

LEGISLATIVE ASSEMBLY AND LEGISLATIVE COUNCIL

Wednesday 7 June 2000

JOINT MEETING TO HEAR AN ADDRESS BY Mr RHODRI MORGAN, AM, MP, FIRST SECRETARY OF THE NATIONAL ASSEMBLY FOR WALES

The two Houses met in the Legislative Assembly Chamber at 11.30 a.m. to hear an address by Mr Rhodri Morgan, First Secretary of the National Assembly for Wales.

Mr Morgan was conducted to his chair on the dais by Mr Speaker and the President.

Mr SPEAKER: Order! It gives me great pleasure to welcome members of both Houses to the Legislative Assembly Chamber to meet with Mr Rhodri Morgan, MP, the First Secretary of the National Assembly for Wales. I also acknowledge the presence in the Speaker's Gallery of Mr John Atkinson, the Acting British Consul General; Mr Rob Lock, Director of Overseas Trade Promotions, National Assembly for Wales; Mr David Rome Beddse, Chairman of the Welsh Development Agency; Mr Craig Brown, consultant with the Welsh Development Agency; and Ms Anna Coleman, Private Secretary to the First Secretary of the National Assembly for Wales. I offer an apology on behalf of His Excellency Sir Alistair Goodlad, who, because of fog problems in Canberra, will arrive at this joint meeting a little late.

First Secretary Morgan has been a member of the House of Commons since 1987 and a member of the Welsh Assembly since 1999. In that time he has been Chair of the House of Commons Select Committee on Public Administration, he served as Opposition spokesperson for energy, and he has always maintained a passionate advocacy for Welsh affairs. With a background in regional development, the environment and European affairs, he has led the Labour Party in Wales since being appointed First Secretary in February this year.

Mr First Secretary, the New South Wales Parliament has always had a close association with your Assembly. Many of our members have had the opportunity of visiting and talking with your members. It is surprising that for two parliaments, separated by such a great distance, we share so many issues of mutual significance. However, because of this close relationship, I have discussed with your Speaker arrangements for the New South Wales Parliament to present a gift to your new National Assembly to symbolise the bond we share. Sir, we await your advice on this matter. That bond was developed further by Speaker Lloyd Elis-Thomas and your Clerk, John Lloyd, when they visited New South Wales earlier this year. Members, on your behalf, it is my pleasure to welcome the First Secretary to this place. I invite the Premier to address the House.

Mr CARR (Maroubra—Premier, Minister for the Arts, and Minister for Citizenship): Mr Speaker, we will soon have the pleasure of hearing from the most distinguished Welshman to speak in this place since William Morris Hughes. Billy Hughes was, of course, a Labor member of this Assembly from 1894 to 1901. He became a member of the first Federal Parliament and remained a member until his death in 1952, aged 90. He was Prime Minister of Australia from 1915 to 1922 until he was deposed by his new-found conservative allies—a remarkable parallel in his political career with the greatest Welshman of the twentieth century, David Lloyd George.

I hasten to say, First Secretary, that my mention of Billy Hughes only emphasises the bipartisan nature of my remarks to you today. Towards the end of his life he was asked why, having been a member of every political party—the Labor Party, the old National Party, the United Australia Party, the All for Australia Party and the born-again Liberal Party of 1944—he had never joined the Country Party. His reply is known to all of us. "Brother," he said, "a man has to draw the line somewhere." First Secretary, even if William Morris Hughes had his faults, we cannot blame them on his Welshness. After all, he was born and raised not in Wales but in London.

On 12 October last year, First Secretary Morgan did me the honour of inviting me to address the National Assembly for Wales in Cardiff. I was privileged to be the first visiting Premier or Prime Minister to address that Welsh Assembly. On your behalf I was able to bring greetings and congratulations from Australia's

oldest Parliament to the world's newest representative Assembly. More importantly, I expressed our admiration for the millennium-long tenacity of the Welsh—the survival of the Welsh language, culture and identity against enormous odds and pressures. Most important of all, on what was my second visit to Wales within three years, I was strongly impressed by the economic recovery and sense of confidence of Wales. It is not too much to speak of a new Wales. We in New South Wales have good reason to welcome it and to celebrate it.

On the day I addressed the National Assembly Mr Morgan and I jointly opened Air International Transit's manufacturing facility in Cardiff, a \$20 million Australian investment in Wales. Air International is Australia's leading designer and manufacture of airconditioning and purification equipment. Mr Morgan visited its Sydney operations at Huntingwood yesterday. The Minister for Small Business, and Minister for Tourism, the Hon. Sandra Nori, visited Wales from 13 March to 20 March this year with the Australian Technology Showcase program. We are most grateful, First Secretary, for your warm welcome, and for the invaluable assistance extended to the Minister.

Not all honourable members may be aware of the important and continuing program of co-operation, research, and mutual assistance between Wales and Newcastle—a community with perhaps the strongest Welsh tradition in Australia, and one which shares a common experience in the struggle for economic and environmental regeneration. Following a Welsh delegation to Newcastle in October 1998, the two regions have established a continuing partnership to work on their common problems in pursuit of sustainable development. The universities of Cardiff and New South Wales are key contributors to this partnership, and the relationship between the principality of Wales and this State is developing particularly strongly in the fields of education and the arts. The montage project links seven schools in New South Wales with seven in Wales, via the Internet.

My portfolio responsibility, the Ministry for the Arts, whose distinguished director is Evan Williams, is planning a three-way youth dance project with the Rubicon Dance Company in Wales, Ausdance, the Aboriginal Dance Theatre in Redfern and a youth dance group in Utah. These are some of the fruits of the Memorandum of Understanding between Wales and the State of New South Wales. The memorandum was first entered into in June 1995, soon after the election of my Government, when the head of the Welsh Development Agency, Mr David Rowe-Beddoe—who is in the gallery today—visited us in Sydney. I am pleased to acknowledge the groundwork of the Fahey Government, particularly of Robert Webster, in working towards the memorandum. It was reaffirmed by the United Kingdom Parliamentary Under-Secretary of State for Wales and me in October 1998.

Today the First Secretary and I will renew the Memorandum of Understanding for a further three years. The memorandum of 1995 predated the Blair Government, the devolution process and the establishment of the National Assembly for Wales. It is now an understanding between two administrations, each of us part of a greater whole but each vigorous, innovative and confident in our own right. Old ties and new links form a strong basis for partnership between Wales and New South Wales. Long may we continue to flourish together.

Mrs CHIKAROVSKI (Lane Cove—Leader of the Opposition) It is with real pleasure that I join the Premier and the Presiding Officers in welcoming to our Parliament our most distinguished visitor, Mr Rhodri Morgan, the First Secretary of the National Assembly for Wales. On behalf of my colleague the Leader of the great National Party, George Souris, and all Coalition members, I welcome you, Mr First Secretary.

The people of Wales have a long and proud history dating well before the Roman invasion of Britain. Your people, Mr First Secretary, are rightly renowned as much for the power of their choral singing as they are for their prowess on the rugby field. Who in Australia has not thrilled to the mass bands in Cardiff bursting into song with *Men of Harlech* or *Land of Our Fathers* at the conclusion of yet another brilliant display of the red dragon on the rugby field? However, it is for politics, not rugby, that you visit us today. The warmth of our welcome is deepened by the knowledge that many of our members can proudly claim a Welsh heritage, including the honourable member for Davidson, the secretary of the shadow Cabinet, whom you have just met. He assures me that he was born right on the Welsh border—and would anyone ever tell a lie in this Parliament?

For some 800 years the only political expression of Welsh identity lay in the title to the heir of the British throne and in his motto, "Ich dien"—which is written, curiously, not in Welsh or English but in German. For 800 years the people of Wales fought to maintain their independent identity. They clung to their unique language and to the non-conformist churches as the hallmarks of that separate status. Now, after a lapse of eight centuries, the Welsh at long last have their own Parliament, which you head, Mr First Secretary. Few people in history have waited so long with such forbearance.

Mr First Secretary, the links between New South Wales and Wales go back to the first sighting of our coast by a European. Those links have continued through a rich history of immigration. We have a tradition of

cultural exchange and interaction that has centred on the arts and sport, but which includes shared values and enduring respect, each for the other. The New South Wales Parliament is the mother Parliament of Australia. We in New South Wales share with the new National Assembly in Wales and with many other Commonwealth nations and States the foundations of the Westminster system of government.

For all the criticism of its real and imagined shortcomings, the Westminster system of government has endured over the years. It has withstood the test of time reasonably well. In fact, I have yet to see a system that allows for so much flexibility while at the same time protecting and promoting the welfare and safety of the individual. The crux of the Westminster system is government elected by the majority, with respect for minorities and individuals. The devolutionary process now under way in Wales demonstrates once again that the Westminster system has the flexibility to cater for evolving and changing circumstances and demands.

I will be watching with fascination as the Welsh Assembly develops its special role in the governing system of the United Kingdom. I note, Mr First Secretary, that you operate in a manner not dissimilar to a Premier of an Australian State: you are the political leader of the Assembly, appointing the Cabinet that decides the priority and allocation of funds made available to Wales from the Treasury. I also note that you lead a minority Government—all I can say is good luck!

I note with admiration that you have taken advantage of building a new process of government from scratch and that you have assumed a leadership role in a number of public policies. The production of a published strategic plan for the Assembly, which spells out its visions, themes, values and priorities, is certainly an innovative step. I am particularly struck by your commitment as First Secretary, backed by your commitment to your Cabinet, to accountability and openness. This is one area where the Welsh National Assembly is certainly setting new standards. Your decision to publish the minutes of Cabinet is a bold advance.

I knew that would be popular on this side of the House, but I am not so sure that it is popular on the other side. It is certainly a bold advance, which presents a challenge to other administrations—perhaps it is something that you might discuss with the Premier over lunch. Mr First Secretary, in your introduction to the strategic plan of the National Assembly you make it clear that you have set out to create fresh, made-in-Wales policies for the new millennium. You can be sure that legislators in this place and in other parliaments and assemblies around the world will follow your progress with interest. There is global acknowledgment of the sense that people are cynical and increasingly suspicious of big "g" government. More and more voters are demanding openness, participation and accountability. Mr Morgan, I applaud your courage and wish you every success in taking open and accountable government to a new level.

The symbolism of your appearance in this Chamber and your address today marks the significance that we in New South Wales place on our relationship with Wales and with the Welsh people. It is a symbolism that adds to the historical links between our peoples. On your return home we ask that you carry a message of warmth and friendship from the people of New South Wales. You can assure the people of Wales that we in this State will take every opportunity to cement our relationship on personal, corporate and government levels. In this spirit of goodwill, I wish you well and hope that your visit is both enjoyable and productive.

Mr SPEAKER: I invite the First Secretary to address the Parliament.

Mr MORGAN (First Secretary, National Assembly for Wales): Mr Speaker and honourable members of both Houses of the New South Wales Parliament, I am very pleased to see you all here today. This is a new experience for me not only because I have been First Secretary only relatively briefly—for four months—but because the Welsh Assembly is very new. As a result, I am not sure what term to use when a First Secretary of one Assembly addresses the members of another Parliament. Would the phrase "cross addressing" be appropriate? If I returned to Cardiff and said that I did a bit of cross addressing while I was in Sydney, it could be easily misunderstood. However, I would then explain that Bob Carr did the same when he was in Cardiff, so that makes it all right.

I am grateful for the kind words of Bob Carr and of Kerry Chikarovski, the Leader of the Opposition, in welcoming me and in expressing goodwill for future close working between the new Welsh Assembly and, by those standards, the extremely ancient Parliament of the State of New South Wales. The Memorandum of Understanding will shortly be reaffirmed and strengthened. I can tell honourable members, with the full authority of the Welsh Assembly, that part of that Memorandum of Understanding is an undertaking by the Welsh Assembly that we will never charge you copyright on the name "Wales" as long as you do not mind if we occasionally steal a couple of rugby players and take them back to Wales.

Mrs Chikarovski: You are getting the better end of the deal.

Mr MORGAN: Maybe. I am going to the State of Origin game later this evening. People have said that when Wales plays Scotland in the Six Nations rugby tournament it should be called the state of grandfathers origin. This is the small change of politics and of the sporting and political relationship between one side of the globe and the other, which is sometimes somewhat tortured. Bob was kind enough to mention earlier the rather extraordinary time of the Treaty of Versailles, when there was a concerted Welsh effort to take over the world. The Prime Ministers of the United Kingdom and Australia attended those treaty negotiations. In order of rank, I suppose one would have to say that Woodrow Wilson, President of the United States of America, was the most important person there. Lloyd George, the British Prime Minister, was the second most important, followed, I suppose, by the French and Italians, and undoubtedly Billy Hughes would have been about the fifth most important person there. The British Prime Minister and the Australian Prime Minister, both of whom spoke Welsh, were very influential during those treaty negotiations.

Neither of them was actually born in Wales. Lloyd George was born in Manchester and raised in the village of Llanystumdwy. Billy Hughes was born in London but was raised in the village of Llanrhaiadr-ym-mochnant. I am sure your Hansard reporters are very pleased that he was not raised in Llanfairpwllgwyngyllgogerychwynndrobwllllantysiliogogoch—which is now being challenged by a Maori village in the South Island of New Zealand as having the longest place name in the world. We are trying to resist that incursion into our traditional territory.

Wales is considered to be very historic, whereas New South Wales—which is part of the Antipodes—is considered to be new, as its name implies. On the other hand, when it comes to devolution, you are old and we are very new, and it reverses the traditional way of looking at the relationship between the mother country and this country. We are very new to this game. Not only are you new to it, but you also did it the other way around: you had State parliaments for three-quarters of a century before you had a Federal Parliament. In the Southern Hemisphere not only does the bathwater go down the plughole the other way round, but parliaments are formed the other way round.

In some ways we have the oldest Parliament in the world—of which I am a member, until the next election. But since May last year, we have new Assemblies in Wales and Northern Ireland—which, cross your fingers, seems to be going okay for the moment—and the Scottish Parliament. As Kerry said, we have waited a long time. Waiting for devolution in the United Kingdom is a little like waiting for London buses. You wait for ages without seeing one devolved parliament, then all of a sudden, three come along at the same time.

We want to make the relationship between New South Wales and Wales a practical relationship. One could ask what is in a name, and does it really matter? I think it does. When Captain Cook sailed along the east coast of Australia and decided that the coastline was like that of south Wales, he did not know that at roughly the same time the Industrial Revolution was commencing in Wales. In roughly the same decade as the Industrial Revolution took off in the world—in fact in Wales, together with one of two other parts of England and central Scotland—iron was being discovered and exploited on a mass-production basis, not as the type of cottage industry it had been previously.

That 240-year experience of European exploration in Australia that started at the same time as the Industrial Revolution took off in Wales meant that Captain Cook was not just casually sailing to look at the shape of the coastline. He also hit on a stroke of genius in terms of the serendipity of a State like New South Wales—which also became part of the coal and steel revolution that brought industry and industrialisation to Australia—having named it, by accident, after a part of the world which also had the highest concentration of coal and steel in Europe; the first part of the world to be industrialised in a mass-production sense. It was a remarkable stroke of genius that gave us this name in common: a name for which you are responsible in the southern hemisphere and we are responsible in the northern hemisphere.

It is like the serendipity, if you like, of the name that we are given as a sobriquet in Europe: We are known as Taffies or Taffs. I do not know whether Queenslanders ever refer to people from New South Wales as New South Taffs, but we are always known as Taffies in Europe. That has nothing to do with the River Taff, the most famous river in Wales. That river runs past the Millennium Stadium into the sea at Cardiff Bay. It is only 24 or 30 miles long, but that 24 miles from Merthyr to Pontypridd to Cardiff could loosely be described as the grand canyon of the industrial revolution. It is a really important river for us. It runs through our capital city, past our civic buildings and the Millennium Stadium and out to sea.

The fact that we are called Taffs by the English, the Scots, the Irish and the French has absolutely nothing to do with the River Taff. It is simply the same serendipity, if you like: the accident that has given us the

association between the river, the capital city and the nation. In the sixteenth century many unemployed Welshman went to London, and many of those Welshmen were named Dafydd. The English people could not pronounce the name "Dafydd" and thought people were saying Taff or Taffid, so they called us Taffies. That is the explanation, but it is serendipity that gives us the name. The same is true of the relationship between New South Wales and Wales.

We want to see a greater understanding on both sides of what history really means. We think of ourselves as historic and of you as new, but there was obviously a territory here well before the first European explorers. You should integrate that history from before the 1760s with what followed so you do not have two sections of a discontinuous history, with people thinking Australia is a new country. Yes, it is a new country, but obviously there was a country before European explorers came here. That is important. In some ways we have been written out of history because we have waited so long to have political representation. We have been seen as a country to which things are done rather than a country that has the ability to do things for itself. We have an involuntary history.

You had an involuntary history, as a transportation colony for a while, followed by a voluntary and very proud democratic history, represented by this Parliament today. Indeed, the period of the great turbulent labour history of Wales—an inevitable consequence of its early industrialisation—gave rise to the labour movement. It gave rise to many things of which we are very proud but which, of course, led to great clashes between the authorities and the people of Wales, as one would expect in the first industrialised part of the world. I refer to the Rebecca riots, the Chartists, the Merthyr uprising, and the first use of the red flag to denote the workers' cause.

My own ancestor Morgan Morgan came within an ace of being transported to Australia for his part in the Rebecca riots. If he had been transported I might be called Bruce Morgan, and I might be sitting in this House today. But it is that labour history, if you like, that revolutionised life in Wales and gave us a very much larger population than we originally had. It meant that by 1901 we were able to have a substantial population and be an important part of Britain and the British Empire, feeding the Royal Navy with coal to enable it to outpace the German Navy during World War I.

Also, the social movements that went with it gave us our unique position in the labour movement. There would be no Labour Party in Great Britain had it not been for the trade union disputes in south Wales and the issue of whether you were able, as members of a trade union, to be sued for the trade union assets. The famous High Court judgment and the arguments about it gave rise to the foundation of the Labour Party in Wales just over 100 years ago. We celebrated the 100th anniversary of the British Labour Party in February this year. Wales had a huge role to play in its formation. Our politicians of the twentieth century—whether they were Liberals, like David Lloyd George, and set up the old age pension system, labour exchanges and sickness benefits, or whether they were later politicians like Aneurin Bevan, and set up the health service after World War II—are all part of the heritage of the first industrialised country in the world, roughly coinciding with the period of European interest in, and exploration and, eventually, occupation of Australia.

The constitutional changes of the past two or three years have probably been the biggest series of constitutional changes in the thousand-year history of the British House of Commons. It has been staggering how the icebergs have melted in the United Kingdom, with changes to the hereditary standing or basis of the House of Lords, and bringing devolution to Wales, Scotland and Northern Ireland. But there were great difficulties in that last-mentioned country. We have achieved much in repatriation of the European Court of Human Rights and bringing those rights into our domestic laws. In Wales we have, therefore, been given an opportunity. What have we done with that opportunity during the brief period we have been in existence? We have given new rights to women and children and pensioners. It is true that in a place like Wales, a big working-class area, people are not usually great theorists. They want outcomes and they want them quickly. They are not really interested in constitutional theory.

I will say a little about what we have done. We have the first female majority Cabinet in the world. Last night I discussed this with the people at the Sydney Institute think tank. They said that the correct Australian term for that was a sheila-ocracy. The Cabinet consists of five women and four men. It is a total revolution for us because, probably like many Labor parties in Australia, we came from the heavy industrial trade union movement. Traditionally the only place for women is in cutting sandwiches and making tea—supportive roles. Obviously women are now coming to the fore in our politics in a big way. We have no primary legislative powers so our Acts have to be passed by the Westminster Parliament at our request. Our first act to confer rights on children will be to set up a children's Ombudsman for Wales, as a result of and in response to scandals that occurred in children's homes over the past 10 or 20 years. Pensioners will get free bus passes and free bus travel progressively over the next two years. In those areas we have tried to deliver more transparent government, more accountable government.

I turn now to our future relationship with this Parliament and the memorandum of understanding. We share responsibility for a name. Around the globe we believe that it is very important that we progress the pride with which the people of New South Wales regard this State and the new pride with which the people of Wales look at their country. Its history and its future combine together. You have lost a huge amount of employment in steel and coal; we have lost large numbers of jobs. In World War I there were 250,000 coalminers in Wales. There is now one coalmine which is run by the workers. In many ways it is a microcosm of the process of devolution. Previously management made a loss from the coalmine. Coalminers have now taken it over and are making a profit. There may be only one coalmine left, but as a microcosm of the devolution process perhaps Wales is the only country in the world in which a mine is an inspiration to its people. We all owe a great debt to the miners of the Tower colliery, the last remaining working, profitable colliery in Wales.

The most important thing that we can probably learn from each other is how to transform an economy and how to build a future without in any way depreciating the past. We have a proud history based on our heavy industry, our heritage, our castles, our language, and our eisteddfodic traditions, which briefly flowered in Australia in the middle of the century before last. We see our future relationship with New South Wales as trying to build a new future. We have great sporting events—the Rugby World Cup for us and the Olympic Games for you—coming up shortly. I know that you will make a great success of the Games by welcoming people from all over the world, as we did last October and November. However, you may not be quite so welcoming as Wales to the Australian rugby team in the quarter-final, and then the final. But we cannot always arrange these things, can we?

We took on the great traditions of the British Lawn Tennis Association by instructing all its players to make sure that they lose in the first round at Wimbledon, because it is very nice for people around the world to witness that. By and large we have been written out of history as a people, as a small country, as a bit of a backwater until the Industrial Revolution, and even then with no institutions of our own. Ten years ago people would ask me about Cardiff. They would say, "Cardiff is the capital of Wales, but what are you the capital of?" I would reply, "Okay, we do not have a royal family, so in the middle of Cardiff there is no royal palace. We do not have an established church, so you will not find a national cathedral. We do not have a parliament building, we do not have our own institution, so you will not find a Parliament or an Assembly." I would be asked, "Well, what have you got?" I would reply, "Cardiff Arms Park".

In many ways that took the place of all the institutions that countries conventionally have, and that Australia is lucky to have. Now it is important for us that New South Wales, as proud bearers of the name with us on the other side the globe, has helped to keep the name of Wales alive when we had nothing going for ourselves. You have helped to write us back into history. Being new, the National Assembly also writes Wales back into history. Therefore, we now have a country which is not a country to which things are done by other people. We can take responsibility as the miners of Tower colliery did, for our own domestic agenda. That is why I believe that for the first time as Bob Carr said 20 minutes ago, now that we have our own institutions, now that we have our own National Assembly, we can look you in the eye and we can work together to build a more prosperous future for Wales and New South Wales. *Diolch yn fawr.*

The Premier and the First Secretary signed the Memorandum of Understanding.

Mr SPEAKER: I call upon the President of the Legislative Council, the Hon. Dr Meredith Burgmann, to formally thank our honoured guest for his attendance.

The Hon. Dr MEREDITH BURGMANN: Mr First Secretary: I thank you, the First Secretary of old Wales, for coming to visit our State of New South Wales and to reaffirm the Memorandum of Understanding between our States. I would like to have given my speech in Celtic Gaelic, which I am told is the correct term for the Welsh language, except the only word that I know in Welsh is my name, Meredith, which you taught me to pronounce properly earlier this week. We are very proud in New South Wales that our Parliament is the oldest in Australia and we are happy to welcome you here as the First Secretary of one of the newest Assemblies in the world today.

Our States have much in common—not only good rugby union teams as the Leader of the Opposition has mentioned, but mining communities and beautiful countryside. Unfortunately, we do not have the singing tradition of Wales, which is why we have had to hire the second-most prominent Welsh person in Australia at this moment to sing our rugby league theme. I refer, of course, to Tom Jones. I am very pleased that you preside over the first sheila-cratic Cabinet in the world, and I bid you farewell on behalf of our Parliament.

The First Secretary left the Chamber and the Council withdrew.

The joint meeting closed at 12.09 p.m.

LEGISLATIVE ASSEMBLY

Wednesday 7 June 2000

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

Mr Speaker offered the Prayer.

AUDIT OFFICE

Report

Mr Speaker tabled, pursuant to the Public Finance and Audit Act 1983, the Performance Audit Report entitled "Department of Education and Training—Using computers in schools for teaching and learning", dated June 2000.

Ordered to be printed.

CRIMES (FORENSIC PROCEDURES) BILL

Second Reading

Debate resumed from 6 June.

Mr COLLIER (Miranda) [10.01 a.m.]: It is with pleasure that I contribute to the debate on the Crimes (Forensic Procedures) Bill, which lays down a regime for carrying out forensic procedures for persons suspected of having committed certain offences, persons convicted of serious indictable offences and persons who volunteer to undergo forensic procedures. It provides for the storage, use and destruction of material derived from those procedures, and it makes provision with respect to a national DNA database system containing information derived from the carrying out of such forensic procedures.

The bill is in keeping with twenty-first century policing practice. It enhances the ability of police to detect and either confirm or eliminate the presence of a suspect at a crime scene. It will assist police to solve crime, both recent and longstanding. At the same time, it protects the rights of suspects and other persons on whom forensic procedures are carried out. As one police officer from Sutherland Local Area Command said to me recently: The community wants this bill. The bill sets out procedures that may be carried out on suspects, volunteers and serious indictable offenders. The procedures are categorised as either intimate forensic procedures, non-intimate forensic procedures or buccal swabs—that is, swabs taken from inside the mouth or cheek. An intimate forensic procedure or buccal swab as it is called may only be carried out on a person suspected of a prescribed offence, which is defined as an indictable offence, and any other offence prescribed by the regulations.

It is probably the DNA testing provisions in this bill that attract the most media attention, and rightly so. I am told that the odds of one person having the same DNA as another person is of the order of one in 72,000,000. Certainly, DNA is a more powerful tool than fingerprints, but it is a powerful tool that is important in the twenty-first century fight against crime. It is important to realise that DNA testing is not the only forensic procedure outlined in this bill. The bill lists a number of forensic procedures, including taking gunshot residue from the clothing of victims, photographs and dental impressions—which are in themselves very powerful forensic tools.

I remind honourable members of the case of Ted Bundy, to whom the murders of 30 women were attributed. Ted Bundy was one of the most famous—or, I should say, infamous—serial killers in the United States of America. Dental impressions taken from Ted Bundy were used to catch him, because he had a particularly unusual arrangement of teeth. Clearly, this bill highlights a large range of important forensic procedures. DNA itself may be highly persuasive evidence in a court of law; it can place a suspect or a person at the scene of a crime. It is highly persuasive, for example, in cases of sexual assault. However, it does not, by itself, prove beyond reasonable doubt that a particular person who was shown to be at the scene of the crime actually committed the offence.

DNA testing is one additional weapon in a powerful armoury of investigative tools. A forensic procedure may be carried out on a suspect either with the suspect's informed consent or by order of a senior police officer or a court. Before requesting consent to a procedure, a police officer must be satisfied that the suspect is not a child or an incapable person as defined in the Act. He must also be satisfied that there are reasonable grounds to believe that the procedure might produce evidence tending to confirm or disprove that the suspect committed an offence and the request for consent is justified in all the circumstances.

Last night the honourable member for Gosford referred to the concerns of the Bar Association of New South Wales that the "might" in the bill was rather vague and had the potential to open a Pandora's box. I point out to the honourable member that the term "might" not only applies to "might produce evidence tending to confirm the presence of a suspect at the crime scene"; it also applies to "might produce evidence that tends to disprove a suspect being anywhere near a particular crime scene". It is important also to point out that DNA can eliminate suspects. DNA testing has been responsible for the release of some 88 persons waiting on death row in the United States of America.

DNA testing will save police time and mean an effective use of police resources. Another important feature of the bill is that it provides for the testing of volunteers. It sets out the preconditions for seeking consent to procedures for volunteers and safeguards in carrying out those procedures. No doubt the recent Wee Waa experience will be mentioned by many members in their contributions. In that case members of the local community, outraged at the brutal sexual assault of a 93-year-old woman, lined up voluntarily and gave buccal swabs to police. That procedure in itself not only eliminated a large number of men from police inquiries; it also meant that the alleged offender handed himself in to the police. That matter is now sub judice and before the court. The Wee Waa experience demonstrates the community's support for this procedure and confidence in the DNA testing system. The bill provides also for testing of serious indictable offenders—that is, those serving terms of imprisonment for offences attracting a maximum penalty of five years imprisonment or more.

Studies have shown, and my experience as a barrister practising criminal law confirms, that many persons in custody serving sentences are not only multiple offenders but are recidivists. Studies show that 10 per cent of the population is responsible for 90 per cent of crime. The bill allows, in certain cases, the linking of a seemingly unrelated DNA profile with different crime scenes. In the United Kingdom matches on the DNA database have almost doubled as a result of DNA testing of the prison population. The clear-up rate has increased dramatically in the United Kingdom; 34 homicides, which were not able to be solved by traditional policing methods, have been solved using DNA procedures. In Australia a DNA database may help to solve many longstanding crimes.

I vividly recall at age 15 being horrified when I heard that two young women of my age, Christine Sharrock and Marianne Schmidt, had been murdered at Wanda Beach and their near-naked bodies had been buried in a shallow grave in sandhills among which the people of Sutherland shire walked and engaged in recreational activities. The nation was shocked that two young women, who had gone to spend a day at the beach, would never return to their homes. The locals were shocked that the murder occurred at a place regularly frequented by them during the summer months. Now, 35 years on, this brutal crime remains unsolved. But, who knows, a DNA database for testing may be instrumental in bringing that culprit to justice.

The bill balances the rights of suspects against the public interest in gathering evidence and solving crime. The bill provides not only for the recording and retention of DNA material; it provides also for the removal of identifying material from the database. The bill sets out also rules regarding the matching of DNA profiles. Evidence obtained from carrying out forensic procedures may be inadmissible in court in criminal proceedings against a person if the procedure was not carried out in accordance with the Act. The bill has safeguards. For example, time limits apply with regard to carrying out forensic procedures on a person under arrest or in custody. The bill provides for the destruction of DNA of persons acquitted of an offence. The burden of proving compliance with procedures falls on the prosecution—and that is in accordance with longstanding practice of criminal law in Australia and throughout the Commonwealth.

Importantly, this new bill provides for the monitoring of the Act by the Ombudsman, who will report back to Parliament about these provisions after 18 months. The bill provides police with a powerful investigative weapon, a new tool in the police armoury. It will deter offenders and perhaps make them think twice about committing crime. The bill is appropriate for twenty-first century policing, it is in keeping with community expectations, and meets community demands. I commend the bill to the House.

Mr RICHARDSON (The Hills) [10.13 a.m.]: This is probably the most important legislation to come before the House this session. The extension of the DNA testing regime in this State has the potential to

significantly improve crime clear-up rates and even to reduce the incidence of certain crimes. Essentially, the bill provides a framework for taking DNA samples not only from suspects but also from volunteers. The major concern expressed by civil libertarians, the Bar Association and other groups cited by the honourable member for Gosford relates to the security of samples once they are taken. This is particularly so as the Government intends New South Wales to be part of a national DNA database. Some would say that anyone who was opposed to the introduction of the Australia Card in 1987 should also oppose this legislation.

The thought of some anonymous bureaucrat keeping a record of one's DNA, perhaps from birth, when the chance of someone else having an identical DNA fingerprint is 100 million to one, is disturbing to say the least. A lot has been said about that possibility on talk-back radio. The question really is: What sort of safeguards are there to ensure that that does not occur under the regime laid down in the legislation? Of course, the legislation has been many years in the drafting and largely mirrors the Commonwealth 2000 Model Forensic Procedures Bill, which would allay most of the concerns of many people. Issues of privacy were very much to the fore during the drafting process of that legislation.

Other States have introduced forensic procedures legislation to deal with DNA sampling. They include Victoria, South Australia, Queensland and the Northern Territory. The Commonwealth has also introduced DNA sampling legislation. Most of those Acts have minor variations, which I will run through for the benefit of honourable members. Under Victorian and Commonwealth legislation police may only take a sample from a person if the person is suspected on reasonable grounds of having committed an indictable offence or has been charged with such an offence. If the person does not consent to the procedure, a magistrate's permission must be sought to proceed. However, that sample can only be a non-intimate sample; that is, a hair sample or mouth swab. An intimate sample, such as blood, can be taken only by a doctor or a nurse. Volunteers can give samples for inclusion on a database.

In South Australia anyone under suspicion of having committed a criminal offence may have DNA samples taken. As in Victoria, the suspect must either consent or a magistrate's order must be obtained. Offenders sentenced to five years or more in gaol may undergo testing, but only on application to the same criminal court that sentenced them. In Queensland, a person suspected of committing an indictable offence can consent to giving a sample or, if in lawful custody for an indictable offence, a magistrate can approve the taking of blood, saliva or hair. The common thread running through all three Acts is that the person must, first, be suspected of having committed a criminal or indictable offence, and, second, if he does not consent, the police must obtain a court order.

In the Northern Territory, on the other hand, a police officer of the rank of superintendent or above—and I would imagine that there are not too many officers of such rank in the Northern Territory—can take a mouth swab or hair sample if the officer reasonably suspects the person has committed an indictable offence or if the person has been charged with an offence punishable by imprisonment. Volunteers can also consent to non-intimate forensic procedures. The current position in New South Wales is that under section 353A of the Crimes Act 1900 no samples of any kind can be taken from mere suspects, but once a person is in custody and charged, samples can be taken without consent by a medical practitioner, and with no distinction being made between intimate and non-intimate samples, or summary or indictable offences. In other words, the medical practitioner can take mouth swabs, hair samples, blood samples or buccal swabs. The samples must be destroyed once the proceedings have concluded. No testing is possible of suspects who have not been charged, or of prisoners, and there is no provision for a DNA database.

The bill will change the situation dramatically. It will leapfrog over the Victorian, South Australia, Queensland and Commonwealth legislation. A sample of blood will be able to be taken only from someone suspected of an indictable offence—for the first 18 months, at least—and police officers of the rank of sergeant or above, not a superintendent as in the Northern Territory or indeed in Britain, will be able to order a mouth swab or hair sample to be taken from anyone suspected not only of an indictable offence but also of a summary offence. I have some real concerns about that provision; it is contrary to the matters contained in the discussion paper issued by the Model Criminal Code Officers Committee in May last year, which noted that allowing DNA to be taken without consent for recordable offences, as is possible in Britain, made it possible for a sample to be taken for such minor offences as fraudulently using a motor vehicle licence.

To my way of thinking that is the major flaw in the legislation. There is a possibility that DNA testing may be abused, if not now, if not while the implementation is being monitored by the Ombudsman, then certainly in the future. Part 11 of the bill refers in to a number of indices that will be set up. The list is quite comprehensive. It includes a crime scene index, a missing persons index, an offenders index, a suspects index,

an unknown deceased persons index, a volunteers limited purposes index, a volunteers limited purposes index, a statistical index, and any other index prescribed by the regulations. It is the last category of indices that sounds the alarm bells for me. The term "any other index prescribed by the regulations" has the connotation that 50, 70 or 80 years hence it would be open to the government of the day—I do not suggest that it would be this Government; it certainly would not be a Coalition Government—to introduce an index that included, for example, all people in New South Wales.

I am sure if that were to happen there would be a considerable amount of publicity about it. However, one simply does not know whether such a measure would slip through in the dead of night and whether the opposition of the day would not be sufficiently alert to pick up that such an index had been introduced. That is a major concern of mine. Part 10 of the legislation provides significant safeguards against DNA samples being used incorrectly, including providing for substantial penalties for those who use DNA samples incorrectly or permit them to be used incorrectly. I welcome those safeguards. The bill will go further than any legislation in Australia or Great Britain to permit the testing by police officers as low ranking as sergeants of people suspected of minor offences.

Earlier in the debate the honourable member for Gosford referred to a number of sensational murder cases and the potential for DNA testing to solve such cases. I believe that is what most people would imagine this proposed legislation is all about. The popular perception is that DNA testing is about catching major criminals, murderers and rapists, as happened in Wee Waa recently. There is absolutely no doubt that the legislation will significantly improve the ability of police to solve crimes. I have no problem with testing people who are suspected of having committed indictable offences, or indeed testing prisoners who have been sentenced to periods of imprisonment of five years or more. As the honourable member for Miranda said, the number of recidivist offenders—violent offenders in particular—is substantial, and a number of serious crimes will be cleared up as a consequence of DNA testing.

According to Commissioner of Police, Peter Ryan, since the introduction of the national DNA database in Britain in 1995 the burglary rate has fallen by 40 per cent and the clear-up rate for unsolved crimes has increased by 60 per cent. The two local area commanders in my electorate both welcome this proposed legislation. They welcome the additional tools it provides for them to clear up crime of all types. Superintendent Jack Williams from Eastwood local area command said that it would be possible, for example, to take a DNA sample from the gloves of a burglar left at the scene of a crime. He said that the sweat left by the burglar inside the gloves would be as valuable to police as any fingerprint the burglar may have left at the scene had he not worn gloves. That is absolutely fantastic! However, I repeat the concern I raised earlier: Is it appropriate for all offences to come under the net of DNA testing?

I heard what the honourable member for Miranda had to say about the very low degree of probability that two DNA samples would be the same. An important caveat on the efficacy of DNA testing was sounded by Justice Hunt in the Pantoja case, in which he said that "the results showing a match demonstrate only that the accused *could* be the offender; they do not establish that he is in fact the offender". As the Minister for Police noted in his second reading speech, "It is important to note that DNA will only be one tool in the police officer's kit. They will still need to assemble a brief of evidence against the offender; DNA alone will not convict."

On the positive side—I say this from a civil libertarian point of view—DNA testing can ensure that an innocent person is acquitted. I am mindful of the Minister's comment that 88 people in the United States of America have been removed from death row as a consequence of DNA testing. As has been said by others, it is better that 10 guilty men go free than that one innocent man should hang. My father was a life-long opponent of the death penalty—from 1952 in any event, after an innocent man was hanged in Britain. He received a pardon posthumously in 1966 after the real murderer was caught. Of course, it was all too late for the innocent man. Any legislation that improves the certainty of conviction is applauded by all members of this House.

The proposed legislation will assist police in the execution of their duty. Judging from statistics from Britain and other parts of the world, DNA testing may well have the same effect on detective work as fingerprinting did 100 years ago. However, it is most important that adequate safeguards be maintained with regard to databases. I flag once again my concerns about the possibility of DNA testing being carried out without consent on persons suspected of having committed offences of any type, not just indictable offences. It would be a much better outcome if DNA testing were carried out on people suspected of having committed a prescribed offence, because that would force the Government to define those offences and the regulations would be subject to scrutiny by the Parliament. Clause 121 provides for the Ombudsman to monitor for a period of 18 months the way in which police carry out their functions under the Act. I wonder whether that provision is

adequate and whether the Ombudsman should not be instructed to monitor the operation of the entire Act, particularly the maintenance of the databases, for a substantially longer period than 18 months. I do not think our society can afford us to make any mistakes with regard to this issue.

Mr CAMPBELL (Keira) [10.26 a.m.]: I support the Crimes (Forensic Procedures) Bill. The only alarm bells that are sounding are alarm bells for criminals, who will be tracked down and convicted by the use of DNA sampling. The bill is part of a suite of initiatives of the Government to improve policing in this State. It follows on from reforms to the Police Service as a consequence of the findings of the Royal Commission into the New South Wales Police Service and the introduction of technology and new equipment that has enabled the service to better target crime, improve clean-up rates and, as a result of all of that, rebuild the community's confidence in its safety and responsible policing by the service. I do not think too many people in the electorate that I represent would come to my office to complain that the Government was not giving the Police Service the opportunity to use twenty-first century technology to fight crime in the twenty-first century. As I said at the outset: the alarm bells are ringing not for the civil libertarians but for the criminals, who will be tracked down and convicted by the use of this technology and this legislation.

I should like to relate the background to this proposed legislation, which, appropriately, has been in the drafting stages for a good deal of time. This is a new area for New South Wales, and indeed Australia, and it is important that any legislation relating to it should be drafted after careful and lengthy consultation. On 4 April this year the Premier announced that the Government would introduce legislation giving police the power to take DNA samples, match those samples against samples from a crime scene, and set up a DNA database. The introduction of this legislation will revolutionise policing in New South Wales. It will result in a smarter, forensically intelligence-driven Police Service. Without doubt, DNA testing is the fingerprint of the twenty-first century.

In the United Kingdom police have been conducting forensic procedures on offenders since 1996. In fact, the first sample taken in the United Kingdom freed an innocent person, who had confessed to a crime that he did not commit. I understand that as at February 2000 the United Kingdom had on its database 740,000 suspect samples and 70,000 crime scene samples, and the technology has resulted in a more than 92 per cent hit rate—person to crime scene—and has resulted in the solving of 212 murders or crimes of manslaughter, 868 rapes or sexual assaults, 479 serious robberies and 34 previously unsolved murders. Currently, the United Kingdom is matching more than 400 crime scenes to offenders each week. Such results, which would not be achieved by traditional policing methods, reinforce the need for the introduction of DNA testing in this State. As has been said by other speakers in this debate, in the United States of America DNA testing has freed 88 innocent people from death row. Clearly, it can exculpate a suspect as well as inculpate an offender.

I note from the outline of the bill that police officers can conduct a forensic sample on persons reasonably suspected of committing a prescribed offence, either voluntarily or by order of a senior police officer or magistrate. Persons convicted of serious indictable offences are to be forensically tested. Samples taken from these persons can be stored on the DNA database and matched against prescribed categories. Volunteers also can be forensically tested. However, their profile will only be matched against the crime scene they are tested for and then will be destroyed. Forensic samples of suspects are to be destroyed after 12 months if the matter has not been finalised or if the suspect is acquitted of the charges. There will be an independent oversight of the DNA database. The bill provides those important safeguards. Obviously, there should not be a blank cheque in DNA testing, but some of the safeguards are written into the bill and should be supported with the broad thrust of the bill.

DNA is a molecule containing the genetic blueprint of an individual. It is found in the nucleus contained in virtually every cell in the body, apart from red blood cells. DNA carries the genetic information from one generation to the next in the form of a code or language. Except for identical twins no two people share the same DNA sequence. The current technology only analyses specific areas of nuclear DNA that are known to vary widely between people. These areas vary in length between different people's DNA. The technique of DNA profiling is centred on analysing and measuring these differences in lengths. The profile obtained from a DNA sample looks like a string of numbers.

Each State in Australia, including New South Wales, uses the same system of DNA analysis, which looks at 10 sites on the DNA molecule. The power of this system to discriminate between two individuals is one in 72 million. It is a remote possibility that the test would come up with two identical DNA profiles. Again, that reinforces the safeguards to make sure that the right person is caught by this process. Another important issue is that DNA samples will become part of the CrimTrac database. CrimTrac is a national database that will be co-

ordinated by the Commonwealth Attorney-General's Department and will enhance police access to national policing information in Australia. It is important we acknowledge and understand that although this system is relevant to New South Wales, it will be part of a national system to pursue the objective of reducing crime.

In that regard it is envisaged that the database will have at least the following elements: a state-of-the-art national automated fingerprint identification system; a national DNA criminal investigation system; a national child sex offender systems; and a system providing national real-time access to jurisdictional policing data. The use of a national system and the availability of the latest technology is all about giving the tools to the New South Wales Police Service to fight crime in the twenty-first century. I conclude my contribution to this debate by saying that I have no doubt that the overwhelming majority of people in the electorate of Keira would urge the State Government to pursue legislation of this nature so that the Police Service has the tools, and the most current and available technology, to pursue criminals. I commend the bill to the House.

Mr SLACK-SMITH (Barwon) [10.34 p.m.]: I have pleasure in supporting the Crimes (Forensic Procedures) Bill. I will not refer to the statistics, which have been mentioned by previous speakers, particularly the honourable member for Gosford in his address. Those statistics clarify and emphasise the need for DNA testing in New South Wales. I totally support this program. I first became aware of DNA testing and took a great interest in it when a serious crime, a vicious rape of a 91-year-old lady, was committed in my hometown of Wee Waa on New Years Eve 1999. The people of Wee Waa, and I believe of New South Wales and Australia, were horrified at the rape of this lady and the extent of her injuries. The police had no clues and no leads. At the end of four months of extensive investigations and inquiries all the police had was DNA evidence.

Once I learned from police that DNA was their only clue, I requested the Minister for Police and the Premier to provide funding to conduct voluntary testing in Wee Waa. Before I did that, I conferred widely in my local community and found overwhelming support for the voluntary DNA testing program. I thank the Premier and the Minister for agreeing to my request. The figures speak for themselves—500 people volunteered for DNA testing and only three refused. The town of Wee Waa was the scene of the first voluntary large-scale DNA testing and the second large-scale testing in the world. The first large-scale testing took place in England. A DNA screening procedure, in relation to two murders, concluded with the arrest of and the subsequent imposition of two life sentences on Colin Pitchfork. Pitchfork was not a suspect; a young fellow had confessed to one rape and murder. The DNA testing proved him innocent, and Colin pitchfork was eventually arrested.

I pay tribute to the people of my town, Rotary Club, Lions Club, Apex, and Panthers Rugby Leagues Club, particularly its President, David Crutcher. As a result of voluntary testing, a person has been charged. I will not comment on that at this time. I also pay tribute to Detective Greg Stier, who was in charge of the investigation, for the way he conducted the investigation. His wonderful rapport with a 91-year-old lady after the crime was commendable. I also pay tribute to Sergeant Des Organ, Senior Constable Ken Anderson and the other police involved in this horrific incident in my town. DNA is a genetic fingerprint.

It is interesting to note that even in 1909 the Law Society was against the introduction of fingerprinting by the State Parliament. Things have not changed much. I believe that, importantly, DNA testing will clear more innocent persons than it will convict guilty persons. As a result of the introduction of DNA testing through the implementation of this bill, I believe that innocent people will have nothing to fear. This bill will assist in detecting and solving many as-yet unresolved crimes in this State. It will assist in removing from the community people who have committed crimes including rape and murder and who are likely to be repeat offenders. I believe this legislation will make our State a much safer place in which to live.

Ms BEAMER (Mulgoa) [10.40 a.m.]: I believe this legislation will be of great benefit to the people of New South Wales. DNA testing is not new in this State—mass DNA testing took place in Wee Waa recently—but the implementation of DNA testing as a forensic investigatory procedure in New South Wales will also introduce a great policing reform. The art of forensic science has come along way since the first early days of fingerprinting and the examination of personal remnants left by people at crime scenes. DNA testing was first used by the British police force in 1983 to clear up the horrendous crimes of the murders of two 15-year-olds in separate villages in England.

A suspect had confessed to one of the crimes but had denied committing the other murder. Police were very interested in clearing up the murder that he had denied committing. DNA testing was used for the first time and it is interesting to note that the first use of DNA testing was applied to clear an innocent person in 1983. Detectives were stunned when they discovered that the person they had apprehended had not been at either the first scene or the second scene of the crimes. His confession was regarded as a somewhat strange phenomenon

yet in the past people have been convicted of murder by their own confession. The Christie murders case involved someone who was hanged and later discovered to have been not guilty when similar murders were committed after his death. It is interesting to note the creation in Britain of a database containing the details of a half a million people out of a population of 65 million people. A paper presented by Detective Superintendent Robin Napper from the United Kingdom states:

The results can be summed up in one word. Spectacular. Of 54000 crime scene DNA samples taken since April 1995, over 34000 hits off the database have been recorded.

A database selected from a population of 65 million people matched to 54,000 crime scenes indicates that the half a million database entries encapsulates the criminal base of that society which is quite an amazing statistic. It seems to suggest that 60 per cent of the crimes matched to crime scene investigations were committed by people whose details were recorded amongst the half a million subject entries on the database in a population of 65 million people. That is a very important issue in the fight against crime. The information revealed by DNA testing is being linked to information obtained at crime scenes.

Many people have discussed the possibility of infringement of civil liberties associated with DNA testing. An ordinary investigatory procedure that is used continuously is fingerprinting which, in common with DNA testing, is also a forensic tool—although DNA testing could be regarded as a much more sophisticated form of fingerprinting involving a profile of molecular structure. It should be borne in mind that fingerprint information is routinely taken, retained and used to compile a database. The only drawback is that fingerprints are often not left at a crime scene. By simply wearing a pair of gloves, a criminal can leave a crime scene without having left any fingerprints.

Other forensic tools are semen samples and blood grouping but microbiological determination is not able to determine positively whether or not a particular individual was or was not at the scene of a crime. Even though testing can determine whether a person accused of a crime is a person who has or has not secreted fluid of a particular blood group or microbiological category, it can only positively ascertain that a person was not the perpetrator of a serious crimes such as rape. That type of testing cannot determine that somebody definitely was a perpetrator of a crime, whereas DNA testing can. However, DNA testing cannot move beyond that stage. In many cases, accused people have argued that their intimate relationship with a victim of murder does not necessarily mean that they committed the murder.

DNA testing is simply one more tool that can be used in the process of proving that a crime occurred. It is very important to note that 88 people on death row have been released following the application of a DNA testing procedure. Sadly, in the past in the United States, in which the majority of States retain the death penalty, innocent people must have been executed—people who, right up to the end of their days, claimed that they did not commit the crime. The statistics speak for themselves. When 88 persons who were convicted by a jury are subsequently found to be not guilty after the use of DNA testing, civil libertarians can rest assured that this forensic procedure can be used to actually solve crimes and prove more definitively who committed the offences.

It is very important to protect the rights of people who are confronted with the criminal justice system. It is true to say that there can perhaps be no greater crime than to convict a person of an offence that that person did not commit. I noticed with interest this morning that the British Prime Minister apologised to the Guildford four who spent 15 years in prison after being convicted of a crime they did not commit. There is possibly no greater criminal offence and than the justice system finding a person guilty of a crime that he or she did not commit.

For the sake of victims who in effect speak from their graves through forensic investigation, this legislation is an important weapon in the armour used by detectives to protect society from burglars, car thieves, rapists and murderers. The introduction of DNA testing to fight crime has been exceptionally successful. It is the crime prevention tool of the future. Offenders whose particulars are recorded on a DNA database realise that their chances of being apprehended are greatly enhanced by modern investigative methods which may lead to a reduction in crime rates.

Mr BARR (Manly) [10.47 a.m.]: I support the bill because DNA testing represents a very significant technological breakthrough albeit, of itself, not a complete crime-solving tool. Although not a complete answer, it may be regarded as an adjunct to good forensic investigation by the Police Force and a very significant step forward. Honourable members would be derelict in their duty to the public not to welcome the use of this technology in solving crime. An issue that has been mentioned by the Law Society and others is the protection

of civil liberties as opposed to the protection of the public interest. Honourable members should examine the issue of public interest in the context of individual rights to try to find an appropriate balance. Some people argue that pulling over motorists to submit to random breath-testing is an infringement of civil liberties, yet it can be very easily argued that breath testing is carried out in the public interest because it results in fewer people being maimed, injured or killed on public roads.

