive is the local ethnic affairs policy—LEAP—a unemployment program targeting youth, particularly from non-English speaking backgrounds, and women who have little opportunity to enter the workplace. This program had an 80 per cent success rate, yet the Federal Government has moved it from Lakemba to Bankstown airport. No transport infrastructure has been provided and people cannot get to that location unless they are fortunate, like the honourable member for Pittwater, and have access to

helicopters. These people need and deserve the services that have been taken away.

**Mr Brogden:** On a point of order. I would like to know when I inherited a helicopter.

**Mr SPEAKER:** Order! No point of order is involved.

**Mr STEWART:** The honourable member for Cabramatta referred in her contribution to a Mr Khadar Roude, who was awarded an employment service contract under this mickey mouse show: a caravan comes in, the music is turned on, the monkey jumps out, and it turns into a little travelling sideshow. He did not have an office, staff, a network or even a computer. Someone obviously gave him a push because he received \$750,000 to find jobs for people. The Islamic Council of New South Wales, a peak body which represents one of the most deprived communities in this State in regard to unemployment, put in a tender and received nothing, yet this one-man travelling show received \$750,000 to provide support and employment programs for unemployed youth. What a joke Opposition members make of themselves, supporting that sort of travelling sideshow! That is the attitude of the Federal Government. That is why in this debate Government members are letting the people of New South Wales know about the tragedy of the Federal Government's actions—increased unemployment and lost opportunities for our youths and our future generations. That tragedy is the result of poor programs of the coalition parties.

**Ms MEAGHER** (Cabramatta) [4.28 p.m.], in reply: I am appalled by the contribution of the honourable member for Port Macquarie. He stands condemned for saying in this House that 800,000 unemployed nationally is a good figure. I am astounded that a young member such as the honourable member for Port Macquarie would suggest to the people of New South Wales that 40 per cent youth unemployment in western Sydney is a good figure. Those statements by the honourable member for Port Macquarie and the honourable member for Coffs Harbour demonstrate that they are on shaky ground when they say that they represent their constituents. The basic fear of all Australians is losing their jobs. The most vulnerable time for Australians is when they are unemployed. Every government in Australia has an obligation to provide a basic standard of living for their people and to affirm the basic right of all citizens to a job.

Australians want to work. They want to make a contribution to their country and to their places of work. The Howard Government has demonstrated that it is heartless and that it is prepared to put dollars before people. It has made access to

employment services difficult for people who are at the most vulnerable stage in their lives. The Howard Government has told 400,000 Australians, "I am sorry, but you are no longer eligible for assistance." Women who want to re-enter the work force but have husbands who are in jobs—women workers retrenched by Howard's economic restructuring of this country—no longer have access to employment assistance. That is a despicable state of affairs.

The honourable member for Port Macquarie made a big deal about numbers. The most important number as far as I am concerned is that an additional 5 per cent of Australians will be seeking the dole in the September quarter. That is frightening. That is happening despite the fact that the Federal Government spent \$147 million less on employment programs in its previous budget. Its third budget offered nothing to little Australia. That budget said: "I am sorry if you have children in child care. I am sorry if you need health care. I am sorry if you need dental care." Those are the people that John Howard is sticking the boot into through his budget. That is how the Federal Government will achieve its surplus—by riding on the backs of working Australians and those Australians who are seeking work.

The honourable member for Lakemba was right when he spoke about the dubious tender process. In Penrith, the Sisters of Mercy lost the contract for their Mamry House project. They have been providing services for the long-term and difficult unemployed for 15 years, but missed out on the contract to provide those services. A spiv from my area, with no office, no phones, no capacity to place people in employment, was given the contract. He was unable to deliver the services required of him, and had to re-contract—but not before he put a big wad of taxpayers' money into his own pocket. So someone got rich but a lot of people did not get a job.

The honourable member for Port Macquarie and the honourable member for Coffs Harbour stand condemned for saying that 800,000 unemployed is a good figure and that 40 per cent of youth unemployed is a good figure. It is the basic right of all Australians to have the opportunity for economic independence and an opportunity to provide for their families. That right has been denied them by the Federal coalition Government. John Howard says that not every Australian has those rights or will have those opportunities. He is telling working Australians that that is a luxury that they will have to pay for.

**Question—That the motion be agreed to—put.**

**The House divided.**

### **Ayes, 52**

Ms Allan	Mr Markham
Mr Amery	Mr Martin
Mr Anderson	Ms Meagher
Ms Andrews	Mr Mills
Mr Aquilina	Ms Moore
Mrs Beamer	Mr Moss
Mr Carr	Mr Nagle
Mr Clough	Mr Neilly
Mr Crittenden	Ms Nori
Mr Debus	Mr E. T. Page
Mr Face	Mr Price
Mr Gaudry	Dr Refshauge
Mr Gibson	Mr Rogan
Mrs Grusovin	Mr Rumble
Ms Hall	Mr Scully
Mr Harrison	Mr Shedden
Ms Harrison	Mr Stewart
Mr Hunter	Mr Sullivan
Mr Iemma	Mr Tripodi
Mr Knight	Mr Watkins
Mr Knowles	Mr Whelan
Mr Langton	Mr Woods
Mrs Lo Po'	Mr Yeadon
Mr Lynch	
Dr Macdonald	<i>Tellers,</i>
Mr McBride	Mr Beckroge
Mr McManus	Mr Thompson

### **Noes, 46**

Mr Armstrong	Mr D. L. Page
Mr Beck	Mr Peacocke
Mr Blackmore	Mr Phillips
Mr Brogden	Mr Photios
Mr Chappell	Mr Richardson
Mrs Chikarovski	Mr Rixon
Mr Cochran	Mr Rozzoli
Mr Collins	Mr Schipp
Mr Cruickshank	Mr Schultz
Mr Debnam	Ms Seaton
Mr Ellis	Mrs Skinner
Ms Ficarra	Mr Slack-Smith
Mr Glachan	Mr Small
Mr Hartcher	Mr Smith
Mr Hazzard	Mr Souris
Mr Humpherson	Mrs Stone
Mr Jeffery	Mr Tink
Dr Kernohan	Mr J. H. Turner
Mr Kinross	Mr R. W. Turner
Mr MacCarthy	Mr Windsor
Mr Merton	
Mr Oakeshott	<i>Tellers,</i>
Mr O'Doherty	Mr Fraser
Mr O'Farrell	Mr Kerr

**Question so resolved in the affirmative.**

**Motion agreed to.**



## AUSINDUSTRY SMALL BUSINESS ASSISTANCE

### Matter of Public Importance

**Ms NORI** (Port Jackson) [4.41 p.m.]: I draw to the attention of the House the Commonwealth Government's total disregard for the small- and medium-size enterprises of this State. Unfortunately, the Federal coalition has yet again broken its promise and backflipped on its policies. In its recent budget the Howard Government has proven itself to be the most doctrinaire, economic-rationalist government Australia has ever had. This has been made plainly obvious in every aspect of the recent Commonwealth budget, but mostly in the area of assistance to small and medium enterprises. For more than 11 years successive Commonwealth and State governments have actively and jointly supported the enterprise improvement programs aimed at small and medium businesses—but not any more. The Commonwealth Government has decided that small- and medium-size businesses no longer need its support. It has left these companies—which are the engine room of our economy—to fend for themselves.

The Howard Government has been spending a mere \$4.5 million on the AusIndustry program for New South Wales. That is not a huge sum, but the program has achieved some exceptional results. In 1996 the average annual growth of businesses in the AusIndustry portfolio was: 13.4 per cent in sales; 12.1 per cent in employment; 14.2 per cent in gross profit; and a massive 69.5 per cent in exports. Those figures for 1996 alone translated to 6,100 new jobs, about \$740 million worth of new exports and about \$290 million worth of new investment. Unfortunately, these impressive figures obviously mean very little to the Howard Government. While big businesses are downsizing and cutting jobs, small- and medium-size businesses are experiencing growth and creating more employment. Throughout 1996 in Australia businesses with between five and 200 employees created 104,000 net new jobs, compared with a net loss of 13,000 jobs by large corporations.

But the Commonwealth Government has decided that despite these results it will focus its resources at the big end of town. In its latest budget the Commonwealth has increased expenditure on research and development from \$109 million to \$142 million. That is an increase nationally of \$33 million to benefit large organisations, as opposed to the axing of \$16.7 million for small companies. Clearly, the Commonwealth Government has decided that small businesses no longer need

assistance, they are no longer important to the economy, and they can simply look after themselves. I do not have a problem about the Federal Government allocating more funds and resources to research and development, but it should not be at the expense of the well-focused AusIndustry program, which has achieved exceptional results over the years.

I shall refer to a few facts and figures in relation to the research and development budget. According to the Industry Research and Development board, only 2 per cent of companies invest in research and development and are therefore eligible for funding. Just 10 companies account for 25 per cent of the national research and development expenditure. Of the \$35 million given to New South Wales, about \$10 million went to just two large companies, whereas more than 1,500 small businesses benefited from less than \$5 million in Howard Government assistance. We need to ask ourselves: just what are the Commonwealth Government's priorities? Does it not realise that research and development is not the only competitiveness factor determining business success for Australian firms? The new funding does not address business management, marketing, human resources, finance, or production management issues. Consistent research on success in growing businesses—like the Karpin report—emphasises the importance of building capacity in management skills in small and medium enterprises. The Commonwealth Government is withdrawing the one and only program that addresses these issues.

I have written to the Federal Minister, John Moore, asking him to reconsider the matter and to seek a meeting to try to change this disastrous decision. But so far I have yet to be graced with even an acknowledgment of my letter. I also wrote to a number of New South Wales companies that had benefited from the AusIndustry program, and they responded magnificently. I received many letters and signed petitions from businesses and regional development organisations throughout New South Wales, who praised the program and its achievements and insisted that the Federal Government reconsider the matter. This is made all the more appalling because Minister Moore is clearly junior to the Federal Minister for Workplace Relations and Small Business, Mr Reith.

It astounds me that someone of Mr Reith's stature in Cabinet—and supposed clout—has not seen fit to lift a finger to save the AusIndustry program. Of course, Mr Reith has probably been too busy trying to destroy our wharves and the Maritime Union of Australia to give a damn about small

business. This is a continuation of a disaster in the Federal Government's policy area in relation to small business. As members will recall, Minister Reith was put in there to supposedly save us from the appalling record of former Minister Geoff Prosser. The Federal Government has a lot to answer for in regard to its appalling lack of support for small business.

I now refer to the companies that have received the benefits of the AusIndustry program. Annually these companies sell goods and services valued at about \$11 billion, of which \$740 million is exported. It is estimated that last year the companies created about \$1.5 billion in additional turnover in New South Wales. Clearly, the Federal Government is fully aware of these statistics. It has commissioned numerous reports and surveys that demonstrate that companies in the AusIndustry program perform far better than similar companies that are left to their own devices. Price Waterhouse, Barraclough and Company and Coopers and Lybrand have all been employed to provide comprehensive analysis on the benefits of AusIndustry. A C Nielsen was also commissioned to report on AusIndustry, but the Commonwealth Government chose initially to suppress its findings—thanks to Minister Woods, who exposed that deficit.

One can only presume that these results would not fall in line with the Commonwealth Government's macro, Thatcher Government-type policies. The Nielsen study found that AusIndustry clients, when compared to a group of companies receiving no assistance, had a greater take-up of new technology—that would fit in with the Federal Government's push on research and development; were more likely to have new and improved products; were twice as likely to be developing a skilled work force; and were three times more likely to be engaged in waste reduction. The report found that the greatest difference between the AusIndustry group and the control group was in the growth of export sales.

That information should be of great interest to all country members in this Chamber. The capacity of our regional industries, including our farming communities, to develop and export will have an effect on the development of regional New South Wales. AusIndustry participants achieved a growth of 35 per cent compared to 25 per cent achieved by non-AusIndustry companies. Companies in the program more than doubled their turnover. It is not surprising that the Federal Government did not want to know about the findings, or publicise them. If the results were published, how could the Federal Government justify its decision? The answer is that

it cannot. I am sure that many National Party members are aware of the wrath and ire in the bush.

Country people are angry with the Federal Government. They are concerned about what the Federal Government is doing. The Federal Government has completely abrogated any responsibility for regional development—the subject of a debate last week. The Federal Government had no rationale for cutting \$740 million from the New South Wales budget or \$150 million from the regional development program. Those actions show just how little the Howard Government cares about the bush. New South Wales has 257,000 small business, and many of them are based in regional New South Wales. Small businesses are the greatest source of employment for the regions. Without Commonwealth funding, it is regional New South Wales that will have to suffer yet again. [*Time expired.*]

**Ms SEATON** (Southern Highlands) [4.51 p.m.]: I would like to know why the Minister for Regional Development did not take the lead on this issue, but I think I know the answer: the Government is not serious about the content of the motion. The Government knows it is not true. I am sorry that the honourable member for Port Jackson fell for this yet again. Her boss has strung her along as Parliamentary Secretary for two years. I compliment her for doing that job very sincerely, and I am sure many of my colleagues would do the same. I came across her delivering a very good speech at an Australian capital region development committee. She tried very hard with the material she had. Just up the road 120 jobs were lost, which impacted on private sector enterprises in Goulburn. She did her best.

If there were to be a separate regional development Minister many members on this side of the House would like such a Minister to be the honourable member for Port Jackson. We are all very disappointed, but history will show that it was a jobs-for-the-boys situation. The promise was made—it was the only promise Premier Bob Carr kept—yet it is the Minister for Energy who is at the table today. Let us consider the truth about AusIndustry and let us be clear about what has happened. The Howard Government has replaced AusIndustry with a more direct form of investment funding through its research and development start program, and a \$130 million innovation fund on a two-for-one basis with the private sector.

The program will encourage new technology-based firms which, as I am sure the Minister for Information Technology would agree, will be a

major source of jobs in this State. The program will be administered by the industry research and development board. As at last October at least four companies had signed up to participate in the program and contribute money to it. The original program has been replaced by a program more than four times its size. I am very pleased, on behalf of the coalition, to debate the Carr Government's record on enterprise, business and industry. Let us start with the Olympic Games. Two years ago the honourable member for Burrinjuck and I approached the then Minister for State and Regional Development, the Hon. Michael Egan, with what seemed to be a good idea.

The proposal was also promoted by a number of people in the areas that I and the honourable member for Burrinjuck represent, as well as in many other parts of New South Wales. The idea was to hold a rural and regional Olympic business expo in the central business district during the Olympic Games; to bring the bush to the CBD so that we could support enterprises, particularly fledgling bush enterprises, that were started with good ideas. It would give those enterprises the world audience they needed to grow. To his credit the then Minister for State and Regional Development thought it was a good idea because the proposal was a real bipartisan chance to get behind rural industry.

The best of rural industry—fine food, wine, value-added wool, clothing and leather products—from all regions of New South Wales would be on display. The honourable member for Port Jackson wrote to me confirming that the Carr Government would get behind it. Since then I have heard nothing from the Minister. When I checked with my local State and regional development office in Goulburn a couple of months after I received the letter from the honourable member for Port Jackson, he had to find out from head office what was happening, because he had not been told. The Minister has dropped the ball.

It is also worth considering what the Telstra Yellow Pages study of 27 May reveals about the Carr Government's approach to enterprise and industry in New South Wales. I am sorry to say that it is not happy reading. According to the latest Yellow Pages *Small Business Index* released this week, sales and profit growth in the New South Wales small business sector during the past quarter slumped to their lowest levels for 12 months. The study also showed that 9 per cent net of proprietors reported an increase in their sales revenue, compared with 24 per cent net in the previous quarter and 27 per cent net in the quarter to the end of October last year. The employment picture in the State's small

business sector remained flat, with more proprietors reporting staff cuts than those reporting hirings during the past quarter. That is a sorry record for any State Government to have to face up to. I also draw the Minister's attention to the media release issued by the Yellow Pages today:

New South Wales small business continues to have a negative view of the Carr Government, with substantially more proprietors seeing the State Government's policies as working against them than for them.

That is very telling comment, from an entirely independent commentator. I cannot believe the Government's hypocrisy in this matter of public importance. What has the Carr Government done to support industry in New South Wales? Precious little. It has added more taxes. In the 1997-98 year an extra \$600 million was gathered in taxes. A bed tax of roughly \$4 million was collected and an electricity distribution levy of roughly \$100 million was collected. We all know the land tax story. Payroll tax increased, twice, by \$100 million and car registrations increased by \$20 million. If the Government cannot levy more taxes it tries to cut short State Government contracts. I draw the Minister's attention to a concrete sleeper production plant in my area that was under contract to the Government to produce rail maintenance sleepers. That contract has been cut short by six months, and that has left 36 people without jobs.

