LEGISLATIVE ASSEMBLY

Tuesday 14 November 2000

Mr Speaker (The Hon. John Henry Murray) took the chair at 2.15 p.m.

Mr Speaker offered the Prayer.

BILL RETURNED

The following bill was returned from the Legislative Council with an amendment:

Protection of the Environment Operations Amendment (Balloons) Bill

Consideration of amendment deferred.

ASSENT TO BILLS

Assent to the following bills reported:

Legal Profession Amendment (Incorporated Legal Practices) Bill
Industrial Relations Amendment (Council Swimming Centres) Bill
Adoption Bill
Children and Young Persons (Care and Protection) Miscellaneous Amendments Bill
Community Relations Commission and Principles of Multiculturalism Bill
Road Transport (Safety and Traffic Management) Amendment (Blood Sampling) Bill
Rural Assistance Amendment Bill

BUSINESS OF THE HOUSE

Routine of Business

[*During notices of motions*]

Mr SPEAKER: Order! The form of the notice of motion given by the honourable member for Southern Highlands is in order. However, the notice is too lengthy. I will allow her to edit the notice and I will accept the edited version after question time. I will accept the notice of motion given by the honourable member for Oxley, but I ask him to remove the imputations from it. Members should realise that the notices of motions they read out do not necessarily appear in that form in *Notices of Motions and Orders of the Day.* The correct versions appear in that document.

INDEPENDENT COMMISSION AGAINST CORRUPTION

Report

Mr Speaker announced the receipt, pursuant to the Independent Commission Against Corruption Act 1988, of the report entitled "Rebirthing motor vehicles—Investigation into the conduct of staff of the Roads and Traffic Authority and others", dated November 2000.

PETITIONS

North Head Quarantine Station

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

McDonald's Moore Park Restaurant

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

State Taxes

Petition praying that the Carr Government establish a public inquiry into State taxes, with the objective of reducing the tax burden and creating a sustainable environment for employment and investment in New South Wales, received from **Mr Maguire**.

Cronulla Police Station Upgrading

Petition praying that the House restores to Cronulla a fully functioning police patrol and upgrades the police station, received from **Mr Kerr**.

Kings Cross Policing

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

Surry Hills Policing

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

East Sydney and Darlinghurst Policing

Petition praying for increased police presence in the East Sydney and Darlinghurst areas, received from **Ms Moore**.

Eastern Suburbs Police and Community Youth Club Closure

Petition praying that the House stops the Board of the Police and Community Youth Club New South Wales Ltd from closing and selling the Eastern Suburbs Police and Community Youth Club, received from **Ms Moore**.

North Sydney Police and Community Youth Club Closure

Petition praying that the House reverses the decision of the Board of the Police and Community Youth Club New South Wales Ltd to close and sell the North Sydney Police and Community Youth Club, received from **Mrs Skinner**.

Malabar Policing

Petition praying that the House note the concern of Malabar residents at the closure of Malabar Police Station and praying that the station be reopened and staffed by locally based and led police, received from **Mr Tink**.

Engadine Police Station Downgrading

Petition praying that any downgrading of Engadine Police Station be opposed and praying that the station be staffed 24 hours a day by locally based and led police, received from **Mr Tink**.

Menai Police Station Downgrading

Petition praying that the House notes the concern of Menai residents at the major downgrading and possible closure of Menai Police Station and praying that the station be staffed 24 hours a day by locally based and led police, received from **Mr Tink**.

Randwick Police Station Downgrading

Petition praying that the House notes the concern of Randwick residents at the major downgrading and possible closure of Randwick Police Station and praying that the station be staffed 24 hours a day by locally based and led police, received from **Mr Tink**.

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**.

Mona Vale Hospital

Petition praying that services at Mona Vale Hospital be retained, received from **Mr Brogden**.

Coffs Harbour Health Services Funding

Petition praying for increased funding for health services in the Coffs Harbour area and a reduction in surgery waiting lists, received from **Mr Fraser**.

Genetically Modified Food

Petition praying that the House take action to prohibit the sale and distribution of food containing genetically modified organisms, received from **Ms Moore**.

Podiatrists Act Review

Petition praying that the House includes a definition of "podiatrist" in the review of the Podiatrists Act 1989 and includes restrictions to practice so that quality of care and the safety of the public are maintained, received from **Mrs Skinner**.

Non-government Schools Funding

Petitions praying that the Government reimburse the $5 million in funding that has been withdrawn from non-government schools and reverse its decision to withdraw a further $13.5 million in funding in 2001, received from **Mr Brogden, Mr Green, Mr Hazzard, Mr Humpherson, Mr E. T. Page** and **Mrs Skinner**.