We are often faced with the delicate task of finding a correct balance between the public interest and the rights of the individual. DNA technology has enormous potential, and we should embrace it. But in our enthusiasm to do so we should be wary of individual rights. I am concerned that the police could go on fishing expeditions. We will have to be watchful of the way in which the police use the powers they are given under the legislation. There has been considerable discussion about the word "might" as opposed to the word "likely". Clause 12 refers to an intimate forensic procedure and states there are reasonable grounds to believe that the forensic procedure "might" produce evidence—as opposed to "likely".

Clause 20 says something similar and states that a senior police officer who makes an order must be satisfied that there are reasonable grounds to believe that the forensic procedure might produce evidence. However, clause 25, which refers to the powers of magistrates, states that for a non-intimate forensic procedure other than the taking of a sample of hair other than pubic hair, a magistrate must be satisfied, on the evidence before the court, that there are reasonable grounds to believe that the suspect committed the crime. That is a change in terminology. Some people have expressed the view that the word "might" is too loose, and that it will give the police wider powers than they should have. The Law Society believes and the model code indicates that there should be a public interest test.

The model code provides the public interest test which states, among other things, that the police officer must have regard to various matters, including the seriousness of the circumstances concerning the commission of a relevant offence and the gravity of the relevant offence; the degree of the suspect's alleged participation; and age, physical, mental health and cultural background, et cetera. I do not believe that a police officer considering carrying out a DNA test would go through such a checklist. I am not sure how practical it is. Nevertheless, I sympathise with the view that we have to be very careful when we give police the power to enforce DNA testing. As the Law Society points out, the bill is silent about the undertaking of testing, the retention of forensic material, and the creation and management of data and the database. That matter has to be clarified.

We must go forward with this new weaponry to solve crimes. This tool can be used to exculpate as well as inculpate people, that is, people who have been wrongly convicted can use DNA testing as the basis for demonstrating that they are innocent of the crime of which they have been convicted. Unfortunately, even though there are high standards of proof in criminal matters, we have a long history of people being convicted of offences they did not commit. This is an important bill. I have some reservations about it, but the fact that the Ombudsman will review the legislation in 18 months will allow us to finetune anything that may crop up in the meantime. We can look forward to charging and convicting those who have committed some of the particularly nasty crimes that have not been solved over the years, and who might otherwise have got away. The legislation is welcomed.

Mr BROWN (Kiama) [10.54 a.m.]: I am pleased to support the bill. I am also pleased to follow in this debate the honourable member for Manly, who regards the bill as a significant step forward and one to embrace. Although he realises that some matters need further discussion, he is willing to go forward. The bill will bring our detective capabilities to the forefront in criminal investigations. It will revolutionise policing in this State, and it will result in a smarter Police Service. The main focus of the bill is to create a regime for the carrying out of forensic procedure on three types of persons: firstly, those suspected of having committed certain offences; secondly, those convicted of serious indictable offences; and, thirdly, those who volunteer to undergo forensic procedures.

The bill also looks at other matters, such as creating a regime for the storage, use and destruction of material derived from such forensic procedures. On many occasions, people have said to me, "There must be a better and more scientific way to ascertain innocence and guilt, other than the trial process in the court." This legislation should meet that need. For example, the first forensic DNA sample taken in the United Kingdom freed an innocent man, even though he confessed to a crime that he did not commit. That is a most interesting story, and I would like to bring it to the attention of the House. I became aware of it after reading a paper presented to the Sydney Forensic Society in May 1999.

In November 1983 a 15-year-old schoolgirl, Lynda Mann, was raped and murdered in Leicester, England. Her killer was never caught. Three years later another 15-year-old, Dawn Ashworth, was also raped

and murdered within one mile of where the body of Lynda Mann was found. Police were absolutely convinced that they were looking for the same murderer, and stepped up their investigations in the wake of the second murder. In 1986 a 17-year-old youth, Richard Buckland, was arrested and confessed to the murder of Dawn Ashworth. However, he denied any involvement in the murder of Lynda Mann. So determined were the detectives to prove that the same person had killed both girls, they looked for any way they could to link Buckland to the Lynda Mann murder.

The head of the investigation had heard of the work of Professor Alec Jefferies of the local Leicester University. Professor Jefferies was undertaking long-term research into diseases caused by mistakes in our DNA, and had developed a more sophisticated blood test than previously had been available. The police asked Professor Jefferies to help them link Buckland to those murders. Professor Jefferies then performed a number of tests, the results of which stunned the detectives. The test results did exactly the opposite of linking Buckland to either murder: they cleared him of both murders. However, Professor Jefferies was able to indicate, as a result of his test, that the same person had killed both girls, even though it was not Buckland.

Why Buckland should have confessed in the first place has never been established. Professor Jefferies told the police that if they identified the killer and could supply a sample of blood from him he was confident that his new blood test could confirm the fact for them. The police then launched their first mass screening by taking blood samples from more than 600 people in three small villages that surrounded the murder sites. During the course of this exercise a local baker, Colin Pitchfork, persuaded a friend to stand in for him and take the blood test. He altered his passport, which his friend used as identification.

The deception was later discovered when the friend told someone at work, and that person alerted the police. Pitchfork was interviewed and a blood sample was taken. It was then sent to Professor Jefferies, who confirmed that Pitchfork was the killer. Pitchfork was later sentenced to two counts of life imprisonment for the two murders, and the age of DNA in crime investigation had begun. In the United States to date DNA has freed 88 innocent people from death row, and the statistics in the United Kingdom are also surprising, but very impressive. As at February 2000 the United Kingdom had 740,000 samples of suspects on its database and 70,000 crime scene samples. This technology has resulted in a hit rate of more than 92 per cent, and has enabled the solving of more than 200 murders and manslaughters, 868 rapes and sexual assaults, 479 serious robberies and 34 previously unsolved murders.

What is DNA? It is a molecule containing the genetic blueprint of an individual and is found in the nucleus of virtually every cell other than red blood cells. No two people, other than identical twins, carry the same DNA sequence. Once a sample is taken, a profile is obtained which looks like a string of numbers. It is that string of numbers or bar code that will hopefully match, or not match, a sample taken at a crime scene to an individual. The national approach, and the approach taken in this State, is to look at 10 sites on the DNA molecule. That degree of analysis can discriminate between two individuals to the tune of 1 in 72 million. That means that once a profile has been obtained, the probability of obtaining another matching profile simply by chance is one in 72 million.

Currently, the Forensic Services Group in the Police Service is training crime scene investigators and scene of crime officers. Those people will collect samples from crime scenes that will be couriered by the Police Service to the forensic laboratory, but the police will then leave the process. There will be no more involvement from police until they are notified by the laboratory that the sample does or does not match with another profile on the national DNA database. Due to the nature of that type of investigation, there needs to be a number of safeguards.

A number of honourable members from the Coalition have tried to create some fearmongering about this bill, but we have to move forward. It is important to note that the bill only allows for non-intimate samples, such as fingerprints, for summary and indictable offences. DNA from saliva such as obtained from buccal swabs, and from intimate samples such as blood, can only be taken for indictable offences. The Government has given an undertaking that there will be no additional offences added to those categories at this time. The Government will review that once the review of the Ombudsman has been handed down.

I have already mentioned that the police leave the process once they courier a sample to the forensic laboratory. Initially, in New South Wales the majority of DNA profiling will be done by the Division of Analytical Laboratories [DAL] which is administered under the Department of Health. Again that is an example of separate departments trying to look at a number of safeguards. The sample will then be bar coded and placed in a tamper-proof package. Details about the sample will be recorded by DAL and then put on the national DNA database.

In summary, police in New South Wales will not have direct access to the DNA database. Police provide the sample for processing to a forensic laboratory, and the DNA profile is entered onto the national database that has been named CrimTrac. The laboratory will inform police if there is a match with another sample, for example, from a crime scene on that particular database. The national database is not actually owned by any jurisdiction as such. The Commonwealth database is co-ordinating the development of an information technology system that complies with the relevant policy and objectives in each State, facilitates the use of DNA profile matches for law enforcement purposes, provides integrated DNA information systems that can share information between Australian jurisdictions internationally, and establishes security processes and controls that protect the integrity of the DNA system.

Under section 88 of this bill, all samples must be destroyed 12 months after they have been taken unless the person is convicted of the offence, or upon acquittal. However, a magistrate is able to extend this period if there are considered to be special circumstances for so doing—for example, if the court proceedings, including an appeal period, are not finalised. I have spoken about volunteers and the example in the United Kingdom where more than 600 volunteers were considered. It is important to note that the profile obtained from a volunteer will only be matched against the crime scene for which they are specifically being tested.

If a volunteer comes forward and supplies a DNA sample, the profile obtained from that sample cannot then be matched to any other crime that that person may have committed other than the one for which they volunteered to provide a sample. Although this bill is quite complex, it has taken into account many different scenarios to try to deliver a more just criminal law system. This Government aims to ensure that those who commit crimes are found and prosecuted. The Government also does not want to have innocent people placed before the criminal law system. This bill will revolutionise our criminal law system to achieve those ends, and I commend the bill to the House.

Mr SOURIS (Upper Hunter—Leader of the National Party) [11.05 a.m.]: As Leader of the National Party I will speak briefly in support of this bill. I congratulate the honourable member for Barwon on the leading role he played in his local area, much of which has led to the feeling within the community that DNA is now a science which will enable police to produce evidence that will be both compelling and convincing, and will provide greater accuracy in our justice system. In the end those are the two objectives: first, greater and more accurate evidence, and, second, more accurate justice in our system.

Two crimes within my own area that immediately come to mind are the attack on the schoolgirl from Gulgong, and the not so publicised case of the late Mrs Hallett from Singleton, who was murdered some years ago. I know and hope that this new science will perhaps be of some assistance in bringing the perpetrators of those crimes, which are very much on my mind, to proper justice. In all logic, DNA security is similar in nature and in principle to security of blood typing, fingerprinting, photographs and so on. With modern privacy protection and the proposed security regime associated with this new legislation, society should embrace this technology with confidence. Therefore, I am pleased to offer my support and commendation for the bill.

Mr GREENE (Georges River) [11.07 a.m.]: I am pleased to support the Crimes (Forensic Procedures) Bill, introduced in this House by the Minister for Police. The objects of the bill are: to lay down a regime for carrying out forensic procedures on persons suspected of having committed certain offences, persons convicted of serious indictable offences, and persons who volunteer to undergo forensic procedures; to provide for the storage, use and destruction of material derived from those procedures; and to make provision with respect to a national DNA database system containing information derived from the carrying out of such forensic procedures.

On 4 April the Premier announced that the Government would introduce legislation to give police the power to take DNA samples, match those samples against samples from a crime scene and set up a DNA database. That announcement rightly received a positive community reaction. Our constituency wants crime solved and for the police to have the best tools available to assist in that process. The introduction of this legislation will revolutionise policing in New South Wales. It will result in a smarter, forensic intelligence driven Police Service. It is the fingerprint of the twenty-first century.

It has already been noted by many honourable members who have spoken in this debate that in the United Kingdom police have been conducting forensic procedures on offenders since 1996. The first sample taken in fact freed an innocent man, one who had confessed to a crime that he did not commit. The suspects' samples are placed on a United Kingdom database along with samples obtained from crime scenes. They are then matched in an attempt to link the suspects with both the crimes they are suspected of having committed and

with other outstanding crimes. As at February this year the United Kingdom had 740,000 suspect samples on its database and 70,000 crime scene samples. The recent technology has resulted in a success rate of more than 92 per cent and, as previously noted, has enabled the solving of more than 200 murders and manslaughters, nearly 900 rapes and sexual assaults, just under 500 serious robberies, and 34 unsolved murders.

The purpose of the bill is to regulate the conducting of all forensic procedures within New South Wales. Forensic procedures include non-intimate procedures, such as the taking of fingerprints; intimate procedures, such as the taking of samples of blood; and the taking of a forensic sample with a buccal swab, which is classified as neither intimate nor non-intimate under the bill. The category of offence that a person is reasonably suspected of will assist in determining what procedure will be used. The bill allows authorised persons, generally police officers, to conduct a forensic procedure upon a suspect, convicted offender and volunteer, with that person's informed consent or by order of a senior officer or magistrate. DNA is a molecule containing the genetic blueprint of an individual. It is found in the nucleus contained in virtually every cell in the body apart from red blood cells. DNA carries the genetic information from one generation to the next. This is in the form of a code, or language. Except for identical twins, no two people share the same DNA sequence.

I now turn to how the system will work in New South Wales. Members of the New South Wales Police Service will be responsible for collecting the DNA samples, in accordance with the bill. Samples will be taken from suspects, volunteers and convicted offenders by police officers. Crime scene samples will be collected by crime scene investigators and also local area command officers and scene of the crime officers. They are currently being trained by the forensic services group in the New South Wales Police Service. The DNA sample will be couriered by the Police Service to the forensic laboratory. This is the end of police involvement in the sampling process until such time as they are notified by the forensic laboratory that the sample has or has not provided a match with another profile on the national DNA database.

At first instance, in New South Wales the majority of the DNA profiling will be done by the division of analytical laboratories, which is part of the Department of Health and is accredited under the Commonwealth National Association of Testing Laboratories [NATA] standards for DNA testing. NATA is an establishing testing authority that accredits laboratories to perform tests to a particular internationally recognised standard. The sample will be bar-coded, which is the identifying number for the sample, and will be in a tamper-proof package. Details about the sample will be recorded by the division of analytical laboratories and then uplifted onto the national DNA system. No personal information is uplifted onto the national system. The forensic laboratory will process the sample, and two forensic scientists will independently verify the profile produced before it is placed on the national DNA database.

[Pursuant to resolution debate interrupted.]

[Mr Acting-Speaker (Mr Mills) left the chair at 11.14 a.m. The House resumed at 12.40 p.m.]

CRIMES (FORENSIC PROCESURES) BILL

Second Reading

[Debate resumed.]

Mr GREENE (Georges River) [12.40 p.m.]: Once a sample and its profile have been recorded on the national DNA system it can be marked for matching with other profiles within the system, which is then initiated. For example, DNA samples found at crime scenes will be able to be matched against samples from suspects, convicted offenders and unsolved crime scenes, and samples from unsolved crime scenes can be matched against one another, thereby linking seemingly unrelated police investigations. A forensic scientist at the New South Wales laboratory will log on to the national DNA system on a daily basis to see what matches have been detected by the system that involve profiles from that laboratory. All profile matches must be checked independently by two scientists within the laboratory before they can be reported to police.

It is envisaged that the police will be notified electronically that a match has occurred with a sample they have submitted, with bar code numbers only given. Police officers will have to contact the laboratory to find out the details of the samples and for an explanation of the match. Under this bill, DNA samples must be destroyed 12 months after they have been taken unless a person is convicted of an offence or upon acquittal, if there are no proceedings or charges pending. A magistrate may extend this period if there are considered to be special circumstances for doing so, for example, if court proceedings, including the appeal period, are not finalised.

It is necessary to maintain a sample for 12 months to ensure that any questions raised in the trial about the forensic evidence can be addressed, that is, the testing procedure, the accuracy of the profile, et cetera. The forensic laboratory will keep the samples unless they are to be destroyed. Investigating police officers will be notified when the 12-month period is about to elapse so that they can seek an extension of the period if necessary. It will also be incumbent on officers to notify the laboratory if a person has been acquitted and, therefore, the sample should be destroyed. Destruction of the sample occurs when the link from the sample to the profile is destroyed.

If a person is convicted the bill allows for the sample to be kept permanently. This allows for further testing if required. Importantly, this bill also provides for a review by the Ombudsman after 18 months. This review will allow for ongoing improvements to the DNA testing system and a check on the use of the legislation. This bill is a major step forward in the provision of resourcing for police to solve crimes. It must be remembered that this is an additional tool for police, not the only tool. Surely as a society we should, within reasonable grounds, give police every opportunity on behalf of the community to convict criminals of their crimes. I commend the bill to the House.

Mr KERR (Cronulla) [12.45 p.m.]: I do not propose to detail the history of this bill, the benefits that it will bring or the story about the boy who faced a murder charge—and potentially faced a second murder charge—and was cleared as a result of procedures similar to those provided for in the bill. Honourable members have heard those stories on numerous occasions during this debate. However, I shall make a few remarks about the contribution of the honourable member for Georges River. He rightly said that this bill is only an additional resource for police. Another resource that would help police to fight crime is additional manpower. This bill is not a solution to the problem of crime. A decade ago members on the other side of the House were talking about civil liberties. Under the Government victims now outnumber criminals, so civil liberties obviously attract more votes. Victims also have rights: those who have crimes committed against them are entitled to expect that the offenders will be apprehended, convicted according to law and punished.

The honourable member for Georges River also said that the bill would be revolutionary in fighting crime. However, the public of New South Wales may well start a counter revolution if some of the problems associated with the bill are not attended to. I suggest members of this House and members of the public to look to the speech of the honourable member for The Hills, in which he outlined some of those concerns. Much credit should be given to the Federal Government for pioneering this legislation, and the honourable member for Georges River gave that credit. It is a pity that this bill does not totally reflect the Federal legislation. In a Federal system in which inconsistencies that could have been avoided occur, the interests of justice in the criminal justice system would have been served if this bill truly reflected the Federal legislation. Discrepancies can open what could technically be called legal loopholes, and loopholes do occur. One great revolution in crime fighting would be simply to give New South Wales sufficient policemen to solve the crimes that are being committed.

Mr R. H. L. Smith: There is none in Bega.

Mr KERR: There is none in Bega, and there will be a negative rating when the Olympics come around.

Mr Greene: No crime in Bega! That is great to hear.

Mr KERR: No. For the benefit of the honourable member for Georges River, there is some crime in Bega but there are insufficient policemen. No doubt those crimes are committed by non-residents of the Bega electorate. I constantly receive complaints about police not being able to attend crime scenes. Only recently a lady told me that her house had been broken into. Honourable members know that having one's house broken into and personal property rifled through by criminals is a terrible and traumatic experience. People only discover exactly what has been lost over the next few days after a break-in.

In Sydney professional criminals are entering homes, and there is no evidence that there has been a break-in. Only when people discover things missing from their wallets, drawers, et cetera do they understand the full perfidy of what has happened. When the lady rang to report the crime she was told that the police could not attend and that a form would be sent out to her. That meant there would be no forensic investigation. The bill is of absolutely no assistance with regard to crimes of that nature, which occur continuously across this State. What is the use of having these tools if there are no workmen to use the tools?

Mr Richardson: You must have the resources.

Mr KERR: As the honourable member for The Hills says, the resources must be made available. The manpower, in the form of police, must also be made available.

[Interruption]

I did not hear the interjection by the honourable member for Coogee. I am sorry to wake him. The honourable member for Georges River said that this DNA testing would be the fingerprint of the twenty-first century. Given the crimes that have occurred under the Government, we have had enough of the fingerprint. It is about time the Government pulled its finger out.

Mr BARTLETT (Port Stephens) [12.51 p.m.]: I am pleased to speak to the Crimes (Forensic Procedures) Bill. The aims of the bill are threefold: to introduce a regime for carrying out procedures on suspects, serious indictable offenders and volunteers; to balance the rights of suspects against the public interest in gathering evidence of offences; to provide for the storage, use and destruction of material derived from forensic procedures; and to provide for a national DNA database containing information derived from forensic procedures. I have followed the development of DNA testing with interest during the past few years. I am pleased that a forensic testing procedure that was essentially initiated in the United States and the United Kingdom is now being introduced in New South Wales in this bill in the year 2000.

In 1983 Dr Gary Mullis, a chemist for Cetus Corporation, invented a technique known as polymerase chain reaction, which allows for strands of DNA from the nucleus of a cell to be duplicated millions of times. The invention of that technique earned Dr Mullis the Nobel Prize. The technique can be used by technicians to multiply DNA from a crime scene sample—semen, blood or skin. The sample can be smaller than the full-stop at the end of this sentence. I am reminded of the student who said to the teacher at the end of a lesson that the most exciting thing that happened in that lesson was watching the dandruff falling onto the teacher's collar. Offenders will not let that happen at crime scenes for much longer. The multiplied strands of DNA are examined at 10, 13, 15 or 23 parts along each strand, yielding a distinct genetic profile. At 10 parts along each strand, the DNA has a chance of only one in 72 million of being duplicated, and at 23 parts along each strand the DNA has a chance of only about one in 100 million-plus of being duplicated.

When DNA testing was introduced in the United Kingdom the clear-up rate for the backlog of crimes increased significantly. Some of the statistics were referred to earlier today. For example, there was a match in 212 murder and manslaughter cases and a match in 868 sexual assaults. DNA matching will revolutionise the way New South Wales police solve crime. In 1993 the United States allowed DNA testing to be used in appeal cases. Sixty-four people have been freed after imprisonment by the courts on sexual assault charges. The use of DNA testing in the United States shed light on corrupt policing and the fabrication of scientific evidence during court cases. In Illinois, 13 death row inmates were cleared of their crimes after DNA-based appeals. In the United States, compensation claims for wrongful imprisonment are now causing shockwaves to the system. That is perhaps a foretaste of what will happen here, although I hope it is not.

DNA testing has the ability to prove a person completely innocent or to be no longer a suspect. That in turn allows police to intensify their investigations in more productive areas. It allows police to finetune their investigations when there are a number of suspects; DNA testing can eliminate suspects. The United States has 5 per cent of the world's population and 25 per cent of the world's prison population, or some two million people. In his second reading speech the Minister pointed out that 88 of the 6,000 people who were on death row from 1976 until the year 2000 were subsequently cleared, mainly on the basis of DNA evidence. DNA testing has awesome powers not only to match profiles but also to remove a person from suspicion.

The legislation will come into effect on 1 January next year and will be reviewed 18 months later. The bill does not provide for a random DNA system. Police officers must have reasonable cause to suspect that the procedure might produce evidence. It is an investigative tool that will allow police to concentrate on certain suspects once others have been cleared. The bill provides for the testing of volunteers, to which the honourable member for Barwon referred earlier. For example, under clause 93, if a volunteer has agreed to the placing of his or her DNA profile on the system only for certain purposes, it will be an offence to match the profile with other DNA profiles that are on the system for some other purpose. If a volunteer comes forward, the volunteer's profile can be used only for the purpose for which it was given. It cannot then be sent to CrimTrac to be matched against all the other data that is on CrimTrac. If the individual, whether it be a volunteer or a suspect, is acquitted, the DNA data will be destroyed. If the individual is found guilty, the DNA data can be kept on the Federal CrimTrac system and become part of the Federal database to be retained for crime investigation at a later time.

For the test to be valid, the volunteer's consent to undergo a forensic procedure must be given in the presence of an independent person. Furthermore, the consent form must be witnessed by a person not involved in the investigation of the offence. Those safeguards will ensure that volunteers have confidence in providing samples for DNA analysis. DNA profiles taken from suspects and offenders may be matched against the crime scene index, which contains profiles taken from unsolved crime scenes. By contrast, DNA profiles taken from volunteers for limited purposes may only be matched against the crime scene in respect of which the volunteer has freely provided his or her DNA. The bill specifically provides for the Ombudsman to monitor the exercise of police powers under the legislation for a period of 18 months and to prepare a report.

In addition, the legislation is to be reviewed after 18 months following the date of assent to determine whether its policy objectives remain valid and whether its terms remain appropriate for securing those objectives. In coming to my conclusion that DNA testing is a good forensic tool for New South Wales police, I referred to statistics from the research paper entitled "DNA Testing and Criminal Justice", a report prepared earlier this year by Gareth Griffiths of the New South Wales Parliament Library Research Service. The paper relates, among other things, to the United Kingdom clear-up rates. Page 27 of the DNA Testing and Criminal Justice report states:

According to the New South Wales Police Commissioner, since the introduction of the national DNA database in 1995 burglary was down by 40 per cent and the clear-up rate for unsolved crimes is up by 60 per cent.

The Model Criminal Code Officers Committee [MCCOC] reported that since 1995—that is, a four-to-five year period—the United Kingdom national database has been used to make over 10,000 matches between crime scenes and suspects. It has been used in clearing up an average of 333 crimes per month. When that system is used in conjunction with CrimTrac, hopefully New South Wales will be able to achieve the same results that are indicated by the following statistics:

... a 'cold hit' rate of 18 per cent;

... over 600,000 samples ... submitted for analysis. Of these, just over 500,000 have been 'profiled' and included on the database;

During the period April 1998 to the end of January 1999 there have been the following person to crime matches:

-murder/manslaughter	35
-rape	112
-sexual assault	41
-grievous bodily harm	40
-serious robbery	88
-aggravated burglary	51
-arson	46

There is no doubt that when these results are achieved in New South Wales, the value of DNA testing as a deterrent will be recognised. At the end of the day, the chances of detecting an offender will be increased markedly by the use of this technology. I have no hesitation at all—in fact, I am proud—to be part of a move to give police a new forensic tool to assist them in their fight against crime.

Debate adjourned on motion by Mr Whelan.

CONSTITUTION AMENDMENT BILL

Bill received and read a first time.

Second Reading

Mr WHELAN (Strathfield—Minister for Police) [1.03 p.m.]: I move:

That this bill be now read a second time.

This bill was introduced in the other place earlier today. The second reading speech appears in the Legislative Council *Hansard*. The bill is in the same form as introduced in the other place. I commend the bill to the House.

Debate adjourned on motion by Mr Stoner.

**WORKPLACE INJURY MANAGEMENT AND WORKERS COMPENSATION AMENDMENT
(PRIVATE INSURANCE) BILL**

Bill introduced and read a first time.

Second Reading

Mr DEBUS (Blue Mountains—Minister for the Environment, Minister for Emergency Services, Minister for Corrective Services, and Minister Assisting the Premier on the Arts), on behalf of Mr Whelan [1.04 p.m.]: I move:

That this bill be now read a second time.

The Workplace Injury Management and Workers Compensation Act 1998 provides for the introduction of private underwriting of workers compensation insurance from 1 October 2000. Provision for private underwriting was one of the reforms recommended by the Grellman inquiry. The bill before the House proposes to defer the commencement of private underwriting of workers compensation insurance for a further period. This deferral is necessary to protect employers from immediate and sharp increases in premiums.

The House will be aware that private underwriting of workers compensation was initially due to commence on 1 October 1999. On the recommendation of the Workers Compensation Advisory Council, the legislation was amended in June 1999 to defer private underwriting until 1 October 2000. This was done for the specific purpose of enabling the development of further initiatives to ensure that the costs of the new scheme do not put an inappropriate burden on business. Extensive work was carried out in developing such proposals. Reform proposals have been put forward for consideration in that time. However, the New South Wales Government has not been satisfied that the proposals put forward are adequate.

There remains a need for further scheme reform. While the reform package which was progressed in 1998 has reduced the cost of the current managed fund scheme from 3.2 per cent of wages to 2.95 per cent, these reforms appear to have reached their full potential and costs appear to have stabilised. The scheme now has a current underlying cost of 2.97 per cent. Premiums have been held at 2.8 per cent, that is, prior to the goods and services tax [GST]. However, this shortfall is contributing to an increase in the scheme deficit, which now stands at \$1.8 billion as calculated on 31 December 1999 and is projected to rise to \$2 billion at 30 June 2000.

The Government is concerned that performance across a number of claims and injury management measures has fallen well short of expectations. It is in this context of a need for further cost containment that the impact of the implementation of private underwriting on 1 October 2000 must be considered. Clearly, the new premiums that insurers would have to charge under the private scheme would render many small to medium size enterprises non-viable. The insurance industry will be obliged to charge premiums that fully fund the scheme costs. Additionally, the industry had indicated that it proposed to set premiums using the Australian and New Zealand industry classification system [ANZSIC] as a basis for tariff classification. No mechanisms currently exist to mitigate the effects resulting from the removal of cross-subsidies in the current scheme.

In terms of average premium rates, the rate under a privately underwritten scheme would rise to approximately 3.5 per cent of wages compared to the current 2.8 per cent. These estimates do not take account of the effect of the GST or the need to address the deficit. Further work is needed to achieve the Government's price objectives in this area. The New South Wales Government has consulted with insurance industry representatives about these issues, but has not been satisfied that all the key outstanding transitional issues have been resolved. While there may be some benefits from private underwriting of workers compensation insurance, the Government's main concern with the transition to private underwriting is to ensure that a substantial majority of employers are not worse off under the new scheme and fair benefits to workers remain a priority. To date, insurers have not provided sufficient guarantees that this will occur.

It is in this context that a further deferral is proposed. Discussions with stakeholders have highlighted a general expectation that the Government will develop an overall strategy to address current scheme cost problems. The key issues that need to be addressed include: the need to maintain premiums at an affordable level; the need to address the scheme deficit; and improved injury management processes to improve return to work outcomes. An announcement is expected shortly on the New South Wales Government's strategic directions for workers. Consultation will take place with insurers regarding transitional arrangements as part of a

move to private underwriting and the achievement of Government objectives on price. If insurers can meet expected performance targets, private underwriting could then proceed on a more secure basis. I commend the bill to the House.

Debate adjourned on motion by Mr Stoner.

CASINO CONTROL AMENDMENT BILL

Bill introduced and read a first time.

Second Reading

Mr FACE (Charlestown—Minister for Gaming and Racing, and Minister Assisting the Premier on Hunter Development) [1.09 p.m.]: I move:

That this bill be now read a second time.

Within the past nine months the Government has developed and introduced to this Parliament a number of items of landmark legislation whose explicit purpose is the minimisation of gambling-related harm in our community. The first of those measures was the Gambling Legislation Amendment (Responsible Gambling) Act 1999. Most of the provisions of the amendment Act commenced on 10 December 1999. The measures in this amendment Act established that the conduct of gambling at registered clubs and hotels in a responsible manner is an object of the laws governing gambling in those venues; enabled the making of regulations imposing controls over the provision of credit for gambling; enabled the making of regulations concerning advertising, promotions, signs and notices associated with gambling; enabled the making of regulations prescribing a code of practice for the conduct of gambling; promoted arrangements by which persons with gambling problems can exclude themselves from hotels and clubs; and paved the way for courts to order a person who has breached an order excluding the person from a casino to undergo a problem gambling counselling or treatment program.

The second of the Government's measures was the Gambling Legislation Amendment (Gaming Machine Restrictions) Act 2000, which was passed by the Parliament earlier in this budget session, and was assented to on 9 May. Particular provisions in this amendment Act have restricted the installation of extra gaming machines in clubs by imposing a freeze of at least 12 months' duration; introduced pioneering social impact assessment obligations on clubs and hotels seeking to increase gaming machine numbers at existing venues, or to establish at new locations; and prohibited the establishment or relocation of clubs and hotels containing gaming machines into shopping centres. The Casino Control Amendment Bill will amend the Casino Control Act 1992 in ways which are compatible with the Government's undoubted policy commitment to minimise gambling-related harm. First, the bill will re-align the statutory objects of the Casino Control Authority by removing, as one of the stated objects of the authority, the promotion of tourism, employment and economic development associated with a casino.

At present, the casino legislation states that the objects of the authority are to maintain and administer systems for the licensing, supervision and control of a casino for the purpose of: ensuring that the management and operation of a casino remains free from criminal influence and exploitation; ensuring that gaming in a casino is conducted honestly; containing and controlling the potential of a casino to cause harm to the public interest and to individuals and families; and promoting tourism, employment and economic development generally. Through the removal of the fourth object—the tourism and economic development component—the authority will be under no illusion that its efforts as the controller of the Sydney casino licence are to be concentrated on the threats and harms posed by a casino, rather than on overall economic benefits. As well, the proposed amendment will reinforce my initiative in establishing, as one of the authority's annual accountabilities, the promotion of responsible gambling policies and practices for casino gaming, together with an attitude which is proactive in that regard. I also inform the House that the amendment is consistent with the advice of the Commonwealth Productivity Commission, as expressed in its Australia's Gambling Industries report dated November 1999, that a gambling control authority "must have no industry development or tourism-related functions, or in any way be involved in promoting gambling."

As a corollary of the objective underlying this refinement to the authority's objects, the bill amends section 135 of the Casino Control Act by adding "social sciences" to the list of qualifications or experience of persons being considered for appointment as a member of the authority. The current range of qualifications or experience comprises business management, gaming, law, finance and information technology. The addition of social sciences as a further qualification or experience criterion will enable the composition of the authority's

membership mix to be balanced and better able to respond to the alleviation of gambling-related harm among casino patrons. Second, the bill will amend the Casino Control Act so that a person who is excluded from a casino on that person's voluntary application because of, say, an admitted gambling problem will not suffer the consequences of prosecution for a criminal offence if, because of that problem, the person enters the casino after the order has been made and remains in force.

Under the present law, the Director of Casino Surveillance and the casino operator are empowered to make an order excluding a person, upon a voluntary application, from the casino. That is the only means by which people can exclude themselves from a casino. It is an offence for an excluded person to enter or remain in a casino, and a penalty of up to \$2,200 may be imposed. Observations have been made of Local Court cases in which persons excluded at their own request were prosecuted for entering or re-entering the casino. It became apparent that those persons can have disturbing levels of gambling problems. Some of the defendants repeatedly re-offend, accumulating significant monetary penalties and court costs that those persons can ill afford due to financial difficulties attributable to their gambling problem. While the problems of some defendants may improve as a result of court experience, especially when they agree to attend counselling and in fact do so, others have problems so severe that it leads them to repeatedly enter the casino. If detected, those people are liable to significant monetary penalties not only for the offence of re-entering but also for breaching the court order or bond. Imposition of those penalties can make the financial circumstances of those defendants even more precarious.

This proposal is limited to removing the criminal sanction for those persons who are voluntarily excluded from a casino through an order made by the director or the casino operator. As a way of ensuring those voluntarily excluded persons are identified for attention to their gambling problems, the casino operator will be obliged to put the person in contact with family or friends, provide relevant information about help services including counselling, and be restrained from extending promotional information about gambling and account deposit services to the persons concerned. I emphasise that it is not intended by this proposal to absolve other excluded persons from the criminal sanction, such as persons who are excluded because of theft or causing a disturbance, or persons who are excluded at the direction of the Commissioner of Police for any reason. The patron exclusion provisions in the casino legislation were amended last year as part of the Government's responsible gambling legislation so as to alert a court to the sentencing option of making an order requiring a person found guilty of entering the casino in contravention of an exclusion order to attend a gambling service for counselling or treatment. This scheme will remain available for use by any persons who have entered or re-entered the casino despite an exclusion order being given against their will.

Third, the bill amends the Casino Control Act to require a casino operator to notify a casino inspector if an excluded person or a minor has been found in the casino. As I indicated a little earlier, the current law states that an excluded person must not enter or remain in a casino. The same applies to a person under the age of 18, except when the minor is an apprentice or trainee and is present in the casino solely for receiving training or instruction. If an excluded person or a minor is found to be in a casino, the legislation requires the casino operator to remove the excluded person or the minor from the casino. Offences apply if an excluded person or a minor is not removed as required. The bill will impose a requirement on a casino operator to notify a duty casino inspector when an excluded person or minor is found in the casino. Notification will enable a better assessment to be gauged of a casino operator's diligence and effectiveness in identifying excluded persons and minors at casino entry points.

Just as importantly, the creation of a notification process will give a casino inspector the opportunity to provide an excluded person who has entered or re-entered the casino with brochures or other relevant information on attending to gambling problems, including guidance about accessing counselling and treatment services. I turn now to the other amendments in the bill. The bill will amend the Casino Control Act to enable certain minor offences to be dealt with by way of penalty notice, rather than by prosecution. At present, offences against the casino legislation may be dealt with by initiating a prosecution before the Local Court. In the case of offences committed by a licensed casino operator or by a licensed casino employee, the authority may take disciplinary action against the licensee concerned. As is the case with other legislation, an infringement notice scheme is to be introduced in the interests of improving overall enforcement operations and efficiencies. There is also the advantage of reducing the time and resources which a court and an offender would need to commit to the adjudication of offences against the casino legislation.

The scheme will be similar to schemes that have existed for some time in the liquor and gaming laws governing licensed premises and registered clubs. In short, a casino inspector—including the Director of Casino Surveillance—and a police officer will be authorised to serve a penalty notice on a person who commits an

offence against the Act or the regulations, provided the regulations record that offence as being one to which the penalty notice scheme applies. Also in keeping with penalty notice schemes in other legislation, the provisions proposed to be inserted by the bill do not detail the particular offences to which the scheme is to apply, for it is customary to specify the offences in a regulation. The offences to which the scheme is to apply are limited at this time to cheating offences in which the amount involved is less than \$500; the offence of a licensed casino employee gambling in the casino; and the offence of a former key official, such as a former government inspector, gambling in the casino within 12 months of ceasing to be a key official.

Like other penalty notice schemes before it, the penalty notice scheme for the casino legislation has been drawn so that no further action lies if the penalty for the offence is paid by the offender. However, payment of a penalty notice is to be regarded as a conviction for the offence for the purposes of the disciplinary provisions of the casino legislation. As is usual, penalty notice offences under the casino legislation are not to form part of a person's criminal record. The infringement penalty is to be fixed at 10 per cent of the maximum penalty for the offence concerned, up to a ceiling of six penalty units.

Under the casino legislation it is an offence for a casino patron to obtain or induce another person to provide any money, chips, benefit, advantage, valuable consideration or security by various fraudulent means including a trick, device, sleight of hand, representation, scheme, practice, the use of gaming equipment, or the use of an instrument or article normally used in connection with gaming. A maximum penalty of 100 penalty units or two years imprisonment, or both, applies. The requirement in these situations to prove fraud to the satisfaction of a court has resulted in the police and the Director of Casino Surveillance being unable to effectively prosecute patrons for perceived cheating activities in some instances. The bill will, therefore, clarify the elements of the offence of cheating in a casino, and create a further offence of dishonestly retaining a benefit that was originally obtained without a dishonest intent, but in contravention of the rules of a game or through an error or oversight in the conduct of the game. Recognising the lesser evil inherent in this new offence, a maximum penalty of 20 penalty units will apply.

The remaining amendments to be made by the bill are essentially miscellaneous items. There are amendments to section 66, relating to the process for approving rules for casino games, to remove the need for the rules for keno games to be approved under both the Casino Control Act and the Public Lotteries Act 1996 in cases where the game of keno is to be played in a casino. In essence, this amendment will reduce red tape by eliminating the present arrangement where two, not one, government approvals are required for any rules for the conduct of keno games in a casino. Consequential adjustments to sections 72, 110 and 125 are included in the bill. There is an amendment to section 70, relating to the manner in which prizes won in the course of gaming are to be paid. The purpose of the amendment is to allow prizes to be paid in non-monetary form, where offered by a casino operator and where elected by the prize winner. This amendment will extend to a casino an entitlement which the Parliament approved for registered clubs in 1998. It is established policy for casino gaming machine entitlements to be tied to club gaming machine entitlements, and vice versa.

There is an amendment to section 83 to make it clear that information relating to names on a list of persons excluded from a casino may be provided only to specified persons. And there is an amendment to section 113 to enable a casino inspector who suspects on reasonable grounds that a person has provided a false name or address to request proof of identity. Under this particular amendment, no penalty will attach to a failure to comply with a request to provide proof of identity. However, providing false or misleading information, or failing to comply with a request to provide identity—rather than proof—will continue as offences under the current law. This bill contains a range of amendments all of which are designed to enhance the effectiveness and present day relevance of the Casino Control Act, which has been in operation now for eight years. The review process has been ongoing within my ministry and the department, which have been working on this measure for about nine months. The amendments are sensible and reasonable. I commend the bill to the House.

Debate adjourned on motion by Mr Oakeshott.

INTERGOVERNMENTAL AGREEMENT IMPLEMENTATION (GST) BILL

Bill introduced and read a first time.

Second Reading

Mr FACE (Charlestown—Minister for Gaming and Racing, and Minister Assisting the Premier on Hunter Development), on behalf of Mr Aquilina [1.24 p.m.]: I move:

That this bill be now read a second time.

The primary purpose of this bill is to implement the Government's commitments under the Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations [the agreement] and other GST-related changes to State legislation. Under the agreement the Commonwealth, States and Territories have undertaken to attach the agreement to a suitable piece of legislation and to use their best endeavours to ensure their legislation complies with the agreement. Clause 4 of the bill implements that commitment. A copy of the agreement is attached as schedule 1 to the bill. States have also undertaken in the agreement to legislate to enable State entities to pay the GST in respect of transactions that would otherwise be outside the scope of the GST. This is designed to ensure that State entities will be treated the same as any other entity under the GST legislation. Clause 5 of the bill will enable State entities to make GST equivalent payments where necessary to honour this commitment. Local Government is not covered by this clause. However, administrative arrangements are to be put in place to ensure local government will pay GST or equivalent payments where appropriate.

Under division 81 of the Commonwealth's GST legislation a determination will be issued by the Federal Treasurer listing the taxes, fees and charges that will not be subject to the GST. Some of the fees and charges imposed by the Commonwealth, State and Territory will not be listed in this determination. For these fees and charges, GST will need to be added. However, many of these fees and charges are set by regulation. To amend them all individually would be a cumbersome process. Clause 6 of the bill enables fees and charges that are not exempt from the GST, either because of division 81 or the exemptions contained in division 38 for certain health services, education services, child-care services and water, sewerage and drainage services, to be increased to take account of the tax.

This authorisation is subject to the fee increase complying with the guidelines issued by the Australian Competition and Consumer Commission in relation to cost savings. This means agencies that will need to increase a fee or charge to take account of the GST will also be required to reduce regulatory fees and charges to reflect any cost savings achieved as a result of associated tax changes. Where a good or service is partly funded by the budget and partly by a regulated fee or charge, cost savings are to be passed on to the fee in proportion to the level of funding provided by the fee.

Many fees and charges in this State are indexed to the consumer price index [CPI]. As I have just indicated, a number of these fees and charges will also be subject to the GST. The GST is expected to push up the CPI in 2000-01. To index fees by the GST-affected CPI could result in the fee being affected twice by the GST. Consequently, the Government has decided that, when fees are indexed using the CPI, the CPI will be discounted to remove the effect of the GST. Indexation this year uses the CPI for 1999-2000. Clearly, this CPI will not be affected by the GST. Clause 7 of the bill implements this policy.

Under the agreement States and Territories have also agreed to abolish a number of their taxes. Specifically, States and Territories undertook to abolish "bed" taxes from 1 July 2000, financial institutions duty from 1 July 2001 and marketable securities duty on securities traded on a recognised exchange from 1 July 2001. New South Wales has already legislated to abolish the accommodation levy from 1 July 2000. Schedule 9 to this bill abolished financial institutions duty from 1 July 2001 and part 1 of schedule 2 abolishes marketable securities duty on securities such as shares traded on a recognised stock exchange from 1 July 2001.

The Federal Government's GST legislation will apply to the net revenue of gambling operations. This is the total amount spent by gamblers on bets less prizes paid to gamblers. States and Territories have agreed to take into account the fact that the GST will also apply to gambling. The New South Wales Government is to take a two-step approach to this issue. First, the Government will reduce the rates of taxation for the following: gaming machines operated in hotels, gaming machines operated in registered clubs, gaming machines and table gaming at Star City casino, TAB Ltd totalisator operations, keno games and New South Wales Lotteries products. Schedule 4 to this bill amends the Liquor Act 1982 to reduce the rate of State tax on hotel gaming machines to account for the GST. Schedule 7 to this bill amends the Public Lotteries Act 1996 to reduce the rate of tax on lotteries to account for the GST. It will also enable the State tax on lotteries to be levied on net revenues—the same basis as the GST—rather than on the total turnover, as is presently the case. The existing provisions allowing for the calculation of duty on the basis of subscriptions will, however, be retained.

Schedule 8 to this bill amends the Registered Clubs Act 1976 to reduce rates of duty on poker machines in registered clubs. Because it is not possible to effect a full GST offset by adjusting State tax rates, registered clubs still will pay more in total tax, including the GST, under the revised State tax structure than they do currently. While the State Government is not obliged under the intergovernmental agreement to provide additional assistance to clubs to offset this increased tax burden, the Government recognises that this burden could cause financial difficulties for a number of clubs in the short to medium term. Therefore, the Government

announced in the budget papers that it would provide registered clubs with transitional assistance payments. To avoid ongoing administrative costs, these payments will take the form of a single payment to each club representing the estimated present value of additional tax liabilities to 30 June 2004 based on each club's gaming profits for the assessment year to 30 November 1999. A discount rate of 8.2 per cent will be used. The budget papers estimated that these payments will total \$68.3 million.

Schedule 10 to this bill amends the Totalisator Act 1997 to reduce the rate of taxation on TAB Ltd to take account of the effect of the GST. Bookmakers will be reimbursed the amount of GST paid on their fixed odds betting operations, both racing and sports betting. This reimbursement will not exceed the State tax payment by bookmakers. A tax rate adjustment is not possible because bookmakers are currently taxed on a turnover basis and it is not possible to make a reasonably accurate adjustment to the tax to take account of the GST. Small race clubs that operate non-TAB totalisators and that currently receive a full rebate of State tax will receive GST transitional assistance in the form of a single payment representing the present value of GST tax liabilities to 2004 based on totalisator profits for the year to 30 June 1999. A discount rate of 8.2 per cent will be used. It is estimated that these payments will total about \$100,000. The rate of taxation of keno is set out in the licence agreement with the game's operators. This agreement will be amended to reduce the rate of taxation to take account of the impact of the GST.

The rate of tax on casino gaming operations is also set out in the licence rather than in legislation. The rate of tax on gaming machines in the casino will be reduced from 22.5 per cent to 13.41 per cent. The marginal tax rate on tables will be reduced, which means that the minimum tax rate will be reduced from 20 per cent to 10.91 per cent and the maximum rate will be reduced from 45 per cent to 35.91 per cent. The amount of GST paid on the casino's international high roller program will be reimbursed. A tax rate adjustment was not possible in this case due to the fact that the casino pays a fixed non-refundable amount of \$6 million each year on the first \$60 million in high roller revenue. In addition to giving effect to initiatives required by the agreement and the gambling tax adjustments I have just outlined, the bill implements a number of other GST-related changes to State legislation.

I deal now with other GST-related changes and the hire of goods duty. Generally, stamp duty is a tax on purchasers, while the GST is a tax on suppliers. As a result, the GST and stamp duty are able to be calculated separately. Hire of goods duty is an exception, however. For reasons of compliance and administration, all States and Territories impose hire of goods duty on the hirer rather than the customer. As a result, the GST and hire of goods duty will apply simultaneously to the same tax base, resulting in each tax applying to the other. In the absence of action by the State or the Federal Government this would result in a cascading of tax and an increased overall tax burden on the hire of goods. The States and Territories requested the Federal Government to take action at a national level to resolve this problem, as they had done in the case of insurance, where the same problem arose. The Federal Government refused to act on this request. As a result, the New South Wales Government has decided to take action to eliminate the cascading of hire of goods duty and GST for hirers in New South Wales by amending the Duties Act to exclude any GST payable by the hirer from the tax base when calculating hire of goods duty. This initiative is contained in part 2 of schedule 2 to the bill.

People with disabilities who purchase a new motor vehicle currently receive a sales tax exemption from the Federal Government. This Government amended the Duties Act to give a concession to people with disabilities so that where a motor vehicle is purchased free of sales tax, duty will be charged only on the actual price paid, not the full price including notional sales tax. The Federal Government's GST legislation provides that people with disabilities will be able to purchase motor vehicles GST-free. To maintain the concession introduced by this Government, part 2 of schedule 2 to this bill amends the Duties Act to provide that, where a motor vehicle is purchased GST-free, stamp duty will not be payable on the notional GST.

Under the GST legislation, the Federal Government has imposed GST on all prepaid funerals purchased after 1 December 1999 where the funeral is supplied on or after 1 July 2000. The GST collected in respect of prepaid funerals purchased after 1 December 1999 and still to be supplied on 1 July 2000 is required to be paid by funeral fund directors when they complete their first GST return after 1 July 2000. The Funeral Funds Act currently requires that all moneys received for a prepaid funeral must be deposited into a trust account. This is to ensure the money paid in advance for funerals is kept safe until the funeral needs to be provided. Schedule 3 to this bill amends the Funeral Funds Act 1979 to enable funeral fund directors to meet their obligations under the Federal Government's GST legislation without disturbing the existing consumer protection provided by the Act.

The Federal Government's GST legislation will apply to supplies of labour under labour hire contracts. The definition of "wages" in the Pay-roll Tax Act 1971 will, unless amended, apply payroll tax to the total

amount under the contract, not just the wages paid. To maintain the principle that payroll tax applies only to the wages actually paid, schedule 5 to this bill amends the Pay-roll Tax Act 1971 to exclude any amount representing GST from the amount subject to payroll tax. When the States and Territories imposed business franchise fees on petroleum and diesel products, New South Wales did not impose a tax on diesel for off-road use. With the loss of these taxes, the Commonwealth imposed safety net surcharges on its taxes and returned the money to the States and Territories. For constitutional reasons, the Commonwealth could not exempt diesel for off-road use from its surcharge. As a result, the State Government provided subsidies to avoid an increase in the price of diesel for off-road use.

With the introduction of the GST, States and Territories will no longer receive the safety net payments from the Commonwealth, as the Commonwealth will no longer impose surcharges on its taxes on tobacco alcohol and petroleum products on behalf of the States and Territories. This means the States will no longer be required to pay subsidies to off-road diesel users. Schedule 6 to the bill abolishes these subsidies. The subsidies currently paid by the Government for on-road use of petroleum products and diesel in Northern New South Wales will not be abolished by this bill. Those subsidies will remain as long as Queensland provides subsidies for on-road use of petroleum and diesel products. The GST will apply to the rent paid on commercial premises. Retail leases in New South Wales are controlled by the Retail Leases Act 1994. The legislation is aimed at ensuring that all parties are fully aware of their obligations under a lease so that conflicts can be avoided. Section 18 of the Act restricts changes to base rent in any 12-month period.

Schedule 9 to this bill amends the Retail Leases Act to ensure that clauses inserted into leases to enable landlords of commercial premises to pass their GST liability on to commercial tenants are effective. This will ensure that landlords and tenants who have attempted to deal with the impact of the GST will be able to rely on those clauses. The bill also amends the definition of "outgoings" in the Act to include the GST. In many cases leases require the tenant to reimburse the landlord for outgoings, which often include taxes. There is some uncertainty in the industry as to whether the GST is included in the current definition of "outgoings". This provision will clarify the position. Some retail leases base rent on the level of sales or turnover. There is uncertainty as to whether, in assessing liability for turnover rent, turnover is to be assessed on a GST inclusive or exclusive basis. To clarify the situation, schedule 9 to the bill amends the Retail Leases Act to provide that the GST is to be excluded when calculating turnover to assess liability for turnover rent.

This bill also contains a number of provisions that address the impact of GST legislation on workers compensation insurance arrangements. The most significant amendments address the compliance problems that arise for small to medium businesses. Under the Commonwealth's GST legislation employers are liable to pay 10 per cent GST on claim settlements if they do not notify their workers compensation insurer of their entitlement to an input tax credit under the GST legislation. On a claim totalling \$1 million, the GST liability could be as high as \$100,000 if the entitlement to an input tax credit is not notified by the employer to the insurer. Such a liability could put many small to medium enterprises out of business.