That action of the Carr Government is an absolute triumph in exporting jobs out of New South Wales. If the Carr Government requires new concrete sleepers for rail maintenance—that might happen, but hopes are dim—it would have to buy them interstate because New South Wales will no longer have the facility to manufacture them. It is the height of hypocrisy for the honourable member for Port Jackson to move this matter of public importance. The record of the Carr State Government is absolutely abysmal. The honourable member for Port Jackson has been trying to lay blame anywhere but where it should be laid, and that is at the feet of Bob Carr.

The Premier, Bob Carr, has driven this high taxing regime. He has caused many businesses to become almost unviable. As a former small business owner I would think twice before trying to start a new business in this unstable climate of high taxes. The people of New South Wales do not know what next week's budget will contain or what new taxes they will be facing. They could be forgiven for thinking they can expect new taxes in the budget. As I said, I would think twice about starting a new business. That is not because of anything the Federal Government has done, but simply because of the

business climate in New South Wales. The Federal Government has given business exactly what it needed and wanted. First it has fixed the \$10 billion Beazley black hole and, second, it has kept interest rates and inflation as low as possible. That has given enterprise its best chance to prosper.

To be added to that is the \$130 million Innovation Fund, which Government members sought to discredit today. The sorts of businesses that this Government seeks to encourage are the high-tech, computer-related businesses that will provide meaningful and substantial jobs in the future. In turn those jobs will provide export products, both intellectual and manufactured, for New South Wales in the future. It is a shame that Government members are not applauding the allocation by the Federal Government of \$130 million, on a \$2 for \$1 basis, to generate small business. I will give the Carr Government some advice on enterprise improvements: it should decentralise more jobs to country areas and stop trying to tax the life out of small business and enterprise.

**Ms MEAGHER** (Cabramatta) [5.01 p.m.]: I commend the Parliamentary Secretary for Small Business, the honourable member for Port Jackson, for fighting the Howard Government's decision to axe the obviously highly successful AusIndustry program. The Commonwealth Government's latest budget will hit greater western Sydney hard, especially small business. The withdrawal of Commonwealth funding from jointly supported enterprise improvement programs will result in an end to one of the most successful initiatives to support small and medium business growth in this area. In greater western Sydney there are 264 active AusIndustry clients, of which 78 per cent are manufacturers and 42 per cent are exporters. They employ more than 10,500 people, and have annual sales exceeding \$2 billion, of which around \$150 million results from exports. This AusIndustry program has achieved outstanding results in western Sydney. The average annual sales growth of companies is around 20 per cent. They have increased their work forces by 690, which is an average of 17 per cent. But most impressive is the average annual growth of exports by approximately 287 per cent, which is equal to an increase of \$64 million. They have also increased their research and development expenditure by \$3 million, or an average of 188 per cent.

Those figures speak for themselves. It is inconceivable that the Commonwealth Government wants to focus solely on research and development. The figures show that the AusIndustry program not

only encourages research and development, but it also assists the other factors that are essential for business success. It gives small companies the chance to develop essential management, marketing, human resources, finance and production management skills. Without the program many companies would not have the knowledge or internal capacity to translate their good ideas into healthy, successful businesses or to increase their exports and thus create new jobs. An example of such a business is an office furniture manufacturing firm in Ingleburn which has received AusIndustry assistance. In only 12 months it has moved to new premises and its business has expanded from a turnover of nearly \$5.5 million to a turnover of nearly \$8 million. The firm has increased its number of employees from 34 to 66. The loss of the AusIndustry program to western Sydney will be particularly hard felt in a region that is already reeling from other cutbacks in Commonwealth expenditure.

Let us deal with some of those cutbacks. At the University of Western Sydney previous budget cuts have already resulted in a reduction in the number of student places in 1997-98. Severe cuts to operating grants, 6 per cent by the year 2000, and increased higher education contribution scheme charges to students which were introduced in the 1996 and 1997 Federal budgets have impacted severely on the University of Western Sydney. The average university student now pays 42 per cent of the average cost of a full-time place compared with 23 per cent before the Howard Government came to power. Commonwealth cuts to higher education grants are close to \$80 million annually, and by the end of this decade Commonwealth expenditure on higher education will be back to the levels of the late 1980s. Commonwealth reductions in school education and TAFE expenditure are estimated at around \$100 million annually in New South Wales by 1999 and the year 2000.

**Ms Seaton:** On a point of order. This matter of public importance clearly relates to AusIndustry and to the enterprise improvement program. The honourable member for Cabramatta is talking about education and a range of issues which are not pertinent to the debate.

**Mr ACTING-SPEAKER (Mr Mills):** Order! The member for Cabramatta has referred to AusIndustry. No point of order is involved.

**Ms MEAGHER:** The Federal Government is trying to set the clever country back by taking funding for research and development out of our universities. It is denying Australians and small

businesses the kinds of opportunities that they need to be competitive in our region. These issues have to be raised in this House because they are not getting a fair airing. The honourable member for Southern Highlands should realise what happens when that kind of money is ripped out of research and development. It is imperative that small businesses have money injected into them and that participants develop the management production skills that makes us competitive in the Asian region.

**Ms NORI** (Port Jackson) [5.06 p.m.], in reply: Earlier I alluded to a number of petitions and letters of support from companies, regional development boards, business enterprise centres, development corporations and local government authorities throughout New South Wales. I will quote from some of those letters to make it clear to the honourable member for Southern Highlands what people in the regions, in particular small businesses, think about the Federal Government's decision to end the AusIndustry program. Bayview Seafoods from Taree states:

We have received financial support in modernising our plant and its successful implementation has projected us to the point where we have become the No. 1 producer in Australia processing seafood for the food service sector. As a result we are providing employment in a country area which obviously helps the local economy. Such a development may not have occurred without the financial assistance and encouragement of the AusIndustry program. I urge your Government to reconsider its position with respect to funding the program.

Ruddweigh, a company based in Lindfield, but which operates in the region, states:

In this particular case our company operates in an area comprising only 2,000 people. We are a significant contributor to the infrastructure in the area not only with sales and exports but also with the motivation and confidence we give to the families that live there . . .

We need AusIndustry to survive to continue to support regional Australia in our efforts to keep this country going. Without people like us Australia's employment situation will be much worse than what is being currently experienced.

Not all of the companies have agreed to allow their names to be mentioned, but they are quite happy for me to refer to the contents of their letters. Another company, which is based in Sydney, states:

With assistance and input from the program over the last three years we have been able to implement a research and development program and commence local manufacture. During the current year our staff levels will rise to exceed 20 people representing a 25 per cent staffing increase in this financial year alone. In addition to those 20 persons we use the services of specialist consultants and subcontractors and generate substantial external employment for them.

A letter from another company in the bush stated, among other things:

This scenario no doubt would apply to many small to medium size businesses in Australia and with the results that have been achieved through this program it is hard to understand why your Government [the Federal Government] is discontinuing support.

One letter that should be close to the heart of the Leader of the National Party comes from Canowindra. Judy Lynn of Balloons Aloft stated:

After 10 years in business we were struggling to keep our small business aloft, so to speak, and a friend suggested the AusIndustry program might be able to help us see the forest for the trees. Indeed they did! They took us on board and helped us to do a diagnostic on our company, find the good points and the failures, do a business plan and get us going in the right direction again. It worked beautifully and after one year in the program our business is healthy once again and we are looking forward to growth through to the year 2001.

More important, that company is once again hiring new employees and enjoying the fruits of its labour. I could go on and on. Opposition members should not kid themselves that these people are necessarily Labor supporters. They are not Labor supporters by a long stretch. A number of the those I have spoken to have been and may still be members of the National Party, and they are dirty on the National Party's Federal colleagues. National Party members should do themselves and the people of regional New South Wales a favour by joining forces with the Government and sending a message to the Federal Government that it has done the wrong thing and has been stupid and short sighted.

Although money for research and development is needed, the rate of uptake of that funding by small to medium-size businesses will not be high. Many of their products do not require research and development assistance. AusIndustry helps small to medium-size enterprises enter the export market when they need to. They do not have export or marketing departments and need a little help at the right time to make a quantum leap into the export markets, to expand and to create jobs for our State and our people. If National Party members join the Government in sending the message to Canberra we will all help the people in the bush.

**Discussion concluded.**

**Pursuant to sessional orders business interrupted.**

## **PRIVATE MEMBERS' STATEMENTS**

### **CENTRAL COAST SCHOOL FACILITIES**

**Mr HARTCHER** (Gosford) [5.12 p.m.]: I wish to speak on education, a matter of concern both

in my electorate of Gosford and on the central coast generally. A letter that was written on behalf of the teachers at Woodport Public School stated:

Woodport Public School is experiencing massive growth. When the current administration and library buildings were constructed in the 1970s Woodport Public School had an approximate enrolment of 200 children. The enrolment now has reached around 665 and is expected to grow significantly over the next few years. This growth will probably be by at least a class, 30+ children, per year. There are a number of huge new subdivisions under development in the school's feeder area. The Erina area is probably one of the fastest growing areas in the state.

The school currently has 14 permanent classrooms and 10 demountable classrooms. The demountables are now being placed in the playground, taking up what limited playground space there is available at the school. You will remember from your visits to the school the attractive playground environment the community and staff had worked together to provide. This is gradually disappearing under demountables.

The Department has indicated some sort of demountable annexe to the current staff room may be available. While any extra accommodation is welcome it is not a solution to the problem.

The staff of Woodport Public School have asked me to make representations to the Minister for Education and Training and to draw the attention of the Department of Education and Training to the problems that the growth in student numbers is causing for the school. The letter continued:

In particular we ask that you urge the Minister to immediately begin the planning of a new school for the Erina area. We also ask that you make representations to the Minister seeking the provision of additional administration and library space at this school.

The letter went on to highlight some of the problems experienced at the school. The sink area in the staffroom is cramped and dangerous, the teachers have no access to a shower and because access to hot water is difficult it is only a matter of time before someone is badly burnt. Ventilation in the staffroom and other rooms is poor. Gosford Public School has been waiting for a promised demountable building for more than three months and up to a further 10 central coast schools are experiencing delays in the provision of demountables. Those schools were told that the delay is because of recent heavy rains. However, they were earlier advised that the delay was because of a transport problem. Whatever the excuse being used by the department, the demountables are not arriving. In a letter to me Ettalong Woy Woy Teachers Association stated:

We write to inform you of the unacceptable delay in the provision of a demountable classroom for Woy Woy Public School. Similarly unacceptable delays have occurred at Umina Public School and Ettalong Public School, and we would ask you to pursue those schools' just interests as well.

However, we write particularly of the "case history" at Woy Woy Public School.

Despite the formation of an additional class at the start of Term 1, 1998, no classroom has been provided by Term 2, Week 5.

The "class with no classroom" work in a small Art/Craft "wet" area. It is poorly ventilated, noisy, and unacceptably small for Year 6 students.

This room cannot therefore be used for withdrawal of children for special learning tasks, nor for its intended use for Art/Craft by other classes.

This has resulted in E.S.L. (English as a Second Language) and S.T.L. (Special Teacher Learning); Scripture; and Reading groups, being held in the Teachers' Staffroom, which poses privacy, security, and confidentiality concerns for the staff.

Provision of classrooms for classes is a most basic duty of our employer.

Woy Woy Public School is a Disadvantaged School. Many of its children face daily challenges that the more affluent never have to cope with. Not having a classroom should not be one of those challenges.

Returning to the problems at Woodport Public School the staff advised:

The staff toilets are inadequate for the number of staff required to use them. They are small and poorly ventilated. The staff have no access to a shower or even hot water in the toilets. Teachers often have to participate in Physical Education lessons and sport which require a shower afterwards.

There is no room to conduct interviews with parents, and it is a common sight to see parents lined up outside staff toilets while waiting for an interview in whatever room can be made available. The letter continued:

The room which is used for a clinic does not have enough space to house more than one or two sick children. It is about 7 square metres.

The clerical assistant's office is only about 10 square metres and because of this small size it is impossible to house all the computer equipment required in a modern school office.

The children of the central coast will be severely disadvantaged if the Government is not prepared to provide the proper education facilities in this growth area.

### JAMBEROO CROQUET CLUB

**Mr HARRISON** (Kiama) [5.17 p.m.]: I bring to the attention of the House a good news story about Jamberoo Croquet Club, which seeks to add to the quality of life of those who cannot participate in a physically demanding sport. There is a definite

need for this venture, which combines social opportunities and physical activity, as evidenced by the support for the formation of the club from all areas of the Kiama municipality, despite little publicity. At the end of November 1996, with the support of Bundanoon and Nowra croquet clubs, more than 40 people attended a twilight demonstration match at Jamberoo cricket oval. The Jamberoo club was formed in February 1997 and now has 18 members and two social members, despite not holding a membership drive until the necessary ground for two courts is allocated by Kiama council.

The club is affiliated with the Croquet Players Association of Australia and is a member of the Jamberoo Combined Sporting Clubs and Kiama Sports Association. For its clubhouse it has been given the use of the old Kevin Walsh Oval tennis pavilion, which has been repainted and furnished. At present, the club has laid out two small courts on a closely mown section of land that is set aside for junior cricket. However, it is not suitable as a permanent site because of the grass surface and the land must remain as open space. At Jamberoo, a picturesque picnic area, there is good level access and room for parking, two attributes not commonly found in combination. It is envisaged that Probus and friendship groups would be interested in outings there, including a social game of golf croquet. Club members are prepared to host such events and to provide assistance and also envisage the possibility of providing social croquet for the general public and tourists.

Croquet is an environmentally friendly sport: it is not noisy or a crowd hazard. It is a sport for people in our community who are not well provided for, such as the disabled and seniors, and adds grace and charm to their lives. It is a sport which the people of Jamberoo seek to include as part of their village facilities, something of which they can be proud. I am also proud of the actions of the club members in this small township within the electorate of Kiama. They are indeed a very genteel group of people who are intent on providing an activity which not only is environmentally friendly but which also enables people who are disabled, people in wheelchairs and the elderly to participate in a sporting activity and to be involved in a social mix with their peers and other members of the community.

In the long term the facility will prove to be a fine tourist attraction for the town and will attract tourists who are also genteel by nature and who will not intrude in any way on the quality of life enjoyed by the people of Jamberoo. I am particularly pleased

that the Minister for Sport and Recreation, the Hon. Gabrielle Harrison—she is not my daughter but I would certainly be proud of her if she were; I am proud of her in any event—as a result of a submission earlier this year provided \$10,000 to assist the croquet club at Jamberoo. That was certainly well received by the local community. I have been invited to attend on 6 June to make a symbolic presentation of the cheque, money which will be matched from local community sources, and to participate in a game of croquet.

I am looking forward to it. It will make a change of pace from anything that I have done in the past. As I am approaching senior years perhaps I will take up croquet as my sporting activity on weekends. That remains to be seen. In any case, this is a good news story and I am delighted that I am able to bring it to the attention of honourable members. I am delighted also that the Minister has agreed to respond to my speech. I place on record my sincere appreciation of all the assistance she has given to the local community, especially to those who are handicapped or approaching senior years.

**Ms HARRISON** (Parramatta—Minister for Sport and Recreation) [5.22 p.m.]: I add my congratulations to the croquet club on its success. I commend the honourable member for Kiama for his advocacy for the club. I hope that on 6 June the weather is fine and it is a good day. I would like to hear how the honourable member for Kiama goes on the day, having never played croquet myself, but I am sure he will enjoy it.

#### NATIONAL SENIORS CARD PROPOSAL

**Mr SMALL** (Murray) [5.23 p.m.]: I thank the Minister for Ageing, who has just entered the Chamber, for attending to hear my speech proposing the issuing of a national seniors card. Next year is the International Year of the Elderly and there would be no better time to give people over 60 years of age a national seniors card. It would be marvellous if the Minister could do it. When Jim Longley was the Minister responsible for elderly people I approached him on the issue and he spoke to a number of Ministers from the States and Territories. There seemed to be a lot of interest in the issue. It is difficult to achieve uniformity between the States and Territories but I hope that the Minister will be able to do it.

It would be a marvellous boost to the senior community of Australia, particularly those in New South Wales, if a national card could be issued. My electorate of Murray has a 1,431 kilometre border with Victoria along the Murray River. The majority

of constituents in my electorate travel to Victoria because most of their loved ones and families live towards Melbourne. Few travel to Sydney. A similar situation applies along the Queensland and South Australia border areas of New South Wales. Anything that can be done to provide a national seniors card would assist older people with the purchasing of goods. Of course, it is up to individual stores selling clothing, food or whatever to decide whether they will offer a discount. Travel discounts are particularly attractive to elderly people.