Pittwater Road, Narrabeen, Speed Limit

Petition praying that a speed limit of 60 kilometres per hour be introduced on Pittwater Road, Narrabeen, received from **Mr Brogden**.

Keira Electorate Traffic Arrangements

Petition praying that the construction of the Northern Distributor from Bellambi Lane to Molloy Street, Bulli, be completed at the earliest opportunity and praying that pedestrian access facilities be provided between East Woonona and Woonona for people who use the railway station and the bowling club, received from **Mr Campbell**.

Windsor Road Upgrading

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

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**.

South Dowling Street Traffic Management

Petition praying that the Roads and Traffic Authority investigates all possible traffic management options and implements measures to restore residential amenity and safety to South Dowling Street between Flinders and Oxford streets, 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**.

Oxford Street Pedestrian Crossing

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

John Fisher Park

Petition praying that the Government supports the rectification of grass surfaces at John Fisher Park, Curl Curl, and opposes any proposal to hard surface the Crown land portion of the park and Abbott Road Land, received from **Mr Barr**.

Wagga Wagga Electorate Fruit Fly Campaign

Petition praying that the Government resources the Fruit Fly Campaign for the years 2000, 2001, 2002 and 2003, upgrades the Wagga Wagga electorate to a fruit fly control zone, and develops and implements a fruit fly strategy to eliminate fruit fly from the electorate within the next five years, received from **Mr Maguire**.

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**.

Guy Fawkes River National Park Animal Slaughter

Petition praying that the Minister for the Environment discloses to the public all findings, information and submissions relating to the inquiry into the inhumane and barbaric slaughter of brumbies in the Guy Fawkes River National Park by the National Parks and Wildlife Service, ensures that the NPWS is accountable for its actions in this matter and ensures that culling of this nature will not be inflicted on any animal in the future, received from **Mr Fraser**.

National Parks Entry Fees

Petitions praying that the proposal to introduce a $6 entry fee per car per day into national parks be rejected, particularly in Bundjalung National Park and Iluka Nature Reserve, received from **Mr George**, **Mr Oakshott**, **Mr Piccoli**, **Mr Souris** and **Mr Webb**.

White City Site Rezoning Proposal

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

STANDING ETHICS COMMITTEE

Report

Mr Brown, on behalf of the Chair, tabled the report of the committee entitled *"Asia Pacific Governance 2000* Conference—Brisbane 27-28 April 2000", dated June 2000.

Ordered to be printed.

QUESTIONS WITHOUT NOTICE

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HONOURABLE MEMBER FOR FAIRFIELD
SEXUAL ASSAULT ALLEGATION ICAC INVESTIGATION

Mrs CHIKAROVSKI: My question without notice is directed to the Premier. Does he recall telling this House on 28 April 1992 that members under investigation by the Independent Commission Against Corruption [ICAC] should stand aside pending the outcome of such inquiries? Will he now apply the same standards and insist that the Speaker stand aside while the ICAC investigates allegations that he compiled a dirt file on the young woman who complained to police of being sexually assaulted by the member for Fairfield?

Mr CARR: What a policy shambles they are!

Mr SPEAKER: Order! I place the honourable member for Gosford on two calls to order. I call the honourable member for Bega to order.

Mr CARR: The Hon. C. J. S. Lynn, MLC, told a western Sydney businessman that the Opposition would privatise electricity to lift the tolls on the M4, M5 and M2. That is a return to the policy position that the Opposition took at the last election. Only this time, instead of everyone being promised a cheque for $1,000, the money raised from selling the power stations was going to go to lifting the tolls on the M2, M4 and M5. What a pathetic policy shambles they are!

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

Mr CARR: I think all honourable members agree that Nick Greiner, whatever his faults, was a serious political leader, despite the blemishes on his record that were highlighted in that recent remarkable book by the former Liberal Leader of the Opposition. Despite the interesting and important observations on the Greiner leadership contained in that significant and interesting volume—a contribution to the history of this Parliament that is rivalled only by the biography of Bill McKell, which I recommend to all honourable members—what did Nick Greiner have to say about—

Mr Hartcher: On a point of order: The Premier has now been talking for three minutes. The question that was asked was about the member for Fairfield and yourself, Mr Speaker. It was not about a book, it was not about William McKell and it was not about any other book or policy that may have been written. The Premier is required to answer the question. While you may not direct him as to how he may answer the question, he is required to the answer the question. I ask you to call him to account and make him answer the question.