The practical issues involved in complying with GST legislation for business are well known. The New South Wales Government is concerned that the requirement to notify an input tax credit entitlement for workers compensation insurance purposes could be overlooked, particularly given the automatic policy renewal process provided for under workers compensation legislation. The bill addresses this problem. Schedule 12 will amend the Workers Compensation Act 1987 so that the New South Wales WorkCover Authority will be appointed as the agent and attorney of employers for the purposes of providing notification under the insurance provisions of GST legislation.

The authority will be able to act on behalf of those employers that do not provide notice under the Commonwealth legislation. The provisions do not stop employers providing notification to the insurer of their own volition. It simply ensures that where an employer has omitted to do so they will not run the risk of a crippling tax liability emerging. The bill also clarifies the scope of the statutory insurance policy under the Workers Compensation Act 1987. In some cases employers may elect to retain liability on claim settlements by understating the extent of their input tax credit entitlement.

To avoid any doubt as to whether such costs are passed on to the managed fund scheme, the bill clarifies that the statutory insurance policy does not cover these liabilities. This does not prevent employers obtaining separate insurance for these amounts if they choose. The remaining provisions of the bill relating to workers compensation legislation are amendments which will minimise the impacts of the GST. These include regulation-making powers to be made in respect of the Dust Diseases Board and the Sporting Injuries Commission to enable changes required as a result of the GST legislation. I commend the bill to the House.

Debate adjourned on motion by Mr Stoner.

PUBLIC AUTHORITIES (FINANCIAL ARRANGEMENTS) AMENDMENT BILL

Bill introduced and read a first time.

Second Reading

Mr FACE (Charlestown—Minister for Gaming and Racing, and Minister Assisting the Premier on Hunter Development), on behalf of Mr Aquilina [1.43 p.m.]: I move:

That this bill be now read a second time.

The Public Authorities (Financial Arrangements) Act 1987, commonly referred to as the PAFA Act, provides a legislative framework for the regulation of the investment, borrowing and financial risk management functions of public sector agencies in New South Wales. Under the PAFA Act, the Treasurer is given responsibility for exercising a central supervisory role in respect of the investment and liability management activities of agencies to ensure that the New South Wales public sector's financial risks and exposures are properly and prudently managed. During 1999 the Auditor-General conducted a review of agencies' compliance with financial legislation, including the PAFA Act. The results of this review were detailed in the New South Wales Auditor-General's Report to Parliament for 1999, Volume 2. The report highlighted a number of issues regarding the existing legislation. This bill addresses those issues.

The main areas for amendment, identified by both Treasury and the Auditor-General, are the Act's requirement for a clearer statement of purpose and a need to apply to all New South Wales public authorities. The definitions within the Act require consistency so that an agency's authority is consistent for all purposes. The Act as amended will provide the sole source of legal power for agencies to enter into arrangements covered by its terms. As well, all types of financial arrangements that agencies may enter into, including joint venture arrangements, will be covered by the amendment.

The PAFA Act will be extended to apply to all general government agencies, public trading enterprises and public financial enterprises, covering all departments and statutory authorities. As well, any controlled entities of such departments or authorities will also be included. It is considered necessary to include government departments within the PAFA Act to properly capture the full range of financial liabilities that can be incurred. In the past some individual government departments, or divisions thereof, or their Ministers have been included in a schedule for specific purposes. Some departments run commercial operations, while some statutory authorities are effectively run by the department to which they report. However, for effective control all agencies should be subject to a consistent set of provisions.

There is also a need for controlled entities of departments and authorities to be included within the scope of the PAFA Act. Because a controlled entity may be a company incorporated under the Corporations Law, it could well have legal powers that exceed those of the agency which controls it. To achieve complete coverage of all New South Wales public sector agencies and their controlled entities, it is proposed that the definition of "authority" under the PAFA Act be linked to the bodies defined under the Public Finance and Audit Act 1983. Agencies are subject to audit by the Auditor-General on the basis that their operations have impact on the New South Wales State accounts. As a corollary, such agencies should have their ability to incur financial obligations controlled and monitored by the Treasurer, who is ultimately responsible for the financial management of the State.

These amendments will ensure the complete coverage of all New South Wales public sector agencies. This includes all general government agencies, public trading enterprises and public financial enterprises, irrespective of whether the agency is a statutory authority or government department, and applies to all controlled entities of agencies. It is acknowledged that particular agencies, which have not previously been covered by the PAFA Act, may have legitimate reasons for having differing powers than those under the PAFA Act.

In seeking to have all agencies covered by the PAFA Act, provisions will be enacted to enable the Treasurer to grant to specific authorities particular amendments and modifications of the provisions to suit individual circumstances. The Treasurer will be able to determine specific exemptions for particular agencies when considered appropriate. By allowing the Treasurer to grant such modifications, circumstances of individual agencies can be catered for while retaining the control and monitoring functions of the Treasurer in relation to all agencies. A transitional period is provided for agencies currently not within the scope of the PAFA Act to have sufficient time to adapt to the new requirements.

The purpose of the PAFA Act is to operate as controlling legislation in respect of agencies' ability to enter into financial accommodation, financial adjustments, and joint financing arrangements, investments and any other form of financial arrangements. By requiring all agencies to effect such arrangements within the parameters of the Act, controls can be put in place to allow the Treasurer to assess and monitor the financial risks being incurred by New South Wales. The intention of the PAFA Act is to be the sole source of legal authority in respect of authorities covered by it.

These amendments will ensure that the PAFA Act is the sole source of legal power that allows New South Wales public sector agencies to enter into financial arrangements. The PAFA Act will then take precedence over other Acts to ensure that no agencies are omitted from its coverage. A provision is included for the PAFA Act to be overridden only when future legislation expressly excludes the operation of the Act. This will remove interpretative difficulties which could otherwise arise in relation to legislation setting up new agencies. These amendments also provide for consequential amendments to other relevant legislation. There is also a need for a consistent definition of "authority" for the purposes of the PAFA Act.

Each of the four main types of financial management activities, that is, investment, borrowing, derivatives and joint financing, has a separate definition of the authorities covered. Thus, authorities may be covered by certain parts of the PAFA Act and not others. The definition of "authority" will be standardised. Agencies will be defined as authorities for all purposes of the PAFA Act. These amendments will simplify the process for new agencies to be covered by the PAFA Act, as and when they are created. Another issue with the current coverage of the PAFA Act is the need for interpretative provisions to assist in clarifying the application of particular sections of the Act. These provisions will be included in an introductory section to the Act.

Some authorities have power to enter into joint ventures without the need for approval of the Treasurer, because the particular arrangements do not come within the PAFA Act, or the agencies' own enabling legislation provides for the arrangements. By entering into joint ventures with the private sector, an agency can expose the State to contingent liabilities. It is appropriate that such arrangements only be entered into when the Treasurer is satisfied as to the allocation of risks in relation to the transaction. These amendments expand the types of financial arrangements covered by the PAFA Act to provide that all agencies must obtain the Treasurer's approval to enter into joint ventures.

In 1999 the Health Administration Act 1982 was amended to allow advances from the Department of Health to area health services to be excluded from coverage of the PAFA Act. From a liability management perspective, there is no need for approval of cash flows between agencies in the same ministerial portfolio. This provision has now been extended to all agencies. The above amendments take effect from the date of proclamation, with provision for a transitional period whereby agencies currently not within the scope of the PAFA Act will have sufficient time to adapt to the new requirements. In summary, this bill will strengthen the prudential requirements of the New South Wales public sector. It will extend the coverage of the Public Authorities (Financial Arrangements) Act 1987 to all New South Wales public sector agencies, including any controlled entities of such bodies, and clarify the Act's operation in conjunction with other legislation. This will ensure that all agencies require the Treasurer's approval, and in appropriate cases Executive Council approval, before they can borrow, deal in derivatives or enter into joint financing arrangements, joint ventures or make investments. I commend the bill to the House.

Debate adjourned on motion by Mr Stoner.

HOME BUILDING AMENDMENT BILL

Bill introduced and read a first time.

Second Reading

Mr WATKINS (Ryde—Minister for Fair Trading, and Minister for Sport and Recreation) [1.52 p.m.]:
I move:

That this bill be now read a second time.

The object of this bill is to address a recent decision of the Supreme Court which has serious ramifications for the future viability of the home warranty insurance scheme established under the Home Building Act. The scheme is designed to protect consumers against faulty or incomplete work which may be performed by licensed builders and tradespeople, and was one of a number of significant reforms for the home building industry

introduced by the Carr Government in 1996. The scheme, which is underwritten by approved insurance companies, replaced the government-operated insurance scheme. The scheme commenced on 1 May 1997. An insurance contract must provide cover of at least \$200,000 per dwelling. The period of cover for defective work is seven years from completion of the work, whilst cover for incomplete work is provided for 12 months from when work ceased. Beneficiaries under the scheme are described in the Home Building Regulation. From the outset it was intended that developers be excluded from cover and the regulation was drafted to allow an insurer to do so.

A similar exclusion applied under the government-operated scheme. It was recognised that some persons may wish to erect a small development as, for example, an investment for their retirement and the exclusion for developers was not intended to apply to projects involving less than four dwellings. Last year an amendment to the Home Building Act was introduced which made it a requirement for persons applying for or renewing certain categories of licences to show that they are eligible for home warranty insurance. This linking of licensing and insurance will help to ensure that only financially viable builders are allowed to operate. The Supreme Court, in its judgment given on 10 May in the matter of *HIH v Jones*, held that two developers who had engaged a builder to erect a complex of 15 home units were entitled to be covered under the insurance scheme. The court found that the wording of the Act, in particular sections 92 and 99, entitled the developers to cover and that the exclusion in the regulation was not applicable to them. I understand that HIH is currently seeking to appeal this decision.

Should that appeal be unsuccessful, the result would be that any exclusion clause in an insurance contract intended to exclude a developer from making claims is void by operation of the Act. This applies to all insurance contracts issued since 1 May 1997. The court's decision threatens the future viability of the insurance scheme. The insurers are exposed to significant loss should the builder of a development project become insolvent or be sacked from the job. For example, in a block of 50 home units the insurer could potentially be liable for up to \$10 million in completion costs. Faced with losses of such magnitude, it is likely that the insurers will pull out of the scheme or at the very least refuse to insure large development projects. Either way, this would have serious consequences for consumers and the building industry.

Leaving aside the potential loss to insurers, it is inappropriate for the home warranty insurance scheme to cover developers. In most cases the developer plays an active role in the project, including the selection and payment of subcontractors and suppliers and the appointment of project manager, engineer and architect, as well as exercising overall financial control. Developers undertake projects for financial reward, and it is inappropriate for the home warranty insurance scheme, which was designed to protect consumers, to underwrite the success of large development projects. The bill is intended to overcome the decision of the Supreme Court in *HIH v Jones* and retrospectively to validate exclusion clauses in insurance contracts issued since 1 May 1997. The bill amends the Home Building Act to make it clear that the licensed builder engaged by a developer to undertake the work is the person required to take out insurance over the work. It also makes it clear that the responsibility of the developer is to attach a certificate of the builder's insurance to any contracts for sale of dwellings in a development project. These are existing requirements under the Act. However, the current wording of the Act is ambiguous and needs to be clarified.

A definition of "developer" is inserted in the insurance provisions of the Act to make it clear that these provisions apply to a developer of the kind referred to in section 3A of the Act. Section 3A sets out the circumstances when a person is considered to be a developer—that is, when the building work involves an existing or proposed dwelling in a building or residential development and four or more of the dwellings will be owned by that person. Section 3A also applies to building work done in connection with an existing or proposed retirement village or accommodation specially designed for the disabled when all the residential units are owned by one person. Section 99 specifies the requirements for insurance for residential building work. This section provides, among other things, that a contract of insurance must insure the person on whose behalf the work is being done. The Supreme Court held that the words "a person on whose behalf the work is being done" applied to a developer and that the insurance policy must cover such persons.

The bill amends section 99 to provide that it does not require a developer, on whose behalf residential building work is being done, to be insured. It also enables the exclusion of any other person belonging to a class of persons prescribed by the regulation. This is to make it clear that the builder of the project or companies related to the builder or developer cannot make a claim. The bill validates any exclusion clauses in insurance contracts relating to developers issued from 1 May 1997. It also validates clause 42 of the regulation. That clause specifies which persons are not required to be beneficiaries under the insurance scheme. The bill will not, however, affect the judgment of the Supreme Court in *HIH v Jones* or any court proceedings that have been

determined before the commencement of this part of the bill. The retrospective application of the bill will also not apply to offences which may have occurred. These will be dealt with in accordance with the law which applied at the time. I commend the bill to the House.

Debate adjourned on motion by Mr Fraser.

[Mr Acting-Speaker (Mr Mills) left the chair at 1.58 p.m. The House resumed at 2.15 p.m.]

MINISTRY

Mr CARR: In the absence of the Minister for the Olympics, the Minister for Transport, and Minister for Roads will take questions on his behalf.

PETITIONS

North Head Quarantine Station

Petition praying that the head lease proposal for North Head Quarantine Station be opposed, received from **Mr Barr**.

Willoughby Paddocks Rezoning

Petition praying that the Legislative Assembly will advocate for the retention of all vacant land in the area historically known as the Willoughby Paddocks and its development as public parkland for the enjoyment of the community, received from **Mr Collins**.

McDonald's Moore Park Restaurant

Petition praying for opposition to the construction of a McDonald's restaurant on Moore Park, received from **Ms Moore**.

Surry Hills Policing

Petition praying for increased police presence in the Surry Hills area, received from **Ms Moore**.

Bondi Pavilion Olympic Stadium Proposal

Petition praying for opposition to the construction of a stadium at Bondi Pavilion for the volleyball event during the 2000 Olympic Games, received from **Ms Moore**.

Manly Hospital Paediatric Services

Petition expressing concern at the decision of the Northern Sydney Area Health Service to discontinue paediatric services at Manly Hospital and praying that full services at Manly Hospital be maintained, received from **Mr Barr**.

Northside Storage Tunnel Gas Emissions

Petition praying for the installation of an acceptable system to address health risks associated with the discharge of sewage gases from the northside storage tunnel, received from **Mr Collins**.

Macksville Hospital Health Funding

Petition praying that sufficient recurrent funding be allocated to Macksville and District Hospital to enable restoration of hospital services to the level that existed prior to cutbacks instituted by the Mid North Coast Area Health Service, received from **Mr Stoner**.

Seaforth TAFE Closure

Petition praying for opposition to the closure of Seaforth TAFE, received from **Mr Barr**.

TAFE Funding

Petition praying for opposition to any funding cuts to TAFE, received from **Ms Moore**.

Public Transport Fare Increases

Petition praying for opposition to the implementation of public transport fare increases, received from **Mr Barr**.

Cardiff Railway Station Disabled Access

Petitions expressing concern at the difficulties experienced by disabled and elderly patrons in accessing Cardiff railway station platform, and praying that Cardiff railway station be included on the Easy Access program and a lift or ramp installed, received from **Mr Hunter** and **Mr Mills**.

Windsor Road Upgrading

Petitions praying that Windsor Road be upgraded and widened within the next two financial years, received from **Mr Merton**, **Mr Richardson** and **Mr Rozzoli**.

Oxford Street Pedestrian Crossing

Petition praying that an additional signalised pedestrian crossing be installed on Oxford Street, Paddington, received from **Ms Moore**.

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**

Moore Park Light Rail

Petition praying that consideration be given to the construction of a light rail transport system for Moore Park, received from **Ms Moore**.

Eastern Distributor Tunnel Ventilation

Petition praying that air purification systems be installed on the Eastern Distributor and cross-city tunnel, received from **Ms Moore**.

Old-growth Forests Protection

Petition praying that consideration be given to the permanent protection of old-growth forests and all other areas of high conservation value, and to the implementation of tree planting strategies, received from **Ms Moore**.

Animal Experimentation

Petition praying that the practice of supplying stray animals to universities and research institutions for experimentation be opposed, received from **Ms Moore**.

Animal Vivisection

Petition praying that the House will totally and unconditionally abolish animal vivisection on scientific, medical and ethical grounds, and that a new system be introduced whereby veterinary students are apprenticed to practising veterinary surgeons, received from **Ms Moore**.

Dairy Farmers Assistance

Petitions praying that the House will seek the provision of a State-based assistance package to New South Wales dairy farmers, received from **Mr Oakeshott**, **Mr Souris** and **Mr Stoner**.

Water Reform

Petition objecting to the proposals for water reform contained in the White Paper produced by the Department of Land and Water Conservation, and praying that the House not support such proposals, received from **Mr Webb**.

White City Site Rezoning Proposal

Petition praying that any rezoning of the White City site be opposed, received from **Ms Moore**.

Tweed Shire Rate Structure

Petition praying that the Minister for Local Government will deny the proposal by Tweed Shire Council to increase rates in excess of the 2.7 per cent threshold, received from **Mr D. L. Page**.

QUESTIONS WITHOUT NOTICE

MINISTER FOR TRANSPORT PORTFOLIO PERFORMANCE

Mrs CHIKAROVSKI: My question is directed to the Minister for Transport. Given that the Premier has now confirmed that he has no confidence in the Minister by appointing Ron Christie to act as de facto minister for rail transport and—

Mr SPEAKER: Order! The Premier will remain silent.

Mrs CHIKAROVSKI: I will begin again. Given that the Premier has now confirmed that he has no confidence in the Minister by appointing Ron Christie to act as de facto minister for rail transport and to take over the role of the Rail Authority Board, when will the Minister for Transport do the right thing by commuters and taxpayers and hand in his resignation?

Mr SCULLY: I am pleased to inform the House that the Leader of the Opposition will be gone a long time before I go.

Mr Carr: Read her the latest polls. Read to the House the latest polls. I do not want to embarrass anyone but—

Mr SPEAKER: Order! The Premier will remain silent.

Mr Hazzard: Point of order—

[Interruption]

Mr SPEAKER: Order! The honourable member for Wakehurst needs no assistance from Government members.

Mr Hazzard: I ask that you require the same standards of decorum of Government members as you required of Opposition members last week, when you directed that members of the Opposition were not to move around the Chamber when a Minister was responding to a question. The Premier has just done exactly that—

Mr SPEAKER: Order! There is no point of order. The honourable member for Wakehurst will resume his seat.

Mr Hazzard: I ask you to rule that the Premier should remain seated.

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

Mr Hazzard: You should apply the same rules to both sides of the House.

Mr SPEAKER: Order! I call the honourable member for Wakehurst to order for the second time. The Leader of the National Party will cease interjecting.

Mr SCULLY: I cannot believe that the Opposition is performing that badly.

Mr SPEAKER: Order! I call Deputy Leader of the Opposition to order.

Mr SCULLY: A survey was conducted of 120 customers and certain questions were asked.

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

Mr SCULLY: But as I have said in this House before: 1,700 people were interviewed—not by the Liberal Party or the Deputy Leader of the Opposition but in an independent poll—and asked their impressions of the Opposition.

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

Mr SCULLY: The dissatisfaction rating for the New South Wales Leader of the Opposition has risen a dramatic six points in the latest news poll. That means that almost three in every five voters in New South Wales are unhappy with her performance.

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

Mr SCULLY: I am happy to talk about performance—

Mr O'Doherty: Point of order: My point of order is relevance. The question related to the portfolio responsibilities of the Minister for Transport.

Mr SPEAKER: Order! The honourable member for Hornsby will resume his seat.

Mr SCULLY: The question referred to performance, and we need to know about the performance of the Leader of the Opposition. Yesterday, honourable members spent several hours debating my performance, and the House expressed confidence in my performance.

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

Mr SCULLY: I want to thank each and every one of the five Independent members on the crossbench, who expressed confidence in my performance I thank, of course, all the members on the Government side of the House, who also expressed confidence in my performance. With regard to the report on the performance of the Leader of the Opposition—

Mr SPEAKER: Order! The Minister has made his point in relation to the vote of the House on the motion of no confidence. I ask him to return to the substance of his answer.

Mr SCULLY: I am always influenced by your learned rulings, Mr Speaker. In respect of the matter raised in the question, the Opposition would now be aware that the Government has appointed the Co-ordinator General of Rail, Mr Ron Christie, and for those who are not aware—

Mr SPEAKER: Order! I call the Leader of the National Party to order. I call the honourable member for Pittwater to order.

Mr SCULLY: Is the Opposition not interested in this matter? For some time I given consideration to ways in which we can improve CityRail's poor performance. As honourable members are aware, and as I said yesterday, CityRail, Rail Access and State Rail Authority chief executives have been put on notice, so I expect their performance to improve.

Mr SPEAKER: Order! I call the honourable member for Southern Highlands to order. I call the honourable member for Davidson to order.

Mr SCULLY: It appeared to me that we needed to improve communication and co-ordination. As a result, on my recommendation Mr Ron Christie has been appointed co-ordinator general; the Government has given that recommendation its full support.

NEW SOUTH WALES HEALTH STATISTICS

Mr E. T. PAGE: My question without notice is to the Minister for Health. What is the latest information on the health of people of New South Wales?

Mr KNOWLES: I am sure the one thing that all honourable members agree on is that the wellbeing of our community is a cornerstone of how we regard ourselves as a nation and, indeed, how we are regarded internationally. The health of individuals is as essential to their needs as their need for shelter and employment if they are going to take an active role in society. Anecdotally we are a healthy State and a healthy nation. However, in some areas there is substantial room for improvement: for example, in the general health of our indigenous community, the incidence of young women who smoke and in some cancer treatments.

I am about to deliver some good statistics on the wellbeing of the people in this State—statistics that are far better than any that are being clocked up these days by the Opposition. The statistics show an improvement in performance and wellbeing in New South Wales, rather than the constant decline of the Liberal Party-National Party Coalition. On objective measures I advise honourable members of the findings of the third New South Wales chief health officers report, which since 1996 has been published biennially. The third report is now available on the web site of the Department of Health. It provides data that is essential to the planning of health services, it identifies areas that need to be targeted, it recognises areas where there have been improvements and it helps us gauge the success and indeed the failure of public expenditures and policies designed to improve the community's health.

Mrs Skinner: A very good report.

Mr KNOWLES: A very good report, as the honourable member for North Shore said. It is unusual to get an endorsement from the honourable member for North Shore—something good for a change. It is certainly different from the carping criticism that we always have to put up with.

Mr Tink: The Minister might explain why his Government sacked a Welshman as head of the Health Department.

Mr KNOWLES: I am sure that the First Secretary of the National Assembly of Wales, who is in the gallery, is well aware of the great work of John Wyn Owen with the Nuffield Institute in the United Kingdom and his work with the National Assembly for Wales. But, of course, we move on, we continue to improve, and we spread the good work to Wales in that spirit of terrific bipartisan relationship enunciated in this Chamber this morning. The report provides the companion volume to the Menadue and Sinclair reports—the technical data that underpins the work we do to build a better health system.

It is worth noting that New South Wales is one of the few organisations in the world that compiles such a complete collection of health data on a continuous basis. The report tells the story of the wellbeing of the more than 6.3 million people who live in our State. It has regard to the connected health issues such as income, unemployment and school retention rates. For example, in New South Wales almost 600,000 people receive the age pension, about half that number receive disability and sickness benefits, and one in 10 families are single parent families. Air quality, water quality and lead levels are all discussed in this report. As I said, there is a lot of good news. For example, Sydney's air quality has improved. Nitrogen dioxide emissions have not exceeded limits on any day in the past four years. The terrific news is that more children, mostly young schoolchildren, are using sun protection, and this is as a direct result of public health campaigns such as "Slip, Slop, Slap". Life expectancy in New South Wales has increased. Men now live to an average age of 76.5 years and women live to 82 years of age, an increase of two years since 1995. I resist the temptation to link the extension of life in our community with the election of the Carr Labor Government.

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

Mr KNOWLES: Death rates from breast cancer and cervical cancer have decreased and, in some cases, have almost halved—as have death rates from coronary heart disease, road injury, asthma and lung cancer. Importantly, as a result of the effectiveness of public health campaigns, AIDS and HIV infections have declined: there were 1,129 notifications in 1992 and only 555 in 1998—that is, less than half. I now come to the terrific news category. Opposition members may not want to know about this, but for parents this is terrific news. For example, in 1994 there were just under 1,500 measles notifications, but in 1998 there were just 119. Last September we recorded the first ever measles infection-free month. I might add another great story, with Red Nose Day just around the corner, on 25 June.

[Interruption]

The war against sudden infant death syndrome [SIDS], I thought, had bipartisan support. In fact, partners of members in this Chamber and partners of former members in this Chamber, be it through the focus group or through the Lilac Committee, were at the forefront of the fight against SIDS as early as 10 years ago. The good news is that they have had an effect: deaths from SIDS have dropped by a massive 75 per cent. That is an effective public health campaign. It is clearly working. Of course, there are those areas in which more needs to be done. For example, there is an increase in obesity amongst men and women. Forty per cent of men and 25 per cent of women are now classified as obese. This problem is linked directly to the greater risk of high blood pressure, heart disease and stroke.

I am sure that all honourable members are interested in the fact that as a community we do not eat enough fruit and vegetables. The chief health officer reports that less than one in five males eats the recommended daily intake, increasing the risk of colorectal cancer and IVS. Illicit drug use among young people is still too high, underscoring the important initiatives arising from the Drug Summit and supported by this Parliament and the community. I know that Central Coast members are particularly interested in this: sadly, but accurately, suicide rates among 15-year-old to 24-year-old males show an increase, demanding a redoubling of the already substantial efforts to deal with that problem.

Of course, indigenous communities in New South Wales continue to lag behind the rest of our population, a data set consistent with national circumstances. The statistics, of course, remind us that, despite the considerable and indeed bipartisan efforts, at a national level and in all jurisdictions, the good work of my colleague the Minister for Education in respect of Aboriginal education, and the good work of my colleague the Minister for Housing in respect of Aboriginal housing, there is still much more to be done. As I said, the chief health officer's report is a snapshot and a very powerful planning tool, one which helps us understand what we have done and, of course, what we must do to improve the wellbeing of the people of New South Wales.

COUNTRYLINK RAIL SERVICES

Mr SOURIS: I address a question without notice to the Minister for Transport. Why has the Minister allowed the revised Countrylink timetables to seriously disadvantaged country travellers, such as war veteran and pensioner Harry Butfield of Tinonee who, with his wife, wants to travel from Taree to Albury but has been told he cannot book a direct journey and must instead stay overnight in Sydney, thus incurring unplanned accommodation costs?

Mr SCULLY: I will seek advice from Countrylink.

PYRAMID SELLING SCHEMES

Miss BURTON: My question without notice is to the Minister for Fair Trading. What is the latest information on pyramid selling schemes?

Mr WATKINS: Unfortunately, a number of illegal pyramid schemes continue to operate in New South Wales. As soon as Fair Trading shuts one down, another scheme begins. They are spread by word of mouth, by letter, and increasingly by the Internet. Some come from overseas, but many of the schemes are locally instituted. Whilst these pyramid schemes are damaging anywhere, they are especially damaging in small country towns, because pyramid schemes only operate by bringing people into them; often, they are members of the family, the local club or sporting organisation, or of one's circle of friends. When the pyramid scheme collapses, as pyramid schemes inevitably do, great tension is caused within the group. If that is within a small country community, that causes great dissension and hurt.

Unfortunately, many people still believe that pyramid schemes are harmless. They say that people behind those schemes are simply trying to help others make money. Some pyramid scheme organisers have even been portrayed as moral or spiritual leaders in the community. Nothing could be further from the truth. People organising pyramid schemes make money from their relatives, friends and neighbours. Pyramid schemes rely on an endless supply of people joining them. When the supply dries up, as it must, the majority of the participants simply lose their money. The organisers, of course, are never out of pocket because they are long gone. One example graphically illustrates the kind of person behind pyramid schemes. Over the past couple of years the Queensland-based Wattle Group fleeced \$165 million from Australian families. Some \$21 million of that money came from New South Wales. That included 406 Sydney people and 145 rural investors, mostly from the North Coast of the State.

It is worth asking, "Who are the type of people involved in these schemes?" The principal of the Wattle Group scheme is a fellow called Geoffrey Dexter. Today I can reveal that he was closely associated with the infamous George Speight, who is trampling on democracy in Fiji. When Speight lived in Brisbane, he referred 20 people to the Wattle Group, and they invested \$700,000. However, Speight claimed 2 per cent off the top of that for his work as a middleman. When the Wattle scheme collapsed, investors referred by Speight got about 4¢ in the dollar, if that. That criminal got away scot-free. The Australian Securities and Investments Commission was left to unravel the mess. It is still doing so. I can advise the House that Geoffrey Dexter is appearing in Brisbane court on 22 June in an Australian Securities and Investment Commission prosecution. It is frightening to think that pyramid schemes are run by people like George Speight. I am sure honourable members of this House will want to make sure their constituents are not fleeced by conmen like this. Hopefully, the revelation that this is the sort of person who is deeply involved in these schemes will mean families across the State will think twice about handing over their hard-earned cash.

Another pyramid scheme that has been operating is the Cash Club. On 2 May this year I publicly warned consumers in New South Wales not to deal with the Cash Club, which had been operating in Armidale, Tamworth, Gosford, Wyong, Bellingen, Coffs Harbour and Yamba. The Cash Club consists of a president, vice-presidents and committee members who pay between \$500 and \$2,000 to join. When more members are recruited, the original member leaves with the money. That means that those who join later missed out. Organisers of the Cash Club are slick and very aggressive. After I warned about this scheme in May, participants in the Bellingen area—and I presume the honourable member for Coffs Harbour is very concerned about this—threatened local media outlets with legal action. They also said a local radio station's community funding would be cut if it continued to advertise the work of the Cash Club. Media outlets throughout New South Wales have been threatened by the Cash Club. We depend on the media to get the message out and, thankfully, they have fearlessly reported the work of Cash Club and other pyramid schemes like it.

Organisers of the recent pyramid schemes on the New South Wales North Coast even claim that participants are involved in moral or spiritual ventures. A scheme in Byron Bay originated in religious communities in that area. People were told that the Phoenix Game recognised people who were spiritual leaders in the community. However, they were just people trying to make a fast buck. Today, the message is clear: New South Wales families should be aware of the dangers of these schemes. Organisers of pyramid schemes are a hazard to their community. They are greedy rip-off merchants who try to enrich themselves at the expense of their neighbours and their friends. New South Wales communities should avoid them at all costs.

STAR CITY CASINO PATRON PAUL DESMOND

Mr OAKESHOTT: My question without notice is directed to the Minister for Gaming and Racing. As the Minister for Police has confirmed that Mr Paul Desmond is back at the casino high rollers' room, will the Minister for Gaming and Racing explain how a man who, over the past two years has owed \$90,000 to Korean loan sharks and obviously has a serious gambling problem, has been welcomed back into the high rollers' room with open arms?

Mr FACE: I am informed that Paul Desmond has never been excluded from the Star City Casino. It is my understanding that Mr Desmond is a member of the Endeavour Room at the casino and there is nothing to prevent him from so being. I also understand that Mr Desmond is exercising his right to attend the casino and that that is not an offence. He has not disappeared as alleged by the honourable member in this House on 2 June. I am also advised that the Casino Surveillance Division has no adverse reports on Mr Desmond. The continued attention being drawn to Mr Desmond by the Opposition is clearly a violation of the man's privacy.

I have repeatedly said to the honourable member for Port Macquarie that if he has any information of wrongdoing he should take it to the police or give it to me. The review by the Casino Surveillance Division reveals that Mr Desmond came to the notice of the Casino Control Authority only as a result of issues raised by a particular person who is well known to the honourable member. I repeat: If the honourable member has any information that Mr Desmond has done anything dishonest he should make it available to me and I will refer it to the police immediately. I indicated the other day that I have been a member of this place for a long while and I will always refer anything to a relevant body. I have no truck with anyone who does anything wrong.

COMPUTERS IN SCHOOLS PROGRAM

Mr McBRIDE: My question without notice is directed to the Minister for Education and Training. What is the latest information on the Government's Computers in Schools program?

Mr AQUILINA: Before 1995 there was no plan to prepare New South Wales government schools for the twenty-first century: there was no plan to provide computers in classrooms; there was no plan to provide computer training for teachers; and there was no computer focus in the curriculum. There were only computers in schools if parents had been fundraising to buy them, or if the school could get sponsorship. That meant that there were serious inequities between schools.

Mr Debnam: You are misleading the House.

Mr AQUILINA: Every word of that statement is true. Members on this side of the House are proud that times have changed. The Government recognises that technology is a part of everyday life, an essential part of learning and accessing information. The Carr Government broke new ground by introducing computer funding as a recurrent budget item. No longer is it a one-off capital item; it is now an ongoing commitment to technology in the classrooms. Over the past three years 90,000 computers have been distributed to schools. There is now one computer for every eight students. Under the former Government the dismal average was one computer for every 22 students. It was even worse in some parts of the western suburbs and in rural New South Wales where there was one computer to every 43 students.

Mr SPEAKER: Order! The honourable member for Vacluse continually interrupts any Minister who is standing at the lectern. I place him on three calls to order.

Mr AQUILINA: I am pleased to announce that thousands of new multimedia computers are right this minute, as I speak, on their way to schools, and they are being installed. The Government has plans to make sure that schools have access to the latest technologies. Under the Government's Computers in Schools program, all school computers are leased for three years and are then automatically replaced. That means that the first computers that the Government made available are already being updated. By September 17,705 new computers will be installed in government schools. The original rollout was planned so that every school would receive new equipment. The Government then began to address the considerable inequity issues and distribute new computers to even out the computer-to-student ratios.

Under the replacement program that is now under way, individual schools have the option to replace desktop equipment with new desktop, notebook or file server computer equipment. Schools can choose whatever suits their needs. That flexibility has been a hallmark of the Government's program and a key element in its success. Over the next three years 90,000 brand new replacement computers are going to schools. That is a \$112 million project. I am also pleased to announce that in addition to the replacement computers being provided the Government is increasing the number of new computers by 25,000. There is another dimension to our world-leading program. As part of the replacement program, schools have a choice of purchasing the old equipment. The lease offers these computers for a maximum of \$470. Further, depending on the number of computers being purchased by any one school, discounts will be offered of up to 25 per cent.

The Government's Computers in Schools program provides teachers and students with the knowledge, skills and support to use computer technology effectively. It is a comprehensive program aimed at providing a quality curriculum, quality teaching and learning and quality support. Since the Government has been in office it has trained more than 17,000 teachers in the use of technology for teaching and learning. It connected all schools to the Internet by December 1996. I remind the House that this was years ahead of any other State and Territory. The United States is still to achieve this goal. The Government subsidised schools for their Internet access, appointed technology advisers to every district office, developed curriculum materials to help teachers integrate technology into their teaching and introduced a standard of computer proficiency for new teachers. In addition to the new computers, the Carr Government is providing \$17 million so that by the year 2003, 40,000 teachers will be confident and skilled in using technology in teaching and learning.

The Carr Government is also employing specialist teachers as computer co-ordinators, developing additional curriculum support materials, improving the department's web site Network for Education, expanding the New South Wales Higher School Certificate online web site, sponsoring the annual web site design awards to encourage student expertise, connecting all schools to the department's wide area network and providing an additional \$10.2 million for schools' local area networking and cabling. I advise honourable members that the department has secured agreements with Novell and Microsoft so that their network operating system software will be provided at no cost to schools.

The Microsoft licence covers office software, CD-ROM-based encyclopaedia products and computer-based training for teachers. Teachers will be able to use the Microsoft products at home and all the new

computers going into schools are preloaded with the latest versions of Microsoft software products. The world has changed enormously in the past decade. We now use mobile phones, automatic teller machines, EFTPOS and the Internet as a matter of course. We expect to use computers as part of our daily work lives and increasingly for our leisure and study activities. So schools, teaching and learning are changing. It is true that the walls of our classrooms are disappearing. The pedagogy is changing with technology and the design of schools is also changing. Teachers and students across the State are benefiting from the Government's Computers in Schools program, a program with which I and the Government are proud to be associated.

LOCAL COUNCILS FINANCIAL PERFORMANCE

Mr J. H. TURNER: My question without notice is directed to the Minister for Local Government. Will the Minister now name the 12 councils that his department is monitoring for financial performance and confirm whether those councils will be dismissed or forced to amalgamate despite the Minister's repeated assurances that there would be no forced amalgamations?

Mr WOODS: I am shaking my head in disbelief. I cannot understand why members of the Opposition do not like local government. Last night we had a wonderful night at the annual conference of the Shires Association. The Leader of the Opposition was there and wonderful entertainment was provided. Frankie Davidson, who is right out of the 1950s, was there. We enjoyed ourselves. It was a wonderful night. Local government does a mighty good job, but this mob opposite keeps getting confused. Whatever they do, they seem to get their stories confused. The chief supporter of the Leader of the National Party is the honourable member for Barwon. He cannot even work out this GST business. He writes to me and tells me about an engineering business that is having some trouble and complaining about the GST. He said his constituents claim that the downturn in trade may be due to the soon-to-be implemented GST. Therefore he says he has taken the liberty of taking the matter up with the Minister for Regional Development. Why does he not take it up—

Mr Debnam: Point of order: The Minister is confused. It is actually the Minister who wrote to our side of politics promoting the GST. In a letter to Kerry Bartlett on 7 March this year he said that local government also stands to be a major beneficiary in funding arrangements following—

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

Mr WOODS: Suffice it to say that members opposite are absolutely confused, including the nabob from Singleton, the chief bunyip of the National Party.

Mr Fraser: Point of order: It is customary in this House for members to refer to other members by their correct titles. I ask you to direct the Minister to do so.

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

Mr WOODS: A thousand apologies. It is reasonably easy to apologise to the honourable member for Coffs Harbour, but it is hard to apologise for him. Local government does an extraordinarily good job in this State. It has the Government's support. We are working in partnership with local government to make the lot of people, their constituents and ours, in country New South Wales better off, and we will continue to do that. As we go down that road more and more of local government is working with us, joining with us to achieving their potential.

Mr Carr: They are all good local government people. Look at them, Clover Moore—

Mr WOODS: They are wonderful people, all of them. There is no point in turning away from the real facts. Some local government areas are in some difficulty. I want the ones that are in difficulty to come to the Government. We will work with them to find a way through this for their benefit and for the benefit of their constituencies and our constituency. But I have no intention of embarrassing them at the request of the honourable member for Myall Lakes. He would love to embarrass them, but I do not intend to.

FRUIT AND VEGETABLE PRICES

Mr MARTIN: My question without notice is to the Minister for Agriculture. What is the latest information on the Minister's fight to help New South Wales fruit and vegetable growers get a fair go from supermarkets?

Mr AMERY: I commend the honourable member for Bathurst for his continuing interest in the plight of many primary producers who are battling because of the prices paid to them by supermarkets—or, in some cases, agents—compared with production and other costs. I thank those members who contributed to the debate on an urgent motion on 25 May about the falling prices being offered to apple growers by some of the major supermarket chains. The honourable member for Bathurst made a significant contribution to that debate. Honourable members may recall that we put on record that some apple growers are paid around 32¢ a kilogram for their produce, while supermarkets are selling the apples to consumers for anything up to \$4 a kilogram. During that debate reference was made to a mark-up of some 1,200 per cent. We could envisage some of those growers going out of business. While supermarkets are paying growers only 32¢ a kilogram for their apples growers say it is costing them about \$1 a kilogram to produce those apples.

Mr Fraser: What about the price of milk?

Mr AMERY: The honourable member for Coffs Harbour interjects about milk. There are ominous signs in the dairy industry for any industry that is subject to market forces and to the whim of the strongest. To state the obvious, to pay apple growers 32¢ a kilogram for apples which it costs them \$1 a kilogram to produce is unsustainable. If we want to do something for the industry—and this side of the House certainly does—it is important to try to resolve the situation. Horticulturalists, citrus fruit growers and others face similar price freezes as supermarkets try to force down the growers' returns and increase their own profits. The issue is not only the plight of our apple growers. Let me cite some other examples of the margin growers are receiving for their produce compared to the sale price consumers are being forced to pay at the supermarket. Mandarin growers receive 58¢ a kilogram for mandarins and supermarkets are currently selling them for \$2.99 a kilogram. That is a mark-up of 515 per cent. Growers of navel oranges receive 43¢ a kilo for their produce while supermarkets sell them for about \$1.39 a kilogram. That is a mark-up of 323 per cent.

Mr Fraser: What about bananas?

Mr AMERY: The honourable member for Coffs Harbour interjects about bananas. These figures are subject to seasonal change, quality and so on, but banana growers receive something like 55¢ a kilogram and supermarkets are selling them for \$1.69 per kilogram. That is a mark-up of 307 per cent. Lettuce growers receive 49¢ per lettuce and the supermarkets are currently selling them on for about \$1.99, a mark-up of 406 per cent. Tomato growers receive \$1.37 a kilogram.

[Interruption]

That may be funny to some members of the National Party, but the producers are not laughing. They are coming to see Country Labor in their droves to find out what it can do about it. Tomato growers, who seem to amuse members of the National Party so much, receive \$1.37 for their tomatoes while supermarkets are selling them on for around \$4.99. That is a mark-up of 364 per cent. The price of zucchinis is similar. Producers are paid \$1.26 per kilogram, while zucchinis are being sold in supermarkets for \$5.99 a kilogram, a mark-up of 475 per cent. Mushroom growers receive \$2.55 and the supermarkets sell them on for \$6.99—a mark-up of 274 per cent. One should compare these prices with those charged by wholesalers such as Sydney Markets Ltd. Honourable members may not be aware that wholesalers buy from growers and sell to smaller fruit and vegetable shops, unlike the supermarkets which generally buy direct from the growers and cut out the middle man.

Once again the supermarkets are controlling the market. They demand low prices to farmers and dictate high prices to consumers. Following the urgency motion on 25 May I pledged to see whether action could be taken in this deregulated environment. I am pleased to advise the House that New South Wales Agriculture is currently in the process of contacting apple growers' representatives and supermarket executives with the aim of convening a round table meeting between these groups and others, including representatives of Sydney Markets Ltd and the New South Wales Farmers Association.

I acknowledge that the President of the New South Wales Farmers Association, John Cobb, has expressed appreciation for the efforts being made, particularly by Country Labor members in this House, to raise this issue. Country Labor will also be invited to the round table meeting. The purpose of the round table meeting is to promote constructive discussion between all parties and to establish a basis for better ongoing communication between all the parties. It will be chaired by the New South Wales Agriculture program manager for horticultural products and plant protection, Doug Hocking. I envisage that a number of issues will be examined at the meeting, including a united marketing approach for growers, consumer demands and the impact of retailer decisions.

Mr Hocking will then report back to me with any recommendations or proposals that may arise from the meeting. I look forward to receiving his report, and I hope we can achieve something constructive out of these decisions as a result. I advise the House that I was talking to the Leader of the Country Labor party, the Hon. A. B. Kelly. He advised me that he had written to the Australian Competition and Consumer Commission [ACCC] requesting an investigation into the buying power of supermarkets with regard to their trade with New South Wales apple growers. Mr Kelly wrote to Mr Glenn Barwell, regional director of the ACCC, on 29 May.

Mr Souris: I spoke to Mr Fels long before he did.

Mr AMERY: Me too, says the Leader of the National Party.

Mr Souris: Long before Tony got the car.

Mr AMERY: How much lower does the Leader of the National Party want to go? I understand that he has 4 per cent support. I happened to notice today that a company called ING Direct is offering a low interest rate of 6.25 per cent. The honourable member should go to ING Direct, because apparently it is pretty good. The Hon. A. B. Kelly wrote to Glenn Barwell on 29 May saying that the situation warranted close scrutiny. I understand that Country Labor is awaiting a reply from Mr Barwell. It will be keen to get that response, and no doubt it will notify the House at some stage in the future. I thank the honourable member for Bathurst for his interest and that of Country Labor in the plight of producers during this very difficult time.

POLICE ASSISTANCE LINE

Mr TINK: My question without notice is directed to the Minister for Police. Following an incident in which police refused to intervene while the theft of a \$45,000 motor car was in progress and instead referred the caller to the Police Assistance Line [PAL], where he waited 23 minutes for a reply, will the Minister ensure that police respond immediately to crimes in progress, rather than shunting off callers to the Police Assistance Line?

Mr WHELAN: I will ascertain all of the details to which the honourable member referred. However, this aspect was adequately canvassed at the estimates committee hearing last night, at which the honourable member was present. The way the question is couched indicates that, as the Commissioner of Police indicated, the guidelines would have to be changed to ensure that major current crime is not reported through the Police Assistance Line. I remind honourable members that PAL is a world-class system that has already received two million phone calls. Honourable members have been talking a lot about percentages today. Indeed, I heard the Minister for Agriculture refer to an interest rate of 6.25 per cent. According to the honourable member for Epping, one matter has been referred to PAL. However, in his question he did not say what happened after the call was referred to the Police Assistance Line and what action was taken during the immediacy of that crime. There are 1.999 million success stories, and the honourable member wants to talk about one unsuccessful story.

Mr SPEAKER: Order! I call the honourable member for Coffs Harbour to order. I place the honourable member for Lachlan on two calls to order. I call the honourable member for Pittwater to order for the third time.

Mr WHELAN: I know that the support level of the honourable member for Epping is plunging, but I doubt whether he will get to the one in two million percentage figure.

Mr TINK: I ask a supplementary question. In light of the Minister's answer, will he undertake an audit to see how many calls have a delay of 20 minutes before serious crimes in progress are followed up by police?

Mr WHELAN: If the honourable member had been paying attention at last night's estimates committee hearing he would know that the audit takes place at the time the call is made. I do not know where the honourable member gets his information.

Mr SPEAKER: Order! I place the Deputy Leader of the National Party on three calls to order. I place the honourable member for Epping on two calls to order.

Mr WHELAN: I have been to both Tuggerah and Lithgow. It is clear that the operators at both of those locations answer calls in a matter of seconds.

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

Mr WHELAN: When I was at Lithgow with the honourable member for Bathurst the time taken to answer a call was between five and six seconds.

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

Mr WHELAN: I think that is pretty good. I will have a look at the specific failure to which the honourable member for Epping has referred. I will have analysed in full and complete detail that one phone call in two million, and I will give the honourable member the necessary information. Why does the honourable member not do what everyone else does? Why does he not do what the South Australian police did? They had a look at our PAL system and said, "This is for us in South Australia". Why does the honourable member not do what Scotland Yard did after I visited there? Members of Scotland Yard came over here to see the PAL system. Guess what they are taking back to Scotland Yard? They are taking back the Police Assistance Line from Tuggerah and Lithgow, and it will be part of British policing. So the world-class PAL system has world support. I will look at the phone call referred to by the honourable member for Epping.

Questions without notice concluded.

CONSIDERATION OF URGENT MOTIONS

Enrolment Benchmark Adjustment Policy

Mr AQUILINA (Riverstone—Minister for Education and Training) [3.20 p.m.]: The motion of which I have given notice is urgent because of the letter I received from Dr Kemp last week stating that he would be taking an additional \$5 million away from public education commencing from June 2000. This is on top of the \$17 million that Dr Kemp has deducted from public education through his enrolment benchmark adjustment in the current Federal budget. As Dr Kemp's arbitrary deadline has already passed, it is imperative that the House deals with this vital matter with some urgency. Dr Kemp's actions directly impact on more than 760,000 students in government schools around this State. It is important now, more than ever, that the House recognises and debates the damage that Dr Kemp is doing to public education through his divisive enrolment benchmark adjustment.

Integral Energy Management

Mr DEBNAM (Vaucluse) [3.21 p.m.]: My motion is urgent because it goes to the heart of financial administration in New South Wales, especially so soon after the sixth budget of the Carr Labor Government. This urgent motion is all about Integral Energy. As we have heard over the past couple of years, there are massive financial problems within Integral Energy. We have heard a little more about those problems in the other place in the past few weeks. This is a matter of great urgency because it is of great concern not only to the Opposition and the wider New South Wales community but especially to taxpayers. Every single day this financial mismanagement is costing every single person in the State money. In recent years a major State-owned business has incurred losses in excess of \$200 million. It is a matter of urgency not only to debate the matter in this House but also to stem the flow of losses from this business and other businesses.

It is important that this House looks at the financial problems within Integral Energy. If this House debates this motion today we will be able to read that experience across to other State-managed businesses in New South Wales, apply the lessons learnt, and stem some of the losses being suffered. One of the difficulties that New South Wales faces is that the Carr Labor Government—which is incapable of managing even its own backbench—is attempting to manage massive businesses in this State. In recent years New South Wales taxpayers lost a lot of money while the Government twiddled its thumbs and ignored the serious problems.

Mr Nagle: Why is your motion urgent?

Mr DEBNAM: The motion is urgent because every day Integral Energy is costing the Minister for Education and Training money. Every single day in this State it is costing the Minister money to own these businesses but not manage them. The Minister is not managing Integral Energy, nor is he managing any other government business in New South Wales. One of the first measures that the Carr Labor Government put in place five years ago was corporatisation legislation. What were the changes? The Minister for Education and Training knows them well, but he turns away. What were the changes he put in place? He put in place the changes to make sure his Ministers could keep their fingers in the till and directly on the corporatisation process. It is absolutely critical that this House debates this motion today, because after five years the Minister has lost

\$200 million in just one company. That should focus the Minister's attention. I am sure that the Minister would be delighted to have that sort of infrastructure investment in his area. No wonder the Government is reducing capital expenditure by 3 per cent in next year's budget. The Government has to rein expenditure in because the Minister has lost \$200 million in Integral Energy in the past couple of years.

The Opposition acknowledges that the Government has made changes at board level, but it is urgent that we look at the remainder of the company. We also ask why the shareholding Ministers involved in Integral Energy did absolutely nothing. What is more, they refused to answer questions in both Houses, and they have refused to provide information on extraordinarily poor management processes within Integral Energy, as well as on the misconduct, highlighted in the other Chamber, in Integral Energy's decisions at board level.

The people of New South Wales have a right to know today what has happened to that \$200 million and how much more money they will lose from today. The people of New South Wales also want to know what the Ministers who have signed up to be shareholding Ministers of Integral Energy have done in the past few years about the massive problems within Integral Energy. The Minister for Education and Training is one of those Ministers who needs to be held to account. The Minister for Energy and the other Integral Energy shareholding Minister clearly knew what was happening but did nothing. This House ought to be extremely concerned that they failed to act at the right time on Integral Energy. That ineptitude spread and had the effect of multiplying that \$200 million loss across other government businesses. No wonder the Government has reduced capital expenditure next year. No wonder it will have a massive problem with the budget in the next 12 months. [*Time expired.*]

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

The House divided.