The provision of a national seniors card would be a wonderful birthday present for seniors in 1999, the International Year of the Elderly. It would be a wonderful reflection on the Government and on the Minister. I wish her well in doing this. Books are issued informing people of places where a discount is offered to holders of seniors cards, and that can be of huge benefit. Apart from major one-off events, the issuing of a national seniors card would be the major ongoing request from senior people to my electorate office. Elderly people look for concessions when travelling interstate. New South Wales has the largest population and Victoria the next largest and this may cause the governments of the two States to baulk at providing travel concessions. As I said, in the food, clothing and entertainment industries the offering of discounts is up to individual owners.

The benefits to the States would probably balance out. It may cost the New South Wales Government a bit but it would be a money-spinner for the economy. Some seniors who otherwise would not have travelled to buy clothing or to have a night out might be influenced by the discount available through the card, and this would generate extra business. Some major stores around Australia, particularly in Victoria, already accept New South Wales seniors cards. In some cases, especially at individual smaller stores, people may be refused a discount but the issuing of a national seniors card would benefit people all over the country. I hope that the Minister will be able to achieve a good result in 1999 by achieving agreement on the issuing of a national seniors card.

**Mrs LO PO'** (Penrith—Minister for Community Services, Minister for Ageing, Minister for Disability Services, and Minister for Women) [5.28 p.m.]: I thank the honourable member for Murray for giving me notice that he would raise this issue. For the International Year of the Elderly many things will be looked at, and I am happy to consider the honourable member's proposal. New South Wales has 893,000 seniors cards on issue, this being the most populous State. It is expected that the number will not increase to much more than a

million as many present holders of the cards will no longer be with us. It is a tall order but I am happy to consider the proposal. The International Year of the Elderly gives governments and communities an opportunity to revalue older people. A message that has been poorly given to older people is that we value them. They have information and values that are very useful and that should be recycled back into the community. One of my aspirations for the International Year of the Elderly is to recycle the skills and knowledge of older people into communities where it is most needed.

In country areas, where I grew up, Anglo-Saxons in a very hot climate freckle. Mothers would cut up a tomato to rub on burnt skin to take out the sting. It was an antiseptic and prevented blistering. That sort of information is dying with older people. We need to find a way to revalue the information that is passing from our society. I can make no promises about the issuing of a national seniors card. It would put an impost on the government and it would involve governments across Australia. It should be considered as an item for the International Year of the Elderly.

## FOREST CONSERVATION

**Mr WATKINS** (Gladesville) [5.30 p.m.]: Many of my constituents and, in particular, the Ryde-Hunters Hill Flora and Fauna Association have an interest in forests. In September 1996 in this House I welcomed the historic conservation decision in regard to New South Wales forests. That was the important first step in a process that will see the long-term protection of our forests. With the recent release of the four options in the comprehensive regional assessment report for the south-east forest we have reached the endgame in that important process. That area has been central to a 30-year battle by the conservation movement. Those four options will be on public display until 26 June, and I understand a final decision will be made soon after that.

We have reached a critical stage in the process. Option A was developed by conservation groups and adds 57,506 hectares of forest to conservation reserves, and guarantees 20,000 cubic metres of sawlogs. Option B was developed by the National Parks and Wildlife Service and State Forests, and provides for 42,747 hectares of reserves and 22,500 cubic metres of sawlogs. Option C was developed by the timber industry and adds 33,616 hectares of forest to reserves and guarantees 26,000 cubic metres of sawlogs. Option D was developed by the Federal Government—which reveals much about its green credentials—and adds only 20,048



hectares of forest to reserves and allows for 26,000 cubic metres of sawlogs.

It is essential that those who wish to see the south-east forest protected react to these options and respond by making clear their favoured conservation option. In my view, and in the view of many in my electorate, the favoured option must be option A, and I encourage Cabinet to adopt that position. I wish to make clear my support for the conservation reserve proposal. All these options came out of the Resource and Conservation Assessment Council—RACAC—process, and all are based on accurate and detailed figures made available through that process.

I support option A, the most favourable to conserving precious forests in that area, for several reasons. First, I believe it is the option that the majority of people in New South Wales would support. I am aware of the demands in my electorate for a green outcome. I was impressed by the local interest and positive feedback when the historic forest decision was made in 1996. I received almost 300 letters at that time—the most I have ever received about any issue—which clearly showed the level of support in my community for a conservation outcome.

That level of support remains, and concern about the future of the south-east forest is still evident. I support option A because it guarantees 20,000 cubic metres of sawlogs. I understand that that figure has been given special status by Cabinet and the Premier as a minimum timber resource. That option also guarantees the continuation of a timber industry in the area. Another wonderful benefit of the option is the maximising of the south-east forest national park. An area of 96,000 hectares has already been declared. Acceptance of this option will ensure another 57,506 hectares are included, guaranteeing a vast 163,000 hectare national park.

Concern has been raised in other places about the impact this conservation option will have on jobs. The option identifies 44 jobs that will go. However, it is clear that this will be only a short-term situation. Within five years up to 200 jobs will be created through the Bombala pine resource, which has been under discussion for several years. For some years plans have been in place for CSR to build a softwood particle board plant to harvest the huge softwood plantations in the area. In the interim I hope that the Industry Restructuring Fund can be used to organise security of tenure or other employment opportunities for displaced timber workers who are presently employed in this area.

This is the final stage in a long and often painful process. I encourage members of the public, particularly those in my electorate, to make themselves aware of these options and to come out in support of a clear choice to save the forest. Such an outcome will end intensive clear-felling and will protect fauna and flora habitat and rare old-growth and rainforest areas. It will result in a truly historic national park and wilderness area, which will be a wonderful legacy for future generations. A conservation result will see peace in the forest and the end of a political battle that has been a blight on our body politic for far too long.

Finally, tribute must be paid to those involved in the process—to the Ministers, unions, bureaucrats, leaders over many years of the environment movement, those more intimately involved in recent negotiations and the thousands of men, women and children in New South Wales who have stood up for the future of our forests. We are on the edge of great success. May I urge all involved to make one last effort to achieve the hoped-for conservation outcome. [*Time expired.*]

**Mr ACTING-SPEAKER (Mr Mills):** Order! I remind the member for Gladesville of the ruling by Speaker Rozzoli which appears at page 113 of *Decisions from the Chair*. It is in these terms:

Member may refer to matters outside his electorate if the matter was brought up by a constituent.

I reminded the member for Davidson last week that when making private members' statements, members should mention constituents or organisations from their electorates.

**Mr WATKINS:** That is why I mentioned the Ryde-Hunters Hill flora and fauna association in my electorate and the many letters I have received from constituents.

**Mr ACTING-SPEAKER (Mr Mills):** Order! I thank the member for Gladesville for his response. I was unable to hear because of the constant interjections of the member for Coffs Harbour.

#### **THE HILLS ELECTORATE TRAFFIC SIGNAL INSTALLATION**

**Mr RICHARDSON (The Hills) [5.36 p.m.]:** On 24 October 1995 I issued a press release headed "Traffic Lights Planned for Brisbane and Highs Roads". Unusually, the press release praised the Carr Government for allocating funding to my electorate,

for traffic lights at the intersection of Highs Road, Castle Hill Road and County Drive in West Pennant Hills and for traffic lights at the intersection of Brisbane Road and Old Northern Road in Castle Hill. It is now some 2½ years later and neither intersection has been completed, although the lights at the County Drive intersection creep ever closer. However, the lights at the Brisbane Road intersection seem to have been firmly placed in the too-hard basket, even though it is being developed as a medium-density precinct and is home to St Bernadette's Catholic primary school. On 20 June 1989, six years before I issued my press release, Robert Webster, then Assistant Minister for Roads, wrote to Father David Maguire, the then parish administrator of St Bernadette's School in the following terms:

Dear Fr. Maguire,

I refer to your further letter concerning the installation of traffic signals at the junction of Old Northern and Brisbane Roads at Castle Hill.

On Tuesday, 16 May last I understand that an officer of the Roads and Traffic Authority met with you to discuss the matters raised in your correspondence.

Advice conveyed to you at that time is now confirmed in that the installation of signals is included in the 1990/91 program of works.

Father Maguire is now the parish priest of St Bernadette's School and, as such, no doubt believes in miracles, but I suspect he is fast coming to believe that he will never see the miracle of traffic lights at the Brisbane Road intersection. St Bernadette's School on Brisbane Road caters to more than 300 primary school children, with two access points in Brisbane Road and Old Northern Road. The school has recently been substantially rebuilt, with bus bays provided in Brisbane Road as required by the Council of the Shire of Baulkham Hills, at considerable expense to the parish and the Catholic Education Office. However, of the two bus companies that service the school, only Glenorie Bus Company Pty Ltd uses the bus bay. Westbus Pty Ltd continues to drop off and pick up children on Old Northern Road, which causes considerable traffic congestion and safety concerns because of the lack of traffic lights at the intersection of Brisbane Road and Old Northern Road.

For years the sticking point appears to have been the co-ordination of the lights at Brisbane Road with those at McMullen Avenue, a short distance on the other side of Old Northern Road. The second set of signals is being funded by Queensland Investment Corporation, the developers of the Castle Towers shopping centre. Over the years consultants for both the RTA and council have variously supported and

opposed co-ordination. Finally, late last year both sides agreed that the lights could be co-ordinated, and on 3 October 1997 I was emboldened to write to Father Maguire telling him the good news. I wrote:

Dear Fr. Maguire,

I am informed that it will be possible to co-ordinate satisfactorily the lights at McMullen Avenue with those at Brisbane Road . . . This work should cost around \$80,000 on top of the cost of building a right turn bay in Old Northern Road.

Given that the money for a full signalised intersection treatment had been promised and that it was only the technical problems which prevented that money being spent, I think we should have a good chance of persuading the RTA to incorporate lights into the intersection.

Alas, that was wishful thinking. A week later I wrote again to the Minister for Roads about this issue, and pointed out that the concerns relating to the co-ordination of the new traffic signals had been resolved and that Baulkham Hills council was happy for the full signalised intersection treatment to be provided. I requested that the department proceed with the original plan to provide both a right-turn bay and traffic signals at the intersection. I received a reply from the Minister's Parliamentary Secretary, the honourable member for The Entrance, on 28 November 1997. In that letter the Parliamentary Secretary for Roads set out a number of issues of which I was already aware, then concluded:

With regard to the installation of traffic signals at the junction, at the time of the community consultation process such a facility was not supported by the local community. Consequently, it was determined that the turning bay would adequately accommodate turning traffic. However, the RTA has arranged for the contractor undertaking work at the site to install the underground ducts required for the electrical components for signals should these be required in the future.

This is a nonsense. The local community supports the installation of the traffic lights, and has done so for years. Council has also dropped its opposition to their installation. Indeed, I was speaking to council's manager of traffic and parking, Mr Andrew King, about this matter only this morning. We have the right-turn bay, the conduits for the signals, and, as I understand it, the funding for the signals. The only things we do not have are the signals themselves. Now is the time to install them—while the other work is being done on the intersection, not as an afterthought and at considerably greater cost to the taxpayer and inconvenience to motorists. That is why I am entreating the Minister to deliver on his promise, to install the signals now, while the other work is being done on the intersection, and to give me, as well as Father David, a reason to believe in miracles.

### **Mrs JURATOWITCH RAIL VIBRATION COMPLAINT**

**Mr PRICE** (Waratah) [5.40 p.m.]: I preface my remarks by advising that the matter I raise concerns the Minister for Transport and that I advised the Minister's office that I intended to raise it in the House. My constituent Mrs Beth Juratowitch has had problems associated with railway line noise and vibration. Several years ago a cupboard fell from the wall of her kitchen and injured her. I acknowledge that the Government has moved, at a cost of some \$8.7 million, to assist in correcting those problems along the railway line from Telarah to Waratah. Mrs Juratowitch had for some time been unable to obtain a copy of the report by a Freight Rail structural engineer. Interestingly, on 6 May she received advice from the Parliamentary Secretary for Transport advising that the report was not available because it was not a public document. At about the same time FreightCorp wrote to Mrs Juratowitch enclosing a copy of the document in response to her request for it under freedom of information legislation. That confused me, and certainly confused Mrs Juratowitch.

The report made interesting comments about vibration and suggested that vibration may have been involved in the incident that concerns Mrs Juratowitch. Mrs Juratowitch has been very diligent in her pursuit of this issue. Being unaware that she was a constituent of the electorate of Waratah, she raised the matter first with the honourable member for Maitland. That peripheral issue has been resolved, and I continue with the representations on behalf of Mrs Juratowitch. She advises me that she sustained significant back injuries when the cupboard fell on her. Until 17 April this year she had paid \$1,920 in medical expenses. Though she did not wish the cupboard to be re-installed in the same location, which I can well understand, when the cupboard fell it tore a piece from the wall and repairs to the wall are the subject of a claim of \$810.

There is no guarantee that the wall damage and the back injury sustained by Mrs Juratowitch are attributable to vibration, but the Freight Rail engineer's report acknowledged the existence of vibration in the area. Therefore the matter requires investigation. The extent of medical expenses indicate the seriousness of Mrs Juratowitch's injuries and that she has ongoing medical problems. Therefore, at least as an act of grace, her claims should be investigated. Though the Government's actions in installing noise barriers, earth mounds and arboreal screens will significantly ease the noise and

vibration problems, occasionally claims such as those made by Mrs Juratowitch will be made. I am concerned that at the moment there appears to be little provision for addressing such claims. I know it is difficult to distinguish between genuine and non-genuine claims, but in this case there is reasonable cause to carefully consider the facts of this matter with a view to providing some assistance for Mrs Juratowitch.

In the circumstances, Mrs Juratowitch has exercised considerable patience. I was not entirely sure of the gravity of the incident because she felt she could not divulge details of it until she knew how she stood with State Rail. I can appreciate that. However, I am concerned about the department's handling of the matter. If an individual can obtain a document pursuant to freedom of information legislation, it is extraordinary that the Minister's office was unable to obtain a copy of the document. It is an issue that transcends politics. It is a matter of grave concern, and a matter that could make any government look a bit foolish. I hope the problem will be resolved. I am sure the Minister's staff are moving to do so at the moment. I believe the claims made by Mrs Juratowitch are reasonable. I appeal to the Minister to have them investigated with a view to resolving the issue in favour of Mrs Juratowitch. Mrs Juratowitch would appreciate a resolution of the matter because it has been ongoing for a couple of years and obviously weighs heavily on her mind.

**Ms HARRISON** (Parramatta—Minister for Sport and Recreation) [5.45 p.m.]: I am happy to ensure that the concerns raised by the honourable member for Waratah are conveyed to the attention of the Minister. I am sure that he and his staff will give it due consideration.

### **FAR NORTH COAST LAW AND ORDER**

**Mr RIXON** (Lismore) [5.45 p.m.]: I wish to bring to the attention of the Minister for Police the concerns of the people of the far north coast about law and order. At a meeting in Lismore on 11 May eight motions were carried, demonstrating the depth of those concerns. They sought approaches be made to the appropriate authorities: first, to grant increased powers to Local Courts for sentencing on serious crimes and to provide increased funding to regional areas to be pro-active in the prevention, rather than the treatment, of crime; second, to seek funding for youth street workers—night patrols—to remove children from the street and take them home; third, to increase skilled police presence on the streets; fourth, to review the power of the Department of Community Services to remove young people from homes; fifth, to support truth in sentencing

legislation; sixth, to call for a community justice centre in the region; seventh, to request that Lismore City Council review its decision on the Parental Responsibility Act and look at Ballina's seven-point plan; and eighth, that media and politicians report more responsibly on crime, law and order.

On Monday, 25 May, I visited shops, schools and hotels in Drake, Tabulam and Mallanganee, all villages on the upper Clarence River west of Lismore. The major concern raised was law and order. Let me explain the problem. The villages affected are Woodenbong, with a population of 674, Urbenville with 251, Bonalbo 621, Mallanganee 342, Tabulam 350, and Drake 686—a total population of about 4,000 people in those villages and surrounding areas. The villages are about half an hour apart along the T formed by the east-west Bruxner Highway and the north-south Main Road 350. This area of almost 10,000 square kilometres is protected by six police officers, one each stationed at Woodenbong, Urbenville and Bonalbo, with three stationed in Tabulam. But, because officers are on leave, at briefings, training, or on court duties, or because transferees have not been replaced, or because financial cutbacks have restricted overtime, often no police officer is available when needed, and consequently respect for the police is being lost.