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

Mr CARR: Under the former Coalition Government, there was an ICAC inquiry into Ian Causley. Did Ian Causley stand down as Minister? No. There was an ICAC inquiry into Wal Murray. Did Wal Murray stand down as Minister? No.

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

Mr CARR: There was an inquiry by the ICAC—the beast, the Frankenstein monster—into Nick Greiner, the ICAC's creator.

Mr SPEAKER: I call the honourable member for Bega to order for the second time.

Mr CARR: He did not stand down while the ICAC inquiry took place. Caught up in the ICAC inquiry, of course, was the former Minister for the Environment, Tim Moore. Did he stand down? No, he did not. By that stage ICAC was gathering momentum. There was an inquiry into Peter Collins, and he did not stand down. I have John Fahey's name on my list. I do not remember an ICAC inquiry into John Fahey but I presume it took place. He certainly did not stand down.

[*Interruption*]

Isn't this a withering Opposition! The Independent Commission Against Corruption does not require the Speaker to stand down during this inquiry. The Speaker has my fullest confidence. He is the finest Speaker this Parliament has had.

Mr SPEAKER: Order! The Premier is addressing the House on a serious matter.

Mr Fraser: Point of order: On the basis of the praise given to you by the Premier, you are not capable of ruling other than in his favour.

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

Mr CARR: If honourable members want a measurement of this Speaker's quality, they should think of the members who went to war against the Speaker during every question time in the last Parliament. I am talking about Phillips and Photios. Where are they now? The electors of Miranda and Ryde thought that Ron Phillips and Michael Photios were being thrown out of Parliament every day for abusing the Speaker and dissenting from his reasonable rulings, and they were not going to have them represent them any more. That was very good judgment on the part of those electors. It was, in no uncertain terms, a vote of confidence by those electors in the capacity of the Speaker of this Parliament.

ATTACKS ON PLACES OF WORSHIP

Mr E. T. PAGE: My question without notice is to the Premier. What is the Government's response to recent attacks on places of worship in Sydney's east?

Mr CARR: Australia is one of the few societies in the world that can claim to be both harmonious and tolerant. That society was on display to the world during the Olympic Games. Any visitor to these shores would have been struck by the happy and benign multiculturalism that is part of the Australian way of life. The pluralism and cultural diversity of our society was on display during the Olympics. That is one of the reasons why all members of this House will share my view that attacks on places of worship are especially abhorrent. An attack on a mosque, a church, a temple, or a synagogue has no place in this culturally diverse democracy. Members of this Chamber will recall the arson attack in February 1996 that destroyed St Patrick's Cathedral at Parramatta.

I am advised that in the past two weeks there have been a number of deplorable incidents in Sydney's eastern suburbs, including three firebombing attacks on the home of Rabbi Pinchus Feldman of Bondi, the latest being on Sunday night. Last week there was a sickening attack on the Roscoe Street synagogue in Bondi, where intruders tied 10 prayer shawls together into a wick and lit them with kerosene. There have also been reports of people who are walking to synagogues in the eastern suburbs being harassed on the street. I have spoken to the President of the New South Wales Jewish Board of Deputies, Mr Stephen Rothman, who speaks on behalf of 35,000 Jews, the past president, Mr Peter Wertheim, and Mr Michael Marx. On 1 November Mr Rothman, on behalf of this very fine community, wrote to me thanking the Government for its concern and for its effort, through the New South Wales Police Service, to investigate these attacks. This morning the office of the New South Wales Commissioner of Police advised:

> At the present there are no established links to the conflict in the Middle East as causation for these offences.

In addition, the deputy commissioner's office advised that since the attacks the eastern suburbs local area command has established Operation Spencerville to investigate the offences. It has set up patrols of Jewish premises in the eastern suburbs. It has organised regular meetings between the police and the Jewish community, and engaged the special information and intelligence centre of the Police Service to review and monitor evidence available from the attacks. Attacking places of worship is a particularly offensive crime, not only against the 35,000 members of the Jewish community in this State but against our Australian sense of fairness.

HONOURABLE MEMBER FOR FAIRFIELD
SEXUAL ASSAULT ALLEGATION ICAC INVESTIGATION

Mr SOURIS: My question is directed to the Premier. Why is it that for nearly two months the Premier has done absolutely nothing to investigate serious allegations of a cover-up and intimidation on the part of the Speaker, yet it took the Commissioner of Police just days to realise how serious such allegations are and to refer them to the ICAC? Is this indicative of the Premier's attitude to allegations of sexual assault in this Parliament?

Mr CARR: The seriousness of any allegation of sexual assault is confirmed by the fact that the Government regards it as a matter for the police and for the courts. When this matter came to the attention of any of us it was in terms of a police inquiry being conducted.