Ayes, 48

Ms Allan	Mr Greene	Mr Orkopoulos
Mr Amery	Mrs Grusovin	Mr E. T. Page
Ms Andrews	Ms Harrison	Dr Refshauge
Mr Aquilina	Mr Hickey	Ms Saliba
Mr Ashton	Mr Hunter	Mr Scully
Mr Bartlett	Mr Knowles	Mr W. D. Smith
Ms Beamer	Mrs Lo Po'	Mr Stewart
Mr Black	Mr Lynch	Mr Tripodi
Mr Brown	Mr McBride	Mr Watkins
Miss Burton	Mr McManus	Mr Whelan
Mr Campbell	Mr Markham	Mr Woods
Mr Collier	Mr Martin	Mr Yeadon
Mr Crittenden	Ms Megarrity	
Mr Debus	Mr Mills	
Mr Face	Mr Moss	<i>Tellers,</i>
Mr Gaudry	Mr Nagle	Mr Anderson
Mr Gibson	Mr Newell	Mr Thompson

Noes, 33

Mr Armstrong	Mr McGrane	Mr Stoner
Mr Barr	Mr Merton	Mr Tink
Mr Brogden	Ms Moore	Mr Torbay
Mr Collins	Mr O'Doherty	Mr J. H. Turner
Mr Debnam	Mr Oakeshott	Mr R. W. Turner
Mr George	Mr D. L. Page	Mr Webb
Mr Glachan	Mr Piccoli	Mr Windsor
Mr Hazzard	Mr Richardson	
Mr Humpherson	Ms Seaton	
Dr Kernohan	Mrs Skinner	<i>Tellers,</i>
Mr Kerr	Mr Slack-Smith	Mr Fraser
Mr Maguire	Mr Souris	Mr R. H. L. Smith

Pairs

Mr Iemma
Mr Knight
Ms Meagher
Ms Nori
Mr Price

Mrs Chikarovksi
Mr Hartcher
Ms Hodgkinson
Mr O'Farrell
Mr Rozzoli

Question resolved in the affirmative.

ENROLMENT BENCHMARK ADJUSTMENT POLICY**Urgent Motion**

Mr AQUILINA (Riverstone—Minister for Education and Training) [3.34 p.m.]: I move:

That this House:

- (1) condemns the Commonwealth Minister for Education, Training and Youth Affairs, Dr David Kemp, for his failure to withdraw the enrolment benchmark adjustment policy; and
- (2) calls on the Leader of the Opposition to join her Coalition colleagues in condemning the Kemp levy.

The viability of public education is under threat from the Commonwealth. One may well ask why and by whom. The answers are, of course, by the Commonwealth Government and by the man who is supposed to be the champion of education for all young Australians, the Commonwealth Minister for Education, Training and Youth Affairs, Dr David Kemp. Dr David Kemp is known to all as the champion of non-Government schools. He is the creator and advocate of the enrolment benchmark adjustment [EBA] policy which has shifted funding from public schools to private schools.

In truth, the EBA should rightfully be called the Kemp levy. It is a miserly levy which seeks to turn the legendary Robin Hood tale on its head by taking from the poor to give to the rich. It continues to give to non-government schools at the expense of public education. New South Wales has long fought against the EBA. We have argued long and loud that it is an unfair and divisive policy which takes funding from one sector to give it to another. We have had the support of education groups throughout the country representing both government and non-government groups. We have called upon Dr Kemp time and time again to abandon the policy. At the recent meeting of education Ministers, in a joint statement State and Territory Ministers resolved:

That a working party will review the issue of cost-shifting between Commonwealth and State Governments as a result of the shifts between public and private schools.

...

The Commonwealth agreed with State Ministers that there are concerns about the shifting of funds between education sectors. The Working Party will look at the impact of the EBA on the availability of funds to government schools.

Dr Kemp has ignored the call of the States, the Territories and the education community. He will not wait for the outcome of the review. Recently Dr Kemp wrote to me again advising that New South Wales will lose another \$17 million. This loss will be on top of the \$9.7 million and the \$4.3 million that he has already deducted. These EBA penalties come at a time of growing public school enrolments in this State. The enrolments in New South Wales public schools remain strong. They grew from 756,459 in 1995 to 764,665 in 1999 yet New South Wales is penalised by the loss of \$14 million and another loss of \$17 million which will follow, making a total of \$31 million.

The EBA penalises government schools by taking money away from public education when the proportion of students in non-government schools has increased compared to a 1996 benchmark. It is based on the absurd notion that State governments save money when the proportion of students in non-government schools increases. But with the increase in public schools enrolments, we need more teachers and we need more schools—and this costs more money. Because Dr Kemp will not withdraw the EBA, New South Wales government schools will lose yet another \$27 million in Commonwealth funding in 2001. If he persists with the EBA, this will rise to more than \$50 million a year in 2004 and beyond.

By next year the enrolment benchmark adjustment will take away from New South Wales an amount equal to the funding provided by the Commonwealth's Disadvantaged Schools program. The EBA will effectively cancel out the additional funding for government schools in the poorest and most disadvantaged communities in the State. The EBA—the Kemp levy—is a flawed policy. Dr Kemp's now famous adage that "If you can find a service in the *Yellow Pages*, you may ask why the Government is providing it" rings too true for his education policies. The Commonwealth Government's ideological fervour in wanting to privatise education is made most clear through the Kemp levy.

The Commonwealth budget shows that funding to non-government schools will increase by a massive 53.5 per cent between 1999 and 2004. Over the same period, when the Kemp levy is taken into account, it is anticipated that there will be a real decrease in funding for government schools in New South Wales—nothing extra, not a brass razoo, not an extra cent. I repeat, 53.5 per cent for non-government schools, but nothing for government schools. Next year the Commonwealth will introduce a new system for funding non-government schools, which, according to some estimates, could see the wealthiest schools score a 200 per cent to 300 per cent increase in funding.

Let me make it clear: The New South Wales Government is not opposed to supporting non-government schools. This year's State budget papers indicate an increase in funding for non-government schools from \$420 million last year to \$443 million. Since the Carr Government came to office in 1995 it has provided a 32 per cent increase in funding for non-government schools. But the New South Wales Government believes that the Commonwealth must demonstrate the same level of commitment to funding public education as it does to non-government schools.

The New South Wales Government cannot stand by and watch valuable funds being drained away from public schools. The 1999-2000 State budget indicated that \$10 million would be recovered from the non-government school sector. I purposely delayed the implementation of that recovery to give Dr Kemp the opportunity to withdraw his levy. When he refused, despite intense lobbying, I proceeded to recoup \$5 million from the 70 wealthiest schools in the State. The 70 schools are in funding categories 1, 2 and 3—the wealthiest schools by the Commonwealth's own admission.

When viewed against increased Commonwealth funding, those schools have lost amounts ranging from just 0.02 per cent to 4.5 per cent of their total per capita government funding. Some of these schools still receive Government funding in excess of \$2 million per annum, and they will receive even more under planned Commonwealth funding increases for non-government schools due to be phased in next year. There have been many rumours and much scaremongering among non-government schools in New South Wales about future State Government adjustments.

People are trying to scare small rural schools into thinking that they will be next. I want to put it on the record once and for all that the New South Wales Government's recouping of the Kemp levy will be restricted to categories 1, 2 and 3 schools. No school in categories 4, 5, 6, 7, 8, 9, 10, 11 or 12 will be affected. I also want to make it clear that the budget deduction for the 2001 calendar year is \$13.5 million—again only a partial recouping of the Commonwealth's cut to public education. No further deductions will be made this calendar year. It is proposed that \$5 million will be deducted in the first semester in 2001 and \$8.5 million in the second semester. Let me reiterate that none of this recouping, scaremongering and rumour mongering would be necessary if Dr Kemp withdrew this unfair and unnecessary levy. But he will not withdraw it and will not wait for the inquiry. In a letter to me last week he stated:

I have decided ... to reduce the 2000 general recurrent grant to NSW by \$5 million. This recognises the \$5 million saving you have recouped from non-government schools in NSW and which is now available to you for other school funding.

Dr Kemp is double-dipping. Not only did he take \$10 million last year; not only is he taking \$17 million this year; not only has he failed to take into account the fact that the New South Wales Government provides services to non-government schools—such as running the Higher School Certificate and providing distance education, Saturday schools of community languages and much more—but he has failed to take into account that New South Wales provides generous assistance in the form of interest subsidies, textbook allowances, travel subsidies, living-away-from-home allowances and the Back-to-School Allowance.

Not only has he pre-empted the outcomes of a review that he agreed to, but he has decided to punish public education in New South Wales by taking away an extra \$5 million. I have written to him again, in the strongest terms, calling on him to withdraw the EBA. I believe that this latest move is not only questionable constitutionally, but it is morally outrageous. It is a move which rightly should be condemned by the House; it is

a move that the Leader of the Opposition should also roundly condemn; it is a move that the Leader of the National Party should also condemn—he should remember that Kemp's policies are hurting rural schools. This is not about politics and ideologies; it is about fair funding for the children attending public schools. Why should they be disadvantaged?

The Opposition cannot sit on the fence; it must either support the Liberal-National Government in Canberra and Dr Kemp's levy, knowing full well the damage it is doing to public education, or it must add its voice to that of the Carr Government—and of the Olsen Government of South Australia, the Court Government of Western Australia, the Carnell Government of the Australian Capital Territory, the Burke Government of the Northern Territory, the Beattie Government of Queensland, the Bracks Government of Victoria, and the Bacon Government of Tasmania.

The State Opposition, together with the Carr Government and all other State and Territory Governments, must stand up for public education in Australia by opposing the Kemp Levy. I note that the Opposition spokesperson on education told the *Sydney Morning Herald* last October that "... the strength of an education system is the strength of its public education system". She went on to say she was concerned about the impact of the Federal Government's EBA, which reduces funds to public schools. The Commonwealth initiated this divisive policy, which has reopened old wounds about State aid. It is the Commonwealth's responsibility to end this morally outrageous and unjust Kemp levy. It is the Opposition's duty to call on the Commonwealth to end the Kemp levy.

Mr O'DOHERTY (Hornsby) [3.44 p.m.]: People are sick of this tit-for-tat war that is going on between Ministers of the Commonwealth and the States. It is a war which is already affecting not only funding for schools but the relationship between people within communities. I agree wholeheartedly with statement made recently by the Catholic Education Commission that it is essentially an argument between Commonwealth and State Ministers. I move:

That the motion be amended by leaving out all words after the word "That" with a view to inserting instead:

"this House"

- (1) notes the failure of the Federal Government to withdraw the enrolment benchmark adjustment policy;
- (2) welcomes the initiative of Dr Kemp in establishing a MCEETYA working party on the issue of cost-shifting in schools funding;
- (3) condemns the Government for failing to fund all schools according to the law; and
- (4) calls for an assurance that the Government will not further cut funding, this time to all non-government schools, regardless of category."

The Minister will no doubt pick up on the first part of my motion. It can be stated plainly that the Minister and I have shared a platform at which, when I was the shadow Minister for Education and Training, I stated on behalf of the New South Wales Coalition that we were not happy with the EBA and the way in which it had caused real problems in relation to the debate about the funding of all schools. It has caused community division to an extent that is grossly unfair, and it is causing real division. Parents and unionists from Government schools have picketed outside local Catholic parish schools. I cannot think of more anti-community behaviour. It has been aided and abetted by the dishonesty of the New South Wales Minister for Education and Training and the way in which he has prosecuted this case.

We can understand his concern about education funding. It is a right and proper concern. Other Ministers in other parts of the Commonwealth have also expressed their concerns. I have stated publicly that the Opposition has a concern, and my motion will confirm the level of our concern. The Opposition has made its views known to both the Prime Minister and Dr Kemp. But our concern goes beyond the dishonesty of the Minister's campaign and the campaign being waged by the New South Wales Teachers Federation. It must be stated for the record that not a single additional dollar goes to non-government schools as a result of the EBA.

The EBA is an adjustment to a benchmark, and it reflects the fact that if parents exercise their choice, as is their right—something that those on this side of the House believe in and something that those on the other side of the House do not believe in—and send their children to non-government schools, and if the percentage of students in non-government schools increases over time, as it has done over the last 10 years, unless there is an adjustment the State is making a very large saving. The Commonwealth is paying out more and more for its funding for students on a per capita basis, whereas the State Government is simply retaining the saving that it

makes as student numbers shift from one centre to another. This is about mathematical issues that are discussed at Loans Council meetings. It is not about direct funding for schools. It is simply dishonest—the Minister knows it is dishonest—to say that it is. The Minister is causing division, anger and pain in the community, and it must stop.

That is why the second part of the amended motion is very important. It recognises the importance of what happened at the Ministerial Council on Employment, Education, Training and Youth Affairs [MCEETYA]. David Kemp, chairing the meeting, moved that a working party be set up to look at the issue of cost shifting between the Federal and State governments when there are changes in the balance between the number of students in government schools and those in non-government schools. This is an important issue for the future of education in Australia. It is an issue to do with government funding across the Commonwealth, and I hope the MCEETYA working party comes up with a very good answer on it. The New South Wales Minister for Education and Training is a party to that procedure; he welcomed it, in a statement that I received, after the MCEETYA meeting. The very next thing that the Minister did was race out and threaten further cuts to non-government schools. The New South Wales Minister likes to say one thing at MCEETYA and another thing in the public forum. That is not a good way to proceed. It does nothing for the cause of education in government and non-government schools in Australia. The Minister must be held to account for that.

My motion also notes that the New South Wales Minister for Education and Training reduced the amount of money that goes into the pool of funding for non-government schools in New South Wales—and did so, by the way, without any warning at all. I have spoken to parents about this, and they have said, "If the Government intended to do that, at least it should have let us know." This announcement came at a time when schools were just doing their budgets for the year. Suddenly, the State Government took away some of their money without any warning whatsoever, leaving those schools in a very difficult situation. Parents in my community and in many other communities throughout the State—not just silvertails, but people in the electorates of many honourable members on the Government side—are affected by this policy. Those schools were left to find additional funding just so that they could continue to function. That is unfair and unjust, and the Minister cannot walk away from that.

More than that, what the Minister did is unlawful. I ask the Minister to address this question specifically in his response: Is he not aware of advice by senior counsel that what he has done is outside the law in New South Wales? The education Act specifies exactly how all schools are to be funded. In so far as non-government schools are concerned, the Act contains a formula related to the calculation of the average cost of educating a student in New South Wales. There is debate about the average cost. Nonetheless, a formula is arrived at, and the average cost is determined by the Minister. Then, according to the education Act and the law of New South Wales, the Minister must allocate 25 per cent of that average cost, per capita, times the number of enrolments, to the non-government school sector pool of funds, not to the individual schools. From that pool the individual schools take their funding, according to their category, whether it be category 1, category 12 or somewhere in between.

The Minister has taken away money that he must allocate to the pool. The Act does not allow him any discretion. The Minister has seen the senior counsel's advice which has told him that he is acting outside the law in New South Wales. It is a very serious matter for a Minister of the Crown knowingly to act outside the law. I ask the Minister to address that question and to inform this House what he will do in order to put the matter right. There are only two things that the Minister can do. He can either put the money back, and act according to the law, or change the law. Either way, he must provide this House with an answer. If the Minister chooses not to do one of those two things, he leaves himself and the State of New South Wales open to prosecution before a court. A Minister of the Crown should not do that. I ask the Minister to address that very serious matter.

My motion also asks the Minister to address this question. There are throughout the schooling movement rumours that are coming out of the department—not from only non-government schools, I am advised—that the Government has taken advice on further cuts to non-government schools that will affect not only schools in categories 1, 2 and 3 but all schools down to category 12. The second part of that rumour is that Catholics schools, currently in category 11, might be excluded. If that is the case, I am sure all honourable members would agree with that. These schools are not regarded as silvertail schools, but there are many schools in categories 10, 11 and 12. The Minister needs to explain why, if he is going to exclude Catholics schools, he will not do that across the board. We need to know what the Minister's policy is for funding all schools and whether he will fund all schools according to the law, which clearly sets out funding arrangements.

What has happened in New South Wales has happened preemptorily, outside the law, and as a political mechanism for the New South Wales Minister to beat up on the Commonwealth Government. The correct

approach is to go with what MCEETYA and David Kemp have done and say, "We do have a problem here relating to the shifting of percentages over time between the two sectors. That problem is causing cost shifting between the State and the Commonwealth, and the issue must be resolved in a way that does not divide communities but is helpful and appropriate." That is not the course of action that is being adopted by the New South Wales Minister, but it is a course of action that he needs to adopt.

The Minister went on to talk about tens of millions of dollars. At times I get the feeling that he believes the entire budget of the State of New South Wales of \$30 billion will be encapsulated by the enrolments benchmark adjustment. Nothing could be further from the truth. The Minister's dishonesty in responding to the motion today extended to his failure to acknowledge—although it is easily verified by checking the Federal budget—that Commonwealth funding to government and non-government schools has increased every single year in the life of the Howard Government. So when the New South Wales Minister talks about Commonwealth cuts to government schooling he is simply wrong.

That is another aspect of this debate that is causing alarm and division in the community. The community does not understand the complexities of the funding of schools. It is a very complex matter. We have direct per capita funding and financial assistance grants. One never hears the Government talk about financial assistance grants, the bulk grants given from government to government each year. Those grants for education are increasing. They are used by the New South Wales Minister for Education and Training to fund government schools. I repeat: those grants have increased every single year under the Howard Government. The enrolment benchmark adjustment relates to a tiny component of a very large budget. Nonetheless, it is a matter that we are concerned about, and we have raised those concerns with respect to the Commonwealth budget. We welcome all moves to stop this terrible divisive debate. [*Time expired.*]

Mr BROWN (Kiama) [3.54 p.m.]: Country Labor adds its voice to the call for the Commonwealth Government to abolish its damaging and divisive Kemp levy. Of particular significance is the damaging effect of the Kemp levy on rural and regional New South Wales. For many parents in the bush and the regions, public education is the only option. We heard the honourable member for Hornsby talk about people having the choice to go to government and non-government schools, but many parents and students in the bush have only one choice, and that is the local school. To have funds cut from that school by the Kemp levy is a disgrace. That is the only option that those children have to compete against the silvertails in some suburbs.

Dr Kemp's program of undermining public education has particularly harsh effects on the bush and all those who live there. The Kemp levy has already taken \$14 million away from public education, implying that there is much more money in the State budget. But this Government needs to spend money on education as well as all other aspects that go with running a government. To take \$14 million from public education is significant, and it hurts students in the public education system. Another \$17 million is being taken away by Dr Kemp this year. As the Minister has already informed the House, that figure will rise to \$27 million next year and to more than \$50 million per annum by the year 2004.

As a defender of public education, I am greatly disturbed by those figures. Let me put those figures in context. The Commonwealth contribution to the Disadvantaged Schools program is around \$23 million a year. The Kemp levy is effectively negating the Disadvantaged Schools funding. It is effectively taking away funds from the poorest and most disadvantaged communities in the State. That is a shame and a disgrace. Even though I do not have much faith in the conservatives' administration, I am disgusted that the Liberals and the Nationals are systematically taking away funds from the poorest and most disadvantaged. In fact, 265—more than 60 per cent—of the 477 schools in the Disadvantaged Schools program are actually in rural and regional New South Wales. Put another way, the Commonwealth provides \$4.7 million from the Country Areas program, which gives support to 211 isolated schools.

The Kemp levy will effectively take away more than three times that amount from public education this year alone. It will take more than 10 times that amount by the year 2004. In fact, the Kemp levy is premised on the idea that when the market no longer justifies the provision of a school a State or Territory should just close it down. I say to the conservatives in this debate that their idea of the market is wrong. It is wrong economically and it is wrong morally. Education is not an issue that should be driven by the market in any sense. If Kemp's reasoning were applied in Sydney with all his ideological zeal, the chances are that students would have access to a neighbouring school. But if Kemp's reasoning were applied to rural and regional areas, losing a school or having teacher numbers cut would irreparably damage students in the community.

The Kemp levy is clearly targeted at the bush, and Country Labor is on the case. If the New South Wales Government applied Kemp's reasoning, it would have no choice but to reduce the number of teachers or

to close schools in the bush. That is how Dr Kemp presumes that the States and Territories make savings when his policies cause the proportion of students in non-government schools to increase. But the New South Wales Government cannot and will not sit idly by and pass on Kemp's cuts to the bush, and nor will Country Labor. Country Labor has a say in this Government, and soon it will have a say in a new Federal Labor government. Perhaps then we will be able to turn around Dr Kemp's levy. In fact, the New South Wales Government has increased support to public education in the bush. The budget announced record funding for public education in New South Wales, at \$7.32 billion in 2000-01.

In my electorate of Kiama the recent State budget will provide \$4.4 million for the new Flinders Public School and building projects at Kiama Public School. Over \$11 million will be allocated to that region. The Government should be congratulated because it is looking after those who need help with literacy and numeracy, specifically through programs such as the Reading Recovery program. That is in stark contrast to Kemp's undermining of education and training in the bush. Members of the New South Wales National Party are implicit with him in their silence. I challenge the Leader of the National Party to stand up for public education in the bush. I commend the motion moved by the Minister for Education and Training, and I reject the amendment moved by the honourable member for Hornsby.

Mr RICHARDSON (The Hills) [3.59 p.m.]: Once again we heard the rhetoric of class warfare in the Chamber today. We heard the honourable member for Hornsby talk about the need to end this divisive debate and we heard all the nonsense from the honourable member for Kiama about silvertails and the fact that the Federal Government is supposed to be bringing money out of the bush. I have a list of 78 schools that will suffer under this Government's regime. That list includes schools in Mittagong, Moss Vale, Armidale, Albury, Newcastle, Orange, Wentworth Falls and west Wollongong—all country areas. The list also includes a school in Mount Druitt, which I certainly do not regard as a silvertail area. Opposition members strongly support the State school system. I, unlike the Minister, went to a State school. My daughter, unlike the Minister's children, went to a State school—Cheltenham Girls High School.

I have always been a strong supporter of the State school system. Why would I not be when I see the sorts of things that are going on in schools in my electorate? For example, I visited Murray Farm Public School to speak to students about the State Parliament. What a wonderful bunch of kids! The honourable member for Hornsby and I participated in the Schools in Parliament regional debate. Cherrybrook Technology High School in my electorate was represented in that debate. Another wonderful bunch of kids! On Friday I will attend the Castle Hill High School musical and, judging from its performance in previous years, it will be fantastic. On Monday the Oakhill Drive choir will perform at the unveiling of the Olympic cauldron at Hornsby council—another example to us all of how good our State education system is. I, and all Opposition members, support freedom of choice in education.

I am absolutely horrified at the Minister's tit-for-tat approach of ripping money out of 78 non-government schools, which are educating 50,000 children, without any warning whatsoever. That includes schools in The Hills district such as Northholm and Hills Grammar. Many parents of children at those schools have written to me expressing their anger about what this Minister has done in his war with the Federal Government. There is an assumption—we heard this from the honourable member for Kiama—that all parents who send their children to private schools are rich. They are, to use the word used by the honourable member for Kiama, "silvertails". Nothing could be further from the truth. Other issues are persuading parents to vote with their wallets in an expensive exercise to send their children to private schools. Why did the Minister choose to send his children to a Catholic school?

Mr Aquilina: For obvious reasons; because I am a Catholic.

Mr RICHARDSON: It costs him money to send his children to that school. I want honourable members to note that there are 4,000 fewer students in State high schools this year than last year—down from 310,000 to 306,000—and more than 8,000 new students have enrolled in non-government schools. Why is that so? I know that members opposite will say that it is all about resourcing, and because of the money being poured into those schools by the Federal Government. Yet we just heard the Minister extol the virtues of his Computers in Schools program—\$112 million over four years. Clearly, resourcing is not the reason that parents are choosing to send their children to private schools. There are other issues, as the Minister said. He chooses to send his children to a Catholic school because he is a Catholic. We support his right to do that. What we do not support is the Government's right, contrary to the education Act, to withdraw funds from the private sector, without any warning. The New South Wales Parents Council Inc. had this to say about this issue:

This action by the NSW Government is an unjust, irresponsible and vindictive action upon non-government school parents, their children and their school communities. It is an attack on the fundamental rights of parents to choose the kind of education that will be given to their children and to exercise that right without financial or other disability being imposed on them or on their children by government.

Opposition members certainly agree with those sentiments. While we have concerns about money being taken from the public education system, it is a matter for the Minister to sort out with the Federal Government. The Minister should not adopt this tit-for-tat approach and take money from private schools and parents who are working hard to send their kids to the schools of their choice.

Mr ASHTON (East Hills) [4.04 p.m.]: I, too, condemn the Kemp levy and congratulate the Minister for Education and Training on moving this motion. The Commonwealth's enrolment benchmark adjustment is a flawed, deliberately divisive and unfair policy. As the Minister mentioned earlier, the Kemp levy transfers money from public education to non-government schools when the proportion of students in the non-government sector increases. I will use this opportunity to highlight the Commonwealth's agenda to fund the undermining of public education in New South Wales. Dr Kemp and the Howard Government have embarked on some of the most radical changes in education policy in Australian history.

Dr Kemp's levy, if maintained, will potentially divide Australia over private and public education—something I thought we left behind in the 1960s. In 1996 the Howard Government abolished the new schools policy. This effectively removed all national planning controls on non-government schools, enabling a large increase in the number of non-government schools being set up. The Commonwealth also removed fundraising limits on non-government schools and removed limits on the amount of funding new schools could receive. The Kemp levy was also introduced in 1996. The Commonwealth budget papers for 1996-97 state that the increased funding and abolition of the new schools policy:

... will be offset by an enrolment benchmark adjustment for schools. This will enable the Commonwealth to obtain a share of the savings to State and Territory governments resulting from the expected shift in enrolments from government to non-government schools.

That statement is very telling in two ways. First, the Commonwealth budget papers contradict Dr Kemp's claim that no money is shifted from the government sector to the non-government sector. Second, the word "expected" shows that Commonwealth policy is actually designed to accelerate growth in the non-government sector. That means that the Commonwealth is using State and Territory money to fund the undermining of public education. The change in enrolment proportions that forms the questionable basis of the Kemp levy will become a self-fulfilling prophecy. A vicious anti-government schools cycle will be created. It goes something like this. The Commonwealth tax takes money away from the public education system; the Government gives extra money to non-government schools; there is a gap in resource levels between government and non-government schools, and that increases; and government schools find it harder to compete with non-government schools and students move to the non-government sector.

Dr Kemp's funding merry-go-round continues. Honourable members should remember that the New South Wales State system takes in every student who wants to attend, regardless of income, race, religion or handicap. There is a grain of truth in Dr Kemp's claim that the money taken away from public education does not go directly to non-government schools. It is worse than simply taking money from government schools and giving it to non-government schools—much worse. Every time Dr Kemp's dream of another student moving to the non-government sector comes true, the Commonwealth saves around \$600 in per capita funding to the State Government. Then the Kemp levy kicks in and takes another \$1,500 per student away from public education—a total of \$2,100. The non-government school gets an average of \$1,800 for that additional student. The Federal Treasury pockets the \$300 difference to prop up the Commonwealth's shaky bottom line.

The Kemp levy is not simply based on the flawed premise that State and Territory governments save money when students move to non-government schools. The Minister has already shown that that is not the case. The Carr Government has increased spending on education and training by \$1.5 billion or 28 per cent to a record \$7.2 billion since coming to office in 1995. The levy is based on Dr Kemp's drive to ensure that education and training is relegated to being just another section in the Yellow Pages. Dr Kemp is the most obsessive ideologue in the Coalition Government and his victims are the students in New South Wales government schools and the State's taxpayers.

The real question is whether the Leader of the Opposition will add her voice to the call for this divisive and flawed policy to be abolished. How long can she and the Leader of the National Party sit on the fence? The education spokesperson has already publicly questioned the enrolment benchmark adjustment. It is time for the

Liberal and National parties to break ranks with Canberra and stand up for public education in New South Wales. They should join the New South Wales Government and put public education first. I add my voice to that of the Minister, and challenge the Opposition to vote for this motion and for the future of public education. I commend the Minister's urgent motion to the House and reject the apology for the Kemp levy delivered by the honourable member for The Hills.

Mr AQUILINA (Riverstone—Minister for Education and Training) [4.09 p.m.], in reply: I thank the honourable member for Kiama and the honourable member for East Hills for their arguments in support of the motion I have moved. I should like to mention some of the matters raised by the honourable member for Hornsby and the honourable member for The Hills. The honourable member for Hornsby said that this money was taken away from category 1, 2 and 3 schools without notification, without notice. He claimed that suddenly the Government decided to take money away from non-government schools without giving any notification.

I refer the honourable member to what I said in my introductory remarks to the debate on this motion. The \$10 million that was to be recovered from the non-government schools sector was clearly indicated in the 1999-2000 State budget. I indicated that in May last year. There was a great deal of publicity about it at the time. It was obvious that was to be the case. I also stated that I purposely delayed the implementation of that recovery to give Dr Kemp the opportunity to withdraw his levy. It was when he refused, despite intense lobbying, that I proceeded to recoup \$5 million from the 70 wealthiest schools in the State.

That brings me to the second point. The 70 wealthiest schools are category 1, 2 and 3 schools. Non-government schools go down to category 12. Any notion that we are restricting choice, that we are taking away the choice of people to send their sons and daughters to non-government schools, is totally false. It needs to be brought to the attention of the House again that some of these schools in categories 1, 2 and 3 receive upwards of \$2 million in Commonwealth and State government funding. Any argument that the Government is restricting choice, cutting back the choice of parents about which schools to send their children to, is total nonsense. We are talking about recouping \$5 million from the wealthier schools, and this has meant a reduction in funding to some of those schools of somewhere between 0.02 per cent and 4.5 per cent. The funding we have taken from them is counterbalanced by the additional funding they have received from the Commonwealth.

There has been rumour mongering that other categories will be affected and that the Government intends to leave only category 12 schools unaffected. I refer again to the statement I made earlier: no schools in categories 4, 5, 6, 7, 8, 9, 10, 11 or 12 will be affected. I specifically make that point because I am aware of the rumours that are scaring non-government rural schools around the State into thinking they are going to lose their money. The rumours are not coming from the Government or from the department. I know where the rumours are coming from, and I can point the finger to the other side of the House. That is where the rumours are coming from. Members opposite are scaring non-government schools into believing that they will lose more funding. I cannot be more explicit than to say that the only schools affected are those in categories 1, 2 and 3—schools which in some cases receive around \$2 million in government funding.

The honourable member for Hornsby also raised the matter of legal advice. We all know we can get legal advice—and then we can get legal advice! I happen to have the Solicitor General's advice. The Solicitor General has stated quite unequivocally that the methodology followed by the Government in withdrawing this funding is in accordance with the Act. One cannot be more specific than that. The final point I wish to make relates to the working party. The honourable member for Hornsby claimed that the Federal Minister formed a working party to look into this matter. I repeat that the working party was not formed by the Minister. I moved the motion that it be a MCEETYA matter. The Minister refused to treat this as a MCEETYA matter and said that the States and Territories could have it as a motion of their own and not include the Commonwealth. It was not a MCEETYA motion at all, it was a motion of the States and Territories. In fact, New South Wales pushed for the abolition of the enrolment benchmark adjustment at MCEETYA. Dr Kemp refused. Dr Kemp stands condemned. I reject the amendment moved by the Opposition and I seek the support of the House for the motion I have moved.

Question—That the words stand—put.

The House divided.

Ayes, 52

Ms Allan	Mrs Grusovin	Mr Orkopoulos
Mr Amery	Ms Harrison	Mr E. T. Page
Ms Andrews	Mr Hickey	Dr Refshauge
Mr Aquilina	Mr Hunter	Ms Saliba
Mr Ashton	Mr Knowles	Mr Scully
Mr Bartlett	Mrs Lo Po'	Mr W. D. Smith
Ms Beamer	Mr Lynch	Mr Stewart
Mr Black	Mr Markham	Mr Torbay
Mr Brown	Mr Martin	Mr Tripodi
Miss Burton	Mr McBride	Mr Watkins
Mr Campbell	Mr McGrane	Mr Whelan
Mr Collier	Mr McManus	Mr Windsor
Mr Crittenden	Ms Megarritty	Mr Woods
Mr Debus	Mr Mills	Mr Yeadon
Mr Face	Ms Moore	
Mr Gaudry	Mr Moss	<i>Tellers,</i>
Mr Gibson	Mr Nagle	Mr Anderson
Mr Greene	Mr Newell	Mr Thompson

Noes, 28

Mr Armstrong	Mr Maguire	Mr Souris
Mr Barr	Mr Merton	Mr Stoner
Mr Brogden	Mr O'Doherty	Mr Tink
Mr Collins	Mr Oakeshott	Mr J. H. Turner
Mr Debnam	Mr D. L. Page	Mr R. W. Turner
Mr George	Mr Piccoli	Mr Webb
Mr Glachan	Mr Richardson	
Mr Humpherson	Ms Seaton	<i>Tellers,</i>
Dr Kernohan	Mrs Skinner	Mr Fraser
Mr Kerr	Mr Slack-Smith	Mr R. H. L. Smith

Pairs

Mr Iemma	Mrs Chikarovksi
Mr Knight	Mr Hartcher
Ms Meagher	Mr Hazzard
Ms Nori	Ms Hodgkinson
Mr Price	Mr Rozzoli

Question resolved in the affirmative.

Amendment negatived.

Motion agreed to.

BUSINESS OF THE HOUSE**Tabling of Document: Suspension of Standing and Sessional Orders**

Mr O'DOHERTY: I seek leave to move a motion to suspend standing and sessional orders to allow the Minister to table the Crown Solicitor's advice he referred to in the debate.

Leave not granted.

ROAD SAFETY**Matter of Public Importance**

Mr MARTIN (Bathurst) [4.27 p.m.]: I take this opportunity to draw the attention of honourable members to an issue that should be important to all of us, that is, road safety. On Wednesday 10 May I attended a road safety forum in the electorate of Bathurst. The Bathurst road safety forum involved a number of

community groups, government departments and corporate and industry representatives, including local government, police, the Department of Education and Training, the Motor Accidents Authority, WorkCover, health services, the Public Works Engineers Association, the New South Wales Ambulance Service, the Australian Road Train Association, the Department of Community Services, the NRMA and Staysafe. Also represented were a number of community and road user groups, as well as industry and corporate representatives from Telstra, EnergyAustralia and the heavy vehicle industry.

The Minister for Transport was at the forum, as was the honourable member for Cabramatta in her role as Parliamentary Secretary to the Minister for Roads. The Bathurst forum is the first in what the Government intends to be a series of summits looking at road safety issues. The Minister for Transport, and Minister for Roads, in his opening address to the forum, said that each year more Australians die on New South Wales roads than lost their lives in the Vietnam War. The Minister went on to say:

And despite the advances we have made—random breath testing, compulsory seat belts, safer cars and tougher enforcement measures—still every week 11 of our friends, neighbours, family members and workmates start a journey that they will never finish.

Those statistics should spark an interest in all of us to try to do what we can to improve road safety for all road users. Forum participants were divided into groups to discuss the following topics: heavy vehicles, fleet safety and freight; roads and roadsides; speeding and speed limits; youth road safety; vulnerable road users; Aboriginal road safety; drink-driving and driver fatigue; post-crash responses; and vehicle safety and restraints. I was particularly impressed by how wide-ranging and at times passionate the discussions were. The groups involved in the forum brought a depth of knowledge and a genuine concern to making our roads safer.

The wider community has a great deal to offer in both road safety ideas and experience. I believe that forums such as the one in Bathurst are an important way to develop a close partnership with community groups and progress the Government's agenda to halve the road toll by 2010. In some eyes that may be ambitious, but it is a worthy goal and I believe it is achievable. One group, whose topic centred on drink-driving and driver fatigue, identified the need for passenger participation. Why do passengers not take a more active role in encouraging drivers to take regular breaks during long trips? The group made the point that more often than not serious accidents result not only in the death or injury of the driver but the death or injury of his or her passengers. Consequently, passengers should also be the focus of road safety campaigns, in contrast to the campaigns which have traditionally focused specifically on drivers. Passengers should take the responsibility of ensuring that drivers keep to the speed limit and that someone is always awake and alert to keep the driver company on long trips.

The general consensus of forum members was that we must all work together to change the behaviour and attitudes of drivers and other road users. As a community we must address both urban and rural road safety issues to best develop an understanding that our roads must be shared with a variety of people and vehicles and that saving lives and reducing road trauma should be paramount in all our minds. Other forum members were alarmed at the lack of courtesy and total disregard for fellow road users. Often a little courtesy will go a long way towards improving conditions on our roads. We are all aware of the recent phenomenon of road rage, which has perhaps developed over the last seven or eight years.

As a community how do we set about changing road user behaviour and attitudes? The Government's Road Safety 2010 plan sets the challenge of saving 2,000 lives by 2010. Road Safety 2010 is built around three core aspects of road injury prevention. The first is safer vehicles. Improvements in the safety of vehicles can save around 725 lives by 2010. In the next decade even more improvements in vehicle safety will emerge. Current developments in vehicle engineering will ensure that all systems within a vehicle provide optimum safety levels. In vehicles of the future there will also be an emphasis on minimising harm to other road users such as motorcyclists and pedestrians. It is now a matter of making it happen.

Measures that could be introduced include the introduction of interlocks and other controls to ensure the safe operation of vehicles, an increase in the use of the most advanced safety features available in vehicles, the implementation of a safe fleet policy for the Government's own fleet and the promotion of the policy to other corporate fleet buyers, the encouragement of consumer demand for safety vehicles and equipment through promotion of the Australian New Car Assessment program results, and work with manufacturers and other jurisdictions to ensure that Australia's vehicles match the world's best practice.

The second component of Road Safety 2010 is safer roads. Improvements in the road environment can save around 595 lives by 2010. The State Government is committed to building and maintaining better and safer

roads. Future improvements will ensure that all new roads are built to the most stringent safety standards. Measures that could be introduced include the introduction of 50 kilometre per hour urban speed limits in local streets and even lower limits in areas of high pedestrian activity, such as shopping areas and central business districts. Already about two-thirds of New South Wales councils have, to some extent, adopted 50 kilometre per hour urban speed limits. Other measures include the introduction of mandatory road safety audits of all new road developments; expansion of the black spot program, including treatment of black spots around bus stops; the development of driver information and speed management systems; the introduction of traffic priority systems to ensure quicker responses by emergency services; and improved highway treatments to alert drivers to the onset of fatigue, and provision of quality rest areas.

The third important component of Road Safety 2010 is safer people. Improvements in road user behaviour can save around 680 lives by 2010. The State Government will encourage safe behaviour by doing all it can to ensure that drivers keep to speed limits, that they do not drive if their senses are impaired by alcohol or fatigue, that all vehicle occupants wear seat belts, and that novice drivers acquire adequate knowledge and experience before progressing to the next licence stage. Measures to make this happen include the introduction of a graduated licensing system for novice drivers; the rigorous enforcement of speed limits, with the introduction of automated speed camera technology; the introduction of alcohol interlock for repeat drink-drivers; and courts being given the power to have vehicles of repeat drink-drivers impounded. Some of these measures sound draconian. However, I believe it is important that we drive the message home; this is a serious matter.

Other measures include the introduction of seatbelt interlocks for repeat offenders for the non-wearing of seat belts; repeat offenders being ordered by the courts to undertake road safety education courses; and the implementation of alternative transport schemes for drinkers, in conjunction with the liquor industry, transport providers, local government, and health and community agencies. Much of this is happening now, but it needs to be reinforced. Further measures include the provision of information to drivers regarding locations of rest areas, and continuing to work with the community to provide driver reviver sites to combat fatigue-related accidents; and public education campaigns to ensure road users understand the dangers of speeding and drink-driving, fatigue and the non-wearing of seat belts. It would seem that these are, to a large extent, commonsense measures, but with the plateauing of the road toll in recent years the Government has acknowledged the need to continue to reinforce the importance of road safety because people become ambivalent about it.

All of the initiatives I have referred to will go towards making our roads safer. However, it is clear that all of them involve different levels of the community. Without the ongoing support and involvement of the community the process loses its efficacy. Forums such as the one at Bathurst are one way of involving the whole community in promoting road safety, while at the same time encouraging its continued participation. With the continued support of local government, community-based agencies, government departments such as the Department of Health and the Department of Education and Training, the hospitality industry, and industries and corporations, we are well on the way to reducing road trauma and road-related injury.

As stated earlier, there have been significant advances in road and vehicle safety. With the implementation of initiatives such as random breath testing, safer vehicles, better and increased enforcement measures, and the introduction of urban speed limits, there has been a reduction in the overall road toll. However, it appears the message is still not sinking in and unfortunately is being ignored by some, with tragic results. I encourage all people to set themselves firmly on track with Road Safety 2010 and, as part of a broader community, to encourage their families, their friends, their workmates and their neighbours to play their part in helping the Government to achieve its goal of saving 2000 lives by 2010. I commend the matter of public importance to the House.

Mr J. H. TURNER (Myall Lakes—Deputy Leader of the National Party) [4.37 p.m.]: The Opposition has no problem with endorsing any initiatives that seek to improve road safety, which is vitally important. During the year I left school I lost both of my parents in a road accident. My brother was severely injured in the accident and another three people were killed. I am, therefore, well aware of the trauma that road accidents can cause and, as I said, I am more than happy to endorse any initiative that will assist. Forums such as the one referred to by the honourable member for Bathurst certainly go a long way towards ensuring improvements in road safety. Indeed, I welcome the opportunity to perhaps participate in similar forums at some time in the future.

Having said that, other matters need to be considered. I point out that a recent report of the Auditor-General said that road maintenance has a strong impact on road safety. Therefore, it is vitally important that

funding allocations provided for maintenance of roads be maintained and, indeed, increased. As I travel through my electorate I observe the condition of some of the roads. There is no doubt that many of the accidents have been caused by the poor condition of those roads. In addition, now that the new freeway from Sydney is much improved, more and more city-based drivers are travelling up the line. Those drivers are not used to driving on country roads and on roads that are in a poor state of repair.

New and other problems that are associated with changes and improvements to the New South Wales road system need to be addressed by road safety authorities and forums. Driver boredom, a newly recognised problem, adds to the known dangers of fatigue. The upgrades that are taking place right along the Pacific Highway are nice to drive on but tend to make a trip more boring. Road safety authorities need to think about that. It is a fact of life that driving on a highway induces boredom, and at times I wonder where I am driving. Boredom cannot be entirely overcome by two-hour driver reviver breaks.

I detect, however, a new awareness about road safety issues. It is encouraging that many people take a break after two hours of driving. All the young members of my family drive—we live at Forster, three and a half hours from Sydney—and at some stage during their journeys home they stop and have a break. That is commendable. However, I was disappointed and angry that a BP service station at the end of the Sydney expressway chose to shut down a driver reviver station which had been set up directly across the road because the brand new service station owners felt that the driver reviver station was competing in the provision of cups of coffee.

I made a point of contacting the driver reviver personnel who provided the refreshment, an initiative of the Lions Club. I stand to be corrected—I notice that Staysafe committee officers are in the foyer—but I believe that that driver reviver station was the first in New South Wales, and it has probably saved many lives. The view adopted by that BP service station was very shortsighted. The delusion that a person becomes 10 foot tall and bulletproof when behind the steering wheel of a car has become passé. Young people by and large acknowledge the need to adopt a responsible attitude to driving and alcohol. Perhaps I should not make an admission, but a few months ago after having had a single beer I went to hop in my car to drive down the street—and my daughter refused to give me the keys. She is to be applauded. I assure this House that I was not over the limit and was not intending to break the law in any way whatsoever, but I was encouraged and heartened that my 21-year-old daughter, who drives a motor vehicle, displayed such responsibility. I was greatly relieved and encouraged by her action. We can all take heart from the responsible attitude being displayed by young people.

I have no intention of playing politics with the Government's objective of cutting the road toll by half by 2010. I hope that the Government can achieve that objective, but I also hope that road safety campaigns do not generate false hopes. Interaction between community and government is needed to make a program work, as the honourable member for Bathurst has pointed out. Governments of any persuasion must assume a leadership role to ensure that programs are workable and are supplied with material resources to enable them to work. Notwithstanding the bipartisanship spirit that has prevailed during this debate, I express my disappointment that the roads black spot program in the budget was cut by the New South Wales Government for the second successive year, from \$20.5 million to \$19 million. That is not conducive to promoting road safety and addressing road safety problems. I urge the Government, if it is serious about road safety and halving the road toll by 2010, to give earnest consideration in future budgets to ensuring that the black spot program allocation is enhanced sufficiently to ensure that road accident black spots are upgraded.

I acknowledge especially a group in my electorate, the Hallidays Point Lions Club, which has addressed road safety issues. Two months ago in a tragic accident in my electorate three young year 12 high school girls died. Their deaths are even more tragic as another three students had died in an earlier accident. Their year 12 class now has six fewer young people than when they commenced their school year in January. It appears that the cause of the accident in both cases was not speed or any other notorious factor. Although the matter has to be determined by the Coroner—and I do not wish to prejudge any findings—the police have indicated that the cause was more likely to be inexperience than anything else. Regrettably, the other car with which the vehicle carrying those accident victims collided contained two young people, both of whom were severely injured. They were travelling to the place from which the three accident victims were returning. In a response to those tragedies, the Hallidays Point Lions Club has taken it upon itself—it has only 16 members—to conduct driver education courses for young people in the local community.

Driver training classes were held last weekend. The courses were swamped and were booked out by young people who wanted to participate. That indicates the willingness of some young people to be involved in driver education. The Hallidays Point Lions Club is endeavouring to persuade the Lions Club organisation to

adopt its initiative as a national program to assist in reducing the road toll. One can only imagine how the tragedy has affected the families of the three victims of this latest accident. The loss of young life in such tragic circumstances has cast a pall over the community in which I live.

I endorse the establishment of road safety forums, but the Government has to put its cards on the table. If the Government is serious about addressing the road toll, it must upgrade roads to an acceptable standard. A number of factors and components are involved in any accident, including driver error, driver fatigue, road surfaces and design, the vehicle involved, alcohol—and speed. Those elements make a very potent mixture. Those issues can be addressed in forums, by committees, and by this House, but the message still might not get through to the community. Having said that, I endorse the comments of the honourable member for Bathurst. I hope that one day the extent of bipartisanship on road safety might be sufficient to permit me to attend one of the forums.

Mr McBRIDE (The Entrance) [4.46 p.m.]: First, I express my sincere condolences to the honourable member for Myall Lakes for the tragedy he revealed to the House about the death of his parents and the injuries sustained by his brother. I congratulate his daughter on for providing a perfect example of the type of behaviour that the Staysafe committee is endeavouring to encourage all young drivers to adopt. I very much appreciate the comments made by the honourable member for Myall Lakes in that regard. I congratulate the Hallidays Point Lions Club for its positive reaction to a tragic accident. As the honourable member for Myall Lakes stated, two months ago three young people were killed in tragic circumstances. Road safety is an issue that transcends all levels of society and affects all communities. The honourable member has described a very positive community response to a community issue. Such a response has been the real goal of the road safety forums established under the 2010 road safety strategy for New South Wales.

I congratulate the honourable member for Bathurst on his concern for road safety issues in his electorate and throughout New South Wales and on his efforts to have the first-ever road safety forum held in Bathurst. I have learned that in country communities one does not have any difficulty selling the concept of road safety—solely because of deaths in accidents of the type described by the honourable member for Myall Lakes. When a person is tragically killed or seriously injured in a road accident in country New South Wales, every person in that non-metropolitan community becomes aware very quickly of the death or injury and how that will impact on the community. In my former role as Parliamentary Secretary for Roads and now as chairman of the Staysafe committee, I have personal experience, through the submissions that have been made to me from every level of the community, of that sincere and heartfelt response. Country and regional areas of New South Wales treat road safety as an issue of enormous significance because the lifeblood of the community is at risk.

A number of proposals in the Government's 2010 strategy are the result of previous Staysafe committee hearings and deliberations. I notice that the honourable member for Port Macquarie, a member of that committee, is present in the Chamber. Staysafe has been a statutory committee of the Parliament for 18 years and during that time many issues mentioned in the 2010 strategy have arisen. First, the graduated driver licensing system, endorsed by the Government, is to be introduced on 1 July. Second, the 50 kilometre limit for urban areas was heavily pushed by the previous chairman, the honourable member for Blacktown, and was supported and/or adopted by 60 to 80 per cent of councils. Third, targeting of repeat offenders resulted in the establishment of the traffic offender program. Last, revitalisation and redesign of town centres will make them pedestrian-friendly. Pedestrians comprise one quarter of those killed in vehicle accidents. That fact has not been recognised by road designers and road safety officers in local government and in the Roads and Traffic Authority, where emphasis and priority has been placed on vehicle numbers and movements. That focus has been turned around towards recognition of the rights of pedestrians as well as of others who use the road.

The 2010 strategy forums will reach out to the local community. Change in the local community will bring about a reduction in road safety. During the past five to six years the nationwide annual road toll has bottomed out at approximately 560 to 580. One of the goals of the Staysafe committee is to reach out to communities and ask for community solutions to problems. Solutions will come forward not so much from road safety professionals but from community reaction to road accidents and tragedies suffered by others in a community. A number of matters will come to the notice of the Parliament in the not too distant future. We want to look for new solutions to the problems. There has been a major reduction in the number of people killed on the roads. [*Time expired.*]

Mr MARTIN (Bathurst) [4.51 p.m.], in reply: It is important to take an all-inclusive community view of the problem. Governments can develop strategies and plans, but unless they are firmly implemented and targets set their impact is lost. It has been said that the halving of the road toll by 2010 is an arbitrary target, but

it is important to focus on the target. The Government and the Minister believe it is achievable and can be used as a benchmark to measure progress. It may be that by 2010 that figure will have to be reaffirmed. I hope that the target at which the 2010 strategy is aimed can be improved.

As the chairman of the Staysafe committee has said, governments have to show a lead in these matters. The acid test in certain areas is to put up infrastructure money. As the Deputy Leader of the National Party pointed out, as our roads are improving with freeways, drivers have to contend with the new problem of boredom. We have to recognise the fallibility of human nature and that as things improve we become complacent. I believe that one of the reasons the road toll is plateauing is that we are becoming complacent. Honourable members are aware of the success of the compulsory wearing of seatbelts in cars and random breath testing, about which civil libertarians had a lot to say when those measures were first suggested. Their tremendously successful impact has levelled out and something new needs to be done to get the ball rolling. The work of Staysafe is important as it reinforces the message.

In the old days it was just a matter of a person 17 years of age attending, ticking a couple of boxes and then getting a licence, but that is now a thing of the past. There is no substitute for experience. It is difficult to put an old head on young shoulders. There will be some impatience and annoyance from young people as they have to go through a more rigorous process to satisfy new licensing requirements. They will hold P-plates for a longer time. It is important and necessary today to make the acquiring of a licence not a right but something that has to be earned. We must make people respect a licence. It is not only a matter of penalties being imposed on new drivers when they transgress. The testing for and attaining of a licence must be made as rigorous as possible so that when novice drivers, young people in particular, gain the status of being a fully qualified driver they will have experience and defensive driving skills to contribute to make the roads safer. I commend the motion to the House.

Discussion concluded.

CRIMES (FORENSIC PROCEDURES) BILL

Second Reading

Debate resumed from an earlier hour.