Young hoodlums of all racial mixes are thumbing their noses at police officers, as they believe they will not be caught and punished for their crimes. It has been reported to me that so far in May, 50 cars—17 last week alone—were stolen in Casino or other coastal towns and dumped on the outskirts of those villages or outside Baryulgil, a village further to the south. These figures may be exaggerated, but a very substantial number of vehicles have been stolen, dumped with parts stolen, or just set on fire. People of European and Aboriginal descent are upset by this. I have first-hand written complaints of people ringing the police number while burglaries are in progress, only to be diverted to Lismore or Newcastle and to be told a car may be out the next day or that no-one is available. Responsible European and Aboriginal leaders have spoken of people who are so frustrated that they are speaking of taking action against the criminal element themselves.

While that would be a great tragedy, I must emphasise that people are extremely upset by the car theft, the burglary, the vandalism, and the abuse, and they want their police to be given sufficient resources, both human and technical, to enable them to do their jobs properly. Only then will the young hoodlums be caught the first time they commit a crime. Only then will people feel that these

hoodlums will not be able to get away with a dozen crimes. Only then will the young hoods learn that crime does not pay. Only then will people feel they are safe and secure in all parts of the upper Clarence community. I ask the Minister for Police to understand that, in reality, the full complement of six police officers is not available for a variety of reasons. I ask him to take action to ensure that the allocated number is available and that the extra resources needed are provided. I ask the Minister for Sport and Recreation to convey to the Minister for Police the concerns of the people of the upper Clarence, and indeed the concerns of the people of the entire north coast.

**Ms HARRISON** (Parramatta—Minister for Sport and Recreation) [5.50 p.m.]: I will be happy to convey the sentiments of the honourable member for Lismore to the Minister for Police. However, I point out that it is much better to give these youths something to do before they reach the stage where they are so bored they engage in antisocial behaviour. One of the Government's major initiatives to assist in the prevention of juvenile crime and antisocial behaviour has been to involve them in sport and recreation programs. A number of pilot programs have been trialled in Redfern, Fairfield, Cabramatta, Bathurst, Wagga Wagga and Nowra. Those pilot programs have been enormously successful and the Government is considering extending them. In regard to the other matters referred to by the honourable member, I will be happy to raise those matters with the Minister for Police.

**Mr PETER McERLAIN**

**Mr ROGAN** (East Hills) [5.51 p.m.]: I draw the attention of the House to the plight of one of my constituents. Mr Peter McErlain, a serving police officer of 16 Stiles Avenue, Padstow, has sought my assistance as he believes he has been unfairly treated. On the basis of the information provided to me I share his concern. On 27 October 1994 Mr McErlain was attached to Lakemba police station. While walking in the main street of Lakemba he observed the driver of a sedan motor vehicle driving in an erratic manner. The driver spun the rear wheels on a wet road surface, slid sideways and narrowly missed pedestrians and parked cars. That behaviour continued for about 200 metres, after which the police officer and his partner lost sight of the vehicle. The potentially dangerous event took place during lunch time in a busy shopping centre.

Some time later that afternoon the police officer came across the vehicle. He spoke to the driver and to the driver's father. He told the driver

that he would be summonsed for dangerous driving. The officer left and later returned to the police station. When he arrived at the police station he was confronted by the driver's father, who asked to speak with the officer. Inside the police station the driver's father made a number of pleas for help as his son needed his licence for work. The driver's father said a number of times that he did not have much money. When asked why he kept referring to money, he continued his pleas for help. The conversation continued in this way, until the disgruntled father left the police station.

Given the manner in which this person behaved, and his continual reference to money, the police officer decided to record the meeting and the conversation in his official police notebook and police diary. It appeared obvious that the driver's father intended to offer police a bribe if given the opportunity to do so. A breach report was submitted for dangerous driving and the driver eventually pleaded guilty to the offence in court in early 1995.

On 14 November 1996, more than two years after the initial event, the police officer was confronted by internal affairs police, who told him that the driver's father alleged that the police officer had attempted to solicit the sum of \$1,000 from him during the conversation at the police station on 27 October 1994. The police officer denied the allegation in a recorded interview. The investigator subsequently sustained the allegation against my constituent, and recommended that he be charged. The matter was referred to the Department of Public Prosecutions, which decided on 30 May 1997 not to proceed on any information forwarded to it by the internal affairs branch. The matter took approximately 2½ years to conclude.

During the time that the police officer was under investigation he was nominated for promotion to the rank of sergeant. His appointment as sergeant took place in July 1995. The nomination could not proceed until the internal affairs investigation had been finalised. My constituent was informed on Monday, 18 July 1997, two years after being nominated for the position of sergeant, that his promotion would not proceed because of his integrity status.

During the time that the police officer was under investigation for alleged misconduct the Police Service saw fit to allow him to continue duty at the major crime squad, investigating high-risk matters ranging from murder to drug trafficking. The Police Service allowed him to act in the capacity of relieving sergeant. Indeed, during that time the officer had cause to arrest and charge a person for

offering a bribe. That person was eventually convicted of that offence. As the police officer stated in his letter to me, his integrity is now, and will forever be, in question because of the events of 27 October 1994. For being an honest and diligent police officer, the Police Service saw fit to pass him over for promotion, yet on the other hand wanted him to continue to act professionally and work in high-risk areas whilst it considered his integrity.

Mr McErlain wrote to me again and said that he received a letter from Mr Brammer, Assistant Commissioner, Internal Affairs, which stated, *inter alia*, that the assistant commissioner recommended that the complaint of October 1994 be endorsed "not sustained". The letter further advised that there had been no further progress or advice regarding the officer's promotion to the rank of sergeant. The Ombudsman recommended that the Police Service reverse its decision to mark the complaint made against the police officer as being unsustainable. However, the Police Service decided not to proceed with his promotion to the rank of sergeant, but gave no reason other than that his integrity was in question. On the basis of the information provided to me, this is a case in which the police officer, by all accounts, has done his duty and done it well, but he is now suffering as a result of an allegation against him. I ask the Minister to look into the representations made to me, as contained in my contribution. [*Time expired.*]

**Ms HARRISON** (Parramatta—Minister for Sport and Recreation) [5.56 p.m.]: The honourable member for East Hills has raised a matter of serious concern which I will bring to the attention of the appropriate Minister.

## M5 TRAFFIC CONGESTION

**Dr KERNOHAN** (Camden) [5.56 p.m.]: When the M5 motorway was built during the time of the coalition Government I was living in the south-western region of Sydney. Therefore I was extremely interested in it, as members of this House would imagine. I understood two things about the motorway. First, I understood that it was designed to carry a certain percentage of traffic, based on data indicating the number of people who were prepared to pay to use it. The Carr Government's policy on paying back tolls has led to increased usage of the motorway. Traffic on the M5 in peak hours is bumper to bumper and often travels at 30 to 40 kilometres per hour in 110 kilometre zones. I acknowledge that the recent change in the credit card system has reduced terrible hold-ups at toll gates, which is a great improvement. Nevertheless, there is still a lot of traffic and a lot of trouble on the M5.

Second, I understood that the single lane each way between Fairford Road and King Georges Road was specifically designed to funnel traffic from the M5 to permit King Georges Road to work efficiently. These single lanes were to be duplicated when the next 13.2 kilometre stage—that is, the M5 East—was completed. That would take the through traffic to General Holmes Drive and would not affect King Georges Road. The M5 was originally due to be completed in time for the Olympics. We are now told that it will be completed in 2002. A small article appeared in the *Macarthur Advertiser* of 15 April, which I have not seen anywhere else. The article read:

Much needed work on the M5 Motorway is set to start by June this year.

According to John Gardiner, director of Interlink, the owner and operator . . . there are two main developments which will "make life easier" for motorists using the M5 . . .

The work will begin at Fairford Road and finish at King George's Road and will extend the existing motorway from one to two lanes each way.

Work will also begin on constructing ramps at Fairford and River Roads.

"There will be two new entrances, which means motorists will be able to go on to the motorway from King George's Road and exit off Fairford Road and River Road," Mr Gardiner said.

The work should be completed by the second half of 1999.

That means it will be three years before that work is done and before construction of the through road, the M5 East, is completed. I always believed that motorways were designed to move traffic quickly over relatively long distances. This latest decision will make the M5 a local arterial road, not a motorway. Many more local people will use it for short trips. In the one lane leading up to the King Georges Road traffic lights, and in the two lanes just before them, even more drivers will be sitting in their cars waiting for the lights to change. The question is: will these lights be altered to allow more traffic into King Georges Road more quickly? If the answer is yes, what will the effect be on the traffic flow in King Georges Road? If the answer is no, why bother to duplicate the lanes, encourage use of that road for local purposes, and end up with frustrated drivers sitting in two lines of traffic further along the road?

**Mr Fraser:** Road rage.

**Dr KERNOHAN:** Road rage. Exactly. Driver frustration is one of the worst developments on our roads today. I believe that the Carr Labour Government, for political purposes, has turned a

road that worked well into a problem road, and these latest decisions will wreck the system completely.

**Ms HARRISON** (Parramatta—Minister for Sport and Recreation) [6.00 p.m.]: I was interested to hear what the honourable member for Camden had to say, and listened with some attentiveness because I was not aware of a number of issues she raised. However, I am sure the Minister is aware of them and I will draw them to his attention. He will no doubt provide the honourable member with a detailed response.

### ADULT MIGRANT ENGLISH SERVICES

**Mr SULLIVAN** (Wollongong) [6.01 p.m.]: I draw the attention of honourable members to the privatisation of the Adult Migrant English Service, which provides English language instruction to new arrivals. For 50 years it has been funded by the Department of Immigration. The Adult Migrant English Service operated out of the ministry of education for many years. In fact, I think it celebrated its fiftieth anniversary recently. The Adult Migrant English Service provided by the State Government has effectively been replaced with private providers. It is interesting to compare the record of AMES with the successful private providers. In an article in the *Sydney Morning Herald* Adele Horin said:

The Federally funded service has done a good job for half a century, is a world leader in some areas, and has contributed to the success of Australia's multiculturalism. It has wide support in the ethnic community and no-one was clamouring for its dismemberment.

Warren Grimshaw's report into the AMES—

**Mr Fraser:** You leave Warren out of it. He is a good man.

**Mr SULLIVAN:** I am not saying I disagree with him. His 1997 report into the current service standards stated:

[All stakeholders] agree that [AMES] is well known and highly regarded for the range and quality of its provision in the ESL field, for its ability to meet client's needs appropriately and for its continued excellence in the area of curriculum and resource development.

Let us consider the successful tenderer for the areas of southern Sydney, south-western Sydney, western Sydney and the Illawarra—the Australian Centre for Languages. A statement issued by the Adult Migrant English Service Teachers Association raises some very serious and interesting questions. The statement is in the following terms:

Regarding professional integrity, ACL has been convicted on a charge of misleading students in its advertising. It is also pertinent, with ACL as an ELICOS provider, to look at a survey commissioned by ELICOS of its industry in 1996.

The very large majority of Asian respondents . . . (with a possible exception of Japanese) come to Australia for the learning experience . . . In the case of Korea, Japan and Taiwan less than forty percent of their national respondents stated that they were satisfied with the quality of their ELICOS courses.

Many of those courses were provided by ACL. It is also important to bear in mind that much of the curriculum work that ACL will use was developed by AMES. We are replacing a public service with a private monopoly, and in the tendering process there are some very complex but nonetheless interesting relationships. A letter from the New South Wales Teachers Federation to the Commonwealth Ombudsman regarding their concern about and probity of the tendering process states:

This concern surrounds the relationship between the ACL Consortium, ELICOS, NEAS, and their personnel, on the one hand, and the selection panel which awarded the tenders in NSW, and the process of monitoring the AMEP service delivery.

The English Language International Courses for Overseas Students (ELICOS) Association is the industry body for private organisations providing such courses in Australia.

NEAS is the National ELICOS Accreditation Scheme.

DIMA has engaged the National ELICOS Accreditation Scheme (NEAS) to monitor AMEP service delivery. The contract to monitor the AMEP was not put to public tender.

NEAS is very closely connected to ELICOS, being a private non-profit organisation whose focus until recently was the accreditation of ELICOS MEMBERS. It is apparently funded through the fees of accredited colleges, whose industry body is ELICOS.

ACL is one of the largest, if not the largest member of ELICOS.

Helen Zimmerman is at present the CEO of ACL, and was previously a senior AMES employee, in fact its Deputy Director for four years. She is the Deputy Chair of the ELICOS Association and a Director of the NEAS and of the ELICOS Association, and is a Director of the ACL board.

*[Time expired.]*

**Mr AQUILINA** (Riverstone—Minister for Education and Training, and Minister Assisting the Premier on Youth Affairs) [6.06 p.m.]: I congratulate the honourable member for Wollongong on raising this matter. The tendering and awarding of the contract for the delivery of the Adult Migrant English Program—AMEP—has been and will continue to be controversial until the Commonwealth

is able to provide some answers. As Minister for Education and Training I am concerned that 500 teachers from the Adult Migrant English Service have lost their jobs because of the tendering process adopted by the Commonwealth Government. We are yet to see whether the service provided by the Australian Centre for Languages—ACL—will in any way be equivalent to the service provided by AMES. I am also concerned about quality and consistency of standards. I share a lot of the concerns expressed by the New South Wales Teachers Federation about programs and the equity of providing vulnerable and disadvantaged people with a top-quality English service. I can assure the honourable member and this House that a lot more will be said about this matter.

#### **Private members' statements noted.**

*[Mr Acting-Speaker (Mr Mills) left the chair at 6.08 p.m. The House resumed at 7.30 p.m.]*

#### **OFFSHORE MINERALS BILL**

#### **Bill introduced and read a first time.**

#### **Second Reading**

**Mr MARTIN** (Port Stephens—Minister for Mineral Resources, and Minister for Fisheries) [7.30 p.m.]: I move:

That this bill be now read a second time.

In the offshore constitutional settlement of 1979, the Commonwealth and the States agreed that there should be common offshore mining legislation in respect of both Commonwealth and State waters. State coastal waters extend three nautical miles from Australia's territorial sea baseline and Commonwealth waters lie beyond the three nautical mile limit. The baseline generally follows the low watermark along the New South Wales coast. This Offshore Minerals Bill covers the State coastal waters out to the three nautical mile limit. It generally mirrors the Commonwealth legislation—the Offshore Minerals Act 1994—which applies seawards of the three nautical miles limit. All States of Australia and the Northern Territory have agreed to proceed with the introduction of this mirror legislation into their respective parliaments.

The common offshore minerals legislation has been developed in a co-operative effort by each State and the Northern Territory. Under the Commonwealth's Offshore Minerals Act 1994, which, as I have indicated, applies to Commonwealth waters beyond the three nautical

miles line east of the coast of New South Wales, the administration of exploration and mining is jointly shared by the New South Wales Government and the Commonwealth Government. This joint administration operates through two vehicles, the joint authority and the designated authority. The joint authority comprises the Commonwealth Minister for Primary Industries and Energy and the New South Wales Minister for Mineral Resources. The joint authority is responsible for major decisions relating to titles, such as grants and refusals. In the event of a disagreement, the views of the Commonwealth Minister prevail.

The designated authority is the New South Wales Minister for Mineral Resources. In that capacity I am responsible for all the day-to-day administration of the Commonwealth's Offshore Minerals Act 1994. In regard to State coastal waters, a model bill was prepared by Western Australian Parliamentary Counsel in consultation with the parliamentary counsels in each of the other States and the Northern Territory. This work was arranged through the efforts of the Australian and New Zealand Minerals and Energy Council and in particular by the minerals legislation sub-committee of that council. The result of this common legislation for the waters offshore of Australia will ensure that exploration and mining proposals in both Commonwealth and State waters will be dealt with in exactly the same way. This is particularly important if projects straddle both coastal waters and Commonwealth waters. It is also important where projects could straddle coastal waters offshore of two adjoining States.

The intention is that the Offshore Minerals Bill will replace the Mining Act 1992 in so far as that Act presently covers coastal waters offshore of New South Wales. The Mining Act 1992 will continue to apply onshore and in waters landwards of the territorial sea baseline. This bill provides the legislative measures for the administration of various types of mining and exploration tenure in New South Wales coastal waters. It contains regulation-making powers to address such issues as control of offshore exploration and mining activities, the conservation and protection of mineral resources of coastal waters, any environmental effects caused to the seabed or subsoil in coastal waters by offshore exploration, the protection of the environment and keeping of records and samples. While it is not possible in the time allotted to deal with every aspect of the bill, there are a number of salient points I would like to make.

The bill provides for the grant of five forms of licences or consents. These are: exploration licence,

retention licence, mining licence, works licence and special purpose consent. Exploration licence applications can be made in respect of any lands not held under licence or in response to the Minister's calling of tenders for particular areas. Exploration licences can be granted for a term of five years and in respect of areas up to 500 blocks in size. A block is one minute of latitude by one minute of longitude and offshore of New South Wales would be about three square kilometres in size. Provision is made for up to three renewals of an exploration licence unless I, as Minister, consider there are special circumstances. At each renewal application stage there must be a 50 per cent reduction in the number of blocks. Each renewal can be granted for periods of two years. Exploration licences authorise exploration and the recovery of mineral samples. Retention licences are designed to cover the period between exploration and commercial mining development.

The holder of an exploration licence may apply for retention licences in respect of areas not greater than 20 blocks in size within the exploration licence area. Retention licences can be granted for periods not exceeding five years and may be renewed for periods not exceeding five years. Mining licences may be applied for by a person to cover any area that is vacant and not covered by an existing licence. Mining licences may also be applied for as the result of tenders being called for or may be applied for by the holders of exploration or retention licences. The size of each mining licence area is limited to not more than 20 blocks. Mining licences authorise the holder to carry out commercial mining operations and can be granted for not greater than 21 years and renewed for further periods, each of 21 years.

Works licences cover those situations where a licence holder may need to carry out engineering or other activities outside the licence area of the exploration, retention or mining licence concerned. They may be granted for periods not exceeding five years and renewed for periods not exceeding five years. Special purpose consents are designed to cover situations where a person wishes to carry out scientific investigation, reconnaissance surveys or collect only small amounts of minerals. The duration of these consents is not more than 12 months. The bill provides that all licence and special purpose consent holders must carry out their activities in such a way that does not interfere with navigation, fishing or the exercise of native title rights and interests or other lawful activities someone is carrying out, to a greater extent than is necessary for the reasonable exercise of the person's rights and duties under the licence or consent. Provision is



made for each licence or consent to be granted with appropriate conditioning to protect the environment and to ensure professional operating practices.

Security deposits will be required to be lodged in respect of every licence to ensure compliance with conditions. As with onshore exploration and mining, occupational health and safety matters involved in activities under licences and consents are matters which will be dealt with under the Mines Inspection Act or the Coal Mines Regulation Act. The proclamation of the provisions of this new bill will not alter the current application of other New South Wales legislation such as the Marine Parks Act, the Environmental Planning and Assessment Act, the Coastal Protection Act and the Mines Inspection Act. The Marine Parks Act is paramount over the existing Mining Act 1992 and will remain so in respect of the new bill. The Coastal Protection Act requires the approval of the Minister for Land and Water Conservation to be obtained before any development is carried out in the coastal zone or before a right or consent is given to any person to use or carry out development in the coastal zone. There will continue to be appropriate administrative arrangements between the Department of Mineral Resources, New South Wales Fisheries, the National Parks and Wildlife Service, the Department of Land and Water Conservation, the Department of Urban Affairs and Planning and other government bodies involved with coastal waters.

The greater consistency of legislation between each of the States, the Northern Territory and the Commonwealth will provide an important base for future exploration and mining in the waters offshore and surrounding the Australian coastline. In so far as New South Wales is concerned, there are presently five exploration licences in existence in coastal waters. Provision is being made in the bill for these titles to remain in existence pursuant to the current legislative regime provided by the Mining Act 1992. Any dealings in these titles, including any reduction in area, et cetera, and their renewal, will continue to be dealt with under that Act. However, if the holders of such licences decide to apply for a retention or mining title, those applications will be made under the new legislation. Also, the opportunity has been taken to include in this new bill reference to the new geodetic datum of Australia which has been agreed to by the nation's surveyors general in each State and the Northern Territory. This datum will be the basis for the establishment of the block system to be used by those wishing to apply for exploration, retention and mining titles.

Under the transitional provisions of the bill, four existing reserves under the Mining Act 1992

which prevent the lodgment of applications other than for exploration are being saved. This will ensure that the reserve system, which has applied offshore of New South Wales since 1968, will be preserved. The reserve system adds to the controls the Government has to ensure that only responsible mining operations would ever be allowed offshore of the New South Wales coast and then only after full assessment of environmental impact and feasibility studies. The introduction of this bill will mean that the minerals industry will have a system of legislation similar to that which has been in place for the petroleum exploration and mining industry for several years. It will also ensure that offshore exploration is regulated in an environmentally responsible fashion and at the same time will provide generation of employment and investment in New South Wales. The acceptance of this bill will achieve the State's obligations pursuant to the arrangements made under the offshore constitutional settlement. I commend the bill to the House.

**Debate adjourned on motion by Mr J. H. Turner.**

#### **POLICE SERVICE AMENDMENT (ALCOHOL AND DRUG TESTING) BILL**

**Bill introduced and read a first time.**

#### **Second Reading**

**Mr WHELAN** (Ashfield—Minister for Police) [7.46 p.m.]: I move:

That this bill be now read a second time.

The Government is pleased to introduce the Police Service Amendment (Alcohol and Drug Testing) Bill. This bill is evidence of the Carr Government's commitment to law and order in this State and, in particular, its commitment to protecting public safety and wellbeing. Unfortunately, a number of tragic incidents have occurred over the past year in which members of the public and police officers have been killed or seriously injured as a direct result of police action. After the recent inquest into the shooting of Roni Levi, State Coroner Derrick Hand recommended that police directly involved in shootings be immediately tested for the presence of alcohol or prohibited drugs. This recommendation is intended to remove one cause of doubt as to the exercise of a police officer's judgment, if such incidents arise in the future.

The Government believes this is a positive recommendation which supports police officers, members of the public and their families. The

Government fully supports the introduction of mandatory testing. This bill implements the recommendations of the Coroner and I trust it will be supported by all members. As members of this House will remember, the Government introduced random and targeted testing of police officers in 1997 in response to recommendations by the Royal Commission into the New South Wales Police Service. The testing program is aimed at improving the health, safety and wellbeing at work of members of the Police Service, and the safety of the general community, by establishing a code of behaviour regarding alcohol and drug use. It is clear from the results so far that testing is a significant deterrent against alcohol abuse on the job.

To date 6,519 random tests have been conducted, six targeted tests have been conducted; 10 positive readings, above 0.02, have been detected, and 67 officers have had readings between zero and 0.02. The changes the Government is bringing forward today do not affect the existing testing program, which will continue. However, in response to the Coroner's recommendation, the Government considers it appropriate to extend existing testing provisions to include mandatory tests of officers directly involved in specific incidents. These are: police shootings; high speed pursuits in which a member of the public is seriously injured or killed; and other incidents where a member of the public dies in police custody as a direct result of police action. High-speed pursuits potentially place police officers, suspects and members of the public at risk.

In the event of a police pursuit leading to death or serious injury, it is desirable that mandatory testing extend to the police officers involved. This includes the driver and team member in the car. Other officers may also need to be tested depending on an assessment of the situation by the appropriate supervisor. The investigation of deaths in custody requires strict accountability, which mandatory testing will provide. To provide this accountability and consistency of approach, mandatory tests will be incorporated into standard operating procedures for all shootings, high-speed pursuits and deaths in custody. To be effective, mandatory testing must be carried out as quickly as possible after the incident. The bill will permit alcohol testing by way of breath analysis to be carried out straightaway by authorised personnel at the local level.

Drug testing will be administered by non-sworn personnel and co-ordinated by the drug and alcohol testing unit of the Human Resources Command. In addition, medical practitioners will be permitted to take a blood sample from an

incapacitated officer at the direction of an authorised person. This means that officers who are hospitalised, or taken from the scene, can be tested within a reasonable time. The addition of mandatory testing is a commitment to protecting public safety as well as the safety and wellbeing of police officers. I am pleased to be able to say that the latest extension to the service policy was developed jointly between the Government, the Police Service, the Police Association and the Commissioned Police Officers' Association. This bill demonstrates the Government's commitment to the safety of the people of New South Wales and to police officers who must deal with dangerous situations. I commend the bill to the House.

**Debate adjourned on motion by Mr Smith.**

## **DAIRY INDUSTRY AMENDMENT (TRADE PRACTICES EXEMPTION) BILL**

### **Second Reading**

**Debate resumed from an earlier hour.**

**Mr NEILLY** (Cessnock) [7.51 p.m.]: I wholeheartedly concur with the stance that has been adopted by the Government to retain the existing Dairy Industry Act regulations until 2003. In saying that, I am a firm believer in the retention of the quota system to enable orderly reduction and of farm gate prices to ensure survival of farmers in this fragile industry. As an example, I refer to the breaking of the Kerin agreement which saw the incursion of Victorian milk into New South Wales. The review group attended many meetings with dairy farmers around the State and received 454 submissions. It thoroughly canvassed the issues, undertook an examination of the consequences of a regulated New South Wales dairy industry and submitted options to the Government. After considering those options, the Government made a recommendation to the Commonwealth to postpone any change in New South Wales until 2003.

The Government's determination was made after considering the options put forward by the review group. However, we do not know what will transpire after June 2000 when the Kerin agreement ends, or what the Government of the day might come up with. Victoria is currently exporting a significant amount of its product. When the domestic market is deregulated there will be havoc in the dairy industry in New South Wales and to a lesser extent in Victoria. Because of the uncertainty, the decision made by the Government is the only resolution that it could safely recommend. In addition, the industry has identified improvements to make it more competitive, which are in line with the views of the National Competition Council. It is

appropriate to give a snapshot of the Australian dairy industry and the position of New South Wales within it. The report of the review group stated:

Dairy farming is Australia's fourth largest rural industry, behind wheat, beef and wool. The gross value of dairy production at farm-gate prices in 1995-96 was \$2.9 billion. At ex-factory level, industry output was valued at around \$6.5 billion in 1995-96 . . . The NSW dairy industry is the fifth largest rural industry in NSW with the value of milk production at the farm-gate being \$430 million for 1996-97. The total value of dairy production in NSW at the wholesale level is around \$1.4 billion . . . In 1995-96, total Australian milk production was 8,716 million litres, of which 22 per cent was consumed as liquid milk.

That shows that the greater part of milk production is not for household consumption but for manufactured products. The report continued:

There are significant dairy industries in all States. The Victorian industry is the largest, accounting for 63 per cent of Australia's total production. The NSW industry is the second largest with 13 per cent of total production followed by the Queensland industry which accounts for 9 per cent. Victoria has a high involvement in the production of manufactured products, of which approximately 50 per cent is exported. Around 50 per cent of milk produced in NSW and Queensland is used as liquid milk for human consumption, whereas in Victoria the figure is less than 10 per cent.

That gives an idea of the level of competition that the Victorian industry could exert against the New South Wales industry. The producers have acknowledged that they could improve their competitive position but in the past 10 years the industry in this State has lifted its game significantly. The report stated:

Milk production per cow in New South Wales increased by nearly 30 per cent between 1990-91 and 1995-96. Some of this increase in milk yields reflected ongoing genetic developments and improvements in farm practices. However, with yields rising at more than double the rate in the previous decade . . . In 1995-96 the NSW dairy industry comprised 1,853 dairy farms, producing in excess of 1.1 billion litres of milk . . .

The review group provides an estimate of the implications for New South Wales of pursuit of competition policy. Across the State there would be a loss of 515 farms, a fall in production of 192 million litres, a net loss in regional income of \$81 million and a net loss in regional employment, which would be very significant, of 1,340. In the Hunter the estimated results would be a loss of 110 farms, a fall in production of 37 million litres, a loss of \$17 million in regional income and a loss of 187 jobs. The most significant losses would occur in the Richmond-Tweed area and the mid-north coast, where there would be an aggregated loss of 320 farms and 1,092 jobs. As I said, that loss of employment would be significant in regional areas.

The bill is the only possible legislative outcome in response to national competition policy requirement to review the industry. We now have to go back to the Commonwealth. In essence, we require an undertaking from the Commonwealth that we may embark upon the path we have taken without any Commonwealth penalty, which prospectively could be up to \$100 million. New South Wales cannot afford such a penalty. As I said, both sides of this Parliament should be keen to promote the industry. Labor has produced the goods in the past 20 years. It has supported the industry. I know that the National Party at its heart supports the industry, despite the carping which has occurred in the last couple of months. Opposition members should send a message to the Commonwealth advising it that the action taken in New South Wales is the only course of action that the State could take and that the State should not be subject to any penalty in relation to national competition policy.

We are already starting to see problems in relation to deregulation of milk vendors from 1 July under legislation brought in by the former Government, by the Leader of the National Party when he was Deputy Premier. I do not know whether it was recognised at that time but there will be many problems with implementation of the changes. At the time it was not expected that the system would change to the extent that vendors would be cut out under supermarket milk handling arrangements and that there would be virtually only farmers, the processor or handler, and the supermarket chains.

Compensation arrangements for vendors cut out of the arrangements do not adequately reflect the value of their runs, particularly for vendors servicing supermarkets. I recently asked the Minister to investigate whether at least one supermarket chain is violating the Kerin agreement. If Victorian milk is being brought into New South Wales under the proposed arrangements it is incumbent upon the State Government and the Commonwealth to enforce agreements to ensure that we get back to taws and maintain the Kerin agreement. I thoroughly endorse the legislation as the Government's response to the national competition policy and fervently hope that it is treated with due respect by the Commonwealth.

**Mr SMITH** (Bega) [7.58 p.m.]: I support the Dairy Industry Amendment (Trade Practices Exemption) Bill. At the outset I say that I believe in deregulation but not in deregulation for deregulation's sake. Each instance should be looked at individually. In this case the Government and the Minister for Agriculture have done that: they have gone through an arduous process to make sure that

dairy farmers and consumers are looked after. Only a week or two ago I made a private member's statement about the length of time the Government was taking to make a decision on this matter. I spoke in light of the situation in my electorate, which faces a severe drought. Unseasonal conditions and winter make it difficult for farmers in New South Wales to produce milk 365 days a year.

The Government has claimed that the drought is over on the far south coast and in the Monaro region. That region does not support dairy farmers but graziers. My recollection is that the Minister was involved in that claim. I assure the House that the drought is not over on the south coast or in the Monaro region. The drought is as severe a drought as most people can ever remember. I also point out that when it rains, it does not rain dollars. Rain does not mean that farmers are immediately out of trouble. The Monaro region has been in drought for almost five years. On the coast the past few years have been mediocre and this year is severe. The simple fact is that it will be many months before farmers are able to improve their financial position.

Returning to the bill, I congratulate the Government and the Minister on maintaining regulation in the dairy industry. It is the right decision not only for the farmer but for consumers of milk. Experience has indicated that deregulation would not advantage the consumer at this time. In fact, I believe that consumers will be paying more. If the industry had been deregulated within the farm gate in the past six to 12 months, consumers would have had to pay more because the price of production would have gone through the roof as a result of the costs associated with production, feed and irrigation, as well as the drought and the coming winter months.

An important provision in the bill is that it will be reviewed. I congratulate the Federal Government on regulating the industry through the National Competition Council. Regulations should not be in force for ever and a day. From time to time they should be examined. The legislation contains a sunset clause which provides that the matter will be re-examined in 2003. That measure gives the industry five clear years in which it will be able to produce milk, particularly whole milk, for the State and overseas and to ensure that it is available to consumers in the supermarket 365 days a year. When consideration is being given to deregulation of the industry a number of traditions should be borne in mind.

The 1976 Act gave farmers the surety of a quota system. Farmers would deserve compensation

if they were to lose their quotas without sufficient warning. In most instances farmers invest many hundreds of thousands of dollars in securing their quotas. If they do not produce sufficient milk to meet their quotas they lose a percentage of their quotas. This year the position in that regard in my electorate is serious. The situation with the local dairy co-operative is that if the farmers do not produce sufficient milk to meet the quotas, they will automatically lose 10 per cent of their quotas. They will go into next year with significantly reduced capital and even with a good season they cannot produce at normal levels.

Irrespective of which political party is in office when the legislation is reviewed, farmers must be given sufficient warning to adjust to a new system. Circumstances may change, other States may deregulate and at that time deregulation may be the favoured option. For financial reasons the government of the day will have to give dairy farmers years of notice rather than months of notice to embrace deregulation, if that option is taken at that time. In the present circumstances the Government has made the right decision. I have sent copies of the Minister's second reading speech to a number of dairy farmers in my electorate and to the Bega co-operative so they may be assured that the present system will continue at least until 2003.

Most of them will be extremely pleased with that and will now have confidence to buy more feed, to trade their way out of the drought and be assured of their future and the future of their families in the years to come. They will be able to make the right decisions to ensure that their businesses remain viable, without the added pressure of possible changes to the existing system. As I have said, the decision not to deregulate the industry is right for the farmers. Consumers in the supermarket do not want to see big variations in the price of milk in summer or winter; they want the price to be consistent. They want farmers to milk their cows 365 days of the year and not dry them out, as they do in Victoria. Consumers should be assured that they can buy a litre of milk in the supermarket at a price they know is fair and reasonable to farmers, to consumers and to the co-operatives. They do not want the price to vary between seasons and between droughts and wet years. They need to know how to budget for their families. Whether we are producers or consumers of milk, at the end of the day we will all be better off without deregulation.