Mr TINK (Epping) [4.57 p.m.]: I am happy to support this extremely important bill. As other honourable members have said, its importance is best demonstrated by an examination of the United Kingdom experience and, in particular, the circumstances following the tragic rape and murder of a 15-year-old school girl, Linda Mann, in November 1983 at Leicester in England. Three years after that murder another 15-year-old girl was also raped and murdered within a short distance of where Linda's body was found. Subsequently a 17-year-old youth was arrested and confessed to the murder of the second person but denied any involvement in the murder of the first person. The police believed that he had committed both murders and because of the complexities of the case sought out Professor Jeffreys of Leicester University who was doing pioneering work on DNA. DNA testing was done and the extraordinary result was that the person who confessed to the second murder was not capable, according to those tests, of having committed either murder so the proceedings against him based on his own confession were dropped. Subsequently, another person came under notice and, through some DNA testing of 600 people from villages around the murder scene, one person persuaded a friend to stand in during blood testing, altered his passport to use as identification, and got somebody else to take the test for him. When that subterfuge was uncovered, that person was DNA tested and subsequently found to be guilty of both murders.

That story goes to the genesis of the use of DNA testing in criminal forensic work and encapsulates all the issues quite neatly. It demonstrates very powerfully how police can, despite their best efforts, come to conclusions that are wrong, but how science can then be used in aid to discount hypotheses that otherwise are reached on an honest and reasonable basis. That was exactly the circumstance in that case. It illustrates also how a person in a community who is not in any way under notice can be identified beyond doubt in an equally powerful fashion through the use of DNA testing. That is why the bill is so important to furthering criminal justice in this State. That is why I personally am pleased to strongly support it.

A lot of work of various individuals and groups has gone into analysing in detail the content of this bill. I want to place on record my thanks to everybody, including the Law Society and the Bar Association, as well as many other groups and concerned individuals who have made submissions on the bill. I can assure the House

that I and many others on my side of politics, as well I am sure as many on the Government side, have paid close attention to all of those submissions. I certainly have, and I have given them a lot of thought. The issues raised in those submissions cut both ways from the model bill, which, as honourable members know, is the basis for the bill that is now before the House. It is fair to say that in some ways the bill before the House deviates from the model bill, in fact making it narrower than the model bill. In other ways the bill deviates from the model bill to make it wider in its scope.

If I could give just two examples. The bill before the House is narrower than the model bill in as much as it only allows testing of convicted serious indictable offenders who are serving a sentence of imprisonment. As I understand it, the model bill allowed the testing of people who had been convicted of a serious indictable offence, whether those persons were serving a sentence of imprisonment or not. I raise that as a fundamental divergence from the model bill that makes the measure before the House tighter and more restrictive than the model bill.

As has been pointed out in many of the submissions made on the bill, there are some fundamental provisions in respect of which the bill before the House is wider than the model bill. I wish to touch on just one. The bill now under debate says that there should be reasonable grounds to believe that a forensic procedure might produce evidence tending to confirm or disprove that the suspect committed an offence. As many of the submissions point out, that is a much wider test than the test contained in the model bill, which was couched in terms that there must be reasonable grounds to believe a suspect had committed the offence.

In relation to the submissions and concerns that have been raised, and the changes that have been proposed, some relate to the bill being too narrow whilst others relate to the bill being too wide. What is to be made of all this? First of all, it is very important to understand that the bill before the House is not derived solely from the Cabinet Office. If it were, with no disrespect to anybody in particular, I would be much more concerned about not necessarily the content of the bill but the need to take a lot more time than is proposed to be taken to consider this legislation. It is important to bear in mind that this bill is based on model legislation that has been in the pipeline for a long time and that it is legislation that has been the subject of lengthy consideration and deliberation by the Standing Committee of Attorneys-General of Australia.

In May 1999 that committee produced a lengthy report that delved into this matter in great detail. That report, of almost 200 pages, was followed in February this year by the model forensic procedures bill being produced by the same committee. While it is fair to say that the bill provides the basis for legislation Australiawide, it is neither suggested nor said that the bill should not allow some divergence from the model where, in the particular jurisdiction, it is appropriate to do so. I would like to draw the attention of honourable members to page 6 of the final draft of the model forensic procedures report that I have, which says in the introductory note:

The provisions will also need to be adjusted in each jurisdiction and appropriate consequential amendments made to take into account local circumstances, in particular local legislation relating to police interviews and search procedures.

I might indicate that one of those local matters that has to be taken into account in this jurisdiction—and I believe it has been—is the provision relating to time out procedures. This is not a bill that has suddenly hit the deck after a short gestation period in the Cabinet Office. This is a bill whose substance has been in the making for a couple of years, and it has been very carefully considered by the Attorneys-General right around the country. In its model form, it comes with the strong endorsement of a wide diversity of people. As to the changes from the model through to the particular bill, though some provisions are narrower and others are wider in their scope, I have come to the view that all of them—and I do have some informal Federal advice on this—are within the parameters of the introductory note that I read from the forensic procedures model provisions report. Therefore, I do not think it is appropriate for me now to start kicking through the traces of the individual proposals, to turn around what I believe broadly represents the reasonable requirements of police in this State. It is on that basis that I address the matter.

Having said that, there is no doubt that this legislation is extremely wide-ranging. It has been said that it is the fingerprint of the twenty-first century. Up to a point, I think that analogy is a fair one. It is critically important that the Parliament do as the publicly rightly and overwhelmingly expects, that is, take up scientific advances that assist in the detection of crime, particularly serious crime, whilst at the same time trying to get the balance right when it comes to the practical enforcement of this new legislation and new techniques to ensure that they are not abused. It being a developing technique, obviously there are procedures for dealing with this measure and skilling up police, to ensure police are across the details of what is required so that they can properly use the powers they have been given to achieve just convictions, and also to ensure that people who may be in gaol unjustly are released.

For those reasons there is a lead time in the introduction of this legislation, as has been outlined by the Minister. So, whilst it is said that the legislation is not to come into force until the beginning of next year, I do not think it is right to say either that in the meantime we have six months to consider the bill in Committee and all that sort of thing. It is important, I believe, to get this legislation under way now. I propose to move an amendment to change the provisions relating to the Ombudsman's powers of oversight. One of the corollaries of extending these powers to police in circumstances which, in some ways, take matters into uncharted territory, is that they require more than the usual rigorous oversight by the Ombudsman. For that reason, I believe that clause 121 is in need of amendment. The oversight provisions which were taken from the knife legislation need some firming up. The Government has a copy of my proposed amendments, but I foreshadow that I want to see a number of provisions included in this clause.

The Opposition is serious about this amendment, and wants it to operate from the date of assent to the bill rather than from the date of proclamation. Regrettably, in the past amendments have been passed by the Parliament but they have never been proclaimed. We want the Ombudsman to have the power to report to Parliament, through the Minister, at the earliest opportunity—that is to say, as soon as practicable after the report has been received by the Minister. Whenever the Ombudsman wants to report to Parliament or express a concern about the operation of this legislation, after it has been assented to, he should be able to do so. The Parliament should, without the slightest delay by the Government, receive a report from the Ombudsman detailing whatever is on his mind.

The Opposition believes that the provision in the current bill requiring the Ombudsman to report at the end of 18 months should remain. No matter what reports the Ombudsman makes in the interim, it is important for him to make this report at the end of 18 months. However, it is not something that should just go to the Government and the Commissioner of Police; the report should also be presented to the Parliament. The Opposition was concerned about the knife legislation. The Commissioner of Police and the Government received a report from the Ombudsman concerning that legislation.

As I understand it, that report was not released to this Parliament until some time later. Consequential upon that is a proposal to amend the reporting period of 18 months to two years. That would not be a substantial change. The Opposition will move the amendment simply because we want the bill to commence from the date of assent, not from the date of proclamation, which the Minister said would be January next year. If it commenced from the date of proclamation we would have to add six months to the 18 months to arrive at the correct time. The Opposition supports the bill, but believes that the Ombudsman must have assertive and aggressive oversight of the legislation. He must be able to report to the Parliament at any time to ensure that this legislation is working properly.

Debate adjourned on motion by Mr Mills.

Pursuant to sessional orders business interrupted.

PRIVATE MEMBERS' STATEMENTS

ASIAN PHYSICS OLYMPIAD

Mr ROZZOLI (Hawkesbury) [5.15 p.m.]: It is with pleasure that I recognise the achievements of a group of young Australians and, in particular, four young people from New South Wales. Recently five students of Australian high schools attended the first Asian Physics Olympiad in Indonesia. We hear in the media of tensions between Australia and Indonesia and of who might or might not be welcome in that country. But these five young Australians were made welcome in Indonesia and were embraced by that country, and the other countries that participated in the Olympiad, in a friendly and generous fashion. It is interesting that of the five students who attended this prestigious event, four were from New South Wales and two were from western Sydney—something in which I, as a western Sydney member, take pride. Garth Pearce, one of the two young people from western Sydney, and the son of constituents of mine, lives in my electorate, although he attends Penrith High School. I take this opportunity to congratulate Garth. I would also like to congratulate Chi Yuen Tsui from Wetherill Park, who attends Bossley High School.

Australia's involvement in the Asia Physics Olympiad is co-ordinated by the Rio Tinto Australian Science Olympiads [RTASO], with support from the Australia-Indonesia Institute. As well as co-ordinating

Australia's involvement in this first Olympiad, each year RTASO selects and trains students to compete against more than 70 countries at the international science Olympiads held in July under the auspices of UNESCO. The RTASO encourages excellence in science education in Australia through a partnership with Rio Tinto, the Commonwealth Department of Industry, Science and Resources and the Department of Education, Training and Youth Affairs, under its Quality Outcomes program. As I said earlier, the five young Australians who arrived in Jakarta received a warm welcome. There was extensive newspaper and television coverage and posters were prominently displayed along all the main streets. There was no doubt that that was effective, as those participating in the Olympiad were recognised and applauded wherever they went. The Olympiad's large closing and opening ceremonies were attended by the President and Vice-President of Indonesia. The teams were also individually presented to the President.

Let me give some indication of the degree of work involved. The teams trained for up to 10 hours each day. The Olympiad comprised two five-hour examinations. The Australians were up against tough competition. Garth Pearce—who, as I said earlier, is from the Hawkesbury electorate—got the highest honourable mention of any of the Australian contingent and missed out on a medal by only 0.2 per cent. Given the competition that these young people were up against, this was a wonderful result. Of course, they had a little time away from their hard work to discover the culture of Indonesia. They were shown around and treated very well by their hosts, and gained a valuable insight into Indonesian culture.

It was disappointing, however, despite the meritorious achievement of these young Australians which rated with any other international achievement in Australia, the daily press and television completely ignored their participation. It makes young people wonder what they have to do to gain recognition. Do they have to break the rules? Do they have to misbehave? Those are the sorts of actions that seem to rate coverage. It is an indictment of our media that there is not more publicity given to young people such as these, to encourage other young people to achieve similar heights. Even the western Sydney papers failed to pick up on the fact that two excellent young students from that region participated in this Olympiad. Following this private member's statement I will endeavour to remedy that oversight. I am sure that all honourable members will join with me in congratulating these wonderful young people. [*Time expired.*]

URBAN BEEKEEPING

Ms ALLAN (Wentworthville) [5.20 p.m.]: I take this opportunity to inform honourable members that last Friday and Saturday I attended the eighty-seventh annual State conference of the New South Wales Apiarists Association in Tamworth. Many honourable members would be aware, as they have beekeepers in their urban and rural electorates, that there are many challenges facing beekeepers in this State. I must admit that the speech I made to beekeepers last Friday highlighted some of those issues. I want to talk about a number of issues this afternoon as they affect my constituents as well as the constituents of other honourable members. Those issues relate to the challenges facing beekeepers. Can I say first of all how much I enjoyed the conference. I congratulate in particular Greg Roberts, who is entering his fifth term as President of New South Wales Apiarists, and Margaret Blunden, Secretary, on their hospitality and support during the conference.

Many issues were discussed last weekend by the 300 or more delegates at the conference, and I shall focus on only a couple of those issues. A nomination has been submitted to the National Parks and Wildlife Service scientific committee that the occupation and use of tree hollows by the introduced honey bee, *apis malifaria*, is a threatening process. For those of us who are not so familiar with the threatened species legislation in this State, that means that the apiary industry in this State—and we have the largest apiary industry in Australia—would be adversely affected if this threatening process were to be determined. It would mean that honey bee keepers would not be able to continue their work of introducing a successful beekeeping industry as well as the important pollination they undertake for agricultural industries generally.

At this stage the National Parks and Wildlife Service and the scientific committee have yet to determine the outcome of their investigation, but already beekeepers are feeling very anxious. I hope the scientific committee's determination is very broad if it finds that the honey bee is a threat to native flora, to ensure that the apiary industry does not suffer any major disadvantage. I believe that view would be strongly supported in this House. The Director-General of National Parks and Wildlife has already confirmed to the New South Wales apiary industry that if this threatening process were to be determined, it would have a major impact on beekeeping policies within the State.

It always disappoints me that conservationists put themselves at odds with beekeepers. I see beekeepers as natural allies. We have seen many examples of the beekeeping industry getting behind major conservation

issues in the State. Unfortunately, the New South Wales conservation movement in particular has decided that honey bees are a real threat, although there is little scientific evidence to back up that theory. Other challenges face the apiary industry. Up until a few months ago there was a major proposal for a charcoal plant to be established in Pilliga State Forest. Fortunately, the Government decided that because of the adverse effect it would have on the forest, the plant would not go ahead.

I noticed as a result of my visit to Tamworth last week—and other honourable members would be aware of this because the emails have been running hot in the past few days—that a similar proposal has been mooted for the Vickery coalmine site outside Gunnedah. If that proposal goes ahead the important white box forests in the Liverpool Plains will be burnt to provide charcoal for this silicon operation which, unfortunately, is based at Lithgow. Beekeepers are most anxious about various issues that are affecting them.

An issue of particular concern to urban beekeepers is the Department of Urban Affairs and Planning [DUAP] inquiry into that unfortunate event a couple of months ago in which a woman was killed by bees in her backyard. I have looked at the coronial inquiry report on that matter. Unfortunately, the Coroner has recommended to the Government that tighter regulations should be enforced as a result of the death. Given that there have been virtually no deaths as a result of urban beekeeping this century, that recommendation seems rather odd. However, the Coroner has made that recommendation and the Minister for Local Government is obliged to consider it. I will urge him to take into account the 166 submissions made to the DUAP inquiry and ensure that urban beekeeping is not discouraged in our society. It is an excellent hobby and it would be most unfortunate if urban beekeepers were disadvantaged.

BRUNSWICK VALLEY POLICE AND COMMUNITY YOUTH CLUB CLOSURE

Mr D. L. PAGE (Ballina) [5.24 p.m.]: I wish to raise a matter of concern to me and to residents of the Brunswick Valley and Byron shire. Late last week the Secretary of the Brunswick Valley Police and Community Youth Club [PCYC] received a letter effectively telling the club that it had to close. The letter, which was dated 29 May, was from the senior constable branch controller and reads:

This is to inform you that I have been directed to withdraw "PCYC" involvement in the Brunswick Valley sub branch immediately. This entails the removal of PCYC signage, equipment belonging to the main branch to be returned along with the vehicle and Policing involvement to cease. Monies raised within the local community for the use by the sub branch will be handed over.

The reasons for this decision are as follows as provided to me from State Office PCYCS on 26 May 2000 by fax:

1. Billinudgel area has few incidents of juvenile crime or antisocial behaviour. Therefore it is not a priority for PCYC to remain involved in program development there.
2. The proposed location for the activity is not considered appropriate for PCYC operations in terms of its structure.

The PCYC in this area has been in operation for more than 14 months, and I would have thought if there were any problems associated with the structure they would have come to light by now. I believe that the reason given in No. 1 is objectionable and illogical. The PCYC has been told that it has to close its doors because crime in the area is not high enough. This is a pathetic reason given by Sydney bureaucrats to close the PCYC. Has it not occurred to these people that one of the reasons youth crime in this area is low and under some sort of control is that the PCYC gives young people in the area something to do, which deters them from becoming involved in criminal activity?

The PCYC has a membership of 145 young people aged from three years to 18 years. The club is funded by the local community and provides a range of activities including gymnastics, boxing, athletics and dance classes. It has even formed its own youth choir. One can imagine the outrage felt by the parents of these young people at this unbelievable decision to close the PCYC. One parent even suggested that they send their kids to break into a few shops or steal a few hubcaps to get the youth crime rate up. Obviously this is not on, but I believe it highlights the stupidity of closing something that is successful in keeping crime down. If the PCYC were to close it would effectively be promoting youth crime. How sensible is that?

The Billinudgel PCYC serves a much larger area than Billinudgel. It includes the area of Ocean Shores, Brunswick Heads, Mullumbimby and Byron Bay. Regrettably, there are considerable problems with youth crime, particularly involving drugs and alcohol. The comment in the letter that the crime rate in Billinudgel is not high enough to justify a PCYC is ridiculous. The PCYC is also helping to keep youth crime under control in much of Byron shire.

Last Friday when I heard about the decision to close the PCYC at Billinudgel I immediately rang the office of the Minister for Police to complain. I requested the Minister's personal intervention to reverse this

crazy decision. I followed that with an urgent fax explaining why I believe the decision should be reversed. Tonight a large public meeting will be held to protest the Government's decision. A petition is currently circulating which I am sure will receive wide support. It is unfortunate that I could not attend the public meeting because Parliament is sitting, but I would like to have attended. Hopefully, this private member's statement will be of some assistance. This year the PCYC received a grant of \$15,000 from the Chincogan Fiesta, and if it is forced to close obviously the money raised by the community will have to be returned to the Fiesta committee.

To summarise, many parents send their children to the PCYC because they know they are safe places in which young people can enjoy participating in activities that encourage individual development, achievement, social skills and leadership, all at minimal cost. Children are the future of our nation and their growth and development must be positively nurtured in every way if they are to survive the negative elements in today's society. Furthermore, the PCYC promotes good relationships between young people and police. It is a disgrace that a successful and increasingly popular service with 145 members should be closed because the youth crime rate is too low. If youth crime is being controlled, the worst thing would be to close down the agent responsible for that successful outcome—the PCYC. I appeal for some sanity to prevail in this issue. I implore the Minister to intervene to reverse this ridiculous decision to close the PCYC simply because it has been too successful. *[Time expired.]*

SURRY HILLS ELECTRICITY SUBSTATION

Ms MOORE (Bligh) [5.29 p.m.]: Residents in the newly completed, high-density residential apartment block, Sydney Mansions, have been shocked to discover that EnergyAustralia plans an electricity substation in Golden Lane, Surry Hills, within metres of their homes. The State Government and Sydney City Council have encouraged people to move into and revitalise the inner city, and the Commonwealth Street area has benefited from this urban renewal. The area has been dramatically transformed from derelict warehouses into a vibrant residential and business community. Sydney City Council's 1999 discussion paper "City Spaces" stated that around 5,000 people live and work within 100 metres of the adjacent Goulburn Street Police Centre. And the number has since increased. An electricity substation is detrimental to this revitalisation, and is totally inappropriate for a high-density residential community. Although Enerserve, the development arm of EnergyAustralia, has not released an environmental assessment, the local community has identified insurmountable safety, health, social, economic and architectural problems.

It is a serious concern that Enerserve cannot offer a guarantee of safety to those who will live and work close to the proposed substation. Indeed, recent explosions and fires in substations at Willoughby, St Peters and Orange have demonstrated dramatically the safety risk. In May 1999 the substation at Willoughby exploded, engulfing the entire building in flames with massive clouds of black smoke pouring into the surrounding neighbourhood. Enerserve has also acknowledged that the proposed substation will emit pollution in the form of noise, heat, air and electromagnetic radiation. A continuous hum will come from the building, and heat will be dissipated via louvres along the roof. Heat will rise past the airconditioned Sydney Mansions building and the windows, which open outwards from the bottom, will act as collectors for the rising hot air.

Enerserve has not responded to residents' concerns about the acrid smell from oil used in the transformers. Nor do residents have answers about the long-term health impact of the substation's electromagnetic radiation. People in the surrounding area who live, work and study in their homes will be exposed to these health and amenity impacts 24 hours a day. Also, the proposed substation is out of character with the heritage nature of the area. Three surrounding buildings—the Mark Foy's building, the Griffiths Tea building and the Paramount Film building—are heritage listed and form one of the few intact warehouse precincts in the city. Enerserve proposes to demolish a two-storey deco warehouse building in between.

Sydney Mansions—a former Mark Foy's warehouse—is a rare heritage brownstone building that has been successfully converted into apartments. Enerserve's proposal for a five-level featureless, windowless box in the middle of this precinct will permanently degrade its heritage value and impact on decisions to redevelop and restore the adjacent Griffiths Tea building. The proposed substation's blank facade will reduce activity at street level, impacting on pedestrian safety and hampering the renewal of what is becoming a vibrant residential and business community. The substation's construction period also presents serious problems for residents living, working and studying just metres away.

Energy Australia's own documents acknowledge a risk of damage to Sydney Mansions as construction will involve drilling two levels below ground. Asbestos in the current building presents a serious health risk to residents if fibres are released into the air, and construction will result in two years of noise, dust and traffic

impacts. Enerserve admits that the current option was the cheapest considered. However, I have been told that nine other proposals that do not require this site were assessed. In light of the many serious concerns, I call upon Enerserve to identify an alternative appropriate site. It is particularly disturbing that Sydney City Council may not be able to respond to the needs of its residents by rejecting the development application of a utility. Indeed, it is no longer appropriate that this north-west corner of Surry Hills be zoned for industrial uses as it was decades ago. Sydney City Council must rezone the area to reflect its changing residential and retail use.

I call upon the Minister for Energy to instruct EnergyAustralia to find an alternative appropriate location. I appreciate that both the Minister for Energy and the Lord Mayor of Sydney, Frank Sartor, have separately agreed to meet with me and a delegation of residents and business people to discuss the problems with this proposal. In conclusion, people moving back into the inner city should be able to expect basic amenities and a healthy environment. The Premier has initiated strategies for improved urban and building design. I call on the Government to respond further to the needs of people living in urban consolidation areas by planning effectively for the changes in land use that are occurring.

WESTERN SYDNEY ENVIRONMENT WEEK

Ms MEGARRITY (Menai) [5.33 p.m.]: More than half of the electorate of Menai is considered to be in western Sydney. As the Minister for Western Sydney has previously said, protecting the environment is one of three primary concerns of the people of western Sydney, along with job creation and investment, and support for families and communities. This week is Western Sydney Environment Week 2000, which focuses on clean air and clean water. It is about improving our quality of life. Western Sydney Environment Week will run until Sunday 11 June. The week is being co-ordinated by the very professional Office of Western Sydney. It will feature a comprehensive program of more than 70 events, ranging from community environment fairs to tree planting, youth forums, industry seminars, open days at waste management facilities, bush tucker adventures, tours of Warragamba Dam and bush care programs.

The activities are spread across the region's 14 local government areas, including the Liverpool and Bankstown local government areas in my electorate. In fact, Western Sydney Environment Week engages the community, businesses, councils, waste boards, catchment management trusts, State Government organisations and other organisations in celebrating the successes in protecting and enhancing the environment in the region to achieve a safer, cleaner and healthier future for the families of Western Sydney.

I was pleased to be present at the official launch of Western Sydney Environment Week 2000 by the Minister for Western Sydney at Bicentennial Park, Homebush Bay, just two days ago. The amazing transformation of the site from, as the Minister called it, a dismal dump to a remarkable park is a prime example of what Western Sydney Environment Week is all about. The site will be the home of the Sydney Olympic and Paralympic Games. It is already the home of the green and golden bell frog. In 100 days the site will see many contests for gold, silver and bronze medals in recognition of individual and team efforts at the Olympic Games. However, as the Minister suggested at the launch, gold medals should certainly be awarded in principle to the many men and women who have worked so hard to deliver Sydney's green Games.

Last Saturday the Olympic Co-ordination Authority took out the prestigious Banksia gold award for its green and golden bell frog project—a culmination of seven years hard work. Many of the initiatives and lessons learnt about environmentally sensitive development are now being implemented by sections of the development industry and some local governments in Sydney. I am already seeing in my electorate some of the benefits of the lessons that have been learnt. At the Olympic site I was particularly impressed by Newington Village. All the homes there have been designed to take advantage of the sun and use only half the energy of a conventional house. The Olympic Stadium sports arena is irrigated by rain water collected from the roof, and all the energy is supplied by green power, saving more than 5,000 tonnes of greenhouse gas emissions each year.

At the launch the Minister also distributed the calendar of events for Western Sydney Environment Week 2000. A variety of opportunities for the whole community to be involved is on offer. One proposed activity in my electorate focuses on an area of the Georges River. The Georges River is a significant natural feature of the electorate of Menai. Indeed, for the most part it defines the electorate boundary. A major new planning strategy for the Georges River was released by the Government in early 1999 which sets strategic directions for the protection and management of this important river.

The Government will spend \$6 million over four years on the new Georges River foreshore improvement program to stabilise the ecological integrity of the Georges River catchment. In addition, the

Georges River regional environment plan is being implemented. This plan will protect and restore important wetlands, provide planning and other controls to reduce pollution, and improve water quality and river flows. The foreshore improvement program follows on from the restoration of important wetlands on the Georges River by the Chipping Norton Lake Authority. The Department of Land and Water Conservation manages the Chipping Norton scheme, and the wetlands restoration won a national Banksia award in 1998. On Friday 9 June Western Sydney Environment Week activities will be held at the Chipping Norton lakes.

The activities will involve the assessment of the environmental quality of the lakes, and will be co-ordinated by Sharyn Cullis from the Georges River Environmental Education Centre. Sharyn performs her role at the education centre above and beyond the call of duty. Over the years she has contributed countless hours of her personal time to the Georges River Catchment Management Committee, the Western Sydney Waste Board, the Georges River Environmental Alliance and other community-based organisations. I urge everyone to participate in locally based activities this week. Our region is growing. It is already home to more than 1.7 million people, and it is expanding. This growth must be economically, socially and environmentally sustainable; it must not compromise our quality of life.

SUN PROTECTION

Mr BROGDEN (Pittwater) [5.38 p.m.]: One great revolution in schools in recent years is children in school playgrounds wearing hats with flaps at the back to cover their necks. Children wear these hats while on their way to and from school, and shade cloths have been introduced throughout schools, parks and open spaces in New South Wales and, indeed, across the country. When I went to school there was no suggestion of wearing a hat to provide protection from the sun. It certainly was not a consideration. It is good to see that change in our society, and it is good to see greater responsibility being taken not only by parents but by children, who know that it is important for them to wear hats.

In view of that new move and the acceptance of it within the community, I was interested to read a recent informative article published by the Cancer Council entitled "Shade for schools—the great cover up". The article refers in some detail to a joint publication of the New South Wales Cancer Council and the New South Wales Health Department entitled "Shade for schools". It includes a user-friendly shade audit to help schools determine their shade needs throughout the year and shade recommendations for different parts of the school environment. The Cancer Council publication reads in part:

Did you know—

Your school can apply to the [Department of Education and Training] for matched funding (dollar for dollar) for capital works, to a maximum of \$300,000?

The publication goes on to refer to the benefits of the program. It finally recommends that schools contact the properties directorate. Sun protection is most important for children. Statistics indicate that 80 per cent of the sun's damage to the skin occurs during childhood and adolescence. Therefore, I was somewhat disappointed to note that this sun protection program, issued by the department and therefore by the Government, is available only to government schools and not to Catholic parish schools and other non-government schools in our community. There are 19 schools in my electorate, nine of which are non-government schools. Many of those non-government schools are not particularly wealthy schools and they do not have high fee structures. In particular, the parish schools at St Joseph's at Narrabeen, Sacred Heart at Mona Vale and Maria Regina Parish School at Avalon have real funding difficulties and very poor resources. I know this from my own experience, having attended Catholic schools all my life, in particular Joan of Arc parish school at Haberfield. It is often said that a Catholic school is much more poorly resourced than the government school across the road, but they are equally in need of resources and funds.

I know that the Government does not intend to discriminate between students who attend government schools and those who attend non-government schools with regard to shade and the provision of shade cloth. Certainly, I do not think the Government would wish to discriminate with regard to its willingness to assist children in protecting their skin to prevent cancer. I ask the Minister for Education and Training to consider whether there is any way the program can be extended to non-government schools, whether through direct or indirect funding.

I congratulate the Cancer Council on its initiative in this regard. I am pleased that the Health Department is involved as the primary health agency for the New South Wales Government. I am also pleased that there is recognition of the need for schools to be funded to this end. The Sacred Heart school, which I

visited just 10 days ago, has a lot of open space but very little tree cover. It therefore needs shade cloth. That school in particular would benefit from such a program, as would St Joseph's at Narrabeen, which has very old sails set up across some areas of the playground. I call upon the Minister to look favourably upon an extension of this program to non-government schools, perhaps in consultation and agreement with the Catholic Schools Office in individual dioceses across the State. If the program were extended to all schools across the State, all students could benefit from it.

NRMA CHAIRMAN Mr NICK WHITLAM

Mr E. T. PAGE (Coogee) [5.43 p.m.]: The champion of corporate governance, NRMA's chairman Nick Whitlam, has been strangely and uncommonly quiet in the past week following the detailing in this Parliament of the most serious instances of the misuse of his position as President of the NRMA. In fact, it appears that he has gone to ground. It is claimed that Nick Whitlam and his Members First team used NRMA service providers, including Saatchi and Saatchi, Hawker Britten and Salmat, to provide free or greatly discounted services for a huge media campaign to enable him to win the association's board election campaign last year. The contractors provided services during the election campaign because they did not want to lose NRMA work. In fact, Saatchi and Saatchi picked up a new \$3.7 million contract—\$1.5 million above the other tenderer—for advertising the demutualisation last March as a reward for its efforts in providing advertising material for the board election campaign.

Recently a former company director in Brisbane was given cash, airfares and accommodation in return for awarding lucrative food stands to Sideshow Alley sites that his company controlled. This landed him in the Brisbane Magistrates Court to defend charges of corruption. He was accused of receiving these favours in return for influencing his decisions about site allocations. He was also charged with taking secret commissions. Nick Whitlam was in Wagga Wagga and was not contactable after the Parliament was told of how he swept the board election last year, with all eight Members First candidates elected, with the generous help of a group of NRMA service providers. I am told that the board was not told of the use of these service providers before their generous assistance was given during the election campaign, nor has it been informed of it since. Company directors are required to declare such interests. A clear conflict of interest is involved here, and NRMA members are entitled to assurances that all is above board. The election win by Nick Whitlam and Members First cemented his control on the board of the NRMA and enabled him to steamroll resolutions through, crushing all opposition in his path, and fast-track the imminent demutualisation.

Now, a week later, there is still no word from the corporate governance gladiator denying these serious observations. Nor has there been any word from the NRMA to suggest that there will be any investigation of these serious matters. This relaxed attitude is a major contrast to the action in 1997 when vast amounts of NRMA money was spent chasing down 567 petition signatories when former director David Parker requisitioned a special general meeting of NRMA members. On that occasion Nick Whitlam and the NRMA swung into action and used Corrs Chambers Westgarth to investigate the circumstances and to interview signatories to verify their signatures. It cost thousands just to have the signatures checked, and no stone was left unturned.

The hypocrisy of Nick Whitlam is breathtaking. No amount of NRMA money was spared bolstering himself with legal advice to move on fellow directors when he perceived them to be disloyal to the NRMA. Through most of last year director Ian Yates was hounded through the courts with NRMA money after he demanded answers on behalf of members about the slow sale by the NRMA of shares held in Brickworks and Washington Soul Pattinson, which took 15 months to sell and resulted in the shares being sold for \$70 million less than they would have sold for had they been on the market when the decision was made. That was \$70 million down the drain. The reason for the delay in selling the shares has never been properly explained by the NRMA. It is time that the two million members of the NRMA were given some reassurances that NRMA money has not been misused for private purposes by Nick Whitlam and his board faction and that a full investigation will be mounted by the NRMA into these serious matters.

FEDERAL CAPITAL SITE CENTENARY

Mr WEBB (Monaro) [5.47 p.m.]: I draw the attention of members to a petition that will be presented to the House tomorrow. The petition lodged by certain residents of the Canberra region will advise the Legislative Assembly that 11 June 2000 will be exactly 100 years since John Gale, known as the Father of Canberra, and 11 other witnesses gave evidence in the old Queanbeyan court house before the New South Wales Royal Commissioner, Mr Alexander Oliver—who was appointed to examine and report on proposed sites—in

favour of the Canberra Plains being the site for the nation's capital. This petition constitutes just one of the many 100-year landmarks and century celebrations that the citizens of Queanbeyan are chalking up in the lead-up to the Centenary of Federation celebrations in 2001 and the opening of the bronze over-life-size Federation memorial to John Gale, the Father of Canberra, on Sunday 11 March 2001. The proposed site for the memorial is located in Canberra Avenue. The war memorial is located on one side of Canberra Avenue in Queanbeyan, and the Farrer memorial—a memorial dedicated to William Farrer, who was famous for his early experiments in the breeding of wheat varieties for the Australian wheat industry—is located in the middle of Canberra Avenue.

As the nation focuses on Canberra, both before and during the centenary of Federation celebrations, Queanbeyan's nurturing role as the birthplace of the Federal capital should not be forgotten. When Dalgety was chosen as the site for the Federal city John Gale wrote a pamphlet called "Dalgety or Canberra—Which?" At a public meeting the residents of the Queanbeyan district dissented from the Federal Government's decision on Dalgety and voted to publish and send the pamphlet to all members of the Parliaments, as well as to other prominent citizens. A. K. Murray wrote in the introduction to the book *Canberra: Its History and Legends* that the late Sir John Forrest, representing Western Australia in those days, opposed the choice of Canberra; but when the site was chosen he acknowledged in writing that it was mainly Mr Gale's famous pamphlet entitled "Dalgety or Canberra: Which?"—a brochure published in 1907 and distributed to every member of the Commonwealth's seven Parliaments, and amongst other prominent members of the community—that won the day for Canberra.

I refer to an extract from John Gale's book *Canberra—History of and Legends Relating to the Federal Capital Territory of the Commonwealth of Australia* in which he refers to the pamphlet that proved to be a main factor in the selection of Canberra as the Federal capital. He had a prophetic and inspiring experience. While riding along on his horse on the limestone plains with the mountains to the south and to the east and the shimmer from the river, the scene invoked a mental, if not a vocal, exclamation: What a magnificent sight for one of Australia's future cities! At that time he genuinely believed that the area could become the site for the nation's capital. It was probably not his first prophetic inspiration. On previous occasions I have referred to the prophetic verse from Hebrews that is on my great-grandmother's tombstone in St Johns graveyard, Canberra, which refers to a similar vision approximately 55 years earlier.

I draw the attention of the House to the work of the 12-member Queanbeyan Centenary of Federation Committee, which symbolically represents Gale's 12-man committee, albeit it is a more equitable group in terms of gender, position and culture. The members who comprise the committee are George Lemon, the chair; Nerida Dean; Gaye White, Father Kon Kostakos; Neil Edwards; Bob Woods, Mary Pike; Viki Pompour, Rade Jankuloski; Councillor Jim McLachlan from the Yarrowlumla Shire Council; Zlatka Podgajski and Connee-Colleen. In particular, I congratulate Connee-Colleen, who is the project manager and who no doubt has been the driving force behind the work of the committee, which has broad community support and has generated a great deal of interest.

The community has decided that the Queanbeyan court house should be the site to locate the statue of John Gale, but the permission of the Attorney General is required before it can be erected. I have had a telephone conversation with Mr Brett Gale, a great grandson of John Gale. Brett, who I believe is still a member of John Knight's staff, is certainly proud of the work that was done by his great-grandfather. People should take their hats off to John Gale, as many Queanbeyan people have done. He is, arguably, the Father of Canberra.

CULTURAL STOMP

Mr GAUDRY (Newcastle—Parliamentary Secretary) [5.52 p.m.]: Last Saturday, together with several thousands of Newcastle and Hunter people, I participated in the fourth Cultural Stomp in Newcastle, an event the aim of which is to bring people together. The Cultures In Action Committee organised the event to nurture the spirit of the culturally diverse Australian society, to give people the opportunity to work together and celebrate reconciliation while simultaneously respecting differences and commonality in our cultures. That cultural event occurred approximately a week after one of the greatest, if not the greatest, demonstrations of solidarity that one could ever wish to see, when hundreds of thousands of people came together in Sydney to celebrate Corroboree 2000 and reconciliation with Australia's indigenous people.

The Cultural Stomp was first staged in Newcastle in May 1997 as a strong but peaceful statement opposing the strong and divisive politics that were being espoused at that time by One Nation. The whole approach was to bring people together into social action and in peace to demonstrate all the values that can be combined in a community rather than focusing on the divisiveness that was occurring at that time. Since that

time, the Cultures in Action Committee in Newcastle has built a really successful cultural event which takes place in Civic Park, opposite Newcastle City Hall. The events bring together a whole range of young people and community groups such as the ethnic communities in Newcastle, the arts communities and visitors from areas outside Newcastle.

The Cultural Stomp day of celebration includes demonstrations of a whole range of dancing and singing. Very importantly, this year's celebration involved people who have disabilities. The Life Without Barriers group, Life Without Barriers, a special group in Newcastle that works towards providing access and opportunities to people who have disabilities, participated in performances in Civic Park. One of the really significant events was the participation of Mrs Benita Mabo. Tuesday 6 June was the anniversary of the handing down of the Mabo decision, a decision that has brought about tremendous change. It ended the theory of terra nullius and began the continuing struggle by many indigenous people for reconciliation and recognition of their rights as the original occupants of this land. Mrs Mabo spoke of the personal struggle of Eddie Mabo and the struggles of her own people, the South Pacific Islanders, who came to Australia during the labour trade, which featured blackbirding. She referred to the struggle that continues for her people to obtain recognition in this country.

One of the outstanding features of the day was a performance by the Mulloobinba Newcastle high school dance group, which previewed the dances that they will be performing at the opening ceremony of the Sydney Olympic Games. I congratulate Mrs Barbara Greentree and the dance group on the selection they will perform at the opening Olympic ceremony and also on the performance that was given on the Cultural Stomp day. One of the organisers of the Cultural Stomp, Mrs Lorraine Norton, has adopted a comment from David Suzuki's book *The Sacred Balance*, which states that local communities are actually the mainstay during change. It states further:

The social unit that will have the greatest stability and resilience into the future is the local community which provides individuals and families with a sense of place and belonging, fellowship and support, purpose and meaning.

That is the whole idea underlying the celebration that takes place annually in Newcastle. Its aim is to bring people together, to celebrate their diversity and the linking of all cultures in Australian society.

Mr MARKHAM (Wollongong—Parliamentary Secretary) [5.57 p.m.]: The honourable member for Newcastle is to be congratulated for bringing to the attention of this House the Cultural Stomp, which takes place annually in Newcastle. The event is a real demonstration of reconciliation in action—and as I have often said, actions speak louder than words. I congratulate all those involved with the Cultural Stomp. Similar events, as often as possible, should be held in all parts of Australia.

COMMUNITY AND ROAD EDUCATION SCHEME

Dr KERNOHAN (Camden) [5.58 p.m.]: The Penrith City Council has written to me about the closure of the Community and Road Education Scheme [CARES] at St Marys, which is constituted by two police officers. I have been told that it will be closed from 2 June to 31 December 2000 because of the Olympics. As I understand it, the Paralympics closing ceremony takes place on 29 October, so why should the CARES facility be closed until 31 December? An officer of the Penrith City Council has informed me that the facility was formerly staffed by the regional office but that upon the formation of local area commands [LACs], it fell to the St Marys LAC to carry the burden of manning the facility, which reduced its efficiency as a unit.

I was also told that two Government members of this House have requested that the facility remain open, that it be funded by the Roads and Traffic Authority [RTA] and that it be manned by the Police Citizens Youth Centre. I support that request. Even though the rowing and the whitewater Olympic courses are located in the Penrith local government area, the Penrith City Council will not be able to hold any special festivals immediately prior to commencement of the Olympic program as police will not be available to combat rampages or to exercise control in general. As the Olympics draw nearer, the idea of 40 per cent of local police officers being removed from normal postings for Olympic duty is frightening. It could well be open slather for criminals; they will have a very profitable time during the Olympics. We have not been officially informed of policing arrangements during the Olympics, but we have read about them in the newspapers. For example, on 2 June the *Sydney Morning Herald* reported:

... 4,875 officers will be needed to guard Olympic venues and VIPs—375 more than originally envisaged.

I had hoped that someone would use his or her commonsense and engage the thousands of former police officers—those who had resigned or retired honourably of course—to help with the Olympics. The current separation rate of police leaving the service, according to a report dated March 1999 is 67 per month, that is

roughly 800 per annum. A special Olympic police force could have been formed of the thousands of people who have left the service over the past 10 years. Today's *Sydney Morning Herald* reported:

Fifty retired police officers have responded to the Olympic call and volunteered to work in country stations during the Games ...

I congratulate those former officers, who replied to an advertisement in the police magazine. It would have been better though if someone had contacted them to ask them officially to be involved; to be part of the force. The training requirements for those former officers living in Sydney would be no more intense than for police who have been stationed in rural New South Wales for some years. During the Olympics it is essential that we bring out of retirement some of the older officers who stood point duty and regulated Sydney's main intersections during the 1960s and 1970s to work with or train the young, inexperienced officers who are called upon today to direct traffic at the scenes of accidents or when traffic lights fail. If we do not, there will be chaos. How many members remember the Smiling Policeman, Sergeant Geoffrey Little, who used to manage the traffic at the Park Street and George Street intersection?

Some of the additional cost to provide policing during the Olympics, particularly for the security of the International Olympic Committee members and other very important persons, should be borne by the Olympic movement and not by the people of New South Wales. What will that cost be? More importantly, what will be the cost of reduced police power throughout the State to the citizens of New South Wales? Will we ever be told how many extra burglaries or robberies were committed during the Olympics? This has been a matter of concern to me for some time. As members of Parliament we should be kept informed of what is proposed and what is being done; we should not have to read about it in the newspapers.

WESTPAC BANK GREENACRE BRANCH CLOSURE

Mr STEWART (Bankstown—Parliamentary Secretary) [6.02 p.m.]: I am extremely disappointed to inform honourable members that yesterday Westpac announced that it will permanently close the Westpac Greenacre branch, which is situated in the electorate of Bankstown. I am disappointed because once again Westpac has chosen to close a branch in my local area without any genuine community consultation. I am disappointed because Westpac, in total disregard of local needs, has given less than a month's notice of the impending closure. I am disappointed because Westpac management has previously given several undertakings that it would not close the Westpac Greenacre branch. I am disappointed because once again a major bank, which in the past year made a whopping profit of \$1.7 billion, is treating the public, its long-serving and loyal customers, with total contempt.

Westpac is the last remaining banking service in the busy Greenacre shopping strip in my electorate. The closure and removal of the services of Westpac will without doubt have a huge impact on the Greenacre community, the surrounding area, and the thousands of businesses and constituents that rely on that service. Once again Westpac has put the interest of profits before its customers, and that is shameful. The decision by Westpac to close its Greenacre branch was taken without any community consultation, without reasonable warning, and with less than one month's notice. People were not told that it would happen. Two years ago Westpac management advised me after the closure of the Commonwealth Bank in Greenacre that it had long-term plans for the Westpac Greenacre branch. To add substance to that advice, I was advised that in September 1999 Westpac renewed the lease on its Greenacre branch site for the next four years. That created the public expectation that the branch was there for the long haul. It is disappointing and a great shame that Westpac management has now reneged on those plans at the expense of the local community, to which a local banking service is vital.

I have been advised by Westpac bank that after the closure of its Greenacre branch, Greenacre customers will have to use the Bankstown Square branch. That is a ridiculous proposition particularly for the thousands of elderly people who utilise the Greenacre branch. Many are physically incapable of travelling to other branches. Yesterday, Julie Masters, the local area manager of Westpac, visited my office. She had a smile on her face like that of the Grim Reaper. She said to me that this was good news; that the bank was not closing, it was simply amalgamating. These days the euphemism for closure is amalgamation. It is shameful that the bank cannot publicly face the consequences of its actions. Amalgamation means closure in bank terms. I explained to her that my constituents would have to catch a bus, walk 500 metres, climb stairs, circumvent a labyrinth at Bankstown Square and finally find the Westpac branch. She smiled and said, "We are refurbishing the branch". All that will do is provide more room for people to stand in queues!

This is a shameful act to the 20,000 people who reside in the Greenacre area and the numerous local businesses and retailers who will miss the banking service. They deserve and require an adequate local banking

service, and they should not have to travel several kilometres to find one. The Westpac bank at Greenacre has always been, and is still, a busy branch. So where is the logic in Westpac's decision to close the branch other than its desire to further streamline and reduce branch operations at the expense of local people? The Federal Government must finally take some responsibility and enact laws to stop such shameful action by banks.

Under existing American models banks are judged on the services they provide in a community, and each bank's community rating is made public. Community service standards for banks are similar to the universal obligations that apply to Telstra under the Commonwealth Telecommunications Act—and they should apply to banks. It is hardly radical—it is about making banks live up to the expectations of the community. In particular, the community expects that the aged, the disabled and consumers in general should not be put on the banking scrap heap. That is what Westpac is doing to my local constituents. This matter was best summarised yesterday in the press release by Petroula Arthur, President of the Greenacre Chamber of Commerce, who said:

... the bank's closure decision was a vicious cruel blow for all Greenacre residents and retailers.

There was no consultation; these people were simply told. Ms Arthur continued:

Westpac management cannot be allowed to get away with this decision without proper public accountability.

The Bank told the Chamber last year that it would not be closing ...

It is now closing. Once again Westpac has reneged on its public undertaking. She continued:

The Greenacre Chamber of Commerce will leave no stone unturned in an effort to convince Westpac that it has made the wrong decision ...

I will be as vigilant as the Greenacre Chamber of Commerce. I will make sure that no stone is left unturned to make Westpac accountable to the public for—as Petroula Arthur put it—this vicious and cruel decision. Shame on Westpac!

Mr MARKHAM (Wollongong—Parliamentary Secretary) [6.07 p.m.]: Once more we hear of banks putting profits before people. When will the Federal Government pull the banks into gear? What the honourable member for Bankstown has said is absolutely correct; banks are closing suburban branches and their branches in rural and regional centres. It is a disgrace, and it is about time that the Federal Government did something to pull them into line.

CRONULLA ELECTORATE TRANSPORT SERVICES

Mr KERR (Cronulla) [6.08 p.m.]: While reference is being made to disgraceful decisions, cruel and vicious actions, and profits being put before people, I refer honourable members to the hardship that is being occasioned by this Government on people in my electorate in relation to public and private transport services. I have made representations to the Minister for Transport on behalf of the Cronulla Chamber of Commerce relating to the lease of land at Cronulla railway station for commuter parking. On 30 March I received the following reply from the Parliamentary Secretary for Transport:

The Minister has asked me to reply on his behalf.

State Rail has advised that it has appointed the Department of Public Works and Services to sell the land at the southern end of Cronulla Station. The land is expected to be offered to the market later this year.

As such the land is not available for commuter parking purposes. I understand that the existing car park already meets commuter needs.

Obviously, the Parliamentary Secretary has never tried to get a train from Cronulla. If he had, he would know that the existing parking facilities do not meet commuters' needs. Even Labor councillors of Sutherland Shire Council voted in favour of a motion to meet with the Minister and put their concerns to him. They might be meeting with Mr Christie or the pro tem Minister.

[Interruption]

The honourable member for Auburn interjects. I would welcome any support from the Government side of the House on the question of putting people before profits. But the matter does not end there. The honourable member for Miranda mentioned that people from his electorate use the beaches in the Cronulla electorate. Certainly, people from the Cronulla electorate use the roads of Sutherland shire. One road that they

use is at the corner of Acacia Road and Princes Highway at Sutherland. There, public land was set aside for national highway improvements. That land has been sold by the Roads and Traffic Authority. It was sold in conjunction with land owned by eight private vendors. It was offered for sale, as I understand it, by public tender following rezoning and with an option to purchase. The option to purchase was conditional on development approval. So the developer is not taking much of a risk at all.

The Government pushed for the current development proposal, which has been before the Land and Environment Court, where a judgment has been given. Despite the opposition of the council once again, the proposal was supported by the Government. This land, which should be available for road improvement, will be made available for development, just as public land at the railway station in Cronulla is made available for development, for profit. It is about time the Government started to put people before profits. It is essential that there be car parking facilities at Cronulla railway station. It is in the public interest that that land be maintained for public use. This cruel and vicious action could result in deaths from road accidents. There is only one solution: Blackie has got to become Minister for Transport. The trains may still be full, but at least we will not have to sell public land because liquidity will not be a problem!

Mrs DENISE HOWLETT TRAFFIC INFRINGEMENTS NOTICES

FORMER INDEPENDENT COMMISSION AGAINST CORRUPTION COMMISSIONER BARRY O'KEEFE

Mr GIBSON (Blacktown) [6.13 p.m.]: I speak about an injustice to a constituent of the Blacktown electorate, a lady named Denise Howlett. Denise is a 49-year-old lady with major health problems, a disability pensioner who lives in Blacktown. Today she is upset, hurt and angry. She has every reason to be. Some five or six years ago this lady lived in Merrylands, then moved to Glenfield, and finally ended up living in Blacktown. During that time her place was robbed and identification cards were stolen. Denise Howlett reported that fact at the time, and did not think much more about the matter when police could not track down the stolen items. But the incident has come back to haunt her. The reason is that Denise Howlett has been confronted in the past week or two with six fines. This is the first she has known about any fines being imposed against her. She has never been booked for anything and has never had a black mark on her record.

The first fine, which dates back to 8 June 1997, involved a parking ticket at Kings Cross which, with costs, amounted to \$110. The second matter related to a parking ticket issued on 13 September 1997 at Kings Cross, which, with costs, was in the amount of \$151. The third matter related to a parking ticket issued at Kings Cross on 1 October 1997 which, with costs, was in the sum of \$110. The fourth matter involved a parking ticket at Kings Cross on 10 October 1997, which, with costs, totalled \$151. The fifth matter was on 15 October 1997, and it related to a fine for disobeying a traffic signal at Peakhurst; the fine, together with costs, totalled \$292. The last matter, which occurred on 12 November 1997, related to a parking ticket at Kings Cross which, plus costs, amounted to \$110. The car that was booked on those occasions carried the registration number RXW-391.

Mr Piccoli: Your car!

Mr GIBSON: We are trying to track it down. We think it might be yours! The amazing thing is that Denise Howlett has never in her life been to Kings Cross or to Peakhurst, and she has never owned a car with the registration number RXW-391. She has never had a New South Wales driver's licence or a car with New South Wales registration plates. Denise Howlett told me that she has been in contact with the State Debt Recovery Office, the police commissioner's office, the Roads and Traffic Authority and the Attorney General, has faxed all the information through to the Ferguson Centre at Parramatta, and has been to see a chamber magistrate. She came to see me on Monday. I first contacted the office of the Minister for Roads and then the Attorney General, and their response has been truly amazing. I am certain that this problem will be sorted out. However, the fact remains that the system allows such a person to be subjected to these fines. Denise Howlett received a letter yesterday telling her that she must go to court, and that if she loses the court case she will have to pay court costs as well. I am sure it will not come to that, that the Ministers will look into this matter and make sure that does not happen.