**Mr PRICE** (Waratah) [8.08 p.m.]: I speak briefly to the Dairy Industry Amendment (Trade Practices Exemption) Bill. I support the proposal put forward by the Government and I congratulate the

Minister on his decision to continue his support for the New South Wales dairy industry. The report of the review group does not provide convincing evidence that deregulation of the industry is warranted on the basis of net public benefit. That finding is significant. The report was not unanimous; there was a minority view. However, the Government based its decisions on two aspects of the report. The first was that the review group was not able to definitely demonstrate that deregulation of the farm-gate price would lead to a significant reduction in retail prices due to the possibility that some of the margin currently received by farmers may be captured by processors and retailers rather than being passed onto consumers. That is significant because there is no point in disadvantaging one branch of the industry to enhance others which are apparently doing well. In my opinion the producer deserves priority and the Government is providing the mechanism for that to continue.

Secondly, any fall in farm-gate prices that would follow deregulation may threaten the viability of a significant number of dairy farmers, and that in turn could affect the viability of some processors, particularly those in the more distant regions. I now speak about some friends of mine in the Vacy-Gresford-Lostock area who have significant dairy holdings. I know of the traumas they have suffered in recent times in combating drought. I bear in mind, of course, that compared with many other areas of this State the Hunter has not been seriously affected, but the drought effects are nonetheless regarded as significant by local producers. They will be relieved that the Government has taken the view it has and will afford them protection, at least to the year 2003.

In the Hunter we have seen what could be termed a takeover of Oak factories and dairy collection points by Amalgamated Dairies, which has become a large organisation. Though 50 per cent of milk produced in this State is used for household consumption, the other 50 per cent of production is turned into milk products. Loss of that processing in our area would mean a significant reduction of employment for factory hands, as well as for those working on dairy farms. Further, if the gate price of milk were to drop lower, farmers might be persuaded to abandon the dairy industry altogether. That position could not be recovered in the short term; I doubt that even the amalgamation of properties would enable it to recover in the long term. My opinion is that the loss would be permanent. I do not believe this State could, or should, sustain that loss under the present arrangement.

The Government does not believe that deregulation of dairy price setting and supply management arrangements for milk is justified at this time. That is a definite statement by the Government. The message is quite clear and unequivocal. The Government intends to keep the situation under constant review, because whilst its decision will have positive effects for the time being, it has an obligation under the Commonwealth Act to keep reviewing the matter. If before the year 2003 something unforeseen were to happen—for instance, if the Victorian moves to deregulate its industry were to impact on New South Wales—obviously the matter would have to be seriously reconsidered.

I hope that commonsense prevails and the balance will be maintained. Already we have heard of instances of pirating. We need to address such matters on a State-to-State basis before becoming too involved in unnecessary deregulation. I commend the review group for its even-handed report on this matter. Whilst a minority report did support deregulation, the balance that the Government arrived at after weighing up considerations on both points of view is important for New South Wales, and certainly is most important for the industry. The Government is interested in the public benefit of such proposals, but it is also interested in doing its best to keep our farmers fully occupied in a productive industry. I commend the Minister for his action, and I support the Government's approach in this legislation.

**Mr OAKESHOTT** (Port Macquarie) [8.12 p.m.]: I am pleased to support the Dairy Industry Amendment (Trade Practices Exemption) Bill. I am pleased also that my submission to the Hilmer review of the Dairy Act, along with the many other submissions that no doubt were made, was listened to by the Government and that those proposals are reflected in the bill. The object of the bill is to ensure that, during a five-year period commencing 21 July 1998, certain aspects of the current government milk marketing arrangements in New South Wales administered by the Dairy Corporation do not contravene part IV of the Trade Practices Act 1974 of the Commonwealth and the Competition Code of New South Wales. The "certain aspects" of the current government milk marketing arrangements are:

- (a) the delivery to and acceptance by the Corporation of milk vested in the Corporation by this Act (including the determination of the quantities of milk that may be delivered to or will be accepted by the Corporation or the quantities of any such milk for which payment will be made by the Corporation at any particular price),

- (b) the allocation, transfer, reduction or cancellation of quotas in relation to any such delivery and acceptance of milk, and
- (c) the appointment of persons as authorised agents of the Corporation.

I strongly support the continuation of the regulated farm price for milk and the quota scheme until world reforms catch up and make those measures unnecessary. It is inappropriate for the New South Wales dairy industry to be subjected to changes which, in the current climate within their industry, will be of no benefit, and, if anything, would have an adverse effect on both local dairy farmers and local consumers of dairy products. The majority of mid-north coast dairy farmers will be pleased to continue to receive a regulated price for the portion of their milk sold as market milk.

The price they receive for this market milk is above that which they would receive if market forces had been allowed to prevail. I hold that belief for several reasons. The first is that world prices for manufacturing milk are set with the assistance of huge subsidies by the European Community and the United States of America. World trade reforms to eliminate those subsidies will take many years to bite. The second reason is that it is unfair to ask mid-north coast farmers to try to survive while competing, unassisted, against those highly subsidised world prices. Regulating the domestic market price for milk therefore makes a difference.

The third reason for a higher regulated price is that market milk is not import competing. Therefore it would be unjust to expect farmers to accept for their product a so-called corrupt world price that is unrelated to world trade and for a product that is required fresh by our local community. The fourth reason is that milk produced in rich agriculture country such as the mid-north coast is mainly consumed in urban areas. A supply management system, or quota system, has successfully evolved to deliver regular high-quality milk all year round, ensuring that all farmers can share in the fresh market and a regulated price regardless of location. It ensures also that the milk is collected, transported and utilised in the most efficient way, and it ensures that efficiency is the determining factor in performance for a local farmer.

If the current system had been changed to a dry economic world price driven system, I believe there would be many detrimental effects on the local dairy industry. Those effects would be, first, that mid-north coast dairy farmer net returns potentially would have fallen by up to 20 per cent, clearly making it unprofitable to remain involved in the

dairy industry. Second, mid-north coast farmer investments would have been lost without compensation. Third, some mid-north coast farmers may not have been able to access the major milk market at all, with the resultant income drop having the capacity to destroy the farm. Thus the industry would have returned to one of haves and have-nots.

Fourth, many mid-north coast farmers would have seen the writing on the wall and would have left the industry altogether, taking valuable local job opportunities with them. Fifth, the industry as a whole would have been much less inclined to invest in technology, marketing, genetics, pastures, goods and services, and on environmental measures. The industry in our local area would have stagnated and gone backwards. The mid-north coast would have been badly affected if this legislation had not been introduced. In summary, the enormous future potential of the mid-north coast dairy industry could have been lost because we were burning our bridges between now and when the rest of the world undertakes its reforms, removes its subsidies and competes on a truly level playing field.

Dairying is a significant industry—many would say the leading industry—on the mid-north coast. The Manning Valley has approximately 320 dairy farmers currently operating, and the Macleay-Hastings region has approximately 250 dairy farmers. Total farm investment on the mid-north coast is about \$650 million; total production in 1995-96 was approximately 350 million litres; average production per farm is 600,000 litres per annum; average hectares per farm are 247; and the average number of milking cows per farm is 110. Importantly, farm business profits are on the rise. For example, in 1995-96 it was \$15,480, with an estimate for 1996-97 being \$27,500. So dairy farming is an important growth industry, and one for which there is a great deal of community support on the mid-north coast.

This is key legislation for the dairy industry. The period in which the review has been under way has been a period of concern and unsettlement for local farmers. I am particularly pleased that this legislation is introduced having regard to public interest benefits under the competition principles. The two main criteria are price and quality of service. The quality of service in the dairy industry, in its current form, cannot be beaten. I am pleased that the review acknowledged that price for local consumers cannot be beaten given the introduction of competition. In his contribution the honourable member for Waratah made the point that the five-year moratorium is somewhat flexible and that it is constantly under review. I too suspect that one

reason for this is that the New South Wales industry is keeping a close watch on what the Victorian industry is doing and whether certain border wars will be or could be played. Therefore I, along with many others, urge the Minister to be diligent in protecting the interests of New South Wales and, if necessary, tackling the Victorians head-on behalf of the dairy industry.

On Monday night I had dinner with delegates to the Dairy Farmers Association Ltd conference, who are currently in Sydney. It is a huge relief to them that the Government has made this announcement, and it is appropriate that the bill is before the House this week while they are in Sydney. I support the Government in its decision, I encourage the Minister to be diligent in keeping the Victorians in line, and I offer support in chasing competition payments not from the Commonwealth but from the independent body, the National Competition Council. I fully support the bill.

**Mr ANDERSON** (St Marys) [8.20 p.m.]: I wish to address a few points in relation to the Dairy Industry Amendment (Trade Practices Exemption) Bill and to support the exemptions that the Minister for Agriculture, and Minister for Land and Water Conservation is pursuing. The competition principles agreement commits the New South Wales Government to undertake, by the year 2000, a review of all State legislation that may restrict competition. The Minister has been active in pursuing that commitment and set up a committee to review the dairy industry. The committee made 14 recommendations following its deliberations. Only three of those recommendations required legislative change, but the committee was particularly active in acknowledging that change within the industry was necessary. Surprisingly, when the Minister set up the committee, criticism was levelled at the fact that dairy farmers were represented on the committee. Who could better put the case for dairy farmers than the dairy farmers themselves? However, the dairy farmers participated in the committee process, which, with the support of representatives from the Treasury, the Premier's office and the Department of Agriculture, examined the issues.

I compliment members of this House on their contributions to debate on the bill and indicate my support for it. However, I did not hear members of this House say that we must seek the support of the Federal Minister for Primary Industry. Nowhere in the contributions of members opposite have I heard that there are restrictions on this legislation. Though the legislation is to run for five years, there is a possibility that it may have to be revisited in the future if John Anderson, the Federal Minister for

Primary Industry, tries to withhold the grants that are incorporated in this review policy.

I ask members opposite to use their good offices when they approach John Anderson to ask him not to withhold any of the grants that are available to this Government to support New South Wales. Basically, the trade practices exemption is all about supporting the dairy industry of New South Wales. We could not have a better task to follow. We must look after the farmers and the rural industry and protect jobs in the rural sector. That is where the jobs are needed most and that is where the people are hit most. We have a task to work co-operatively—not just to pay lip-service in this House about support for the bill, but to consult with the community and to lobby people who can help to bring this legislation to a successful conclusion. I ask other people, including the Federal Minister, John Anderson, to support the Minister for Agriculture, and Minister for Land and Water Conservation and the Government in implementing this legislation.

**Mr SMALL** (Murray) [8.24 p.m.]: On behalf of the dairy industry, the constituents of the electorate of Murray and of the Federal electorate of Farrer—which is represented by the Hon. Tim Fischer, the Deputy Prime Minister and Minister for Trade—I thank the Minister for Agriculture, and Minister for Land and Water Conservation for introducing the Dairy Industry Amendment (Trade Practices Exemption) Bill 1998. The bill has provided a great deal of relief to the dairy industry and those constituents of the electorate of Murray who are in the dairy industry, of which there are many. Reference has been made to the fact that the rice industry has been able to maintain vesting powers and the dairy industry has not had to undergo full deregulation. I am very much in favour of orderly marketing. Over the years any deregulation of the Australian agricultural industry has caused a wave of concern throughout the industry.

Some enterprises can be deregulated, but any industry that is regulated must be able to compete. The rice industry, the dairy industry and the sugar industry are three major industries of great importance that have operated extremely well for Australia. From that perspective I am pleased that the five-year extension has been introduced under this trade practices exemption. In recent years the Victorian dairy industry—which produces the bulk of Australia's milk—has undergone huge changes. Many Victorian farms just south of New South Wales, in the Murray-Goulburn and Murray Valley region, are very small. Most of them, particularly

those in Numurkah, Nathalia and Cobram, where the bulk of the milk is produced, have been contained to only about 200 acres.

In the late 1960s much of the farming land in Victoria was extremely valuable. Farmers could sell 200 acres of land in Victoria, with irrigation, and move across into what was known as the Berriquin irrigation district, which is part of the southern irrigation district in my electorate. The farmers could then buy a homestead selection area—a livable area of 600 acres with irrigation—for about the same price as that for which they sold their 200 acres. The farmers were then able to milk their cows and have a big enough irrigated area to run their cows and even grow some grain. That practice took place until 15 or 20 years ago.

We have also seen quite a big movement from the coastal belt of New South Wales. Dairy farmers have moved out to get security of water supply, which is important for good winter pastures and climatic conditions. Quite a deal of growth has taken place in the dairy industry, but farms have grown bigger and consequently herds have grown. New Zealand dairy farmers and their families have moved into the electorate of Murray and are milking herds of up to 800 head; they are very big dairies. A person who lives north of Swan Hill approached me and said that he was anxious to build and contain a dairy industry of some 4,500 milking cows.

That would be a huge operation, and no doubt several enterprises would have to be conducted on the one property. Farmers are talking in such big numbers. That is where efficiencies come into play. Most of the milk that is produced in my electorate finishes up in Canberra, Sydney and other areas where milk is traded and sold. Having said that, dairy farmers in my electorate have had to suffer the consequences of competition from Victoria and have had to agree to subsidise the cost of milk production and sales.

I am pleased that the Minister for Agriculture, and Minister for Land and Water Conservation have done the right thing that will benefit the dairy industry for the next five years. No-one in the agricultural industry can feel totally secure when one considers the high cost and reduced availability of water in the past year. Many dairy farmers are on quotas to supply a certain amount of milk annually rather than seasonally as was previously the case. Many had to pay up to \$70 and \$80 a megalitre for water, including the cost to Murray Irrigation. The high cost of water is an expense dairy farmers have had to suffer this year, but they have maintained production. They are very good managers; they have

become very efficient. Two dairy farms adjoin my property, so I am pleased to be able to have some input into the bill. Twelve months ago I wrote a number of letters to the Minister detailing dairy farmers' concerns about full deregulation. I appreciate that the bill overcomes grave concerns of the dairy farmers in my area and consequently I am pleased to see the introduction of the Dairy Industry Amendment (Trade Practices Exemption) Bill.

**Mr AMERY** (Mount Druitt—Minister for Agriculture, and Minister for Land and Water Conservation) [8.31 p.m.], in reply: I thank all honourable members who contributed to the debate: the honourable member for Barwon, who led for the Opposition; and a number of members representing different regions of the State that have dairy interests—the honourable member for Cessnock, the honourable member for Bega, the honourable member for Waratah, the honourable member for Port Macquarie, the honourable member for St Marys and the honourable member for Murray. Each of those members represents parts of New South Wales that have a significant dairy industry—western Sydney, the Hunter, the mid-north coast, Bega, Cessnock, and Murray, which has a growing dairy industry.

Dairy farmers who have followed this debate for some time would be heartened by the strong support for their industry from members on both sides of Parliament. The legislation should be supported, and I am thankful for the encouraging words and appreciative comments of many honourable members. The honourable member for Murray strongly supports orderly marketing—a system that goes back to the 1920s and 30s, which had its failures and successes. When we debate orderly marketing, those who believe in the more dry economic view would argue that those who support orderly marketing support a protected industry that will breed inefficiencies and, therefore, result in higher prices. That has not been the case with the dairy industry in New South Wales.

Although a number of changes will be made to legislation from 1 July as a result of deregulation introduced by the former Government, market changes are also occurring in the dairy industry. As at today the dairy industry is regulated from the farm paddock to the supermarket shelf, or to the doorstep of those who receive home delivery. Under a quaint orderly market system, government records are in place to set the farm gate price, which is the price paid to dairy farmers; a margin for the Dairy Corporation to undertake its various market reporting functions; a margin for the processors; a guaranteed regulated margin for milk vendors; and a



maximum price for retailers. Those regulations must add inefficiencies to the system, which means the consumers pay more.

However, as at today that system delivers the cheapest milk supplied to any capital city in Australia, including States that have had the price of milk deregulated from the farm gate. The distribution sector will move away from that system from 1 July as a result of changes to the Dairy Industry Act introduced by the former Minister for Agriculture, now the Leader of the National Party. The honourable member for Cessnock raised concerns about the impact of deregulation on milk vendors. Without any regulations, zones or guaranteed margins they will be subject to market forces—in other words, the power of the retail sector. I understand that representations are already in my office. We are now beginning to see worrying signs about what is happening to milk vendors in the Hunter. I am hopeful that all those concerns can be resolved.

I take on board what the honourable member for Cessnock said. We should do everything we can—perhaps examine the competition guidelines and the Trade Practices Act—to see what, if anything, can be done for milk vendors. The Government will certainly do everything it can legally, but honourable members should recognise that those involved in a deregulated market are subject to market forces; and the strongest participant in this case is the retail sector.

The honourable member for Port Macquarie—in supporting the legislation, the mid-north coast dairy industry and the farmers—said that we should do all we can to keep out the Victorians. That is probably easier said than done. As a result of national changes to the dairy industry, borders protected by regulations and zones will vanish. Technology will enable fresh milk and other milk products to be transported longer distances. That will place Victoria in a very strong position in an open market. The honourable member for Cessnock produced statistics which showed that of all milk produced in Australia, 63 per cent comes from Victoria, 13 per cent comes from New South Wales and 9 per cent comes from Queensland.

If deregulation were to occur at the farm gate, a great deal of pressure would be put on Victorian farmers to reduce their share and would give the Victorian industry some advantage over neighbouring States. The New South Wales industry operates on a quota system for fresh milk, but the Victorian industry places a stronger emphasis on what is referred to as manufacturing milk. A volume

of milk produced in Victoria becomes UHT milk and preserved products that can be transported long distances. In an open-slather market the Victorian industry has inherent advantages that were previously controlled by the tyranny of distance, but which have now been overcome by technology and the progressive diminution of various government regulations in the different States.

It would not be easy to rein in the Victorians. In decades past we would have had a border war, but that cannot happen in a free market. The dairy industry in New South Wales deserves protection at the farm gate for at least the next five years. With such a powerful neighbouring State as Victoria and the prospect of further changes in the market the industry needs a strong negotiating point. I am pleased to support the New South Wales dairy industry in its push to become competitive, not only in New South Wales but also nationally. Month after month good news stories come from the industry, which is becoming more successful on the export market.

New South Wales is doing extremely well exporting dairy products to New Zealand and Asia. I compliment all those involved in that process. The honourable member for St Marys and the honourable member for Cessnock said earlier that this legislation is no guarantee to the dairy industry. The honourable member for Murray said that he shares his electorate with the Minister for Trade and Deputy Prime Minister. I ask him to use whatever good influences he has on the Deputy Prime Minister to get him to retain these farm gate price regulations. It has already been said in debate that New South Wales cannot sustain a penalty from the Federal Government or the National Competition Council to the tune of \$100 million—one of the figures that has been talked about.

We want Tim Fischer, John Anderson, the Minister for Primary Industries and Energy, the Prime Minister and the Federal Treasurer to rein in approaches that are being made not only to New South Wales but to all other States by the chairman of the National Competition Council. He said that if we do not get deregulation as a result of these reviews, the States could be penalised. New South Wales is still under the gun of a much smaller penalty as a result of this Government's decision to support the rice industry—a matter which was debated earlier in this House. New South Wales is also under the gun because of a major threat from the National Competition Council to secure the future for our dairy farmers. The pressure is now on John Anderson to show the same support for dairy farmers in New South Wales as this Labor

Government has shown. We will be waiting, watching and asking at every opportunity for him to make that statement. I will raise that matter again in many other forums.

The honourable member for Bega and the honourable member for Port Macquarie referred to anxiety in the dairy industry. Farmers were concerned when it took so long for the Government to make this decision. I have already referred to that matter. The Government could not make a decision earlier because it was not able to secure any assurances from the Federal Government or the National Competition Council that New South Wales would not be penalised if it made that decision. This Government had many negotiations, discussions and meetings with the chairman of the National Competition Council. When we were not able to reach agreement we made that decision but we imposed conditions.

I have already spoken about one condition. If there are changes in other States that will adversely affect the New South Wales dairy industry, I say to the industry—and it is quite supportive of this position—that I will talk with industry representatives to determine how we can adjust these arrangements. We will make whatever adjustments are necessary so that whatever happens in other States dairy farmers and the dairy industry in New South Wales are not disadvantaged.

The Government is happy to work with industry on that matter. We will maintain, remove or adjust current arrangements to ensure that industry is not harmed in any way as a result of what happens in neighbouring States. Finally, the honourable member for Waratah said that this decision was based on a net public benefit. It was all about weighing up not only the successful industry but the impact on the regions—a matter to which all honourable members referred. Reference was made to the impact on the dairy industry if we had deregulation. We weighed all those benefits against the unknown—the ideology of deregulation—to determine what might happen. We weighed the net public benefit and came down with this decision. This legislation simply gives us protection against the trade practices changes which take effect in July this year. That same sort of argument applies to the debate on the rice industry that we had earlier. I thank all honourable members for their support for the legislation. I encourage all honourable members to lobby the Federal Government to rein in the National Competition Council and to stop the threats to the States that are quite entitled to make their own decisions on what is in the best interests of any industry.

**Motion agreed to.**

**Bill read a second time and passed through remaining stages.**

#### **TRUSTEE COMPANIES AMENDMENT (RESERVE LIABILITIES) BILL**

**Bill received and read a first time.**

#### **DISABILITY DISCRIMINATION LEGISLATION AMENDMENT BILL**

**Bill received and read a first time.**

#### **GAS PIPELINES ACCESS (NEW SOUTH WALES) BILL**

**Second Reading**

**Debate resumed from 6 May.**

**Mr PHILLIPS** (Miranda—Deputy Leader of the Opposition) [8.47 p.m.]: The Opposition does not oppose the Gas Pipelines Access (New South Wales) Bill. Although it seems quite a hefty bill it is just another step in the continuation of competitive reforms that commenced under the previous coalition Government in relation to gas and the entire energy industry in New South Wales. The Gas Pipeline Access (New South Wales) Bill continues from the Gas Supply Bill 1996 in establishing third party access for the State's gas distribution system. Gas pipelines are natural monopolies due to the high costs to new market entrants trying to replicate existing pipelines. Third party access overcomes this problem and promotes competition, choice for consumers and ultimately lower gas prices. The coalition is an ardent supporter of measures aimed at increasing competition in the energy sector so that the inherent benefits of competition can flow on to businesses and households.

The coalition is committed to ensuring that reforms, first, achieve the lowest sustainable gas prices for New South Wales customers; second, maximise customer choice; third, provide a more efficient industry and encourage investment; fourth, provide the framework for effective and sustainable energy markets integrating gas and electricity; fifth, ensure a regulatory environment that best protects customers; sixth, ensure long-term security of supply; and, seventh, encourage the development of an efficient national gas market. Gas prices in Sydney are approximately 40 per cent higher than those in Victoria. Change obviously has to occur. This legislation should represent another step in breaking down the barriers to new industry

participants and new pipelines which will allow new gas reserves and greater competition amongst gas suppliers. Reforms to the New South Wales gas industry must reduce barriers of entry to the market and provide greater price transparency. If this can be achieved it will ensure a more efficient market and hence benefits to the entire New South Wales economy—benefits to both household consumers and also to industry.

This competition and reduction in cost to provide energy are vital if New South Wales is going to participate in the global economy. The gas industry is a major contributor to the national economy and a significant employer. It has annual sales of \$6 billion and export earnings of more than \$1 billion. Hence, the importance of being internationally competitive cannot be understated. Our industries and job potential depend upon this action. Currently industrial and large commercial gas users subsidise small commercial and domestic gas users. These cross-subsidies place New South Wales at a competitive disadvantage to other States when conducting business. This legislation will form part of a uniform national regulatory framework for third-party access.

Although a national gas access code is in place, the current code represents the lowest common denominator—a compromise to the owners of natural monopoly pipelines. While a national code is in place, the coalition is eager to see greater competition in the marketplace and a greater choice for consumers. The success in establishing a national code has placed an enormous responsibility on the regulators of the system. The experience in New South Wales would suggest that the challenges of regulating private companies are considerable and a real challenge to organisations, such as the Independent Pricing and Regulatory Tribunal. Regulating private companies is much more complex than regulating government-owned monopolies. The McKinsey review of IPART supports this view. The challenge for the Carr Government is to ensure that New South Wales customers have tariffs that are comparable to other States and that the competitiveness of New South Wales businesses is not eroded. Unfortunately, evidence suggests the contrary.

New South Wales gas distribution tariffs for industrial customers remain unacceptably high. After the IPART reduction the average New South Wales industrial organisation will pay more than \$1.40 per gigajoule to move gas through the New South Wales distribution system. In Victoria, with a similar size industrial market, the proposed average tariff is less than 50¢ per gigajoule. That proposal has not been

accepted by the regulators and it may still be reduced. That problem has to be addressed. How can New South Wales be competitive in a gas market when it charges \$1.40 per gigajoule while another State charges 50¢ per gigajoule? New South Wales has a real challenge in making itself much more competitive with Victoria. This price differential for a medium-size business equates to a cost penalty of \$500,000 per annum for using gas in New South Wales. Such a competitive disadvantage must be addressed by the Carr Government.

The Minister for Energy and the Carr Government must ensure that IPART has access to all accurate cost information from AGL. Access tariffs must be determined on audited costs. As previously stated, while the coalition supports this legislation, it is concerned about the regulatory regime prescribed by this bill and the lack of information available to IPART through AGL. Under this legislation transmission pipelines are to be regulated by the Australian Consumer and Competition Commission and AGL and access are to be regulated by IPART. The Government must be cautious to ensure that industry regulation does not become confusing because there are two, perhaps even three, regulating authorities. That would create all sorts of distortion in the market as shrewd suppliers and competitors play one regulatory organisation off against another and do trade-offs. Of course, the cost of the bureaucracy to try to handle two to three regulators is a concern.

The Opposition does not oppose this legislation because it is part of the long process of reforms commenced by the previous Government. The reforms to the gas industry are crucial to the international competitiveness of New South Wales businesses. Unlike the Carr Government, which very much has an ideological aversion to private sector involvement, as seen in the electricity industry, the coalition recognises the importance of the private sector in providing much needed investment and employment opportunities, especially in regional and rural areas. I point out to Australian Labor Party members who oppose the privatisation of the electricity industry that AGL, which provides another form of energy, has always been a private organisation. Yet I have never heard one word of complaint, not one accusation or attack from union members or ALP backbench members against AGL, a private organisation of which the Government is the regulator.

That is the way New South Wales must move with the electricity industry. There is no way that government-owned enterprises in this State can compete with the private-owned enterprises in

Victoria, and soon to be in South Australia and, I believe in the longer term, in Queensland. I am not talking about a gas or electricity market; I am talking about energy markets. The Auditor-General's report that was tabled this morning clearly shows that Victoria is beating New South Wales hands down and is getting a greater share of the electricity generating market. New South Wales government-owned generators are losing market share to Victoria. The profitability of the New South Wales electricity market has plunged 76 per cent, causing substantial revenue problems for the Government. That situation must be addressed. Unless the New South Wales electricity industry enters the private sector, it cannot sustain the competition from other States.

Gas has been successful in that market under government regulation. It is the way to move. I would like to speak more about the electricity industry, but it is clearly outside the leave of this bill. We are debating energy markets and I say that the members of the ALP and the union movement who are pig-headedly preventing the Premier and the Government moving towards privatisation of electricity are costing this State billions of dollars. The latest estimate is \$6.2 billion lost value in the electricity industry because of the delay and because of the proposal for partial privatisation of the electricity industry. Although in actual terms those figures are not confirmed by Bob Hogg or supported in principle by the Auditor-General's report, they clearly move in the same direction. Government members can argue about how much value has been lost, but billions of dollars of value are being lost in this electricity industry, depriving the people of New South Wales of valuable asset dollars to develop hospitals, schools and other important facilities in this State. We support this bill and ask the Premier to realise that the people of New South Wales elected him to lead the State and do not want people from other organisations imposing their views on the will of this Parliament.

**Ms HALL** (Swansea) [9.00 p.m.]: I support the Gas Pipelines Access (New South Wales) Bill. I agree with everything that has been said about third-party access guaranteeing better prices and more choice to consumers in New South Wales, but I disagree with some of the statements by the Deputy Leader of the Opposition. There is an anomaly in what he said. On the one hand he rubbished the Australian Gas Light Company, saying that it performed poorly, and on the other hand he said that it was a great organisation that should be a model for electricity distribution. We need to separate what is happening with gas and with electricity. AGL is not the electricity industry. The gas industry is much

more complex. The electricity industry returns a lot of money to the State. It is an essential service that should be in government ownership. The Deputy Leader of the Opposition trivialised the whole issue and moved away from it.

I understand that last year the electricity industry contributed \$980 million to the State budget. A once-only fire sale may provide some money to build hospitals and schools but once the money is gone it is gone. The electricity industry is providing a constant income stream. Many issues have to be considered. As I have already said, it is not appropriate to compare the electricity industry and AGL. I put on record my opposition to any sale of the electricity industry. This debate is not about the sale of electricity; it is about increasing access to gas for the people of New South Wales, which is supported by the union movement. The opposition of a number of members of this Parliament to the sale of the electricity industry is about maintaining the electricity supply that the people of this State now have and making sure that we do not end up with a Victorian situation.

The sale of the electricity industry in Victoria has resulted in many problems. I was in the Latrobe Valley last year. I was overwhelmed by the poverty of an area that had once been very rich, the high level of unemployment and the dependence of the community on gambling. Few permanent jobs exist in the area. Privatisation of the Victorian electricity industry has not led to a more efficient industry. One of the greatest proponents of the sale of the New South Wales electricity industry is the Victorian electricity industry, because the Victorian industry is not as efficient and cannot compete with the New South Wales industry. I support the legislation but I do not support the sale of the electricity industry. We should not be considering the two issues tonight. I support the bill wholeheartedly.

**Mr MacCARTHY** (Strathfield) [9.04 p.m.]: I support the Gas Pipelines Access (New South Wales) Bill. I have taken a personal interest in pipeline issues because the first job I had after leaving university was with the Australian Gas Light Company. One of the projects that I worked on was computer modelling for the initial design and the planning process of the pipeline that ultimately was built from South Australia to Sydney. Many things have changed since I left the company. In those days the programming was done on an IBM 360 with punched cards and it took all night to run a simulation. I have no doubt that today it could be done far more quickly on a smaller computer. I am sure that if I were thrown back into that task it would be beyond me.

Although I left the gas industry many years ago, more recently I worked in the electricity industry, and I have taken an interest in energy matters. As the shadow minister and Deputy Leader of the Liberal Party said, there is a strong correlation between the gas industry and the electricity industry. The honourable member for Swansea said a lot about electricity but very little about gas. She revealed that she is ideologically blinkered. If time permits I will come back to the issue of electricity.

The bill continues the reforms of previous coalition governments, and the Carr Government. The coalition initiated competitive reforms of the entire energy industry in the early 1990s. The process has been going on in the gas and electricity industries. The bill enacts into New South Wales law national agreements which have already been enacted in South Australia. Its aim is to guarantee third-party access to overcome market limitations which flow from a natural monopoly. As has been said, gas pipelines, like electricity transmission lines, gas distribution systems like electricity reticulation systems, by their very nature are natural monopolies. Once there is one pipe delivering the gas it is not economically efficient to build a second one. So if we are to have a competitive market in the industry we must have third-party access to the pipelines. We must make it possible for customers at the downstream end of the pipe to negotiate with a variety of sellers at the input end of the pipe and have a common carriage right of access through the pipeline.

That will benefit businesses, households and the whole State economy. As outlined by the shadow minister, the coalition is committed to ensuring that the reforms achieve the lowest sustainable gas prices for New South Wales customers, as with other forms of energy; maximisation of customer choice; provision of a more efficient industry and encouragement of investment; provision of the framework for effective and sustainable energy markets, integrating gas and electricity; the ensuring of a regulatory environment that best protects customers; the ensuring of long-term security of supply; and the encouragement of the development of an efficient national gas market.

The gas side of the energy industry, in New South Wales at least, traditionally has involved a private enterprise body, particularly in manufacturing, retailing and distribution of gas. The coalition supports this. Of course, when there is greater competition we can do better. The problem has been that although the gas industry has been in private enterprise hands essentially the tradition has been a private enterprise monopoly, and private enterprise monopolies are no better than government enterprise monopolies. Competition is needed. The

gas industry is of key importance to this State's economy and indeed to the national economy. Annual exports of gas from Australia total more than a billion dollars, \$1,000 million, and total sales are of the order of \$6 billion. Apart from the industry's direct employment impact it also provides a key input to other industries. It is used for process heat—with a by-product of co-generation, one would hope—and food cooking. In transportation there is growing demand for gas. It also has domestic uses.

Cost reductions in the gas industry can stimulate wider economic growth and employment. Traditionally in the energy industries—both gas and electricity—large users have subsidised small commercial and domestic users. That has been a brake on economic growth. Recent trends—and these trends in New South Wales came under coalition governments—have been to reduce cross-subsidies. However, I hope that in the gas industry, as in the electricity industry, those cross-subsidy reductions can be achieved not by increasing the price of gas to domestic and small business consumers but rather by applying existing efficiencies to reduce prices to the large users. Certainly in my time in the electricity industry we were able to achieve that and it was possible to effectively freeze prices for those who were being subsidised while reducing the prices for those who were subsidising. I hope that process will continue in this segment of the industry.