But there is a flaw in the system if such a chain of events can happen. This lady will have a fairly major operation in the very near future. She is sick, and she does not need this type of hassle in her life, especially at this moment. I place this matter on record because I told her I would vindicate her position and indicated that we will do something about it and make sure that she is not burdened with the fines and does not suffer the odium of black marks on her record. This is an injustice. I am pleased she came to see me because we can do something about it.

The other injustice relates to taxpayers, and I will speak briefly about that. It is not often that I stick up for the Independent Commission Against Corruption [ICAC], but I would like to place on record that the previous commissioner of the ICAC, Mr Barry O'Keefe, had new tyres put on his Bentley weeks before his term as commissioner finished. I believe that the taxpayers of New South Wales paid for those new tyres that Mr O'Keefe had fitted to his Bentley. I would like somebody in authority to investigate to find out whether that is the case and to report back to the Parliament and the taxpayers of New South Wales whether this penny pinching action took place.

MURRUMBIDGEE ELECTORATE IRRIGATION INFRASTRUCTURE

Mr PICCOLI (Murrumbidgee) [6.18 p.m.]: I speak on behalf of a constituent Mr Dennis Hill of Coleambally. He has been going to my office and the office of the previous member for Murrumbidgee for about five years regarding this matter. It involves his irrigation property in Coleambally and his suffering from a rundown irrigation infrastructure. Irrigation is of critical importance to the Murrumbidgee irrigation area, the Coleambally irrigation area and the Murray irrigation area, which are located within the Murrumbidgee electorate.

Unfortunately, because no significant amounts of money have been spent on infrastructure by successive governments over the past 80 years, it has become run down and dilapidated. A number of individuals are paying the price. Mr Dennis Hill is one of those individuals. As I said earlier, Mr Hill has been to both my office and the office of the former member for Murrumbidgee seeking some redress from the State Government. As his property is located next to a major canal a great deal of the water that is seeping through the ground is surfacing on his property. To his credit he has taken remedial action. He has planted a large number of trees and done all the right things. He has been in contact with local land and water management committees and he has complied with all the recommendations of those committees. However, his problems continue.

One of his problems relates to the inaction of the Government over the past five years, despite numerous letters written by him, by me and by the former member for Murrumbidgee. He has not received any satisfactory assistance from the Department of Land and Water Conservation, which has caused him great aggravation. All he has asked for is an adequate response and perhaps an acknowledgement that the remedial action being undertaken by him is welcome and appropriate. Unfortunately, he has not received that response. Individuals are suffering as a result of the inadequate infrastructure in those irrigation areas.

I support Mr Hill's remediation efforts and his attempt to make the Government aware of the problems being faced in these areas because of lack of investment. These important irrigation areas contribute a great deal to the local and State economy. People like Dennis Hill need all the support the Government can give them. On behalf of Mr Hill I ask the Government to respond to his correspondence and to my correspondence. I hope the Minister will respond to this private member's statement and give Mr Hill and others who find themselves in similar circumstances all the support they seek and deserve.

AUSTINMER SURF-LIFESAVING CLUB AWARDS NIGHT

Mr CAMPBELL (Keira) [6.23 p.m.]: I speak about events in Austinmer and, in particular, about the Austinmer Surf-Lifesaving Club. Last Friday night I had the pleasure of attending the Austinmer Surf-Lifesaving Club awards night presentation at its clubhouse at Austinmer Beach. I pay tribute to the surf-lifesaving movement generally and, in particular, to the Austinmer club. Before I talk about the awards that were presented and the individuals associated with Austinmer club I point out that tonight in the Parliament House Theatre the Westpac helicopter rescue service is celebrating the launch of Helicopter Rescue Week. It is fortuitous that that surf-lifesaving function is being held at the moment. I pay tribute to the professionals and volunteers associated with that organisation.

Austinmer is located on the northern boundary of the Keira electorate. Austinmer beach, which is a pleasant place, becomes quite busy in the summer months. Austinmer Surf-Lifesaving Club has about 380 members. On presentation night one of the points that was made was that the beach was fatality free during the 1999-2000 summer season. I take my hat off to that club and offer congratulations to all those involved in beach patrols in the summer period. Glen Sweeney, who chaired the event, stood in for the president, Tom Ellicott, whose wife gave birth to a baby at lunchtime on Friday so he was otherwise engaged. I acknowledge the organisational skills of Steve Perkiss on that night. The award for best junior at carnivals was presented by Jan Wilton, a stalwart of the club, to the junior boat crew.

The award for best senior at carnivals was presented by John Roach, President of Austinmer Bowling Club. John Roach is in the gallery this evening. Austinmer Bowling Club is a strong supporter of the surf club.

The veterans boat crew, which came first in the national titles and fourth in the world titles, received the award for best senior at carnivals. I had the pleasure of presenting the best all-round member of Austinmer club award to Sue Pritchard, who does patrols in her own right. Sue is the organiser of the Orcas, or the juniors division of the Austinmer surf club. She has done a great job over a couple of years building up the club's junior membership. I pay tribute to and congratulate her.

The award for best senior member of the club was presented to Alan Stanford. Elaine and Jan Wilton, a husband and wife team, who are stalwarts of this club, were also nominated for that award. The beaches encouragement award, which was presented by Barry Gilbert from the Beaches Hotel in Thirroul, was awarded to Cohen Davidson. The best patrol member award went to Dave Eadie. This is the second year in a row that he won this award. I offer congratulations to him as well. The best patrol award is organised by a patrol comprising Phil Griffiths, Cohen Davidson, Erica Griffiths, Luke Brady and Rhys Drury. I offer congratulations to them.

A special award was presented to Bill Sheridan, who keeps the club's records. Bill is an honorary photographer. That special award was well received. I acknowledge the sponsors of organisations such as surf clubs and point out that the Beaches Hotel at Thirroul provided a new surf boat this year. Thirroul Travel presented oars for the surf boat, South Coast Graphics presented a new ski, Allied Plant Services presented an inshore rescue boat and the Austinmer RSL sub-branch provided funding for rescue equipment. The local hotel, bowling club, RSL and local businesses all supported this effort. There is a great deal of support for the Austinmer Surf-Lifesaving Club, one of the smaller clubs in the area. I acknowledge the contribution that that club makes to the community and to the broader community in New South Wales. I acknowledge the contribution made by all surf-lifesaving clubs in this State.

Mr MARKHAM (Wollongong—Parliamentary Secretary) [6.27 p.m.]: The honourable member for Keira drew attention to the function being held tonight in the Parliamentary Theatre by the Westpac helicopter rescue service. My colleagues and I fought hard for that service before the last State election. It is great that members of that service are attending a special function tonight. I ask the honourable member for Keira to pass on my best wishes to Jan Wilton, whom I have not seen for a long time. I worked with Jan for 24 years at Coalcliff colliery. It is good to hear that he is still active in the surf-lifesaving movement.

MACKSVILLE AND DISTRICT HOSPITAL FUNDING

Mr STONER (Oxley) [6.28 p.m.]: I raise the issue of funding for the Macksville and District Hospital. On Monday I met with representatives of the Macksville and District Hospital Action Group at Nambucca Heads. Bob Provost, OAM, Chairman, Mrs Nola Ryce, Publicity Officer, and Mr Don Randall, Secretary, presented me with a petition containing 4,000 signatures. That petition calls on the Minister to allocate sufficient recurrent funding to the Macksville and District Hospital to enable hospital services to be restored to the level that existed prior to the cutbacks instituted by the Mid North Coast Area Health Service. As the population of Macksville is only 3,000, this petition must contain the signatures of the vast majority of the adult population of Macksville, Nambucca Heads, Bowraville and other small towns in the Nambucca Valley, including Taylors Arm, Scotts Head, Gumma, Medlow, Missabotti, Tewinga, Utungan, Valla, Talarm and Burrupine.

This petition, which I presented to the House today and yesterday, is not just another petition. It represents the heart and soul of the people of Nambucca Valley. The Macksville and District Hospital means so much to those people. It is not just another small hospital for economic rationalist bureaucrats in the area health service to wind back and downgrade. The Macksville and District Hospital has the blood, sweat and tears of the local community invested in it. For example, several years ago the people raised \$80,000 to aircondition the wards. They have purchased numerous pieces of medical equipment, including a laparoscope. Until recently the hospital provided the highest standard of care for patients in the area. Now, sadly, the standards at the Macksville and District Hospital have declined under the hands of a penny-pinching bureaucracy.

Eighteen beds have been closed, much to the dismay of the community. Emergency surgery and many other types of surgery are no longer available, despite the presence locally of a well-qualified and experienced surgeon. People are being sent away from the Macksville and District Hospital to Coffs Harbour, Kempsey or Port Macquarie. This involves travel of between 40 and 70 minutes. Many patients and their loved ones are pensioners who can ill-afford these additional travel costs. There is no suitable public transport in the area and often loved ones do not have a driver's licence. Recently, the Minister for Health made an announcement about increased health funding, particularly taking into account the inequities in funding to the Mid North Coast Area Health Service.

The Minister must take heed of the thousands of people who have taken the time to complete their details and sign this petition and also the work of dedicated people who have co-ordinated its completion and

return. He must ensure that new funds find their way into patient services, not administration or debt reduction. He must reopen beds and surgery at Macksville District Hospital and restore the high standard of service to the people of Nambucca Valley. As I said, this is not just another petition: this is easily the largest petition that I have received in my time as a member of Parliament and it must contain the signatures of the great majority of the adult population of the Nambucca Valley. I ask the Government and the Minister to give it serious attention.

WOMEN'S SOCCER PACIFIC CUP

Mr MILLS (Wallsend) [6.32 p.m.]: I advise the House of the Women's Soccer Pacific Cup competition, which is reaching its climax in the Hunter region from today until next Sunday. While the Premier is this afternoon delivering a motivational and inspirational speech to the New South Wales State of Origin rugby league team prior to tonight's game, the eyes of the people in the Hunter region, in States outside of New South Wales and Queensland, and overseas are on Newcastle for the round ball game and the Women's Soccer Pacific Cup. This is a new decade for women's soccer. In the past weeks the first Pacific Cup has begun a decade of partnership between five leading women's soccer powers. Australia, the United States of America—double world and Olympic champions—World Cup runner-up China, Canada and Japan have formed a 10-year alliance and will stage the Pacific Cup every two years, beginning in Australia. New Zealand is also invited to participate. The Chief Executive of Australian Women's Soccer, Mr Warren Fisher, said:

The origin of the tournament came from Australia wanting to offset the geographical disadvantage suffered by all non-European soccer nations.

He said they travelled halfway around the world last year to play against United States of America and China in a tournament in Portugal, and left determined to establish quality international women's soccer outside Europe. The Pacific Cup will eclipse Europe's Algarve Cup as the biggest women's soccer event outside the FIFA Women's World Cup and Olympic Games. The Australian Women's Soccer Association and Northern New South Wales Soccer Federation have arranged for Newcastle to be the host for rounds four and five, with the final game—Australia versus United States of America—on Sunday. The Chief Executive of Australian Women's Soccer also said:

The choice of Newcastle as the centrepiece for the Pacific Cup was an obvious one.

The national captain, Alison Forman, and vice-captain, Cheryl Salisbury, both hail from Newcastle, and a further five members of the current squad of 24 also learned their football in the area. The Northern New South Wales Soccer Federation delivers more than one-fifth of Australia's player base, and its rate of growth shows no sign of diminishing. The Matildas had not played in Northern New South Wales for almost 2½ years. The Australians drew healthy crowds in Lismore and Newcastle en route to an epic victory against Olympic and World Cup runners-up China during the 1997 Tri-Nations series. The Pacific Cup is the biggest women's soccer tournament in the world outside of Olympic and World Cup competition.

I congratulate Lisa Casagrande, Alison Forman—the captain, Sunni Hughes, Cheryl Salisbury, who is the vice-captain, Bridgette Starr and also the injured Danielle Small. They come from Northern New South Wales. Northern New South Wales players have the largest representation of any soccer "state". The Matildas started their Pacific Cup campaign with a 1-0 victory two weeks ago against Japan, but they lost a penalty shootout against China on Wednesday and lost 2-0 against Canada on the weekend. They need some wins in the next few days. They played New Zealand at 3 o'clock this afternoon at the Glendale Athletic Centre. Tomorrow there are two games at the Breakers Stadium. On Saturday there are two more games at Glendale Athletics Centre and the final game is Australia versus the United States on Sunday at the Breakers Stadium.

I congratulate the Northern New South Wales Soccer Federation and its general manager, Mr Garry Screen, for hosting the final two rounds of the Pacific Cup and for the great work they do for soccer in northern New South Wales. There are two soccer "states" within New South Wales. The Southern Federation is based in Sydney and the Northern Federation is based in Newcastle. The focus of the Northern New South Wales Federation is to develop talented young players from the north of the State, particularly all the regional areas. I also congratulate the chairman, Bill Walker, and the manager of coaching and development, Ken Kaiser, for their part in the success story that is the Northern New South Wales Soccer Federation.

It is the third-largest soccer federation in Australia behind New South Wales and Queensland with nearly 40,000 players, male and female. It has 11 district associations and 280 clubs. It runs from Lake Macquarie to Tweed Heads and inland through the Hunter Valley. It concentrates on developing talented young players to build up their careers through the sport. Today's *Newcastle Herald* carried a photograph on the back

page of the Australian women's soccer captain, Alison Forman, and another player at training yesterday. It contained a story about Alison Forman and Sunni Hughes, who went away from Newcastle to pursue professional careers but who are now back in Australia and are hoping to achieve Olympic selection. The team is to be known later this month. I extend my best wishes to the Matildas for success in the final two games in Newcastle and hope for a big crowd at Breakers Stadium on Sunday for what should be a humdinger of a game against the world champions, the United States of America.

Motion by Mr Markham agreed to:

That standing and sessional orders be suspended to allow up to six additional private members' statements at this sitting.

LISMORE ELECTORATE THERAPY SERVICES

Mr GEORGE (Lismore) [6.37 p.m.]: I record my concerns about therapy services provided by the Northern Rivers Area Health Service, especially in the Lismore electorate. Late last year parents, organisations such as the Summerland Early Intervention Program Inc., and paediatricians contacted my office to highlight the cutbacks, which caused loss of children's services, including speech therapy. Following these complaints I made representations to the Minister for Health. The Parliamentary Secretary responded:

I understand these services are currently not distributed equitably and the Area is trying [to] address this situation by allocating resources more fairly across the entire Health Service. While the NRAHS may need to reduce services in one area, services in other areas have increased.

Following further investigation I found this information to be either incorrect or ambiguous. While the intention was to distribute funds and services more equitably, I found that money was taken from speech therapy and given to other areas of health and not spread across the entire Northern Rivers Area Health Service to help speech therapy. Since the receipt of this reply, Dr Chris Ingall—representing paediatricians, Therese Fuhmann and Miriam O'Grady—representing early intervention centres, and I met with the Acting Chief Executive Officer of the Northern Rivers Area Health Service, Mrs Kyra Kelly, to seek support in having this issue addressed with proper funding.

I must place on record that Ms Kelly has been supportive of and sympathetic to our needs since having the problems explained to her. These people have become involved mainly because of their increasing frustration in trying to find therapy services for the children who come through their door. Over the past few years they have found it increasingly difficult to have children even assessed for the need of therapy, let alone actually receive a block of therapy as well. One might ask why children need early intervention services. When therapists from different disciplines and teachers are working together under one roof, the needs of families and their children who have multiple problems can be most efficiently and easily met. When therapists are in diverse locations families must work much harder to make and keep appointments.

To put the matter into proper perspective, if a three-year-old boy had a speech, language or socialisation problem—probably one of the more common scenarios faced by early intervention teams—in 1996 he would have been assessed within a month and received ongoing speech therapy, both in a group and/or individually, for the length of time he needed it. Currently, the boy would be waiting for three months for assessment and if he was seen in the latter half of the calendar year there would be no therapy available to him. Once the child reached the age of five there would be no speech therapy available at all. The other specialties of occupational therapy—physiotherapy and psychology—are similarly stretched. Against a background of rising numbers, there have been cuts in services over the past few years, and this has led to the present critical situation. I have supporting details that I will give to the Parliamentary Secretary to pass on to the Minister. Those statistics reinforce the need for additional funding. I ask the Parliamentary Secretary to seek the Minister's support to achieve a suitable result.

Mr MARKHAM (Wollongong—Parliamentary Secretary) [6.42 p.m.]: I listened to the honourable member for Lismore's comments about a matter that is no doubt of concern to him and his constituents. I will ensure that I draw the Minister for Health's attention to the concerns raised by the honourable member.

SEE CHANGE JERVIS BAY AND BASIN WINTER ARTS FESTIVAL

Mr W. D. SMITH (South Coast) [6.42 p.m.]: The Jervis Bay and Basin Winter Arts Festival began on 27 May and will conclude on 11 June. This festival is called See Change. On Saturday 27 May I was privileged, along with many hundreds of people, to attend the official opening of the See Change Jervis Bay and Basin Winter Arts Festival. The opening was performed by Richard Morecroft of the Australian Broadcasting

Corporation [ABC] at Worrowing, the home of Jenny and Adrian Robertson at Old Errowal Bay, which is between Jervis Bay and the St Georges Basin. Worrowing is set high on a ridge overlooking natural bushland and the Budawang Range, home of the famous Pigeon House Mountain.

The concept of the festival came from a group of artists in the area who established Jervis Bay and Basin Arts and, with the help of the Bay and Basin Community Resources Centre, became an incorporated body which then allowed them to submit for funding from various agencies. The main movers and shakers were Jenny Robertson, President, at whose home the opening took place, Cindy Nebauer, festival co-ordinator, and Rachel Kelly, secretary. The actor John Howard—not the other John Howard—star of the ABC's *Seachange*, is the patron of this year's winter arts festival. Corporate sponsors include the Shoalhaven Arts Board, Ansett Australia, Regional ArtsNSW, Realty Realizations, the Manildra Group, Holiday Haven Tourist Parks, St Georges Basin Country Club and Shoalhaven City Council.

The exhibition at Worrowing was termed Earthly Delights and the property served as the perfect backdrop for this exciting exhibition of paintings and sculpture. There were many different art forms within the paintings and sculptures, ranging from traditional landscapes and portraiture through to incredible free expressionism with totem poles, banners blowing in the breeze and hands-on paper making and wood carving. It was possible to purchase locally made wines from the Coolangatta Estate, sweet treats and homemade soups and breads—most welcome on such a cold day. We even had music supplied by the former long-term member for the State electorate of South Coast, Mr John Hatton, in company with Stan Chobanoff, who is an exponent of many types of African and Middle Eastern music.

This wonderful day was the beginning of the festival, and many more exciting events will take place over the two weeks of the festival. We will be able to listen to three different a cappella choirs performing at Vincentia Primary School—the Bay and Basin's Raised Voices, Cyrenes from Canberra, and Another Roadside Attraction from Sydney. Other well-known identities participating in the festival are Rosemary Stanton, a well-respected nutritionist, Riley Lee, grand master of the Shakuhacki or Japanese bamboo flute, and artist and author Kim Mahood, each of whom will be featured in the many and varied activities to take place.

We have our own Rapunzel, "The Princess Spinning in the Tower" featuring a series of enchanted poems and stories. There will be a function called Race around the Bay with the premiere screening of youth videos made by Shoalhaven participants in the race around the bay. Visitors can take part in a blues night, attend the See Change theatre, or go on an Art of Nature sunset cocktail cruise around the beautiful Jervis Bay and see dolphins, which have a semipermanent home in the bay, and the little fairy penguins which live on Bowen Island and venture into the waters of the bay for feeding.

Many of the events take place in our local schools, providing visitors with the opportunity not only to enjoy the event but also to see the work done by our schoolchildren as the activities take place in the school hall, which is often a showcase for the students' own art works. The atmosphere at the opening at Worrowing could not be cooled down by the first very cold day of the season. People came from all over my electorate and further to enjoy the talents of many local people and to take the opportunity to whet their appetites for the fabulous activities still to come. I offer my most sincere congratulations to the organisers on their talent, energy and vision of this wonderful festival.

I offer my heartfelt thanks to all those in the community who gave so much of their time to ensure its success, and to the businesses which provided much-needed financial support and venues for some of the events. This is a perfect demonstration of a community—the Bay and Basin community—working together to bring arts and culture to an area too long starved of such riches. It also demonstrates that the people of this area want and need arts and culture in their lives. Further, it shows what incredible talent exists in my electorate. Not only am I fortunate enough to represent such a visually beautiful part of New South Wales, but the diversity of activities throughout this festival shows that I also represent people from all walks of life who enjoy quality entertainment. I commend all those involved with this excellent festival.

SYDNEY WATER RESTRUCTURE

Mr MARKHAM (Wollongong—Parliamentary Secretary) [6.47 p.m.]: I am concerned about the restructure of Sydney Water in the Illawarra. I have received a letter with some 40 signatures expressing concern about what is happening. The letter states:

Dear Colin

Sydney Water is about to embark on a restructure that will involve job losses in the Illawarra. How does that support the governments policy of supporting regional areas? There will no longer be a Senior Manager located in the Illawarra at John Parkers level, so who will represent Illawarra to issues at Sydney Water Corporation corporate level?

I have received dozens of letters about this issue, and I have raised the matter with the Minister. On Monday 29 May I was briefed by John Parker, who is the regional manager of Sydney Water. I know that my parliamentary colleagues in the Illawarra have also been briefed on the matter and they have the same information, that is, a position in the Illawarra is being downgraded. We are very unhappy about it, when one considers the issues affecting Sydney Water in Wollongong and in the Illawarra region. An upgrade of the tertiary sewage treatment plant in Wollongong will enable effluent from the Port Kembla sewage plant and the Bellambi sewage plant to the tertiary sewage plant in Wollongong.

The community has raised a number of issues with me, including concern about the ocean outfall that will result from the upgrade of the tertiary plant. With the effluent line running from Bellambi to the Wollongong treatment plant, a tunnel will have to be constructed under Smiths Hill. Many people in the area are concerned about the proposed route of that sewage line. For a long time Wollongong City Golf Club has raised concerns about the sewage treatment plant. I have held many meetings with the executive of the club and John Parker about what will happen to the club when the sewage plant is upgraded to the tertiary level and about its impact upon the golf course itself. I cannot understand why the importance of the Illawarra to Sydney Water is being downgraded, when these major issues are just around the corner. I have received many letters concerning the issue. One of those letters basically says it all. The letter reads in part:

What does this mean for Illawarra?

1. Staff will report to management in Head Office or elsewhere in the metropolitan region.
2. Loss of local high-level contacts between the local community, its representatives and Sydney Water.
3. Loss of the authority to make decisions at the local level to quickly and efficiently address local problems or issues. Decisions will now be made in Head Office and will be delayed due to all the other issues that arise and take priority due to some perceived higher importance of Sydney issues over Illawarra's.
4. The probable disbandment of the Community Consultation Council.
5. The cessation of sponsorship by Sydney Water of various sporting and community groups.

I assure the House that the communities of Wollongong and the Illawarra region are extremely concerned about the matter. An incredible number of complaints were made about the amalgamation of power distributors and the relocation of the head office of Integral Energy from Wollongong to some other area of Sydney. It looks as though we are going down the same path of moving the regional office of Sydney Water out of the Illawarra to Sydney, where local members will not be able to talk to the boss of Sydney Water in the Illawarra day to day about issues that affect consumers in the Illawarra. I am aware that other members on the South Coast have made representations to the Minister. As the Parliamentary Secretary for the Illawarra, those members have requested me to seek a deputation of the six members to discuss the issue with the Minister. I therefore wrote to the Minister in the following terms:

Dear Minister,

I have recently received correspondence concerning the restructure of Sydney Water.

I must say I was shocked to find that the position of Regional Manager will be abolished and that there will be no senior management located in Wollongong, not to mention the loss of at least 9 other positions in the region.

I urge the Minister not to downgrade Sydney Water's representation in the Illawarra.

Private members' statements noted.

OCCUPATIONAL HEALTH AND SAFETY BILL

Bill received and read a first time.

Second Reading

Mr MARKHAM (Wollongong—Parliamentary Secretary), on behalf of Mr Whelan [6.53 p.m.]: I move:

That this bill be now read a second time.

This bill was introduced in the other place on 26 May, and the second reading speech appears at pages 5936 to 5938 in *Hansard*. The bill is in the same form as introduced in the other place. I commend the bill to the House.⁰

Debate adjourned on motion by Mr Fraser.

TRUSTEE COMPANIES AMENDMENT BILL

Bill received and read a first time.

Second Reading

Mr MARKHAM (Wollongong—Parliamentary Secretary), on behalf of Mr Whelan [6.54 p.m.]: I move:

That this bill be now read a second time.

This bill was introduced in the other place on 30 May, and the second reading speech appears on page 1 of the *Hansard* proof for that day. The bill is in the same form as introduced in the other place. I commend the bill to the House.

Debate adjourned on motion by Mr Fraser.

BILL RETURNED

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

State Emergency and Rescue Management Amendment Bill

[Mr Speaker left the chair at 6.55 p.m. The House resumed at 7.30 p.m.]

CRIMES (FORENSIC PROCEDURES) BILL

Second Reading

Debate resumed from an earlier hour.

Miss BURTON (Kogarah) [7.30 p.m.]: The object of the Crimes (Forensic Procedures) Bill is to lay down a regime for carrying out forensic procedures on persons suspected of having committed certain offences, persons convicted of serious indictable offences and persons who volunteer to undergo forensic procedures. The bill also aims to provide for the storage, use and destruction of material derived from those procedures and to make provision with respect to a national deoxyribo nucleic acid [DNA] database system containing information derived from the carrying out of such forensic procedures.

On 4 April, the Premier announced that the Government would introduce legislation giving police the power to take DNA samples, to match these samples against samples from a crime scene and set up a DNA database. The introduction of this legislation will revolutionise policing in New South Wales. It will result in a smarter, forensically intelligence-driven Police Service. It is the fingerprint of the twenty-first century. As at February this year, the United Kingdom had 740,000 suspects' samples on its database and 70,000 crime scene samples. This technology has resulted in a hit rate of over 92 per cent matching a person to a crime scene and has enabled 212 murders or manslaughter offences to be solved, 868 rapes or sexual assaults to be solved, 479 serious robberies to be solved and 34 previously unsolved murders to be cleared up.

Currently, the United Kingdom is matching over 400 crime scenes per week to offenders and these are results that traditional policing methods cannot achieve. It should be noted that in the United States of America, DNA testing has also freed 88 innocent people from death row which proves that DNA testing can establish innocence as well as prove guilt. The bill contains appropriate safeguards. Police in New South Wales will not have direct access to the DNA database. Rather, police will provide the sample for processing to a forensic laboratory. The DNA profile is entered onto the national database known as CrimTrac. The laboratory will inform the police if there is a match with other samples—from the crime scene, for example—on the database.

The bill will regulate the conduct of all forensic procedures in New South Wales including the taking of fingerprints, the taking of a sample of blood, and the taking of a forensic sample with a swab. The category of offence that the person is reasonably suspected of having committed will assist in determining the procedure that will be used. The bill allows for authorised persons, who generally would be police officers, to conduct a forensic procedure upon a suspect, convicted offender and volunteer, with each person's informed consent or by the order of a senior officer or magistrate.

The bill extends section 353A of the Crimes Act 1900 to allow not only charged alleged offenders but also suspects to be tested. However, the bill also puts in place a number of safeguards in relation to the taking and destruction of forensic samples. Such provisions do not exist in the Crimes Act 1900. This model, which is in line with the Commonwealth provision, has the obvious benefit of excluding or including suspects at an early stage of investigations, thereby freeing them from suspicion as well as focusing police investigations and maximising police resources.

DNA is a molecule that is contained in the genetic blueprint of an individual. It carries genetic information from one generation to the next in the form of a code or language. Except for identical twins, no two people share the same DNA sequence. The CrimTrac database is a major policing initiative that is being co-ordinated by the Commonwealth Attorney-General's Department to enhance police access to national policing information in Australia. The main object of CrimTrac is to make Australia safer by reducing crime. If it is to fulfil the object of reducing crime, it is envisaged that the CrimTrac database will have at least the following elements: state-of-the-art national automated fingerprint identification system; a national DNA criminal investigation system; a national child sex offenders system; and a national system providing real-time access to jurisdictional policing data.

Members of the New South Wales Police Service will be responsible for collecting the DNA samples in accordance with this bill. The samples will be taken from suspects, volunteers and convicted offenders by police officers. Crime scene samples will be collected by crime scene investigators and scene-of-crime officers. The DNA samples will be taken by courier by the Police Service to the forensic laboratory. That marks the end of police involvement in the sampling process until such time as they are notified by the forensic laboratory that the sample either has or has not provided a match with another profile on the national DNA database. At first instance in New South Wales, the majority of the DNA profiling will be done by the Division of Analytical Laboratories. The sample will be barcoded with the identifying number for the sample and will be contained in a tamper-proof package.

In accordance with the provision of this bill, samples must be destroyed within 12 months after being taken unless a person is convicted of the offence or upon acquittal. A magistrate may extend this period if it is considered that special circumstances warrant doing so. It is necessary to maintain the sample for 12 months to ensure that any questions raised in the trial about the forensic evidence can be addressed, that is, testing procedure, accuracy of the profile, et cetera. The forensic laboratory will retain the samples unless they are to be destroyed. The investigating police officer will be notified when the 12-month period is about to elapse in order that he or she may seek an extension of the period if necessary. It will also be incumbent on the officer to notify the laboratory if a person has been acquitted. In those circumstances, the sample would be destroyed. If the person is convicted, the bill allows for the sample to be kept permanently. This allows for further testing if required—such as if extra DNA systems become routine to increase the power of the DNA tests.

In the United Kingdom, where a national DNA database has been extensively tested, a very important case involved matching DNA samples with evidence collected at the scene of crimes. DNA evidence in the first instance assisted in proving the innocence of an accused person and later the guilt of a different person. In November 1983, a 15-year-old school girl, Lynda Mann, was raped and murdered in Leicester, England. The killer was never caught. Three years later, another 15-year-old girl, Dawn Ashworth, was also raped and murdered within one mile of where Lynda Mann's body was found. Police believed that they were looking for the same murderer and stepped up their investigations in the wake of the second murder.

Subsequently a 17 year-old youth, Richard Buckland, was arrested in 1986 and confessed to the murder of Dawn Ashworth. However, he denied any involvement in the murder of Linda Mann. The detectives were so determined to prove that the same person had killed both girls that they looked for ways to link Buckland to the Linda Mann murder. The head of the investigation had heard of the work of Professor Alec Jeffreys at the local Leicester University. Professor Jeffreys was undertaking a long-term research into diseases caused by mistakes in our DNA, and had developed a more sophisticated blood test than that which had previously been available. The police asked for Professor Jeffreys' help to link Buckland to both murders.

Professor Jeffreys' results stunned the detectives. Far from linking Buckland to either murder his results cleared him of both murders. Furthermore, he indicated that the same person had killed both girls—but it was not Buckland. Why Buckland ever confessed in the first place has never been established. Professor Jeffreys told the police that if they identified the killer and could supply a blood sample from him he was confident his new blood test could confirm the fact. The police then launched their first mass screen by taking blood from 600 men in three small villages that surrounded the murder sites.

During the course of that exercise a local baker, Colin Pitchfork, persuaded a friend to stand in for him during the blood tests. He even altered his passport, which the friend used as identification. He told the friend that he did not want his wife to find out he was having an affair. The deception was discovered when the friend told somebody at work, and police were alerted. Pitchfork was interviewed and a blood sample was taken and sent to Professor Jeffreys. He confirmed that Pitchfork was the killer. Pitchfork was later sentenced to two terms of life imprisonment for the two murders. The age of DNA in crime investigation had begun.

It is important to always remember that the first use of DNA established the innocence of a man wrongly accused of murder. The DNA debate can often be focussed upon its use to convict the guilty. This bill will achieve many things, apart from ensuring a national DNA database co-ordinated by the Commonwealth Government. It will enable police to determine guilt or innocence. But most importantly, there are safeguards in the legislation. The police take the sample, which is tested independently by an accredited laboratory. The police will be notified whether there is a match. If there is no match the sample is destroyed. This bill protects the innocent, convicts the guilty and assists police to effectively and efficiently solve crimes, thus making our community safer. I commend the bill to the House.

Mr STONER (Oxley) [7.42 p.m.]: I speak on this bill because law and order is important in the electorate of Oxley. Recently I sent a newsletter to constituents and asked for their views on a number of issues. A large number indicated that law and order was the most important issue to them. People are living in fear, particularly elderly people, many of whom live in some of the beautiful towns along the coastline. Crime and the methods that the police can use to detect and deter crime are extremely important to them. The use of police resources to make detection and the clear-up rate more efficient, including the use of DNA testing, has to be a positive step. In recent years there have been amazing advances in the use of technology in a forensic sense, and today with the power of science we can extend forensic procedures, such as fingerprinting, into the twenty-first century. That is what this bill is about.

I do not think that the deterrent effect of a powerful and reliable procedure such as DNA testing should be underestimated. It is that deterrent effect that will make people feel safer in their own homes and feel more confident that the police can investigate, find those who have committed a crime, and bring them to justice. My reading of the bill indicates that it will result in a better balance between the rights of suspected criminals and the powers of police. On my reading, no group or individual is opposed to the use of DNA testing in criminal investigations per se. The issue is really the types of safeguards that are put in place to protect the civil rights of individuals.

I understand that this bill reflects reforms that have been introduced and are under way in other State and Territory jurisdictions and is based on the proposals of the Model Criminal Code Officers Committee. Having provision for DNA testing to be carried out on persons suspected of committing certain offences and those convicted of serious indictable offences is a step in the right direction and reflects the needs and the views of the wider constituency at this time. The provision for voluntary DNA testing—as occurred at Wee Waa recently, with a very positive result—is also a welcome step.

The bill contains numerous safeguards concerning the storage, use and destruction of DNA material. It also links into the strategy of CrimTrac, which is the Federal Government's national database for police. That is certainly pushing forward the strategies that are available to police in solving numerous crimes. This bill contains a host of safeguard measures which should satisfy civil libertarian concerns, whilst not losing sight of the considerable public benefit in relation to clear-up rates of crimes and the deterrent effect of potential criminals knowing that such a powerful tool exists to solve crimes. Certainly overseas—and in particular in the United Kingdom, to which previous speakers have referred—the procedure has played a role in solving more than 400 crimes per week. I believe that when it was introduced in 1995 burglary rates dropped by 40 per cent and the clear-up rate of unsolved crimes increased by more than 60 per cent, which is a very significant result.

The clear-up rate of unsolved crimes would in my view provide great relief to the many families of victims of those unsolved crimes and must be a positive step which the Government and this House should pursue. The national crimes database, which will be effective from next year, is also a very positive initiative to co-ordinate the various State and Territory police forces. This legislation is a step towards the co-ordination of State agencies. I understand that the legislation will be reviewed after 18 months and that should satisfy those who have any concerns about moving into new ground. Further, DNA testing in the overseas experience has eliminated many innocent persons from suspicion—not to mention from death row, as I understand has been the case in America—as well as aided in the conviction of guilty persons, and that is another positive aspect of the bill. I do not intend to deal with the bill in detail as many of the issues have been covered by honourable members who have already spoken in this debate. I understand that this legislation has bipartisan support.

Mr R. H. L. Smith: It will be reviewed in 18 months.

Mr STONER: And it will be reviewed in 18 months. I understand that the amendment to be moved is not so much to do with the intent of the bill as it is to do with its detail. I am pleased that this bill generally addresses the concerns of a great majority of decent, law-abiding citizens, including elderly people who live in fear of crimes being committed against them.

Mr MILLS (Wallsend) [7.50 p.m.]: I support the Crimes (Forensic Procedures) Bill. This is legislation to permit the forensic use of DNA. This is timely legislation. I acknowledge a point made by a number of honourable members who have participated in the debate: the community is seeking legislation on the matter of DNA testing. However, it is up to us as legislators in this place to get it right, to ensure justice and fairness for every single person in New South Wales through this legislation. I ask honourable members to bear that in mind as they debate the detail and fine points of these provisions and in particular the amendment that has been foreshadowed.

DNA profiling is a highly powerful new tool to assist in solving crimes. We have come a long way since pioneering molecular structure work of Watson and Crick in the United Kingdom nearly 50 years ago on the deoxyribo nucleic acid molecule. Modern scientific application of that molecule has depended on developments in science, including computing power and analytical biochemical techniques, that have been developed since that pioneering work. A number of concerns that had been aired I hope have been addressed by this legislation to the satisfaction of those who raised those issues. One concerned which New South Wales organisation was to maintain the database for DNA profiles. That will be the Department of Health and not the Police Service. So the Department of Health will be in New South Wales what the Public Guardian's Office is in respect of the United Kingdom system.

Other concerns included what happens with the information and sample of a person who subsequently is acquitted. That is dealt with in part 10 of the bill. In recent times the media has mentioned that some 88 people who were on death row in the United States of America, having been convicted of murder and other capital crimes though they continued to maintain their innocence, were eventually found to be innocent after DNA analysis. That is a stunning outcome, and a number of lessons need to be drawn from it. The first I would draw is that it shows the ability of DNA testing to establish innocence as well as provide evidence of guilt. Secondly, it shows the importance of getting forensic examination procedures correct and ensuring that they are meticulously applied to ensure that justice is done.

I would expect that, as a result of this legislation, we will bring into some sort of parallel the forensic procedures for both fingerprinting and DNA profiling. We must consider integrity procedures that are recognised by courts for blood typing and other scientific forensic tests. I well recall what I said on a number of occasions many years ago in this place regarding the case of Douglas Harry Rendell, who in 1980 was convicted in Broken Hill of murder and was sentenced to life imprisonment. He had served more than eight years in prison before he was pardoned following an investigation of his case. In Doug Rendell's case, the conviction depended on a blood test and ballistic evidence in particular. The blood test turned out to have involved a faulty batch of a reagent chemical that gave a false positive reading. That analysis was carried out by a forensic science laboratory in New South Wales.

Doug Rendell was in prison when he noted that Lindy Chamberlain had been found not guilty on the basis of a faulty blood test conducted by a New South Wales forensic laboratory. He approached biochemical scientist Professor Barry Boettcher, then at the University of Newcastle. Professor Boettcher had gone round the world looking into the science behind the Lindy Chamberlain case. Eventually, he found bottles of this faulty batch of reagent scattered in various places around the world, but particularly in Australia. That led to the false test of blood taken from the front seat of Lindy Chamberlain's car. Doug Rendell's case involved a stain in a sink that was alleged by the prosecution to be blood washed from his hands after a death in Broken Hill. A sample that was taken of the substance in the sink was declared on analysis to be blood.

Professor Boettcher approached the legal system and did some tests. He found that the sample taken from the sink in Doug Rendell's house in Broken Hill was something like rust, certainly not blood, and that a false positive had been declared. So scientific procedures can go wrong. Certainly, in Doug Rendell's case, a DNA test, if it had been available in 1980, would not have resulted in the miscarriage of justice that did occur. That is an example from my own experience of a case involving a miscarriage of justice in New South Wales. If DNA testing had been conducted on that sample, Doug Rendell certainly would not have been convicted. It is to the credit of the former Government that, when the evidence came through and there were many approaches to

do something about that case, the conviction eventually was quashed and a settlement was reached to compensate Doug Rendell for the miscarriage of justice, just as there was in the Ziggy Pohl case and a number of others that followed at that time.

This legislation places a higher burden of responsibility for accuracy on scientists of the New South Wales Department of Health who will determine the DNA profiles on forensic samples and, as I understand it, will maintain the DNA database in New South Wales. Many people know that in my time before Parliament, I was an analytical chemist working in private industry. As a scientist, I understand the nature of the burden of responsibility for accuracy that professional scientists carry. I commend the scientists of the State Department of Health and the analytical laboratory that will be dealing with this matter for the high standards that they have demonstrated in the past. In particular, I exhort those scientific colleagues to maintain their professional vigilance and always to work to improve the standards of accuracy and integrity, on which this scheme of DNA profiling will depend. The public and community of New South Wales will depend on the quality and integrity of the work of the scientists so that justice can be delivered in New South Wales.

I want to note a number of matters regarding the bill. Clause 4 sets out a list of persons who can act as interview friends of suspects and serious indictable offenders who are children, incapable persons or Aboriginal persons or Torres Strait Islanders. Various provisions of the proposed Act give suspects, offenders and volunteers from those groups a right to have an interview friend present. I commend the development of this process of interview friends for the people in those groups. Part 3 of the bill deals with forensic procedures being conducted on a suspect by consent. Part 3 gives authority to carry out forensic procedures with consent, and it sets out the requirements that must be met before a suspect is viewed as having given consent to a forensic procedure.

Clause 9 sets out the requirements for informed consent to be given by a suspect who a police officer has reasonable grounds to believe is not an Aboriginal person or a Torres Strait Islander—in other words, a non-Aboriginal person. That suspect can give consent only after a police officer has informed him or her about the forensic procedure and has given the suspect a written statement setting out the information or the nature of the information that the suspect has to be given. The clause provides that a suspect must have an opportunity to consult with a legal practitioner of his or her choice before consenting to undergo the procedure. Clause 10 deals with Aboriginal persons and Torres Strait Islanders. The requirements for informed consent to be given to Aboriginal and Torres Strait Islander people are the same as the requirements in clause 9 but a number of additional procedures must be followed. Clause 10 provides, in part:

- (3) The police officer must not ask the suspect to consent to the forensic procedure unless:
 - (a) an interview friend is present, or
 - (b) the suspect has expressly and voluntarily waived his or her right to have an interview friend present.
- (4) Before asking the suspect to consent to a forensic procedure the police officer must:
 - (a) inform the suspect that a representative of an Aboriginal legal aid organisation will be notified that the suspect is to be asked to consent to a forensic procedure, and
 - (b) notify such a representative accordingly.

I commend the Government for these additional procedures involving interview friends and for taking care to ensure that Aboriginal and Torres Strait Islander suspects are given this level of additional protection in our law. Finally, I refer to part 10, which relates to the destruction of forensic material. Clause 86 requires that any forensic material carried out under an interim order that is disallowed must be destroyed and a copy of the results of any analysis of the material has to be given to the suspect. Clause 87 provides for the destruction of forensic material obtained from an offender whose conviction is quashed. Clause 88 provides for the destruction of forensic material taken from a suspect by a forensic procedure carried out under the proposed Act in specified circumstances. It ensures that, in general, material is not retained where a suspect is not found guilty of an offence, which is important, or where proceedings are not instituted against the suspect within 12 months. Those guardians of our liberty are built into the Act. Consequently, I commend the bill to the House.

Ms HARRISON (Parramatta) [8.03 p.m.]: It is with a great deal of pleasure that I support the Crimes (Forensic Procedures) Bill. The purpose of this bill is to introduce a regime for carrying out forensic procedures on suspects, serious indictable offenders and volunteers to provide for the storage, use and destruction of material derived from forensic procedures, and to provide for a national DNA database containing information derived from forensic procedures. I believe that, as a result of this legislation, the national DNA database will provide police with a powerful investigative tool.

Police will be able to match DNA profiles found at a crime scene to profiles of convicted serious offenders, so immediately identifying potential suspects. They will be able to take the DNA profiles of suspects and convicted criminals and search for DNA profiles from unsolved crime scenes across Australia, and they will be able to match profiles taken from two or more unsolved crime scenes, thereby linking seemingly unrelated police investigations. Because a large number of crimes are committed by a small number of criminals, once criminals have their DNA profile recorded on the database police will be able to identify them faster, saving investigation time and court costs. It will give our police the tool to dramatically increase their clearance rates of serious offences and many high-volume crimes, such as house robberies.

In Australia half of all sexual assault offenders have previous convictions for assault. With the national DNA database containing profiles from convicted offenders, many sexual assault cases will be solved more quickly. It is important to note that the database will also protect the innocent as often as it points the finger at the guilty. It will provide powerful protection for those wrongly accused of committing a crime as well as finding those who are guilty. Many people have asked me how this system will work. Members of the New South Wales Police Service will be responsible for collecting DNA samples in accordance with the bill. The DNA sample will be couriered by the Police Service to the forensic laboratory.

This is the end of police involvement in the sampling process until such time as they are notified by the forensic laboratory that the sample has or has not provided a match with another profile on the national DNA database. In the first instance, in New South Wales the majority of DNA profiling will be done by the Division of Analytical Laboratories [DAL] which is part of the Department of Health and is accredited under the Commonwealth National Association of Testing Authorities [NATA] standards for DNA testing. The sample will be bar coded, which is the identifying number for the sample, and be in a tamper-proof package.

Details about the sample will be recorded by DAL and then uplifted onto the national DNA system. No personal information will be uplifted onto the national system. This information is necessary so that the relevant business rules for that type of sample and the jurisdiction can be applied when matching on the national system—a provision contained in clause 93 of the bill. The forensic laboratory will process the sample and two forensic scientists will independently verify the profile produced before it is placed on the national DNA database. Once a sample and its profile have been recorded on the national DNA system it can be marked for matching with other profiles within the system, which is then initiated. A forensic scientist at the New South Wales laboratory will log onto the national DNA system on a daily basis to see what matches have been detected by the system that involves profiles from that laboratory.

All profile matches must be checked independently by two scientists within the laboratory before they can be reported to the police. It is envisaged that the police will be notified electronically that a match has occurred with the sample they have submitted—bar code numbers only to be given. The police officer will have to contact the laboratory to find out details of the samples and obtain an explanation of the match. User access to the national DNA database will be restricted by security categories, logged and audited and a number of penalties are applicable under the bill for failure to comply with its provisions, for example, the improper analysis or supply of a DNA sample, in clause 91; incorrect access of the DNA database, in clause 92; and impermissible matching of profiles, in clause 93.

Reference was made by those members who contributed to debate on this bill to the impact that DNA testing and matching had had on crime rates in the United Kingdom and, in particular, the impact that it had had on crime clear-up rates. For example, it has been claimed that the DNA testing of prisoners in England has led to 60 per cent of major unsolved crimes being cleared up. According to the New South Wales Commissioner of Police, since the introduction of the national DNA database in 1995, burglary was down by 40 per cent and the clear-up rate for unsolved crimes was up by 60 per cent. In its May 1999 discussion paper the Model Criminal Code Officers Committee [MCCOC] also referred to the United Kingdom experience with DNA testing and matching. It opened its account with the following comment:

While it is not possible to be exact about the benefits of DNA matching in terms of crime clear-up rate, because there are so many factors to a successful police investigation, there is no doubt that DNA matching can play an important role.

The MCCOC went on to report that, since 1995, the UK national database:

- has been used to make over 10,000 matches between crime scenes and suspects;
- has been used in clearing up on average 333 crimes per month;
- there is a "cold hit" rate of 18% (matches arising from comparing whole indexes, eg the whole crime scene index against the whole of the serious offenders index). This is better than fingerprints where the hit rate is 10%.

- has seen over 600,000 samples being submitted for analysis. Of these, just over 500,000 have been "profiled" and included on the database.
- during the period April 1998 to the end of January 1999 there have been the following person to crime matches:
 - murder/manslaughter 35
 - rape 112
 - sexual assault 41
 - grievous bodily harm 40
 - serious robbery 88
 - aggravated burglary 51
 - arson 46

Those kinds of statistics give us hope that this bill will make a huge difference to policing in our State. The main object of the bill is to make Australia a safer place by reducing crime. That will be achieved by providing law enforcement officers with appropriate tools and facilitating access to current information on persons, objects and events of interest on a national basis, rather than confining access to jurisdictions. I commend and support this bill.

Mr GAUDRY (Newcastle—Parliamentary Secretary) [8.09 p.m.]: The Crimes (Forensic Procedures) Bill is important legislation. It gives the Police Service a greater range of skills to enable it to more effectively battle crime and will assist in the clear-up of crimes that have hitherto gone unexplained. The purpose of the bill is to establish a regime for the carrying out of forensic procedures on persons suspected of having committed certain offences, persons convicted of serious indictable offences and persons who have volunteered to undergo forensic procedures. It also establishes a regime for the storage, use and destruction of materials derived from those procedures and makes provisions with respect to the national DNA database, CrimTrac, a system containing information derived from those forensic procedures. As the honourable member for Parramatta said, a national database will be available in certain circumstances to assist in the clearing up of crime and in the pursuit of suspects of crime.

The use of DNA is not new. Overseas, particularly in the United Kingdom, it has proved to be very effective both in the solving of crime and in assisting criminal investigations. Statistics show that as at February 2000 the United Kingdom had 740,000 suspect samples on its database and 70,000 crime scene samples. The use of DNA technology resulted in a person to crime scene hit rate of more than 92 per cent, and it allowed for the solving of 212 murder and manslaughter cases, 868 rapes and sexual assaults, 479 serious robberies and 34 previously unsolved murders. Currently the United Kingdom is matching 400 crime scenes per week to offenders. They are results that traditional policing methods have not been able to achieve.

This bill provides the Police Service with a new tool that is strictly regulated. The Police Service will not have control of the DNA laboratory. That will be under the control of a totally different body, the Division of Analytical Laboratories [DAL], which is part of the Department of Health and is accredited under the Australian standards for DNA testing. It will have the sample, the maintenance of the sample and certainly the information from that sample. It is important to have a clear-cut and positive set of procedures to cover the use of DNA testing and to ensure it is carried out under the best standards.

Members of the Police Service will be responsible for collecting the DNA samples in accordance with the provisions in the bill. Those samples will be taken by police officers from suspects, volunteers and convicted offenders. Crime scene samples will be collected by crime scene investigators from the forensic services group. That group will be within local area command resources. Officers are currently being trained by the forensic services group of the New South Wales Police Service. The upgrading of the Police Service to use these new techniques is already under way. The DNA sample will be couriered by the Police Service to the forensic laboratory, and that will be the end of police involvement in the sampling process.

In New South Wales the majority of DNA profiling will be done by the DAL. The sample will be bar-coded so an identifying number will be on the sample, which will be in a tamperproof package. The details of that sample will be recorded by the DAL and they will be uplifted to the national DNA system. There will be no personal information on that system. The information is necessary so the relevant rules for that type of sample and the jurisdiction can be applied when matching on the national system. Once the sample and its profile have

been recorded on the national DNA system, it can be marked for matching with other samples on the system. DNA samples found at crime scenes will be able to be matched with suspects and with convicted offenders, and unsolved crimes can be matched against one another, thereby linking seemingly unrelated investigations.

One of the most important provisions in the bill relates to keeping the DNA samples in a safe location. Those samples are not held by the Police Service; they are to be matched against material picked up at the scene of crime. All profile matches must be checked independently by two scientists within the laboratory before the results can be reported to police. It is envisaged that police will be notified electronically that there is a match with a sample they have submitted, and bar code numbers only will be given. It is a system that ensures confidentiality and ensures that the provision of information to police is in a confidential form.