It is important to recognise that while those cross-subsidies exist, New South Wales is disadvantaged in attracting new manufacturing and other kinds of industry. This bill will bring into play a national access code, but I will not go into that detail because much has been said about it already. However, operations of the regulators need to be monitored to ensure that the new regime genuinely increases competition and marketplace choice. I am pleased that the Independent Pricing and Regulatory Tribunal—IPART—will now regulate gas and electricity. That recognises that both forms of energy compete with each other and that there ought to be a common approach to the two.

People do not want electricity or gas as a commodity because they have no great intrinsic value. People want what the energy source will do for them, such as giving them hot water, a warm home, processed heat in industry, dry materials, or transport. They want the best means for obtaining that based on cost, not forgetting other practical accompanying considerations. However, people do not buy electricity or gas for themselves but for what they can achieve with it. For that reason the industries are coming together. In the old days they were seen as completely different but now they are regarded as part and parcel of the same industry.

The Deputy Leader of the Liberal Party has challenged the Carr Government—in its last ten months of office, I might add—to ensure that New South Wales customers have tariffs comparable with, indeed better than, those in other States. The Minister said in his second reading speech that the Government is hoping that gas transportation charges will fall from \$2.26 a gigajoule to \$1.05 by 1999-2000. The shadow minister said that in Victoria it is in the order of 50¢. It is important to recognise that we must drive competition further to obtain these benefits and to ensure that the competitiveness of New South Wales business is not eroded. After March next year the coalition Government will certainly be taking up this challenge.

New South Wales tariffs for distribution to move gas through the pipeline are very high in comparison with those in Victoria and something must be done to improve that disparity. The Carr Government must immediately address this by ensuring that IPART has full access to accurate audited costs. The shadow minister referred to weaknesses in the proposed regulatory regime. He referred to the dual nature of the regulation between the Australian Consumer and Competition Commission—ACCC—for transmission in bulk and IPART for local distribution. This will require close monitoring to ensure that the regulators do not apply contrary pressures to those being regulated. It has happened in the past that IPART or its predecessor has looked at the electricity industry while the Minister of the day at the same time looked at electricity distributors and in some cases applied contrary requirements. This leads to waste and inefficiencies.

Nevertheless, despite some misgivings about the bill, the Opposition supports it as a further step along the lines initiated by the coalition in the early 1990s. In a rapidly developing energy market no doubt further legislative change will be required. The coalition remains solidly committed to a dynamic, competitive energy industry. The honourable member for Swansea criticised the shadow minister about arguments that the two industries are related. I have spoken about that and will not repeat it. Essentially, the only basic difference between the gas industry and the electricity industry is that by the product's nature the process of setting up a market for gas is more simple than for electricity, which is consumed virtually instantaneously once it is manufactured. That implies particular problems for the transmission wire design, which must be designed with a capacity to handle the peaks.

Gas has the advantage that the pipeline itself is a storage mechanism. By compression and rarefaction of the gas in the line, pipelines can be

designed to deal with average usage rather than to handle peak usage. Gas can be drawn out of the line at times of high usage and it can be packed back in at times of low usage, so the market process is different. The requirement for a gas spot market is not necessary, as it is for electricity which must supply demands at prices based on half-hour intervals. Gas supply is much more simple, and that is the only difference between the two industries. The electricity transmission grid is far more crucial than the gas pipeline. However, an obvious analogy can be drawn between gas and electricity. Private enterprise effectively runs gas production, distribution and retailing, and it can do likewise with the production, distribution and retailing of electricity.

To say that government or local government, simply because it has had a hand in all aspects of the electricity industry in the past, should remain ever thus is to fly in the face of reality. The previous speaker spoke about nothing other than the electricity industry so I thought it worthwhile to correct her errors. The Opposition supports the legislation, although it has some misgivings and will monitor it. The coalition will have great pleasure in taking over the reins of the electricity and gas industries in March 1999.

**Mr E. T. Page:** Do not hang by your thumbs waiting for it.

**Mr DEBUS** (Blue Mountains—Minister for Energy, Minister for Tourism, Minister for Corrective Services, Minister for Emergency Services, and Minister Assisting the Premier on the Arts) [9.18 p.m.], in reply: As the Minister for Local Government said, it would be prudent for the honourable member for Strathfield not to hang by his thumbs waiting for what he takes to be the opportunity to take over the continued reform of the energy market in New South Wales. I can assure the honourable member for Strathfield that it will not be necessary. The national third-party access regime to be adopted by all jurisdictions in eastern Australia and South Australia is the most effective way of promoting free and fair trade in gas, both within and between jurisdictions. It will deliver to New South Wales significant economic benefits in infrastructure, investment, employment and security of gas supply. The competition that free and fair trade generates will provide New South Wales consumers with a choice of alternative gas suppliers.

The provision of third-party access has already encouraged two proposals for major transmission pipelines to supply Bass Strait gas to New South Wales. The first, linking the Victorian gas network at Wodonga with the New South Wales gas network at Wagga Wagga, is expected to be completed in July this year. The second proposal is for a major

pipeline from Longford in Victoria to Wilton near Sydney. These pipelines, when completed, will lead to the establishment of an interconnected gas grid. That will increase interbasin competition and reduce the dependency of New South Wales on gas from the Cooper Basin, provide opportunities for consumers to shop around for the best deals and, more importantly, result in lower gas prices. Lower gas prices will make New South Wales industries and businesses more competitive and attractive to investors. Everyone seems to agree about that. That, in turn, will generate more employment opportunities in this State.

I point out to the Deputy Leader of the Opposition that, notwithstanding his denigration of New South Wales, this State already is attracting more manufacturing industry than Victoria. Our household electricity prices are \$100 a year cheaper than those in Victoria. So he should not get too carried away with his worship of Jeff Kennett. Competitive reform of the natural gas industry is a key requirement for payments to New South Wales under the national competition policy agreements.

I want to put on record also the natural circumstances which, perhaps unavoidably, give Victoria a cost advantage over New South Wales in the supply of gas. These are purely physical factors. The first is that the source of gas, in Bass Strait, is very close to the Victorian market. In comparison, New South Wales is the only State without a significant natural gas supply and therefore it must get its gas either from the Cooper Basin in South Australia or, as we hope will be the case, in greater quantities from Bass Strait. The Victorian climate, of course, favours the use of gas for space heating. Further, the entire gas reticulation system in Victoria is more compact.

I do not use those circumstances to suggest that it is impossible to lower gas prices in New South Wales. Obviously, the Government is intent on doing just that. However, it is foolish to ignore those natural Victorian advantages. The major impact for New South Wales will flow from the effect of the access regime in opening up industries in other States to competition. As I have said, New South Wales is the only mainland State without commercially viable reserves of natural gas. Access to the gas basins of other States is essential for a naturally competitive gas market. The national regime will benefit New South Wales suppliers, who are able to access producers in other States through an interconnected gas pipeline grid.

The only other matter that I want to raise is the nature of the independent regulation proposed and its effect on prices. Notwithstanding the remarks of the Deputy Leader of the Opposition there are two bodies—and there is no danger of there being three—with responsibility for gas regulation in New

South Wales. As a matter of policy, the Government is supportive of a single national regulator of access to all national pipelines. It is proposed that by July 2002 all transmission pipelines in New South Wales be regulated by the Australian Competition and Consumer Commission. I point out also, in response to the remarks made by both honourable members opposite during the debate, that the Independent Pricing and Regulatory Tribunal, IPART, is an independent regulator that is not subject to the control or direction of Ministers in making its determinations. In particular, the Deputy Leader of the Opposition has not understood that the AGL gas undertaking is to be reviewed by IPART from November this year, and significant consequences may be expected.

Finally, I place on record my appreciation of the splendid work undertaken by the Department of Energy in advancing the interests of New South Wales in the national gas reform process. The department has played a key administrative and intellectual role in the development of national policy generally. In 1996 the efforts of the department resulted in the introduction of a third-party access regime to distribution pipelines in New South Wales. That was the first such access regime in Australia. I repeat that there is no need for honourable members opposite to feel any obligation to take over the inevitably advancing process of market reform of the gas industry. The Carr Government is doing that very well indeed. I commend the bill to the House.

**Motion agreed to.**

**Bill read a second time and passed through remaining stages.**

## STATE REVENUE LEGISLATION AMENDMENT BILL

### Second Reading

**Debate resumed from 20 May.**

**Mr PHILLIPS** (Miranda—Deputy Leader of the Opposition) [9.26 p.m.]: The Opposition does not oppose the State Revenue Legislation Amendment Bill, which proposes a series of amendments to a number of Acts. The majority of the amendments revolve around clarification of and tinkering with the Duties Act, which passed through the Parliament last year and comes into force from 1 July 1998. The Duties Act is an extremely important Act as duties on a range of goods provide approximately 26.1 per cent of the States Revenue base. While the coalition does not object to the vast majority of these amendments, it does draw the attention of the House to the amendments in relation to instalment warrants. The bill provides for

instalment warrants, a financial derivative similar to a call option, to be dutiable for the first time. Currently, there are some 35 million instalment warrant transactions per month. This is expected to raise an additional \$1.5 million per annum for the Carr Government, and that is just another slug on business.

Businesses in New South Wales already have to cope with \$2.5 billion in increases in taxes that have occurred under the Carr Government. With only one week remaining before the Carr Government delivers its final budget, the business community and taxpayers generally are eager for substantial tax concessions. After all, this Carr Government has made New South Wales the highest taxed State in Australia. The coalition is pleased that the Government has consulted the Australian Stock Exchange in relation to making the derivative dutiable. However, concerns have been expressed to the coalition by certain quarters of the financial markets as to how the amendment of section 157, which relates to records of sales, purchases and transactions generally, proposed by item 34 of schedule 1 to the bill will operate in practice.

The concerns of the financial markets are that many thousands of hedging transactions per day will be subject to this provision. The Minister needs to clarify what details the Government expects to be provided to it by the brokers. Is this yet another monumental bureaucratic exercise that will further increase the cost of doing business in New South Wales? Has the brokering industry really been consulted on this matter? The Opposition strongly recommends that the Government immediately clarify this concern before the bill goes to another place. The bill also makes amendments to the Petroleum Products Subsidy Act 1997 as a consequence of the High Court decision in relation to business franchise fees. The amendments clarify that subsidies will be paid under the Act in relation to five zones emanating from the Queensland border. The amendments are necessary to assist businesses in the northern regions of the State.

The bill also amends the Land Tax Management Act in relation to exemptions. The Government is extending the land tax net even further to include people who live outside the State. The message is clear: even if you live outside New South Wales the Treasurer and the Premier, the tax addicts, are coming to get you. The coalition does not oppose the bill. However, I foreshadow that an amendment will be moved in another place relating to a sneaky and deceitful act by the Treasurer. Last year, when the State Revenue Further Amendment Bill was passed as a cognate bill with the Appropriation Bill, hidden deep in the legislation was a provision for the repeal of certain reporting requirements. Those reporting requirements related

to the Howard and Costello bill, the HAC bill, in which the Government increased land tax, payroll tax and vehicle registration.

At that time the Treasurer guaranteed that he would not collect a cent more than was required to meet the State's fiscal contributions to the Commonwealth to repair Beazley's \$10 billion black hole. Hence, the Treasurer was required to report to the Parliament on a quarterly basis as to how much revenue had been collected. Upon receipt of \$902 million, the tax increases were supposed to be reduced to the original level. However, last year the Treasurer removed this reporting requirement to allow him to collect additional revenue, with no regard to the impact it caused on businesses and families. The amendment to be moved by the Opposition in the other place will force the Treasurer to inform the Parliament exactly how much revenue has been collected. If the revenue has exceeded the \$902 million, the Treasurer must immediately return the outstanding amount.

I want to respond to some of the comments made by the honourable member for Pittwater, who embarked on a political career in this Parliament at a young age. There is no way that he will now have the opportunity to make large amounts of money in the business community; he will not be affected by the provisions of the instalment warrants. The financial derivatives in this bill are similar to call options, which I am sure the honourable member for Pittwater understands. The problems that go hand in hand with those types of financial products will now be removed from his control and he will not have to concern himself with them. However, as a responsible member of Parliament I am sure he will take the time to read the details in this bill to ensure that it protects the interests of many of his constituents who would be affected by these instalment warrants.

It is essential that the Government consults with the business and financial community, and particularly with the Australian Stock Exchange. The bill is expected to raise an additional \$1.5 million per annum for the Carr Government, which will mean a significant hike in tax bills. Every time the Government puts another impost on business in New South Wales, it discourages the expansion of business and the movement of new businesses to this State. Sydney, the gateway to Australia, has to compete with other international markets. Sydney should be the financial and business capital of this part of the world. The competition is not Melbourne, Brisbane or Adelaide; the competition is Hong Kong, Singapore, London and New York. The great cities of the world are Sydney's main competition. New South Wales is now the highest taxed State in Australia. Taxes have increased by more than \$2.5 billion in the past couple of years. Every time the



Government imposes another business tax businesses are discouraged from coming to this State. As I said earlier, the Opposition will not oppose the bill. However, it will seek assurances from the Government on the aspects I have raised and will consider moving amendments in another place.

**Mr MARTIN** (Port Stephens—Minister for Mineral Resources, and Minister for Fisheries) [9.36 p.m.], in reply: I thank the Deputy Leader of the Opposition for his in-depth contribution. I am sure the matters he has raised will be addressed by the Minister in the other place. I urge the House to support for the bill.

**Motion agreed to.**

**Bill read a second time and passed through remaining stages.**

### **JUDGES' PENSIONS AMENDMENT BILL**

#### **Second Reading**

**Debate resumed from 20 May.**

**Mr KINROSS** (Gordon) [9.38 p.m.]: I lead for the Opposition on this bill and indicate that the coalition will not oppose it. The objects of the bill are:

- (a) to enable persons entitled to pensions under the *Judges' Pensions Act 1953* to commute part of their pensions to meet superannuation contributions surcharge liabilities arising under Commonwealth legislation when superannuation entitlements become payable, and
- (b) to provide for subsequent reductions in pensions payable under that Act, and
- (c) to make other consequential amendments.

Under Commonwealth legislation passed last year, including a number of amendments in relation to the superannuation guarantee levy or surcharge, members of constitutionally protected superannuation funds are liable to pay a superannuation contribution surcharge when they become entitled to a lump sum or pension benefit from the fund concerned. The superannuation contribution surcharge is payable within three months of the member being notified of the liability. The Judges' Pensions Act 1953 provides for the payment of pensions to judges on retirement and the payment of pensions to spouses and their children if judges die. However, the Act does not currently provide for the payment of lump-sum benefits.

These amendments will enable the partial commutation of pensions for the purposes of

payment of the superannuation contribution surcharge on the retirement or death of a member. A retired judge or other person entitled to be paid a pension may elect to have part of the pension commuted for the purposes of payment of a liability for superannuation contribution surcharge. The Opposition has consulted with a number of parties, including the Law Society, the Bar Association, the Council for Civil Liberties, the Chief Justice of New South Wales and the Chief Judge of the District Court. The response to date has been that they see no problems with the legislation.

However, section 72 of the Commonwealth Constitution provides that the remuneration of a judge shall not decrease during his tenure. If the superannuation contribution surcharge is regarded as part of the remuneration and thereby diminishes the remuneration of the judge, could that not be regarded as being potentially unconstitutional in law because it breaches the provision of non-reduction of judicial remuneration during a term in office? A possible answer could be that judges do not receive their pension or superannuation until they retire; they receive it after they have left office. Further, section 72 may not affect part 9 of the New South Wales Constitution. I note from the second reading speech of the Minister for Agriculture that the Commonwealth Act providing for the superannuation contribution surcharge applies to judges from the time the legislation came into effect on 7 December 1997. I do not believe that his second reading speech, which was delivered on 20 May, raised this constitutional aspect of judges' pensions. The Minister may be able to seek some advice on that point. With that reservation, the Opposition does not oppose the bill.

**Mr MARTIN** (Port Stephens—Minister for Mineral Resources, and Minister for Fisheries) [9.42 p.m.], in reply: I understand where the honourable member for Gordon is coming from. We understand he has close affiliations, both speculative and operative. I thank him for his contribution. I will leave it to my colleagues in the other place to deal with the matter raised by the honourable member. This sensitive issue will be discussed fully by Government and addressed in the other place. The bill has undergone ample scrutiny in this House, and I fully support the action taken by the Government.

**Motion agreed to.**

**Bill read a second time and passed through remaining stages.**

**House adjourned at 9.44 p.m.**