There is no doubt that this form of DNA sampling will be a great advantage to the Police Service. It will give the service the capacity to deal with a range of crime in a much more scientific manner than it has to date. It will be far more effective than the current system of fingerprints. To demonstrate the ability of the system to discriminate between individuals, the chances of having two matching DNA samples from two individuals is one in 72 million. If the samples are used normally there is very little chance that there could be a problem with the match. The bill will also give police some other powers in relation to forensic procedures, and it will bring our fingerprinting system up to a national standard as well.

The bill will allow police officers to take forensic samples from persons reasonably suspected of committing offences, either voluntarily or by order of a senior police officer or a magistrate. A number of speakers in this debate have mentioned the voluntary DNA testing of the majority of males in Wee Waa after the commission of an horrific crime in that area. It has already been used on that basis in New South Wales. As I said, the bill will give police another mechanism to aid them in their fight against crime. It will also give members of the community a greater feeling of safety and security. They will know that when criminals commit offences in the community, whether it be break and enters or a range of other criminal activity, the police will have a further mechanism to ensure that those criminals are brought to justice. I commend the bill to the House.

Mrs GRUSOVIN (Heffron) [8.20 p.m.]: I support the Crimes (Forensic Procedures) Bill. There is no doubt that the recent enormous advances in technology mean that police will be able to process available evidence in a far more sophisticated way when they are conducting their investigations. This bill will revolutionise policing in New South Wales. It will result in a smarter, forensic intelligence driven Police Service, and it is being quoted as the fingerprint of the twenty-first century. It is well known that in the United Kingdom police have been conducting forensic procedures on offenders since the mid 1990s. In fact, the first sample taken freed an innocent person who had confessed to a crime he did not commit. In the United Kingdom suspects' samples are placed on a database, along with samples obtained from crime scenes, and are matched in an attempt to link the suspect with both the crime he is suspected of and other outstanding crimes.

As at February 2000 the United Kingdom had some 740,000 samples from suspects on its database and some 70,000 crime scene samples. This technology had resulted in a personocrime-scene hit rate of more than 92 per cent and has led to the solving of some 212 murders or manslaughters, 868 rapes or sexual assaults, 479 serious robberies and 34 unsolved murders. Currently, the information we are receiving shows that the United Kingdom is matching more than 400 crime scenes per week to offenders, results that traditional policing methods just simply cannot achieve.

It should be noted that in the United States of America DNA has resulted in some 88 innocent people being freed from death row. That is very encouraging, but it would be much better if there were no death rows. Importantly, police the New South Wales will not have direct access to the DNA database. Police will provide the sample to a forensic laboratory for processing. The DNA profile, which looks like a chain of numbers, will be entered into the national database, CrimTrac. The laboratory will inform police if there is a match with other samples—for example, of the crime scene—on the database. It is important to note those facts. It is important that there be a dividing line between the operation of CrimTrac and access to those records by the police.

CrimTrac's new national DNA database will offer police the prospect of solving many more crimes more quickly because DNA profiling is the greatest breakthrough in police investigation techniques since the development of fingerprint science in the nineteenth century. At present Australian police largely use DNA evidence in individual cases. They take the DNA profile of the suspect or charged person, depending on State law, and compare it with DNA from the crime scene. Some States and Territories have their own local DNA databases. DNA evidence has already been used to convict criminals of serious offences such as sexual assault, armed robbery and murder. However, it has also clearly established the innocence of many people who might otherwise have been implicated in a crime.

The database will provide police with a very powerful investigative tool in which they will be able to match DNA profiles found at a crime scene to profiles of convicted serious offenders, thus immediately identifying potential suspects. It will enable police to take the DNA profiles of suspects and convicted criminals and search for DNA profiles from unsolved crime scenes across Australia. Police will also be able to match profiles taken from two or more unsolved crime scenes, thereby linking seemingly unrelated police investigations. The database on its own could not be used to identify an individual. It will be useful as an investigative tool only when police match DNA from a crime scene. It will also operate in accordance with relevant State and Territory legislation governing the collection and matching of DNA.

Under the bill police officers will be able to take forensic samples from persons reasonably suspected of committing a prescribed offence either voluntarily or by order of a senior police officer or magistrate. Persons convicted of serious indictable offences are to be forensically tested. Samples taken from those persons can be stored on the DNA database and matched against prescribed categories. Volunteers can be forensically tested, but their profiles will only be matched against a crime scene that they are specifically tested for and then destroyed. Forensic samples from suspects are to be destroyed after 12 months if the matter has not been finalised—an extension of this time can be sought—or if the suspect is acquitted of the charges. Most importantly, there will be an independent oversight of the DNA database. The Act will commence on 1 January 2001. It should be noted that the Ombudsman will review the legislation and its operations in 18 months. I support this bill. We must use available technology to ensure more effective investigations of crime.

However, this bill will need to be closely monitored. With such legislation there is always the thin end of the wedge, and we must ensure that it is made clear down the track that the rights of individuals are to be protected. Along with other members of this House, I will do everything possible to provide police with the ability to solve crimes as effectively and quickly as possible. However, it must be noted that the human element is always involved in the possible abuse of systems. The Royal Commission into the New South Wales Police Service clearly indicated that those in positions of trust in the community who are empowered to maintain the interests of a civilised community can in fact be misled and take actions which are outside the law. Therefore, the bill will need to be carefully monitored over the coming years. Hopefully, it will allow police to have a better breakthrough rate in investigations. I commend the bill to the House.

Ms SALIBA (Illawarra) [8.28 p.m.]: I support the Crimes (Forensic Procedures) Bill, as do many other members of the House. I do not wish to repeat everything that has been said. This bill will establish a regime for carrying out forensic procedures on persons who are suspected of having committed certain crimes, persons convicted of serious indictable offences, and volunteers, as happened recently in Wee Waa. The bill establishes a system for the storage, use and destruction of material derived from those procedures. It also makes provision with respect to a national DNA database—that is, the CrimTrac system—which will contain information derived from the carrying out of such forensic procedures. As other members have said, the bill puts in place a number of safeguards to protect the rights of the citizens of New South Wales. For example, the bill provides that children will not be allowed to give consent, police will not be able to take samples from children, children or incapable persons must be accompanied to an interview by a friend, and Aboriginal and Torres Strait Islander suspects must be allowed voluntary waiver of certain rights in relation to the taking of samples.

Much has been said about people's rights. This bill is also about the rights of victims of crime. It is about this Government using any possible means available to find and convict those who commit serious crimes. In Wee Waa, a woman in her nineties was viciously attacked and raped. A person has now been arrested for that crime. A number of members of the Wee Waa community voluntarily provided samples for DNA testing. The Wee Waa incident was a good example of how the bill will assist police and the courts to identify and convict people who are guilty of serious crimes. I am concerned about the rights of the victims of serious crime. Those who commit serious crimes should face the relevant punishment. The State Government embraces any modern technology that is available to identify criminals. The bill provides that the system will be reviewed in 18 months time. That is one of the safeguards designed to ensure that the legislation is implemented correctly and does not impinge on the rights of innocent people.

Earlier today the Minister for Education and Training spoke about the State Government embracing technology by installing computing systems throughout schools. That is yet another way in which the New South Wales Government is embracing modern technology. The Government will continue to introduce new measures to look after our community and to assist in providing police, health and education services. I support the bill and the comments made by my colleagues. The bill is a terrific step forward for the State Government. I will monitor carefully the implementation of the bill and the way in which it affects people's rights. The opportunity is always available for legislation to be used or abused. I will monitor the legislation closely to ensure that that does not occur. I commend the bill to the House.

Debate adjourned on motion by Mr R. H. L. Smith.

INTOXICATED PERSONS AMENDMENT BILL**Second Reading****Debate resumed from 30 May.**

Mr TINK (Epping) [8.35 p.m.]: The Opposition does not oppose the Intoxicated Persons Amendment Bill. The principal changes to the procedures under the Intoxicated Persons Act 1979 are set out in the explanatory note to the bill as follows:

- (a) the provisions for the proclamation of government and non-government facilities and the power of those conducting the facilities to detain intoxicated persons are removed from the Act,
- (b) a person found intoxicated in a public place will only be able to be detained by a police officer, who will be required to release the person into the care of a responsible person...
- (c) if a responsible person cannot be found and it is impracticable to return the intoxicated person home, the intoxicated person may be detained at a police station or at an approved juvenile detention centre.

Like the honourable member for Hawkesbury, I have been a little intrigued by the bill. The Intoxicated Persons Act 1979, which this bill amends substantially, confers core powers not only on police but also on other authorised persons to deal with intoxicated people who, in the latest amendment before the House, are now taken to include not only people intoxicated by alcohol but also people intoxicated by drugs, or a combination of both. The bill seems to substantially narrow the Act to deal with the circumstances in which the power rests solely with the police. Both the honourable member for Hawkesbury and I have made inquiries of organisations that have traditionally played a strong role in assisting intoxicated persons, particularly Mission Australia, which runs the Sydney City Mission, and the Salvation Army.

I have also spoken to Gary Moore, the head of the Council of Social Service of New South Wales. All of those people support the changes to the legislation but, as far as I have observed, they have deep misgivings about it. I share those misgivings to a significant extent. One of the matters that bothers me is that the so-called protocols which the honourable member for Newcastle spoke about in his second reading speech are built around the Police Service, the Police Service co-ordinator and other local agencies within the local area command. As recorded in *Hansard*, the Parliamentary Secretary said:

These protocols will be developed at the police local area command level to allow for the provision of services to intoxicated persons and arrangements for police referral of intoxicated persons to those services.

That all sounds fine. However, the problem is that at the moment police local area commanders are literally being run ragged by their existing responsibilities, and deep concerns are held by many local area commanders—let alone many other people in the Police Service, me, and, I suspect, many other members of this Parliament—that the role of local area commander in the Police Service is quickly becoming impossible for many people to hold down. There are a whole host of reasons for that. I believe one of them is that there is no executive officer, so to speak, for the local area commander. There is now the duty officer concept, which involves 24-hour shift supervision, but there is no executive officer role to support the local area commander.

It seems to me that the effect of this bill, as explained by the Parliamentary Secretary, the honourable member for Newcastle, is to place more significant responsibility on the shoulders of local area commanders. I am deeply concerned about the capacity of local area commanders to carry such a burden effectively let alone co-ordinate the different services which need to be co-ordinated properly if the intent of this legislation is to be given effect. How is this problem demonstrated in evidentiary terms?

An extraordinary situation exists in the Canobolas command where, as I understand it, since 1997 five changes of commander have occurred. If my memory serves me correctly, since 1997 in Ryde—the Ryde-Gladesville area is a busy metropolitan command as distinct from a regional command—there have been at least four changes of command. One has to ask oneself how, when so many changes of commander have occurred in a short period, one could effectively get across basic core policing issues let alone get across the type of issues that are raised in this legislation. If this legislation is intended to work properly, fairly sophisticated and demanding interaction is required between the local area commander, the Department of Community Services, the Department of Health and the wider Police Service.

If the local area commander in probably every one of the local area commands in this State does not have the time to do that job—which I believe to be the case—then who is doing it? I suspect that the person who

ends up doing it is the police officer who holds the community relations portfolio as it is now referred to. The problem with that is that increasingly the people who hold that type of portfolio in the Police Service are junior officers. To put it bluntly, the job is not regarded as a high priority area in most local area commands. At best, a sergeant will be holding down this position if the local area command and the community are lucky enough. Quite often a senior constable holds the position and in many cases someone who may even be junior to a senior constable may hold the position. That is the first problem.

The second problem is that although someone may have that portfolio responsibility in the position title, the officer does not hold the position in substance. What do I mean by that? The involvement of the Police Service in hot spot targeting leads to more and more stories being heard about the community service portfolio managers doing virtually no community service work in the local area command but spending nearly all their time in the general duties response vehicle like any other police officer—running around and responding to crime calls. Why is that the case? It is because, as all honourable members know, police officers are not available in the Police Service to provide the level of service that was promised by the Government—the level of service that people need and expect, the level of service which would allow front-line police officers to meet the demands of fighting crime without having portfolio managers to assist them.

A great number of problems exist in the Police Service at the moment. For example, there are problems associated with manpower and there are many problems associated with command. They are reflected in the seemingly rapid turnovers of key commanders that are occurring throughout the State. Another great batch of turnovers is taking place right at this minute. In many instances there is neither time to consider nor focus to apply to policing duties, let alone respond to the demands that will be created by this measure. Those concerns weigh heavily on me. I am concerned about this legislation. I and other members of the Opposition, such as the honourable member for Hawkesbury, have discussed this matter. In the light of the comments made by the Council of Social Service of New South Wales [NCOSS], the Salvation Army and Mission Australia, I believe that opposing this legislation would not take the Coalition anywhere or address the key issues. That is certainly the case in relation to the submissions and representations that those bodies have put to the Coalition, and those organisations share the concerns that the Coalition has expressed.

I have had lengthy discussions with Gary Moore from NCOSS who is happy for me to place on the record his deep concern over these matters. I fear that as a result of this legislation New South Wales will slip back into the bad old days. The ball is in the court of the Police Service, more particularly in the court of the Minister of Police, to make sure that this legislation works. That will necessitate providing to hard-pressed commanders the staff they need to be able to get the job done rather than allowing the implications of this legislation to just be another instance of matters falling between the cracks. At the end of the day, if this Parliament stands for anything, it stands for accounting for people who slip through the cracks in society; people who for one reason or another have fallen on hard times; people who are grievously addicted to liquor or drugs or are affected by the type of behaviour that brings them to the notice of the Police Service.

This legislation makes it clear that it is the collective responsibility of members of this Parliament to ensure that the people to whom I have referred are not mistreated because they have unmet needs. I sincerely hope that the Government, when implementing this legislation and when giving effect to it, will not allow those people to fall through the cracks in the way they have in the past and in the way that, to a significant extent, they still do. Let us not return to the bad old days through this legislation. The ball is in the court of the Minister of Police to ensure that police officers have sufficient resources in local area commands to give proper effect to this legislation and to ensure that a reversion does not occur.

Members of the Opposition, together with NCOSS and the other agencies to which I have referred, will be closely observing the way in which this legislation is implemented after it is passed by this Parliament, especially when it comes to the provision of resources to give effect to the bill. With those strong reservations, I indicate that the Coalition will not be opposing the legislation. I expect that on a more personal basis the honourable member for Hawkesbury, because of his deep involvement in trying to assist people who will be affected by this legislation, will expand on the concerns I have mentioned.

Ms SALIBA (Illawarra) [8.47 p.m.]: I support the Intoxicated Persons Amendment Bill. At present, under the 1979 Act, a number of Government and non-Government facilities are proclaimed as places to which persons who are found to be intoxicated in a public place may be taken by police officers. Persons conducting any such proclaimed place are authorised to detain the intoxicated person at that place and police officers may release an intoxicated person into the care of a responsible person or may detain the intoxicated person at a police station if the intoxicated person is violent, there is no accommodation available at a proclaimed place, or it is otherwise in the interests of the intoxicated person.

The fundamental aim of the reforms is to improve services for homeless people who have chronic drug and alcohol abuse problems by focusing service provisions on delivering better health outcomes; by addressing addiction as a component of case management; by offering better housing outcomes; by addressing issues that contribute to homelessness; by providing services that are flexible and responsive to the client's immediate and longer-term needs; and by the framing of service delivery around a continuum approach to care and support, principles of access and equity, and a commitment to protecting clients' rights and dignity.

The protocols will clarify the roles and responsibilities of the Department of Community Services [DOCS], the New South Wales Police Service, and New South Wales Health; set out liaison and referral procedures; and allow for local region protocols or agreements to be developed between DOCS area managers, co-ordinators in mental health, drug and alcohol, and health promotion services, and local area commanders or designated officers. At this point I mention the comments made by the honourable member for Epping in relation to community relations officers. The community relations officers, Rob Harasi in the Wollongong area command and John Kepzereck in the Lake Illawarra area command in my electorate, are both outstanding and work very hard in the community. I have no problem with those men representing the local area commanders under such conditions. The protocols will also establish monitoring arrangements.

The proposed amendments will operate in conjunction with the protocols. They will: ensure that police retain the power to detain intoxicated persons where there is no other alternative; ensure that detention of intoxicated persons in police cells occurs only when it is necessary to do so, for example, when the intoxicated person is violent or when there are no practical alternative places at the police station; extend police power to detain those affected by drugs as well as alcohol; remove powers of detention from all persons involved in providing services other than police officers or authorised Corrective Services or Juvenile Justice personnel; and ensure that the only proclaimed places are police stations or existing Juvenile Justice centres.

A principal change to the procedures under the Act brought about by this bill is the provision for the proclamation of government and non-government facilities, and the power of those conducting the facilities to detain intoxicated persons is removed from the Act. That means that it is only the police or those who work in the Juvenile Justice system who can detain an intoxicated person. That will also prevent any misunderstanding or problems that might arise. Other principal changes are: a person found intoxicated in a public place will only be able to be detained by a police officer, who will be required to release the person into the care of a responsible person, whether a friend or family member or staff of a government or non-government organisation or facility providing services for the care of intoxicated persons.

For example, police can release an intoxicated person to an Aboriginal community liaison officer who can take that person home; and if a responsible person cannot be found, intoxicated persons may be detained at a police station, or at an approved juvenile detention centre. The implementation of Drug Summit recommendations will be achieved by the proposal to redefine "intoxicated persons" to include drug as well as alcohol intoxication. That will help to give effect to recommendation 9.10 of the Drug Summit Government plan of action. That is another example of a whole-of-government approach to a problem that is recognised and is being dealt with by the Government.

Ms MOORE (Bligh) [8.53 p.m.]: I will make a brief contribution to the debate on the Intoxicated Persons Amendment Bill. Homelessness is a serious problem in Bligh electorate, which has more drug and alcohol affected people than any other electorate in Australia. Edgar Eager Lodge, Campbell House and Matthew Talbot hostel are just some of the services located in my electorate. The principal effects of this legislation are: to de-proclaim proclaimed places; to provide for only police officers to detain someone intoxicated in a public place; to provide that such persons must be released into the care of a responsible person; and to provide that if a responsible person cannot be found and the intoxicated person cannot be returned home the person may be detained at the police station or approved juvenile detention centre. Like the honourable member for Epping I am concerned about the proposal. The bill will also cover drug-affected people.

I have spoken with service providers in Bligh and the general feedback is that the substance of this legislation is broadly acceptable but our real concern is that, despite the measure having been under development for more than two years, no service providers have been consulted prior to the decision to close proclaimed places and replace them with supported accommodation assistance program [SAPP] services. They are also concerned that the failure to replace proclaimed places—specially nominated places to which people found intoxicated in public may be taken—is a major problem. SAAP is not adequate for that purpose and staff have neither the time nor the expertise to deal with these matters. It is also considered to be bad practice to put intoxicated people in with sober people, for obvious reasons.

Proclaimed places have been closed in Newcastle and police have been instructed to take intoxicated persons to two hostels. The hostels have refused to take them, and have subsequently had their funding threatened. One of the problems is that particular conditions apply to intoxicated person. For example, in existing proclaimed place, checks of clients are carried out every 30 minutes to ensure their safety. The Department of Community Services, which is largely responsible for SAAP replacements of proclaimed places, does not regard this as necessary, despite the hazards associated with intoxication. That is obviously a concern. While the goals of SAAP are admirable—to assist people to live independently—and while case management is desirable wherever possible, it may not always be possible for either independent living or case management to occur, given the chronic nature of addictions spanning perhaps 40 years of a life.

In conclusion, homelessness is a very complex issue. I acknowledge the Government is making a serious effort to try to address it. I have been working very closely with a number of government representatives on a serious homelessness problem currently in Tom Uren Square, Woolloomooloo, of which I have spoken in this place. That may well become a model to approach the serious issue of homelessness that can develop quite suddenly, and needs to be addressed by a concerted effort.

A case management and all-of-government approach has been taken, and I commend the efforts and particularly the response of the Premier's Department and the Department of Housing to our serious problem in Woolloomooloo. However, I would appreciate a Government response to the issues I have raised tonight. Those concerns, about the de-proclaiming of proclaimed places, come directly from the people who respond to the needs of the homeless, the marginalised, those on skid row and people who end up in places such as Campbell House or the Matthew Talbot hostel.

Mr ROZZOLI (Hawkesbury) [8.58 p.m.]: I speak in this debate from a very specialised position. I am probably the only person in this House who has a detailed knowledge of the operation of the Intoxicated Persons Act and of proclaimed places which operate under that Act. Since the inception of proclaimed places I have been chairman of the Haymarket Foundation, the organisation that runs the Central Proclaimed Place, Albion Street. The Central Proclaimed Place has become a model for drug and alcohol services of its kind throughout Australia and is nationally and internationally recognised for its excellent work. Unlike most honourable members who luckily enough have not had such a close association, I am in a special position to comment on this bill.

My first concern is that as the honourable member for Bligh pointed out there has been no consultation whatsoever with people who are working at the interface between these services and the clients of those services. Whilst chairman of the Haymarket Foundation, I have had an intimate association with trying to find out from the Government what has been going on. The Department of Community Services that has the carriage of this reform process had until recently denied it was going to amend the bill.

It is curious that the original bill was introduced under the auspices of the Attorney General and reviewed by the Attorney General's Department, and that the reform process was taken over by the Department of Community Services and the bill is now introduced by the Minister for Police. If ever there was a dog's breakfast of reform of an Act, this is it! The Act originally was introduced to deal with the social drunk, that is, the person who, through an incidental inebriation, constituted a risk to both himself or herself and the public in general. The Act sought to decriminalise intoxication by providing a mechanism by which such persons could be placed in a proclaimed place to sober up, rather than in a police cell, where they would be exposed to all the dangers that appertain to that sort of incarceration.

Proclaimed places were set up under the original legislation, and they could hold persons for up to eight hours or until they were released into the charge of a responsible person. The eight hours was seen as a sobering up period, and proclaimed places had the right to detain a person during that particular time. Persons could commit themselves, be committed by another person or, as was generally the case in the early days, be taken there by the police. Practice, however, in recent years has indicated that in most instances it is a self-referral system, particularly in the City of Sydney.

The chronic alcoholics, rather than the so-called social drunks, can go to, say, the Central Proclaimed Place in Albion Street, refer themselves, stay there overnight until they sober up reasonably well, then be given a breakfast and put out onto the street eight hours later. That effects a considerable saving to the community in police time. Reversion to the situation where only the police can act as the referral agency is probably a backward step in efficiency and economy of practice. Further, that places alcoholics, who generally are not criminally minded in the true sense of the word, although living on the outside of society, into a situation where they come closer and closer to criminal life. I will speak about that a little later if I have time.

The review of the Act was sought by those who practise in the field. It was largely driven by the Haymarket Foundation, which provided a lot of information and much of the secretarial support for the review. It is true that the bill incorporates a number of the measures which were identified by the review process. The functioning of the Act has catered not, as I have indicated, for the social drunk but for the chronic alcoholic. Many proclaimed places have acted as quasi-accommodation for those people. Given the constant level of inebriation of a person who has been an alcoholic for 15 years or more, those people really are not sober at the end of eight hours in accordance with any normal definition of sobriety. By the middle of the following day, they are well on their way to a situation in which they need to be taken into some sort of care by the end of the day.

The detainment provisions have not worked very satisfactorily as, in the actual conduct of these centres, a person who really wanted to leave just left, because the persons who looked after them in proclaimed places did not have the capacity to detain them against their will. They were not trained to do that, and they did not have the wherewithal to do it. The only exception was probably the Central Proclaimed Place, which does have a couple of dedicated security rooms that are used for people who are uncontrollably violent as a result of their inebriation and have to be kept in those circumstances not only for their own security but for the security of others who may have been admitted during the night, and for the security of staff who work at the centre. But that is the exception, not the rule.

Most problems in the past have occurred not so much through problems with the Act, although amendments certainly were sought by the industry and are necessary, but mainly through a chronic lack of funding and training for those who work in proclaimed places. Indeed, even as far as the police are concerned—and I note the increased role that police will have in this particular matter—the amount of training that police have to enable them to deal with intoxicated persons is about four hours in the whole of their course. It is a pathetically small amount of training. Of course, with such a small component, by the time police actually go out into service and have had on-the-ground experience before they get around to dealing with a complicated problem involving intoxication, everything they may have learned will probably have been forgotten.

I can assure the House that our feedback from police on the beat in central Sydney is that they are dismayed at the changes that will occur as a result of this amendment. The amending Act contains significant recommendations of the review, for instance, the removal of the detainment provision by any person or agency other than police. The reason for that is that it really did not work very well in the first place. Another recommendation was removal of the eight-hour period, which also had little bearing because it mainly catered for the chronic alcoholic, rather than the socially inebriated person. A further recommendation was the widening of the definition of intoxicated person to include persons affected by drugs or a combination of alcohol and drugs. That is simply because most people in this category today are affected by both alcohol and drugs and have problems and medical symptoms that relate to both those conditions. In fact, there are very few of what might be termed the traditional skid row alcoholic, who was easier to handle and look after than is the person affected by a combination of alcohol and drugs and probably has a psychiatric disorder as well.

Whilst the second reading speech was long on rhetoric, it was very poor in substance. I do not blame the honourable member for Newcastle, who read the speech, because I am sure it was just given to him and he did not really know the import of what he was reading. But it is the speech that set alarm bells ringing through the industry, because the speech, more than the amendments to the Act, indicates that the people who have had the carriage of this reform bill know absolutely nothing about the lives of seriously alcohol-affected people, their behaviour patterns, and their medical and accommodation needs. They must know absolutely zilch about those issues. Right through the second reading speech, which I do not have time to dissect, one finds references that demonstrate a high level of ignorance. That is what has set alarm bells ringing in the industry, rather than the provisions of the bill, which as the honourable member for Bligh said is generally supported.

It is unlikely that the average supported accommodation assistance scheme [SAAP] service, which will now be the recipient of these people, will have trained staff, because the training is a highly specialised training, or that in fact most of them will want to cope with the socially dysfunctional drug- or alcohol-affected person when there is already a large demand for SAAP places among those who would be seen by society as more deserving. Paradoxically, the Victorian Brack Government is turning away from the model that this Parliament is going back to and is looking at the model that emerged under the Intoxicated Persons Act as it currently stands. A large delegation of senior people from the Victorian Government and Victorian police is coming to the Haymarket Foundation next week to see what we do, because our reputation for handling these people is so good. That is what absolutely galls the people in the industry: there has been absolutely no consultation with those who really know what this highly specialised area is all about.

Whilst the agencies are comfortable with the legislative changes, which reflect much of the current practice, they are concerned that the second reading speech indicates a total lack of understanding of the needs of intoxicated persons. It fails to recognise the highly specialised problems of chronic addiction and the very particular requirements of these people. It fails to acknowledge the need for specially dedicated resources and training, tending instead to regard addiction as simply one issue to be lumped in with the range of social problems. The fear is that, with the shift to a more generalised category, the number of services with specially trained personnel will rapidly decline and more and more intoxicated persons will finish up in police cells because those will be the only places that are able to accept them and are capable of accepting people who have the violent or ostensibly violent behavioural characteristics of the chronic alcoholic or those who mix alcohol addiction with other forms of drug addiction.

If we have a return to the old days, when a lot of intoxicated persons went to police cells, we will witness, I can assure honourable members, an increase in deaths in custody, because even in the proclaimed places there have been deaths in custody. People whose medical conditions were not able to be diagnosed accurately enough to protect their welfare and their lives have died in custody. I have studied the findings of a number of coroners' inquests and read coroners' recommendations concerning the treatment of these people. This legislation and the message of the Minister's second reading speech fly in the face of the recommendations of those various coronial inquiries, which indicate that there is a role for corrective services officers in looking after people who are placed in cells or in some part of a police station rather than looked after by the police. But corrective services officers do not have that kind of training. [*Extension of time agreed to.*]

Imagine the difficulty in ensuring that sufficient numbers of specially trained corrective services officers were on call to meet the erratic demand created in the inner city area of Sydney, Newcastle or other large residential areas in the country. In some places corrective services officers would not be anywhere near the areas where they are needed. While these legislative changes are regarded as relatively innocuous, there remains a grave mistrust of the Government's intentions in relation to the potential impact on one of the most difficult categories of people. I suspect that this measure is purely another cost-cutting exercise. The Government is trying to transfer current costs for proclaimed places into the Supported Accommodation Assistance program [SAAP], which will receive subsidised funding through the Federal Government.

What do we do about this? As I said earlier, the changes in themselves are innocuous and acceptable to industry, but I believe that the Act could be greatly strengthened if we do not have proclaimed places, by the inclusion in the legislation of a category of agencies and premises which can be set aside to cater for these people. I have spent a lot of time at the facility in Albion Street and I know these people well. No-one would want to share accommodation with people in the full grip of alcohol; it is not the sort of thing that most people want to relate to. It takes a special breed of person to look after these people—persons who have had special training. We need specifically designated places which are backed by adequate funding and staffed by people with proper training.

Let me give honourable members a bit of historical detail. The Haymarket Foundation came into being because of the need to address this problem. This process of looking after people, which has been refined over the years, is much more effective in human terms, and four to five times more effective financially than the old system. That system, which failed people as human beings, was costly to Treasury. So the history of financial responsibility for these people lies in understanding their necessities and tailoring a culture and mechanism to suit their needs. Those who work at the Haymarket Foundation and those with whom they are associated are at the Government's disposal if the Government would like to talk to them about how this problem could be handled more satisfactorily.

I will relate one story which will illustrate what I mean. I refer to a death in custody. One night a fellow was brought into the Haymarket Foundation who appeared to be suffering from a bad medical condition. Staff refused to accept him unless he was medically examined and certified fit to go into a proclaimed place overnight. Although the Haymarket Foundation has specially trained social workers it does not have medical people, such as doctors or nurses, on its staff. The police took him away. If my memory serves me correctly, he was to be taken to Caritas Australia to be assessed. The police drove around for an hour and a half with this fellow in the back of the paddy wagon. They did not go to Caritas. They brought him back, lied through their teeth and said that he had been medically examined and was fit to go into the proclaimed place overnight. Staff, inadvisedly, took the word of the police officers, and the man died about an hour later because his medical problem was not being addressed at that proclaimed place.

The chances of that happening to people placed in SAAP accommodation are greater where the staff are less qualified and less experienced. It may be traumatic and difficult for staff when there is a death in

custody in a police cell at Darlinghurst, or some other place, but I assure honourable members that people manning the average SAAP accommodation would go through a much more traumatic experience if one of these people died at their premises. It would not be regarded officially as a death in custody, but that person would have died at those premises. When a coronial inquiry was held into the death in custody of the man to whom I referred earlier, lo and behold, all the police notebooks had disappeared and all the radio broadcast tapes from police vans had somehow evaporated. It was difficult to substantiate beyond reasonable doubt the circumstances which led to the death of this man.

I refer to another incident—and this is not a criticism of the police. This incident involved a fellow who was brought into the Haymarket Foundation and died at the centre—again a death in custody. He was not perceived to be affected by alcohol in the true sense; he had some of the symptoms of alcohol addiction but there was something odd about him. Staff could not pin down exactly what it was. This was in the days before we had any authority to obtain medical assessments. That man died during the course of the night and the autopsy that followed showed that he had overdosed on 15½ bottles of cough mixture.

These are some of the strange behavioural patterns that are evident in clients in this field. These are the unusual types of cases that have been catered for under the Intoxicated Persons Act. With the deproclamation of proclaimed places and the drift into ordinary SAAP accommodation, which will not work, some of the existing centres will continue for a while as specialised services. However, they will gradually diminish. The Central Proclaimed Place will continue under another name because it is a highly specialised service.

The services in country and regional New South Wales and the services in the suburbs will not survive because those organisations will look to what they consider to be more deserving people in society. Very few people see skid row alcoholics as deserving people. They will be rejected in favour of incarceration in a police cell. Finally, as a result of its work involving the Central Proclaimed Place the Haymarket Foundation commenced what it called its Bourke Street project. It took in people that it thought were suitable for rehabilitation. That service has rehabilitated skid row alcoholics and heroin addicts and given them some normalcy in their lives—something which many people considered impossible. That has been made possible through highly specialised knowledge and practices which have been developed over the 20 years since the Intoxicated Persons Act was first implemented. This legislation may well represent a tragedy in the making. [*Time expired.*]

Mr CRITTENDEN (Wyang—Parliamentary Secretary), on behalf of Mr Whelan [9.18 p.m.], in reply: I thank honourable members representing the electorates of Epping, Illawarra, Bligh and Hawkesbury for their contributions to debate on this important bill. I take the point made earlier by the honourable member for Epping, who said that he and the honourable member for Hawkesbury had thought long and hard about this legislation. I acknowledge the point made by the honourable member for Hawkesbury that these legislative changes are not in question. What is in question is the way in which those changes will be implemented. We are saying that the policy adopted through this legislation is fine. We need to make sure that the program that gives effect to the policy is sufficient to meet the needs of the people in our community.

I acknowledge also the contribution of the honourable member for Bligh. She has raised with me the issue of homeless persons in Tom Uren Place at Woolloomooloo, and the whole notion that these homeless people have many other deficits such as alcoholism and drug addiction. I will bring to the attention of the Minister for Police the matters that were raised by the honourable member for Epping. Of course, the term "proclaimed places" will go. They will now be called authorised places of detention. Only police stations and the two remaining juvenile justice centres—Keelong and Yasmar—will fulfil that role. These protocols have been worked out across the State. Obviously it will depend on local circumstances to make sure they work effectively. I thank honourable members for their contributions to the debate tonight.

Motion agreed to.

Bill read a second time and passed through remaining stages.

VETERINARY SURGEONS AMENDMENT BILL

Second Reading

Debate resumed from 1 June.

Mr SLACK-SMITH (Barwon) [9.21 p.m.]: The purpose of the Veterinary Surgeons Amendment Bill is to allow the Board of Veterinary Surgeons of New South Wales to become more independent from

government and to tighten the disciplinary measures within the Act. The bill will also permit the Board of Veterinary Surgeons to impose conditions on the registration of veterinary surgeons; permit complaints about veterinary surgeons to be made to the board and the Veterinary Surgeons Investigatory Committee; provide for an additional specific kind of conduct of a veterinary surgeon that constitutes misconduct in a professional respect; and provide for a category of conduct of a veterinary surgeon that is serious misconduct in a professional respect, and to specify certain conduct that constitutes professional misconduct of that kind.

The Board of Veterinary Surgeons was first established in 1923. In 1995 a bill was introduced into this Parliament to make the Board of Veterinary Surgeons independent from government. As far as we are concerned the more independence certain organisations have from governments the better off they will be. At the moment six registered veterinary surgeons, out of the 2,300 registered veterinary surgeons in New South Wales, are appointed by the Minister or the membership, and they constitute the Board of Veterinary Surgeons of New South Wales. The board is self-funding, and the bill formally gives the board statutory powers of a corporation, including the power to lease premises and employ staff. Therefore, the board is now becoming independent from government.

The bill also tightens the disciplinary measures within the Act. It is common knowledge that some veterinary surgeons have been supplying performance-enhancing drugs to people. These are not only administered to humans, but also to animals. Under the current legislation the board has been very restricted in disciplining these offenders. The bill defines serious misconduct as action involving threats to the safety of persons or animals or to the international reputation of Australia in relation to the export of animals or animal products, or sporting events. The bill will enable the committee investigating a complaint of serious professional misconduct to direct the board to suspend a veterinary surgeon from practice for up to 60 days.

In 1995, 38 complaints of professional misconduct were made against veterinary surgeons in New South Wales. By 1998 that number had increased to 59. So far this year 15 complaints have been received. That is a very serious indictment. It is placing the 2,300 veterinary surgeons in New South Wales in the position of acknowledging that there is something wrong in their profession, but this is a small minority of veterinary surgeons. Unlike other professional registration bodies, such as the Law Society of New South Wales, the Board of Veterinary Surgeons cannot at present place conditions on the registration of veterinary surgeons at the time the veterinary surgeon applies for registration. Once the board becomes totally independent, with the newer disciplinary powers proposed in the bill, it will be able to protect the public and animal welfare and will bring significant benefits to New South Wales. We support the bill.

Mr MARTIN (Bathurst) [9.26 p.m.]: I support the bill and I welcome the contributions from the Opposition, particularly from the shadow spokesman for agriculture, the honourable member for Barwon. It is good to see that we have bipartisan support for the bill. As the Minister has outlined, the proposal is to tighten the disciplinary powers over veterinary surgeons where serious misconduct, such as the careless prescription of anabolic steroids, is alleged, so that a swift response can be made to such concerns, particularly during the 2000 Olympic Games. This is another by-product from the pressure of the 2000 Olympics.

The bill will enable the Board of Veterinary Surgeons to operate its administrative functions independently of government at a time of the intended relocation of the administrative services of the board from Orange to Sydney. Normally I would oppose anything that was taking jobs from the regions back to the city, but it can be argued in this case that there are very good reasons for this step. The board's administrative staff have traditionally been located at the headquarters of New South Wales Agriculture in Orange. That was convenient because the staff of the board were public servants and, until recently, the president of the board was a senior veterinary officer with New South Wales Agriculture.

When the headquarters of New South Agriculture were relocated to Orange in 1991—and I give the Coalition a pat on the back for that move, it was a major decentralisation move—the staff of the board were relocated as well. However, this week the board has relocated to premises at Randwick. The reason for this move was to improve accessibility of the board's staff to the profession. The majority of the 2,350 registered veterinary surgeons in New South Wales reside in the Sydney metropolitan area. That may come as a surprise to some people. Having the registrar of the board situated in Sydney, the majority of veterinary surgeons can now more easily consult the registrar in person or by a local phone call. The registrar is responsible for the annual renewal of registrations, as well as the licensing of hospitals and clinics. The president of the board is now a private veterinary surgeon, so the need to be located near the head office of New South Agriculture is not as important.

The board, the Veterinary Surgeons Investigatory Committee and the Administrative Decisions Tribunal have continued to meet in Sydney despite the location of the board's administrative staff in Orange.

This arrangement was to suit the convenience of the majority of members, who resided in Sydney. It was also more centrally located for those who had to travel to meetings. Importantly, only two staff were employed at Orange, and I am pleased to see that those two individuals remain in Orange as employees of New South Wales Agriculture. So, from that point of view Orange has not suffered any net loss of employment. A new registrar has been employed in Sydney. Other operational matters relating to the office make the advantages of the relocation fairly clear.

As I said, one reason for the change is the 2000 Olympic Games. As part of the lead-up to the Olympic Games the Agricultural and Resource Management Council of Australia and New Zealand considered the Commonwealth strategy known as "Tough on Drugs in Sport—Australia's Anti-Drugs in Sports Strategy—2000 and Beyond". Members of the council agreed to examine opportunities within their own jurisdictions to tighten drug controls. Honourable members will remember that the discredited Canadian athlete Ben Johnson put the focus on drugs in sport in a big way at the Seoul Olympics. It is important in Sydney and, indeed, in Australia to ensure that the 2000 Olympics are drug-free. There is a direct correlation between veterinary surgeons and the Olympics. The anabolic steroids veterinarians handle can be used by humans, so there is a need to tighten up control procedures and stiffen the penalties. And the penalties will certainly be severe.

It is proposed to tighten professional standards and disciplinary action to ensure that veterinary surgeons do not deliberately or unwittingly supply these drugs to humans or animals during the Olympic Games. As I said, with the world focus on Sydney it is imperative that the Government do everything to ensure that the Sydney Olympic Games are clean and credible, and having the industry seen in that light will be a great advantage. It is proposed that veterinary surgeons against whom serious allegations of professional misconduct are made, such as drug misuse, can have their registration as a veterinary surgeon suspended pending the hearing of the complaint. An appeal to the Administrative Decisions Tribunal will be available in relation to such a decision.

Also, there has been a recent influx of foreign veterinary surgeons seeking registration in New South Wales. The Trans-Tasman Mutual Recognition (New South Wales) Act allows for automatic registration of those persons if they have first obtained registration in New Zealand. The concern is that currently there is no effective power to place conditions on the right of the new registrants to practise, and under this bill it is proposed that they be subject to such conditions as having to attend courses in relation to New South Wales poisons legislation to ensure that they are aware of their responsibilities.

Other related amendments will enable the Board of Veterinary Surgeons to lay a complaint against a veterinary surgeon immediately it becomes aware of an allegation of professional misconduct. Clarification is required that the Veterinary Surgeons Investigating Committee can delegate the task of investigations of complaints to inspectorial staff, and failure on the part of a registered veterinary surgeon to answer a summons to appear before the Veterinary Surgeons Investigating Committee will be an act of professional misconduct. Obviously, that will have serious implications for anyone who transgresses in that way. For the reasons I have outlined, and the reasons outlined by the Minister and Opposition members, I believe that this bill is important and timely, and I support it.

Mr FRASER (Coffs Harbour) [9.33 p.m.]: I support this bill. In doing so I recognise the service not only to the Coffs Harbour community but also to the veterinary industry in New South Wales of Dr Garth McGilvray from the Park Avenue Veterinary Clinic. For many years he has given selflessly of his time in terms of service to many charitable organisations in Coffs Harbour, and he is the veterinarian to the Coffs Harbour racecourse. He is also on the Board of Veterinary Surgeons as it currently exists. Recently he returned from Paris, where he attended a conference which examined animal husbandry matters across the board. Garth is coming to Sydney this week. When I saw him on the plane he mentioned that this bill would be debated this week. He said that he and other veterinary surgeons were pleased to see this bill come forward in its present form.

Garth indicated that in the past when a veterinary surgeon erred in any way, shape or form, if it was a criminal matter it could take three or four years before it got to court. When the matter finally got to court the record showed that he was still practising although he had erred once some years ago, and more often than not no action would be taken on the basis that his record showed that he was on remand for three or four years. Under this bill the board will be able to investigate circumstances and suspend a veterinary surgeon from practice, or impose conditions on the registration of a veterinary surgeon.

The Board of Veterinary Surgeons and veterinary surgeons who respect their profession see this bill as a great advantage to maintaining their integrity and the reputation of veterinarians in New South Wales in years

to come. The bill will give them a handle on their own profession; it will give them an opportunity to discipline a veterinary surgeon, and do so quickly. If there are instances of steroids being supplied, if it is a matter that could be construed as being of a criminal nature, or if a matter has brought ill-repute on the profession, the board could handle it swiftly, with the support of the legislation. I complement the Minister. I commend Garth McGilvray for his great service to the Coffs Harbour community, New South Wales and Australia generally and for his work not only in New South Wales and Australia but also overseas to maintain the integrity of his profession.

Mr ANDERSON (Londonderry) [9.36 p.m.]: I support the proposed amendments to the Veterinary Surgeons Act. When the Minister brought forward the Veterinary Surgeons Amendment Bill in 1995 he foreshadowed that there would be significant changes to the Act to bring it into line with more contemporary matters such as accountability. The proposal is to tighten certain disciplinary powers over veterinary surgeons for serious misconduct, such as an allegation of careless prescription of anabolic steroids, and to ensure that there is a swift response to any of these concerns, particularly in the lead-up to the Olympic Games. It will also enable the Board of Veterinary Surgeons to operate its administrative functions independently of government.

In time it is intended to relocate its administrative services from Orange to Sydney. The two events which have instigated these proposals are the lead-up to the Olympic Games and the board's decision that it would be best served and would better serve the public by relocating to Sydney. As part of the lead-up to the Olympic Games the Agricultural and Resource Management Council of Australia and New Zealand considered the Commonwealth strategy known as "Tough on Drugs in Sport—Australia's Anti-Drugs in Sport Strategy—2000 and Beyond". The members of the council agreed to examine opportunities within their own jurisdictions to tighten drug controls.

It is proposed to tighten professional standards and instigate disciplinary action to ensure that veterinary surgeons do not deliberately or unwittingly supply drugs to humans or animals during the Olympic Games. It is proposed that veterinary surgeons against whom serious allegations of professional misconduct are made, such as drug misuse, can have their registration as a veterinary surgeon suspended pending the hearing of the complaint. For the protection of veterinary surgeons, they will have the right to appeal to the Administrative Decisions Tribunal should such an assertion be made or such a suspension implemented.

There has been a recent influx of foreign veterinary surgeons seeking registration in New South Wales. The Trans Tasman Mutual Recognition Act allows for automatic registration of those persons if they have first obtained registration in New Zealand. The concern is that there is currently no effective power to place conditions on the right to practise of these new registrants and it is proposed that they be subject to such conditions as having to attend courses in relation to New South Wales poisons legislation, to ensure that they are aware of their responsibilities.

Other related amendments will enable the Board of Veterinary Surgeons to itself lay a complaint against a veterinary surgeon immediately the board becomes aware of an allegation of professional misconduct. Clarification is required that the Veterinary Surgeons Investigating Committee can delegate the task of investigations of complaints to inspectorial staff. Failure on the part of a registered veterinary surgeon to answer a summons to appear before the Veterinary Surgeons Investigating Committee is to be seen as an act of professional misconduct.

In relation to the decision of the Board of Veterinary Surgeons to move its administrative offices to Sydney, it is required that all references to public servants having to perform particular duties be removed. For example, the staff employed by the board presently must be employed under the Public Sector Management Act. With its move out of the control of the Department of Agriculture, it is no longer appropriate that the Government have any responsibilities towards the staff. The Act also requires that the board maintain a particular account. The board will continue to be subject to the Public Finance and Audit Act, so it is not a requirement that the Act designate how it controls its finances. The regulation-making power of the Act requires extension to allow for the board to impose additional charges on veterinary surgeons to ensure that it can maintain its self-funding status. I support the proposed amendments.

Ms HARRISON (Parramatta) [9.42 p.m.]: I support the changes in the Veterinary Surgeons Amendment Bill, as introduced to this House by the Minister for Agriculture, and Minister for Land and Water Conservation. The bill has two main objectives. The first of those objectives is to assist the Board of Veterinary Surgeons in relocating its administration from Orange to Sydney. In answer to an earlier interjection, we do have animals in Parramatta. The second objective of the bill is to tighten the disciplinary measures in the Act. In following my colleagues the members representing the electorates of Bathurst and Londonderry, I would like to

speak to the second objective of the bill because I believe it has important ramifications for the way the professional body which disciplines our veterinary surgeons deals with the matter of the illegal use of performance-enhancing drugs.

As honourable members would be aware, the use of performance-enhancing drugs amongst both recreational users and professional sportsmen and women is something that sports administrators and the sports-loving public have combated for years. The idea that the achievement of an athlete is enhanced by the use of a synthetic drug which boosts his or her performance or strength is repugnant, illegal and a possible threat to the health and wellbeing of the individuals involved. When Sydney hosts the Olympic Games in September, with more than 10,000 athletes from all around the world, the Australian public will want to know that the achievements of those men and women have been the result of their hard work, training and dedication over many years. The Australian public will expect that all of our public institutions and authorities have done everything within their power to ensure that our athletes and officials operate in an environment that ensures, to the extent possible, that the supply of illegal performance-enhancing drugs is curtailed. This includes ensuring that the many different sources of that supply are, where possible, restricted and, in the event of illegal activity, dealt with appropriately by the professional body concerned.

The Veterinary Surgeons Amendment Bill is intended, in part, to achieve just those aims and objectives by making the disciplinary actions against any veterinary surgeons—that is, enforcing professional standards under the Veterinary Surgeons Act—the job of the Veterinary Surgeons Investigating Committee. As the Minister said in his second reading speech, the primary function of the investigating committee is to investigate complaints made by members of the public against veterinary surgeons. It is imperative that this investigation and the appropriate response by the investigating committee be done in a timely fashion. At present this process, from investigation to appropriate disciplinary action, can be strung out over a number of years, during which time the veterinary surgeons concerned may be able to continue to practise.

As I have already said, it is claimed that veterinary surgeons are allowing addictive and performance-enhancing drugs to find their way into the hands of others who use them for other than their intended use, and that gives rise to this bill. When such an action is uncovered, however rare the event may be, it is critical that there be an appropriate power to act against the person or persons involved. Where there is such a serious complaint involving serious misconduct in a professional respect, the bill provides a mechanism whereby the veterinary surgeon can be suspended from practice or have his or her right to practise limited in some way until the allegation has been thoroughly investigated.

It is important to reiterate that this power will only be used in the most serious circumstances, where the misconduct involves a threat to the health and safety of any person or animal or the international reputation of Australia regarding animal exports, animal welfare or sporting events. It is timely that this Parliament is debating the bill at this time to enable the investigating committee to carry out its responsibilities in a professional and prompt manner. It also allows an appropriate appeals mechanism to the Administrative Appeals Tribunal and mirrors certain provisions of the Medical Practice Act 1992. As the Minister has made clear to the House, the bill is about making the veterinary profession both independent and accountable to the community at large. It is about ensuring that the appropriate disciplinary structure is in place for the investigating committee to apply accepted professional standards to protect the good name that the vast majority of veterinary surgeons in New South Wales enjoy. I commend the bill to the House.

Mr AMERY (Mount Druitt—Minister for Agriculture, and Minister for Land and Water Conservation) [9.46 p.m.], in reply: Firstly I thank the honourable member for Barwon, the shadow Minister for Agriculture, and members representing the electorates of Bathurst, Coffs Harbour, Londonderry and Parramatta for their contributions to the debate and their general support for the legislation. The general tenor of the debate has been that, although this legislation is not about addressing any concerns or shortcomings in the policing of the inappropriate use of drugs during the Olympic Games, this year the world's focus will be on all States of Australia, the tough-on-drugs strategy of ARMCANZ, and our legislative back-up. Our ability to deal with any inappropriate activities by veterinary officers and others will come under international scrutiny. I do not envisage that this bill will ever need to be invoked. However, with the stringent supervision of the Olympic Games people, I could not imagine any athletes thinking they could use any of these substances and get away with it. Generally speaking, the ARMCANZ process and the Council of Australian Governments has brought in these minimum requirements and the ability to act swiftly in cases involving the inappropriate use of steroid prescriptions.

The honourable member for Bathurst raised the decentralisation issue referred to in my second reading speech. This is one of those rare occasions in which a government organisation will move from the country to the city. The honourable member referred to the decentralisation of New South Wales Agriculture and other

aspects of that organisation. I assure him and the House that whilst the Veterinary Surgeons Board is in effect moving from Orange to Sydney, as I indicated in my second reading speech, it does not involve the transfer of any employees. I can advise the House—I am sure the honourable member for Bathurst will be keen to hear this—that only two persons were employed by the board in Orange and those persons have remained in Orange. In other words, they will not be transferred to Sydney but will remain employees of New South Wales Agriculture. As part of the fundamental changes through the legislation, new staff will be employed in Sydney. In other words, staff will not be moved from the country to the city; only the entity itself will be relocated.

The honourable member for Barwon pointed out, and rightly so, that the bill seeks to introduce legislative reform to crack down on any sort of inappropriate activity. He pointed out, correctly, that this applies to a great minority of veterinary officers. It is important to note that whilst this bill is about policing, and cracking down on, investigating and cancelling such operations, we recognise that the veterinary profession and the people involved in it are an extremely honourable group of people who perform dedicated work not only in metropolitan areas but throughout country New South Wales and that they play a very important part in the animal health strategy of the department, the Rural Lands Protection Board, private operators, and so on. The point mentioned by the honourable member for Barwon is an important one.

Many representations have been made to me in relation to this bill. The honourable member for Lachlan did not make a representation as much as a claim. The only public comment he made on the legislation was a claim that the bill still contains a loophole in relation to the sale of some steroids. He referred to that loophole following the introduction of this bill into the House last week. He claimed in a press release, which received some media coverage, that a steroid which is designed to combat sheath rot—what is otherwise known as pizzle rot in sheep—can still be accessed in many country trading stores across the State. The State Government is cracking down on veterinary surgeons who are accused of abusing their powers by supplying steroids. The bill enables the Veterinary Surgeons Board to suspend veterinarians from practice while an investigation is carried out.

Those measures do not apply to steroids that combat sheath rot for the very simple reason that the sale, as I understand it, is covered by the Stock Medicines Act. Under the Stock Medicines Act, a trader must be convinced that the purchaser of a steroid will use it for the correct purpose, that is, to combat sheath rot. The onus of proof is borne by the trader and if allegations are made that the trader is negligent in relation to the issue, New South Wales Agriculture has the power to prosecute the trader under the Stock Medicines Act. Clearly, there is no loophole in the bill because the sale of this particular chemical combatant is already controlled by existing legislation, in other words, the legislation to which I have already referred.

In caucus, a number of issues were raised that probably do not relate specifically to the nature of the legislation but generally to the way in which veterinarians are investigated. I received representations and a deputation from the honourable member for Liverpool, the honourable member for Menai and other honourable members to whom I have already referred in relation to complaints that have been dealt with by the board against certain veterinary officers. I understand this matter was raised by the honourable member for Liverpool in a private member's statement in this House. I assure honourable members and the House that although this legislation may not address the concerns to which I have referred specifically, I make the commitment that this bill is stage one in the review of the veterinary profession. I intend to introduce another bill in the spring session to address the National Competition Policy [NCP] review requirements, concerns regarding the transparency of the veterinary surgeons investigating committee and related matters.

In relation to matters raised by the honourable member for Liverpool and the honourable member for Menai, I make the point that while I intend to introduce legislation that actually cracks down on inappropriate practices adopted by veterinary officers, I will not in any way abuse or forget the principles of natural justice when applying this legislation to investigations of the type I have described. All honourable members who participated in the debate, particularly the honourable member for Parramatta, referred to the safeguards that are contained in the legislation, particularly in relation to appeals to the Administrative Decisions Tribunal. However, I understand that the concerns that have been raised may apply to aspects of investigation before an appeal is actually lodged.

I give a commitment to the House and to honourable members who have raised concerns in relation to this matter that those issues will be addressed. Discussions will be carried out during a further review of the profession and legislation. Those discussions will result in legislation being introduced towards the end of the year or as soon as is practicable. Having said that, I thank all honourable members for their participation in the debate. This is important legislation and it was very encouraging to hear general support from both sides of the House for the bill.

Motion agreed to.

Bill read a second time and passed through remaining stages.

DAIRY INDUSTRY BILL**Second Reading****Debate resumed from 1 June.**

Mr SOURIS (Upper Hunter—Leader of the National Party) [9.54 p.m.]: I begin this speech with a plea. It is a plea to members opposite to take the politics out of this debate. We are debating the future of not only 1,800 New South Wales dairy farmers but also their families, employees, suppliers and the wider community who rely on them to survive financially. More than 6,000 individuals face unemployment. Many of those people will be unnecessarily thrown on a human scrap heap. This process is clearly an unprecedented shock for the New South Wales dairy industry and will substantially impact on dairy-dependent regions which already have disadvantaged economies characterised by high unemployment and low family incomes.

Honourable members are told that at least 600 New South Wales dairy farms will disappear. That is a figure which is predicated on a drop in the farm gate price from 53¢ per litre to 38¢ per litre. Subsequently, the processing industry has informed farmers that they face prices as low as 27¢ per litre, which represents almost a halving of their market milk incomes. Based on those indicative prices we now face more than 900 of the State's producers leaving the industry, an industry that has produced a first-rate product reliably for many years. The flow-on effects in areas such as the North Coast, South Coast and the Hunter Valley will be devastating to already struggling economies. I should make it clear at the outset that the New South Wales Coalition has never supported deregulation of the dairy industry behind the farm gate. The regulation outside the farm gate proceeded in 1993 at the request of the industry and with the full support of the Australian Labor Party.

Before I go any further, I should recap how we have come to the situation in which we find ourselves today. The seeds for change were sown in 1986 when the industry agreed to the Kerin plan. Central to the Kerin plan was a challenge for the industry to adapt from being one which was focused on domestic production to one which is focused on exports. The plan gave the industry 14 years to become globally competitive in turning out bulk commodity dairy products. This challenge was vigorously pursued by the Victorian industry, which, during that time, increased its production from 3.5 billion litres to more than 7 billion litres. Victoria's desire to snare a greater share of the Australian domestic market has been only one of the catalysts for deregulation of the farm gate price for market milk across the nation. Others include World Trade Organisation agreements and the sunset of the Domestic Market Support Scheme at the end of this month.

Importantly, the National Competition Policy [NCP] reviews of State regulatory arrangements, which was undertaken as a result of the Competition Principles Agreement between the Commonwealth and the States, have added impetus to the deregulation push. The New South Wales Government—that is, the Carr Labor Government—and the Federal Keating Labor Government signed off on the national competition agreements in 1995 following a concerted push through the Hawke and Keating Federal governments. The Minister for Agriculture informed us that the Victorian Bracks Labor Government then told other State Agriculture Ministers at an Agricultural Resource Management Council of Australia and New Zealand [ARMCANZ] meeting on 3 March this year that it expected its dairy industry to press for deregulation, with or without a federally co-ordinated adjustment package.

Contrary to what the Minister for Agriculture told this House during his second reading speech on this bill, in early 1999 the Australian Dairy Industry Council approached the Federal Government for assistance with deregulation. The Minister claimed that the States were forced to deregulate by the Commonwealth. That is untrue. The Federal Liberal Party-National Party Government delivered the biggest agricultural adjustment package in this nation's history—a \$1.74 billion package over eight years. The New South Wales share of that package is \$337 million, which equates to \$193,000 for the average farm. The money will be raised through legislation that will catch 11¢ of the 15¢ to 26¢ per litre reduction in the farm gate price for market milk.

Honourable members must not forget that it is the current Minister for Agriculture who was partly responsible for negotiating New South Wales share of the Federal package. New South Wales dairy farmers face the biggest losses in terms of the prices they will be forced to accept. I emphasise again that the money for the Federal package is coming from the price reduction in market milk that farmers will take from 1 July. Consumers, taxpayers and governments are, in reality, not funding this package. It is being funded by the farmers themselves. I was disgusted by a press release issued by the Minister for Agriculture on 28 April, which was headlined "Taxpayers should not pay twice for dairy industry compensation: Amery". The Minister was quoted as saying, "I can assure New South Wales taxpayers that they will not be slugged twice to support the dairy industry."

Yet in a press release of 28 September last year the Minister said that the \$1.8 billion package would be funded by the farmers themselves. In this House on 5 May the Minister again said, "Taxpayers funds are not part of this package". There has been far too much misinformation in the Government's press releases. For the benefit of the House I repeat that farmers are paying for their own compensation. The price of milk to the consumer should not rise as a result of deregulation; in fact it should fall. The Minister's bungled handling of this issue begs the question whether he has placed semantics and politics above concern for the thousands of people who will suffer because of this bill. It is time he took responsibility for his actions and those of the Government. Those actions include signing off on the national competition policy agreement, which added considerably to the pressure for deregulation.

During his second reading speech, the Minister attempted to link deregulation of the post farm gate milk sector under the former Coalition Government in New South Wales to the current deregulation behind the farm gate. On 17 November 1993 the then shadow Labor Minister for Agriculture, Bob Martin, supported post farm gate deregulation in the Dairy Industry (Amendment) Bill. The current Minister also supported that legislation. All States have deregulated post the farm gate successively over the past few years. But the fact is that it is the bill introduced by the Minister that will deregulate the new South Wales dairy industry.

I note that the bill excludes the payment of compensation for the deregulation of the dairy industry. It is incumbent upon the Minister and his Government to provide a structural adjustment package to assist New South Wales dairy farmers adjust to a vastly different operating environment. Obviously, some farmers will take the Federal package upfront and exit the industry, but there are many who want to continue production and will find themselves on the margins. Those farmers, who are highly skilled and work in a demanding industry, often know no other pursuit in life. They need a helping hand outside of the Federally co-ordinated package. Clearly that should come from the State Government, which has regulated the industry for more than 68 years. I turn to the report of the Senate Rural and Regional Affairs and Transport References Committee into deregulation of the Australian dairy industry. The report stated:

The impact of deregulation will be felt severely in most dairying communities around Australia, given the flow-on effects which will manifest within those communities—the farmers themselves will be affected, as will be the businesses which rely on dairying.

In the Committee's opinion, the social and regional impacts will be severe and will need to be given detailed consideration in terms of any structural adjustment assistance, once deregulation occurs.

The Committee is ... concerned at the lack of any compensation commitment by the appropriate State governments for loss of quota entitlement.

Recommendation 4 of the report of the cross-parliamentary committee, which included members of the ALP, says that regional adjustment packages for rural and regional communities affected negatively by deregulation should be developed by State governments. Given the unsustainably low indicative prices producers will have to endure, the necessity for a State-based structural adjustment price support scheme is clear. I note that the Western Australian Government is providing a \$27 million package for its industry and communities. The New South Wales dairy industry is more than three times the size of the Western Australian industry. I am pleased that the New South Wales Dairy Farmers Association has lodged a submission with the Government seeking structural support. I turn to the address by Mr Reg Smith, the president, at the association's annual conference on 30 May. Mr Smith said:

...we will be approaching the NSW Government for an assistance package to ensure that NSW does retain a viable farming sector which so many rural communities rely heavily on.

I would sincerely hope that the [State] Government accepts that it does have a role to play in assisting industry through this very difficult period.

Mr Smith also said there was growing concern in the industry, and in regional communities that depend on a healthy dairy industry, that even with the financial assistance provided by the Federal package the sudden change in circumstances will have a severe impact on the ability of the New South Wales industry to maintain its viability. Mr Smith stated:

Our concern has been that if prices were forced down too quickly farmers, even with the assistance provided by the package, would not be able to adjust their farming practices quickly enough to the new economic circumstances.

The need for a State-based structural adjustment package is plain. I note that the Minister for Agriculture has now changed his tune and says he is keen to hear what the Dairy Farmers Association may have in mind.

Mr Martin: They have changed their mind too.

Mr SOURIS: Indeed. As I understand it, the Dairy Farmers Association is proposing a support payment to assist dairy farmers. It is heartening that the Government has finally decided to become receptive to the New South Wales National and Liberal parties and the representatives of the Dairy Farmers Association in relation to a State-based structural adjustment package. The Minister's rhetoric has been toned down from his bullyboy threats in his 28 April press release, which stated:

...if the Leader of the National Party persists in this issue, the bill will fall down, deregulation will not go ahead, and dairy farmers will lose out on their existing adjustment entitlements.

The issue I was persisting in, and have been doing so for 10 months intensively, is the fight for a State-based structural adjustment package to ensure that as many dairy farmers as possible remain in the industry. The New South Wales Coalition is committed to securing a State-based package, as we believe it will give struggling farmers the boost they need to adapt to a substantially reduced farm gate price. And, of course, the more farmers we have the better off those communities relying on them will be. The Opposition will move amendments to the bill to provide for a State-funded structural adjustment price support scheme to assist farmers during the first three years of deregulation. Under the amendment a person will be eligible for financial assistance under the scheme if that person was the holder of a milk quota which was in force immediately before 1 June. How can anyone in this House, in the absence of a State-based structural support scheme, possibly support legislation that can produce such hardship and misery in dairy communities?

However, dairy farmers and their communities will be helped if the so-called Country Labor faction, which is out and about in the media pretending to be supportive of the industry, voted in favour of the amendments. Let this be a make or break test for Country Labor: if they fail, they should end the charade. The Government has set a clear precedent with a recent \$80 million assistance program for the timber industry. Dairy farmers are no different from timber workers: they deserve a fair go. The Minister in his second reading speech stated that the only contribution the Coalition had made was to suggest a package at least equivalent to the \$80 million given to the timber industry. It is a matter of record that the Minister has made no contribution to help farmers in their hour of need. He went on to say that \$80 million breaks down to about \$40,000 per farmer in New South Wales and that the average farmer will lose twice that amount in the first year of deregulation.

The Minister insulted farmers who attended a rally outside Parliament House by saying that this would only help to pay off their Commodores. What is the Minister's solution—throw his hands in the air? The Coalition has never limited the package to \$80 million. Farmers need a structural adjustment package that will assist them to become viable in a deregulated market. In 12 months time the Coalition and farmers do not want Carr Government Ministers running around ordering feasibility studies on how to replace jobs they have torn out of the dairy industry and regional communities, especially those on the North Coast, the South Coast and the Hunter Valley.

We have a strong, healthy industry that yields a wonderful product. With a little assistance from the Carr Labor Government, it can continue to do that—although in a different form. The Minister quoted some figures regarding the devastation that the regulation will wreak on New South Wales. Those figures are worth repeating as they alone constitute a clear argument—from the Minister himself—in favour of a State-based package. If the market milk price drops from 53¢ a litre to 40¢ a litre, the "average" dairy farmer will lose \$43,779 from a gross income of \$267,337. If the price drops to 35¢ a litre, the dairy farmer will lose \$59,815 a year. If the price drops to 30¢ a litre, the farmer will lose \$75,851 a year. If the price drops to 27¢ a litre—as is tipped—dairy farmers will lose \$85,473 a year. How could the Carr Government not provide a State-based package for what has been a State-regulated industry when confronted by those figures?

The Minister for Agriculture often crows about the \$2.1 million counselling program that the State Government is co-ordinating, but even this pittance is funded by a levy on farmers. The counselling was not enough to prevent suicides and attempted suicides in the dairy industry recently—and I fear that there will be more. The Government has not contributed a cent to the fifth largest rural industry in the State, which produces goods valued at \$1.4 billion each year. It should not be forgotten that the Carr Government will receive \$156.5 million in national competition policy payments from the Federal Government in 2000-01. At least some, if not all, of that money should be devoted to a State-based package, otherwise the Government will simply absorb it into consolidated revenue.

In what could only be described as a cheap political stunt, the New South Wales Labor Government is now calling on the Federal Government to implement a national floor price for milk. The bill before the House will deregulate the industry in New South Wales while the Minister is calling for reregulation at the Federal

level. The Minister and his political appendage, the so-called Country Labor faction, know very well that, for a national floor price to work, all States must agree to it. It is clear that Victoria will never do so. The fallacy of this proposal is exposed when one asks the Minister: Would it apply to all States and to all milk production, both market and manufacturing milk? What actual national floor price does the Minister propose? He must answer those questions in his reply to the debate: What is the proposed floor price? Which States and what type of milk will it cover?

Has the Minister been lobbying his Labor colleagues in Victoria and Queensland to approach the Federal Government for a national floor price? If he has, we have not heard anything about it. He certainly did not advocate such a proposal during the deregulation negotiations, which are long gone. The Minister said in his speech that he had written to Federal Agriculture Minister Warren Truss two weeks ago urging him to consider a floor price. That was the first the Federal Government had heard about that topic from the New South Wales Minister for Agriculture. The Minister also revealed that he had written to Minister Truss on 6 June 2000. A member of my staff who spoke to Mr Truss' staff last Thursday was informed that that office had received only a press release announcing that the New South Wales Minister was seeking a floor price, before the letter arrived early last week. Australian Dairy Industry Council Chairman, Pat Rowley, has rejected the proposal as a "cruel hoax".

This brings me to the plea I made at the beginning of my speech for Labor to stop playing politics on this issue and running press release wars from glass towers in Sydney. Real, hard-working, decent people will be hurt by this Government's bill. They deserve much better than an Agriculture Minister and the Country Labor faction using gutter political tactics at this difficult time. I note that the Minister has rejected legal advice obtained by the Australian Milk Producers Association stating that, under section 92 of the Constitution, we could retain the current quota system in a different form if we allowed producers from other States to buy quota. The human toll of deregulation is frightening. I was moved to hear a Kempsey dairy farmer, Sue McGinn, speak during a protest outside this House last week. That protest drew hundreds of dairy farmers from across the State: it was a desperate cry for help to an uncaring Carr Labor Government. Ms McGinn said:

In Kempsey we already have 22 per cent unemployment. How will the culling of the dairy industry benefit my dairy-dependent town?

The gap between rich and poor is getting bigger. Mr Carr's Government is now helping to make this gap wider. The average age of a dairy farmer is in his late fifties. How do you expect these farmers to seek alternative employment in our rural towns? They're just aren't the jobs for us out there. It's the dairy industry's flow-on effect that keeps my town alive.

Ms McGinn continued:

What a shame this Government isn't interested in people, our people, our primary producers.

I hope we won't be asking you to say sorry in the future for stealing our livelihoods from under us. We don't want to be the stolen generation of dairy farmers, forced away from our previously productive and viable businesses.

Ms McGinn went on to express amazement at a recent press release from the Premier which stated that dairy farmers do not want any State Government assistance to help them through the impact of deregulation. She continued:

Sir, your Country Labor colleagues—

Mr Newell: You could call this off, George.

Mr SOURIS: The honourable member's margin is flowing away with the milk industry. There is no need for him to prove what is obviously the case. Ms McGinn said:

Sir, your Country Labor colleagues would be best getting out into the real world and talking to real farmers.

It was interesting to watch several Country Labor members, who were on their way back from lunch, get caught up in the dairy rally. When forced to the microphone, the honourable member for Tweed tried to explain his Government's lack of assistance to farmers, while the honourable member for Bathurst fled the scene when he saw the treatment that was meted out to his North Coast colleague. The untold story of deregulation is suicide and attempted suicide. An ABC Radio report of 30 March this year revealed that at least two dairy farmers in New South Wales and others in Tasmania and Victoria took their lives earlier in the year because of fears about deregulation.

The Concerned Dairy Farmers of Australia group said coronial inquests had pointed to the farmers being depressed about how they would repay loans under a reduced income structure being offered through

deregulation. I have heard of other attempted suicides in more recent months. In March group spokesman, Tony Allen of Cobargo, said that, unless a better compensation offer was made for the loss of whole milk quota rights, more farmers could be driven to desperation. I am also deeply concerned that generations of work and investment on family properties will be destroyed by this bill. In the past few months, I have been inundated with hundreds of letters and telephone calls from farmers concerned about their future prospects. One fax I received states:

Our family goes back to our great, great, great grandfather who sold milk on the goldfields at Sofala in the 1850s. Each generation has been involved in dairying up until the present day, where we have a viable dairy business supporting three families. With deregulation and the prices being quoted so appallingly low we believe it will be highly unlikely if we will be able to survive this hurdle.

Another from the North Coast:

My husband was employed in the timber industry, where he lost his job. We sold our home, trying to gather a deposit on a farm and took up dairying as there was no alternative for us, due to limited education and training. Now we see that industry going to the wall in the same way as we had seen the former one.

I ask parliamentarians to think just for one minute, how would they accept the knocks some of these country men have had to bear.

For a great many of us, if we are forced out of our farms we can only look to the dole office to support us. After providing for ourselves, even if the income was very limited, we have continually kept our families together and achieved self-esteem and pride in our industry.

Yet another from Old Bar, writing about her parents:

In the last financial year their combined taxable income was \$34,000. For their money they worked 12 hour days, 7 days per week, 365 days per year, rain, hail, flood, drought, searing heat, cold weather etc. To make this "profit" of \$34,000 my parents were paid an average of 39 cents per litre of milk produced. In the Manning district, where my parents live, a litre of milk costs an average of 33 cents per litre to produce. The most economical farmers can drop this to 28 cents per litre.

Under the new pricing policy with deregulation, the local factory is offering farmers between 27 and 30 cents per litre. My parents are facing a drop in income of around \$32,000 per year. The cost of producing this milk will not change, therefore the \$32,000 must come directly off any profit made in previous years. This will leave my parents with a grand total of \$2,000 to show for their hard work. This equates to working 12 hour days for less than \$5.50 per day or \$38.50 per week. Is the Australian dairy farmer expected to put up with "third world" wages? I hope not.

With the current state of deregulation what are my parents to do? After working very hard for over 30 years doing something that they love (without a great deal of monetary reward) they virtually have no option but to sell all their cattle and machinery and join the unemployment line. Who is going to employ two fifty year old farmers whose skills in the workforce relate to breeding cattle and farming the land? They will not be alone and it will then be left to the government to support them and the communities that have been adversely affected as well.

I urge the government to do something to ensure the survival of many thousands of dairy farmers, their families and their communities.

I note that the Anglican Bishop of Grafton is also questioning the consequences for communities in this area when this legislation comes into effect. Bishop Phillip Huggins has called for a detailed analysis of the adverse social impacts a deregulated milk market will have on local communities. Has the Carr Government bothered to study the likely impacts of deregulation on regional and rural communities? Bishop Huggins told a North Coast newspaper that the multiplier effect of lost jobs will impact badly on individuals and family wellbeing. There is much truth in what he is reportedly saying.

Farmers have been allowed to borrow against their quotas, which will disappear overnight on 30 June. I fear that we will see the emergence of super feedlot-style dairy farms, milking thousands of animals every day. The family farm is clearly much more environmentally friendly, and for that matter more socially and economically friendly. The Premier often talks of his green credentials, so I urge him to take this fact into consideration when pondering a State-based structural adjustment package. My concerns were echoed in a letter by the University of New England's Dr Jim Scott in yesterday's *Sydney Morning Herald*. Dr Scott said:

In addition to significant declines in income and the value of capital assets, deregulation will most likely lead to other unintended consequences—such as large feedlot dairies (battery cows) in remote areas, the use of more irrigation water from the Snowy, more use of diesel fuel to transport the milk, lower milk quality and eventually to possible contamination with antibiotics which may be needed in feedlots.

Another issue related to deregulation is the margins being made by processors and supermarkets on the sale of milk. On 19 May I spoke and wrote to Professor Allan Fels, the Chairman of the Australian Competition and

Consumer Commission, asking him to investigate the situation that will exist whereby the farm gate milk price in New South Wales will fall from 53¢ per litre to 27¢ per litre post deregulation. I am alarmed at the prospect of large retailers and corporations capitalising on deregulation while leaving dairy farmers in an unsustainable and parlous state. The retail price for milk in New South Wales has increased from about \$1.16 a litre to \$1.38 a litre since July 1998. I sincerely hope that the Australian Competition and Consumer Commission will be particularly watchful of consumer price exploitation and therefore producer price exploitation. There may even be scope for broadening the commission's powers to encompass a prices justification role and possibly an agricultural producers protection commission.

In relation to processors, I would like to see them reward dairy farmers for years of faithful service by offering them contracts of at least 38¢ a litre, over two years, to allow them to adapt to a deregulated environment. It concerns me greatly that the Government is seeking to retain vesting powers through this bill. It is deregulation on the Government's terms. The vesting provisions of the Dairy Industry Act 1979 will continue until 31 December this year to ensure the dairy division of Safe Food has enough funding available in the short term before alternative funding sources can be secured.

By retaining the vesting powers, the Government leaves the door opened for a levy on farmers to fund the Safe Food bureaucracy. This is tantamount to the Government pilfering the already reduced prices that farmers will get for their milk under deregulation. Safe Food will be required to fund its future activities through the collection of licence and audit fees from all sectors of the industry. Farmers are happy to pay a fee for service, but they will not fund bloated bureaucracies. I call on the Minister to give to this House a guarantee that he will not impose a levy on dairy farmers during the next six months using that reserve power.

The industry is deeply concerned that the Government has not made a contribution to funding the dairy division of Safe Food as food safety is an issue that concerns every resident living in New South Wales. Another concern is that the State Government will impose on the industry costs that will make it uncompetitive. I sincerely hope that the Government shows restraint given the devastation that deregulation will cause. Dairy farmers certainly will not be winners from the deregulation, nor will regional communities that rely heavily on them in an economic sense. I feel the only glimmer of hope in an altogether unsatisfactory outcome is for the State Government to provide a structural adjustment price support scheme, as proposed by the Coalition. The arguments are compelling, and I fail to see how any government could ignore the needs of so many people and an industry that is so important to this State.

Mr W. D. SMITH (South Coast) [10.27 p.m.]: After that astonishing speech by the Leader of the National Party I am even more determined to keep politics on this issue out of my comments. It is certainly with mixed feelings that I support this bill. I have spoken on about six occasions in this House about the problems our dairy farmers face as a result of deregulation. It has been suggested that one-third of the 1,800 dairy farmers in New South Wales may be forced to leave the industry. Depending on whom one consults at this moment in time, that figure could be even greater. Without going into all of the history of deregulation, I note that the major turning point occurred recently when the Victorian dairy industry voted to deregulate.

The Victorian dairy industry is the powerhouse of that industry in this country. It produces 63 per cent of all white milk produced in Australia. It holds sway in this industry. Approximately 89 per cent of Victorian farmers voted to deregulate. This means that New South Wales will be flooded with cheap milk coming across the border. New South Wales farmers will not be able to compete against that cheap milk. The Federal Government has offered a \$1.8 billion structural adjustment package, over eight years, to cushion that blow. The cheap milk would have come across the border irrespective of whether New South Wales farmers had voted to deregulate. So what were the farmers to do?

The Federal Government told the farmers that if they did not vote for deregulation they would not receive any part of the adjustment package. Although farmers and this Government were opposed to deregulation, the reality is that to not deregulate would be disadvantageous to farmers. If farmers were to vote against deregulation, they would shoot themselves in the foot, as they would get no financial compensation. In New South Wales 65 per cent of farmers voted to deregulate, as they were, unfortunately, caught between a rock and a hard place. The compensation package will be paid for by consumers with a levy of 11¢ per litre on all market milk sold in Australia. It is not coming out of the Federal Government's coffers, the consumers are paying the price, and the consumers are picking up the tab.

New South Wales farmers will receive \$337 million from the package, about \$192,000 for farmers. Ironically, New South Wales consumers will be providing \$506 million of that package. So New South Wales

consumers will be putting in much more than our farmers will receive. Thanks to lobbying by the Queensland and New South Wales governments at the last meeting in March this year of the Agriculture and Resource Management Council of Australia and New Zealand, there is an additional \$45 million for the package for regional Australia. An option exists under the program to enable dairy farmers to take their financial entitlement as an up-front payment rather than receive payments spread over an eight-year period. This is an important part of the program as it enables those farmers wishing to leave the industry to do so with some dignity, and enables those remaining to rapidly rearrange their business affairs in order to cope with the changed conditions.

In addition, the Government and the dairy industry have also come up with a series of assistance measures that will provide a program of advice and counselling to dairy farmers and their families as they face the effects of deregulation. The initiatives are being co-ordinated by a committee established specifically for the purpose that comprises representatives from the Office of the Minister for Agriculture, the New South Wales Dairy Farmers Association, New South Wales Agriculture, the Department of Land and Water Conservation, the Dairy Division of Safe Food Production New South Wales, and milk processing companies. The program is called Dairy Do It and within the program are three key areas of support.

The first support program, Dairy Assist, provides guidance on how to access the structural adjustment fund. Several seminars have already been held as part of this program to ensure that dairy advisers across the State are adequately informed to be able to help farmers understand eligibility criteria and application forms in regard to the Commonwealth Government's structural adjustment fund. The second support program is Dairy Family, and it aims to provide social support to dairy families as they come to grips with changes in the dairy environment as a result of deregulation. The program will run for a period of approximately 18 months and rural councillors are available to provide advice and assistance in respect of social and financial matters.

The third support program of Dairy Do It is Dairy Check, which helps dairy farmers reassess their business and explore ways to review and improve their management practices in preparation for and following deregulation. The overall aim of Dairy Do It is to provide services designed to minimise stress and anxiety which individuals and families experience as a result of the impending deregulation process. It will ensure dairy farming families receive practical and realistic advice. The Dairy Farmers Association of New South Wales [DFA] determined that it was preferable that the process of deregulation be managed rather than attempting to piece things together after the bomb was dropped. The DFA has been very open about its intentions with regard to deregulation. Winston Watts, the Executive Director of the DFA, spoke to ABC radio's *Country Hour* program on 1 May. He said:

We have made it very clear we have asked the State Government to deregulate against its wishes, but if we wanted to get the other big scheme—

that is the adjustment package—

we had to ask them to deregulate.

The DFA asked the State Government to deregulate so that it could secure the \$1.8 billion adjustment package for its dairy farmers. Mr and Mrs average dairy farmer have approximately 120 cows, produce about 700,000 litres of milk a year and have a gross income of about \$270,000, which must cover overheads and other business costs. If processors reduce the price of milk from the current 53¢ per litre, farmers will face massive losses. For example, if the price drops from 53¢ to 40¢ a litre, a farmer will lose about \$44,000 a year from his or her income. If the price drops from 53¢ to 35¢ the farmer will lose about \$60,000 a year. If the price drops from 53¢ to 30¢ a farmer will lose about \$76,000 dollars a year. If the price drops to as low as 27¢ a litre, as some processors suggest, a dairy farmer will lose about \$85,000 a year. Winston Watts further said:

The DFA has made it very clear it is not going to the State Government and asking for a double-dip on the compensation issue.

Despite obvious fears, the DFA does not want New South Wales residents paying twice into the package. Country Labor has suggested a floor price for market milk. That floor price will be set and stepped down over an eight-year compensation period to expire at the end of that period to correspond with total deregulation at that time. However, the Federal Government is the only government that has the power to introduce such a measure and I urge the Federal Minister for Agriculture, Fisheries and Forestry, Warren Truss, to seriously consider the suggestion that would soften these major changes for farmers. I commend the bill to the House.

Mr STONER (Oxley) [10.36 p.m.]: This is undoubtedly one of the most critical issues ever faced by parts of country New South Wales. It comes at a time when the widening gap in prosperity and opportunities between city and country is widely acknowledged. This is not a time for political posturing, it is a time for

genuine understanding of the terrible plight facing dairy farming families and many other people in dairy regions. It is a time for bipartisan action to secure the best possible outcome for dairy farmers in an unfortunate but unavoidable situation. I would like honourable members to understand where I am coming from. My parents and grandparents were involved in dairy farming. I have many friends and supporters who are dairy farmers; some are coping with this change, some are not. All are battlers: they work long hours, seven days a week.

It is in that context that on 23 September last year I gave notice of a motion calling on the Government to provide a structural adjustment package for New South Wales dairy farmers. I did that in the knowledge that New South Wales farmers, having 45 per cent of their production as drinking or market milk compared with only 7 per cent of Victorian milk production, would be unequally and adversely affected by deregulation. Additionally, the package co-ordinated by the Federal Government at the request of the dairy industry and State agriculture Ministers is relatively less beneficial to New South Wales dairy farmers than it is to farmers from other States, particularly Victoria. Industry estimates suggest that up to 50 per cent of the State's 1,800 dairy farmers and 6,000 jobs could be lost to country New South Wales if deregulation proceeds without a State-based structural adjustment package.

That outcome would be absolutely disastrous in my electorate of Oxley, which has the lowest family income levels and second highest unemployment rate of any electorate in New South Wales. Many hundreds of dairy farmers and workers on their farms in Oxley simply do not have alternative jobs to which they can go. Whilst they have excellent skills, experience and training in their chosen professions, many lack the skills applicable to other occupations. Of course, it does not stop there. Milk tanker drivers, feed suppliers, fencing contractors, produce stores, tractor dealers, fuel suppliers, not to mention the downstream small businesses, local newsagents, take-away shops and local pubs, will all be sorely and severely affected by these changes.

Mr Martin: Are you voting against the bill?

Mr Stoner: Is the honourable member supporting the bill? I am sure that he is. The sad fact is that deregulation will put a red line through a valuable asset on farmers' balance sheets—their quota entitlements. This asset was regarded by most farmers as their superannuation, as they planned to sell it when they retired. The insulting prices offered by some dairy processors, as low as 27¢ a litre, and down from the 53¢ a litre received under the regulated system, is like salt in the wound. Farmers are justly upset by this turn of events and many are distressed. Helen Potts, a farmer from Pappinbarra, which is near my home town of Wauchope, penned a verse, entitled "The Milkmaid", which reads:

There's little Aussie wives, On the farm out there,
And with our men, The chores we share,
No glamour at all, in a milkmaids job,
There's no pay either, Not even a bob,
We're up at 4, And out in the dark,
For there's cows to milk, And we never squark,
But times are a changin', From now on in,
And it's all about, This deregulation thing,
Put pen to paper, And let's be heard,
For this whole thing, Is completely absurd,
We're only begging, For a fair go,
'Cause prices to farmers, Are far too low,
Let's let the hierarchy, Know we're about,
For if they don't listen, We'll vote them out!!!!

It is a sad fact that at least two New South Wales dairy farmers have committed suicide due to the enormous stress under which they have been placed. Only a couple of weeks ago another farmer on the mid North Coast attempted suicide. Honourable members would have witnessed the protest rally outside Parliament House last week. Most of those dairy farmers would never have protested in that way in the past. They are hardly radicals; but they are now desperate. Those farmers sought a State-based structural adjustment package similar to that which has been provided for other industries, including the forest and egg industries. So the National Party and the dairy farmers are seeking the same thing to enable their survival. What of the Dairy Farmers Association [DFA] that the Minister and others have claimed wanted no State assistance? Let me quote the resolution of the DFA executive committee dated 29 March 2000:

That the association should use its best endeavours to ascertain and if possible secure from the New South Wales Government what additional financial assistance it is prepared to make available to the NSW dairy industry and/or affected dairy regions.

That stance was confirmed at the DFA annual conference last week. I am pleased that the Minister has agreed to consider a DFA proposal for State-based restructuring assistance. I sincerely hope that he gives it a sympathetic

ear. I do not care whether it is a DFA package, a National Party package or a Government package. All I care about is that New South Wales dairy farmers and their communities are not left to sink in a sea full of sharks. What did the Senate inquiry say about this issue? I quote recommendation No. 3 on page 17 of the Woodley report:

That the States of Queensland, New South Wales and Western Australia consider the issue of quota entitlement and any form of compensation that may be appropriate for the resumption of quota entitlement, including the possibility of using national competition policy payments as compensation.

The New South Wales Government will receive \$156.5 million in national competition policy payments in the year 2000-01 and this figure will rise in future years. What does the Federal Minister for Agriculture, Fisheries and Forestry say? On 14 March, when announcing the extension of the Federal dairy restructure package, with a \$45 million dairy community assistance program, Minister Truss stated: "It is now time for the States to talk to their industries about what assistance they can also provide."

Mr Fraser: Western Australia is providing a \$27 million package.

Mr STONER: Precisely. As the honourable member for Coffs Harbour said, Western Australia is providing a \$27 million package for its dairy farmers. Every major player agrees on the need for a State-based assistance package. I urge the Minister to do the right thing: put politics aside and work with the DFA to produce a price support scheme for New South Wales dairy farmers for those difficult initial years of deregulation. I call on the Minister to drop this nonsensical notion of a national floor price. The Minister should be truthful with the farmers. He knows that this will never work. It is worse than the spruce goose—it will never get off the ground. The Minister knows that market milk regulation is a State responsibility. That is why the Minister introduced a bill to remove the State floor price for milk. How can he then turn around and suggest that the Federal Government reregulate it?

The Minister must also know that Victoria would never agree to a national floor price, even if it could be arranged. Perhaps that is why this Dairy Industry Bill makes no mention of such a scheme. Perhaps that is why the Minister has not succeeded in obtaining the co-operation of his Victorian and Queensland colleagues. The unfortunate consequence of this nonsensical call by the Minister is that some farmers are being misled and their expectations are being unrealistically raised. That is why Mr Pat Rowley, Chairman of the Australian Dairy Industry Council called this proposal "a cruel hoax". The New South Wales Dairy Farmers Association confirms that this proposal is unrealistic and counterproductive at this time.

Mr Amery: And achievable.

Mr STONER: The Minister is wrong. The only way New South Wales dairy farmers can survive the cruel impacts of the deregulation that the Minister has acknowledged cannot be stopped is for the State Government to get real and fund a State-based restructure package. The National Party will move an amendment to this bill to enable that to occur. Such a package, based on a cents per litre of quota entitlement formula, could be funded from the national competition policy payments made to the State, as suggested by the Senate inquiry. The Treasurer has more than sufficient funds for this package, with a \$393 million cash surplus in the budget as well as an \$830 million service delivery contingency fund.

The Minister should exercise a bit of muscle in Cabinet and produce for his constituency—the dairy farmers of New South Wales. If the Government did its sums I am sure it would find that the costs of such a package would be far less than the programs to deal with the disastrous consequences of 6,000 jobs lost in country areas. The cost of programs like job creation, counselling, family services and other welfare schemes, not to mention environmental programs to cope with issues associated with mega feedlot dairies, would far outweigh the costs of a restructure program.

I refer also to the retaining of vesting powers until the end of the calendar year, 31 December 2000. Although farmers are prepared to pay a fee for services to Safe Food Production New South Wales, they are not prepared for the Government to retain vesting powers. This is a Clayton's deregulation, a deregulation on the Government's terms. The notion of the State taking money from the farmers' greatly reduced return is abhorrent. I call upon the Government to abandon this hypocritical position. To summarise, the jobs are out there, in place in decentralised and disadvantaged regions. The Government has an economic and moral responsibility to help the New South Wales dairy industry to survive the trauma of deregulation.

Mr MARTIN (Bathurst) [10.50 p.m.]: I will depart from my script because I feel it is necessary to put on record the situation of the New South Wales Dairy Farmers Association. The association has been selectively quoted in this debate by the Leader of the National Party, who began his speech by saying that he hoped this

would be a non-political debate. Then his whole speech, from the word go, was marked with his usual political hypocrisy. Opposition members have referred to Mr Reg Smith, the President of the New South Wales Dairy Farmers Association, and his presidential address on 30 May at Wentworth Hotel—a familiar haunt of the National Party, not far from Carrington Street. This is what Mr Smith said in his speech. National Party members should listen, and they will learn that their leader has been telling them porkies. Mr Smith, the President of the New South Wales Dairy Farmers Association, said:

The Executive is firmly of the view that having requested the Government to deregulate, it is entirely inappropriate for the DFA to turn around and seek compensation for any possible loss that may be the result of that request.

If the Government had moved to deregulate the Industry against our wishes, then our approach would have been different. However, it is the dairy farming community who has reached the conclusion that regulation has reached its "use by date" and, working with both the Federal and State Governments, has developed a strategy that we feel will ensure that the Industry makes the smoothest possible transition to total deregulation.

Those words paint a completely different picture to the half-truths that have been spoken in this debate from the Opposition. Over the past 12 months I, and other members of Country Labor, have attended a number of meetings with Mr Smith. At every one of those meetings Mr Smith has urged, as has Mr Winston Watts, that the industry wants deregulation. He said as recently as a couple of months ago, looking us square in the eyes, "We do not seek compensation." The association has said it would like to talk through the issues with the Minister, and the Minister, being an amiable fellow, is prepared to do that. The speech of Mr Smith emphasises the hypocrisy of both the honourable member for Oxley and the Leader of the National Party.

It is with a great deal of regret that I speak to this debate because I recognise that this is a time of great trauma and emotion for people in the industry. This process began in 1993 when the Coalition was in government. Ian Armstrong, as Minister for Agriculture, started the dairy deregulation process. You cannot start the ball rolling and at the end of the day say that you did not mean to be a part of it. You cannot have your cake and eat it too. Armstrong and Souris were there pushing it all the way. The Minister has resisted it as best he could along the way. He has borne some financial penalties on behalf of the State under the Commonwealth principles agreement. The campaign that has been waged by New South Wales dairy farmers has been unrelenting. They want the New South Wales Government to deregulate. Mr Smith and the executive have said that time and time again.

The Opposition has said that we should suddenly resist deregulation, although we have no control over what happens in Victoria or over what the Federal Government is going to do. Victorian milk could be delivered to Sydney tomorrow for 31¢ per litre, with or without the package. The Opposition has obviously forgotten about section 92 of the Constitution. I do not know what it expects the Minister to do. Does it expect him to stand at the border at Albury with a bazooka and bowl over the tankers as they come up the Hume Highway? We cannot control the Victorian dairy farmers. As we have heard, 89 per cent of dairy farmers in Victoria and 65 per cent in New South Wales have voted for deregulation. There is evidence that many farmers who voted in favour of deregulation felt that they were forced to make that decision by the threat of withdrawal of the Federal Government's financial package. Also, a great deal of information they were given was misleading. Now that they have seen some of the contracts that the processors are proposing of 27¢ and 24¢ per litre, I am sure that none of them would have contemplated deregulation. That is one of the great tragedies in this matter.

Country Labor has looked at the eleventh hour at every avenue to turn this tide back. Opposition members may laugh, but they have obviously been left out of the loop. Many dairy farmers in New South Wales feel that they have been let down by the Dairy Farmers Association. They are leaving the association in droves, and membership has dropped from 1,700 to 1,100 to 500. A new organisation has stepped into the void. Dairy farmers desperately want justice. They have formed an association called the Australian Milk Producers Association, which already has about 1,700 members. Many of its members are from New South Wales, and membership is growing every day. These people are arguing for a ballot, and we have done what we can to help them through the Electoral Commission. When Opposition members are asked whether they will support another ballot or the pulling of the legislation, they walk out, they do not want to know.

One would think that the \$1.8 billion package was a gift from the Howard Government. It is being financed by an 11¢ per litre levy from 1 July. When one looks at this deregulation, dairy farmers' incomes have been halved and the consumer price is increasing to pay for Mr Howard's so-called generosity. The package is not coming out of the Federal Government's taxation bill, it is coming out of consumers' pockets. Who are the big winners? The big winners are the large processors, which are increasingly owned by three or four multinational companies, and those bogies, the supermarkets. In the Minister's detailed response today in question time we heard what they are doing to apple and fruit growers. Once again, it is the big end of town that is winning out of deregulation.

The National Party can use its influence with its Federal colleagues. We have come up with the suggestion that a national floor price be introduced. They pooh-pooed that idea. There is only one way we can get justice and sense into the farm gate price, and that is by Federal Government regulation. If Opposition members are genuinely concerned for the dairy farmers in this State they will go to Canberra, knock on Warren Truss' door, or the door of any other member who will listen to them. I do not think they want to, because this deregulation fits into their free market philosophy. They know what John Howard would say. He would say, "No, we are racing down the deregulation path. That is what we want, the law of the jungle." Earlier the honourable member for Barwon spoke on the Veterinary Surgeons Amendment Bill. He said that the less governments have to do with industry the better. The Opposition wants to walk away from this issue.

The Federal Government package does not affect the margins at the end of the day, whether it is 31¢ or 27¢. There is an argument about whether farmers or consumers are funding the package. It is pretty obvious that the 11¢ a litre that is being added from 1 July for eight years is there for that purpose, and for that purpose alone. The dilemma is that if we do not deregulate we lose the assistance. We cannot turn back the tide of what the Victorians are doing. They have 62 per cent of the industry: 8,500 of the 13,500 dairy farmers in Australia are in that State. Victoria is the colossus of the milk industry and, as the Minister has said on a number of occasions, it will flood the Sydney market with cheap milk. The farmers that members of the National Party think they are trying to help would not be able to compete.

Some people may think that Country Labor is naive, but it has suggested the floor price plan. Members opposite have said, "Look what happened to the wool industry." For 17 or 18 years that wool floor plan worked well. It was only when people started to abuse it and try to make it something that was never intended that the wheels fell off. Properly run and with the right motives, that would be the way to go. But we need assistance. We are talking to the Federal Government. The ball is firmly in its court if it wants to do something about this.

I support what the Minister for Agriculture has done all the way through this process. He has been prepared to listen and negotiate. He has been locked into a situation that has been almost impossible to extricate us from because we do not have the power to do what we need to do. All we have heard from the other side, the people who started the ball rolling in New South Wales, is "It is your legislation, we wash our hands of it." It is rank hypocrisy. I come back to my opening remarks: the Leader of the National Party and the honourable member for Oxley selectively misquoted Reg Smith from the Dairy Farmers Association. What they quoted him as saying was exactly the opposite to what he said in his speech at Wentworth Hotel. I do not know how much chardonnay the Leader of the National Party was drinking that night!

Dr KERNOHAN (Camden) [11.02 p.m.]: I have done virtually everything in the dairy farming industry: I have milked cows, I have taught students at the University of Sydney, I have conducted research, I have advised farmers, and I have bred cattle—my own Illawarra shorthorns—and shown them. I believe, having run four commercial 100-cow dairies for nine years, that I know as much or more about the New South Wales dairy industry as anyone else in this place. I believe I am entitled to give the eulogy for the New South Wales dairy industry as we know it today. A eulogy is emotional; it is a story. It is not full of facts and figures; it tells what happened in blunt terms. A eulogy contains a little bit of history. The history of the New South Wales dairy farming industry is this: it is a family industry, and even the big farms today are run by families; it is an industry that involves working 365 days and milking cows twice a day; it means hard, constant work. Why do people do it? Because they love their farms, they love their cows and they love their industry. Because of this they stay in the industry and it is the only farming industry that has a secure income. As long as they produced a good quality product they got a minimum set amount every month that made it possible for them to stay in the industry and to lead a decent life. The New South Wales dairy industry was never looked upon as a grand thing. The dairy farmers wore gumboots and shorts, while the squattocracy of the large animal industry wore moleskins and jodhpur boots as their uniform. Dairy farmers were called cow cookies and the industry was looked upon as the Cinderella of the large animal industries.

Cinderella went to the ball. The New South Wales dairy industry came good. It is rather ironic that it came good the year I left it: 1991. It went to the ball and it had not one night but years of success. It was doing very well for the first time in its history. Why was it doing this? Because its processors did the right thing: they listened to the Government, they value added, they diversified their products—everyone has seen the long-life products in the supermarkets—they exported and they did what governments wanted them to do. They did very well until the agreement between the Keating Government and the Carr Government to bring competition policy into the dairy industry.

The clock was ready to strike 12 and Cinderella left the ball. But the coach fell apart on the way home and she had to walk. Fairytales are not always reality. The reality is that Cinderella was attacked on the way

home—she was gang-raped by five entities that she believed were her friends and colleagues. Those entities were the Victorian dairy farmers, the Federal Government, the supermarkets, the processors and the State Government. They all did it for their own different reasons. They all had their own reasons for being involved in this, but that did not help poor Cinderella. The first players were the Victorian dairy farmers, who are different from Cinderella: they did not milk 365 days a year, they did seasonal milking; they worked for only nine months and then had a little holiday.

They sold out their quotas in the mid-1980s. They got rid of the quota system and had nothing to lose. They were jealous and they wanted the New South Wales market. They had wanted the Sydney market for the past 25 to 30 years. They were able to see their way clear, because the current Federal Government was stupid enough to continue with the policies of the previous Keating Government. It took on the competition policy and the other wonderful agricultural policy called a level playing field. Everybody knows that New Zealand and Australia are the only countries in the world that believe in the level playing field. Every other civilised country looks after its farmers and makes sure its farming communities stay viable. We do not.

Mr Newell: What about the Liberal Party?

Dr KERNOHAN: I am not talking party politics and I am not being political in this speech. I would like the honourable member to listen carefully. The dairy industry got the competition policy. I wrote to the Federal Government ages ago and said that the competition policy should not apply to agricultural industries. But the Federal Government said that it would go along with it, which gave the Victorian dairy farmers the impetus to say, "Yes! We are going to go into the Sydney milk market and we are going to take over." The Federal Government said to the dairy industry, "We will make it a little easier. We will give you a \$1.7 billion package to make it easier for you." The Federal Government said, "Relax and enjoy it because we are going to help you with your own money; with the money that you will not receive because of what we are going to do to you." The Victorian dairy farmers said, "Cinderella, if any of the States are going to drop out of deregulation, we are going to come in any way, because we are going to do a deal with the supermarkets. We will flood the markets with low-price milk and we will send you broke. You have no choice."

The New South Wales processors, who were so good at getting the industry on its feet, turned to jelly, and said, "We are going to give you only a low price because we have to maintain our markets." Poor Cinderella had no friends whatsoever. But the last one, the one who owns the game, the one who supported and protected her all these years, the New South Wales State Government, what does it do? It says, "We are going to suggest a floor price scheme. Even though we made a cash surplus of \$314 million this year and are also getting \$156 million from the Federal Government for its competition policy scheme, we are going to ask the Federal Government to introduce a floor price scheme."

Who does the State Government think a floor price scheme will help? It will help the Victorian dairy farmers, and make them even more able to take over the Sydney markets. It is a ridiculous situation! What more does the State Government say? There will be no compensation. Who put a value on quota? It was not this Government but the previous one who allowed an exchange, like a stock exchange for quota. People borrowed to buy quota, and they are still paying it off. It is why some people are thinking about suicide. The situation is not funny. The State Government is uncaring as it could do something about this situation, but will not.

They leave Cinderella on the ground when along comes another one to rob her, but she has nothing to give. This is another arm of her friendly State Government under the guise of the Food Production (Safety) Act, which says, "Having raped you and taken you for everything you've got, we are going to make you pay through the nose for the safety of the New South Wales customers. You're going to have to pay for an audit each year at \$120 an hour, which could be about \$480 per farm. They are going to come in and they are going to audit the ticks and the numbers you put on a sheet of paper. Any relevance of those ticks or numbers to the quality of milk is purely coincidental. It will have no effect whatsoever on the quality of the milk in the vat."

It is absolutely disgusting! But Cinderella will survive, but not as we know her today. It will be a very different industry. It will be big factory farms with the demise of the small family farm. It will be the demise of the countryside as we know it. Farms will be vacated as they will not be functional. It will be the demise of the country towns that live on the basis of the dairy industry and what it brings to their areas, because the big factory farms will buy in bulk and they will buy outside the country areas. They will not buy locally. They will use expertise from outside. It will be a disaster for the rural regions of New South Wales.

I can mix fairy tales and metaphors: The people who killed the goose that laid the golden egg are the governments, the politicians, you and I, both State and Federal. All of us should rue the day when a viable,

healthy, good industry that produced the best quality product in Australia went down the drain. It is enough to make grown people cry, and many dairy farmers in New South Wales will cry. Honourable members might think that I have made a mockery of the situation, but it is a matter of laugh or cry. Believe you me, as someone who spent 30 years in that industry and gave it my all, I am near to crying, too. I support the proposed amendments. I am against what the State Government is doing to the dairy industry.

Debate adjourned on motion by Mr Newell.

SPECIAL ADJOURNMENT

Motion by Mr Amery agreed to:

That the House at its rising this day do adjourn until Thursday 8 June 2000 at 10.00 a.m.

House adjourned at 11.18 p.m.