Mr SPEAKER: Order! I place the honourable member for Hornsby on two calls to order.

Mr CARR: That is how it was presented. As I reported to Parliament on the last sitting week when we discussed this matter, it came to my attention as a result of media inquiries to my office about an alleged police investigation of an allegation of sexual assault. It is a criminal offence and it belongs with the police investigation, leading, if the police think it is justified, to action in the courts. This is a matter for the police and for the courts. That is the view the Government takes. It remains to be pointed out that no-one is suggesting Mr Speaker discussed this with the woman concerned.

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

Mr CARR: To the best of my knowledge, the woman concerned is not proceeding with the complaint.

Ms Seaton: Why not?

Mr CARR: Don't ask me, ask her. The Hon. Dr A. Chesterfield-Evans, the leader of the party to which this woman belongs, has gone on record in at least a dozen media interviews saying that there was no attempt at intimidation, and I understand he was the only one who was involved in a conversation with Mr Speaker. I am certain that an Opposition that is a total policy shambles, that is where it is in the opinion polls and that is divided over its leadership will fall with relish on any allegation of sexual assault involving a member of Parliament. That is all members opposite have done. This matter remains, because of its seriousness, a matter for police investigation and for the courts.

PAYDAY MONEYLENDERS

Mr STEWART: My question without notice is to the Minister for Fair Trading. What is the Government's response to the dramatic rise in the number of so-called payday lenders, who are charging up to 1,300 per cent interest on loans?

Mr WATKINS: I pay tribute to the honourable member for Bankstown for the work he has been doing in recent times to raise the profile of the serious issue of the status of payday lenders in New South Wales. Payday lenders are a new breed of loan shark, exploding across New South Wales as they infiltrate Australia. This US-style lending practice produces grossly inflated profits by exploiting the most vulnerable people in our community. This is a style of lending, with an interest rate of up to 1,300 per cent per annum, that the New South Wales Government is not prepared to tolerate. People using payday lenders are already deep in financial trouble, and using a payday lender only makes it worse. That is why I can announce that yesterday Cabinet agreed to better protect New South Wales consumers by bringing this new type of lender under the uniform credit code. Those who need a small loan to tide them over until the next payday or pension day are being targeted by payday lenders.

Mr Hartcher: Point of order: Standing Order 80 requires that questions relate to the public affairs of this State. The Minister already made this announcement on 15 October, 23 October and 6 November. This is the fourth time the Minister has made this announcement in the House. He is not speaking on the public affairs of the State; he is simply recycling his previous statements. It is a waste of question time, and I ask you to rule the question out of order.

Mr SPEAKER: Order! It is apparent that the honourable member for Bankstown did not hear the answers. That is why he has asked the question.

Mr WATKINS: In recent months 80 payday lenders have been established across New South Wales, with 20 in Sydney alone. That number is growing rapidly and they are causing abject misery in the suburbs and towns of the State. Typically, weekly or monthly fees are charged by payday lenders. That means that the unwary or the desperate do not know what interest rate they are being charged. There is simply no means of comparing the cost of this type of credit with other types of credit. In fact, many borrowers do not even get a lending contract, so they do not know what they have agreed to and cannot tell if the lender has moved the goalposts without their knowledge. In short, the terms of these loans are all in the lender's favour.

The terms of the loans include open-ended direct debits from the customer's bank account, arbitrary increases in fees, repossession of property such as cars or furniture without warning, and unfair and excessive late fees. None of those practices is acceptable. Payday lenders have recently arrived in New South Wales after being established in Queensland and in other States. As I said, in the past six months 80 have been established in New South Wales, with 20 in Sydney alone. In the United Kingdom, where payday lenders are already spreading like the plague, disgraced businessman Alan Bond is busy promoting their virtues. At the end of the day, the exorbitant cost of getting money from these lenders means that many of their customers simply cannot repay their loans. Many borrowers get deeper and deeper into debt as the cycle of payday lending spirals out of control.

Two examples will illustrate the point. In July 1999 a couple borrowed $50 from a payday lender. The money was to be repaid in two weeks time. As the hard financial times went on the loan was rolled over virtually every fortnight. By May this year, when the couple sought advice from the Queensland Department of Fair Trading they owed the lender $980. That is an effective annual interest rate of 487 per cent. Payday lending victims have also started to appear in New South Wales. For example, Marlene is a single mum with two children, one of whom is physically handicapped. She is doing it tough. When she saw an advertisement in a local newspaper offering short-term loans to people with credit problems she swallowed the bait. She signed up for a $700 loan. The terms and conditions were not explained to her and she was not given a copy of the contract.

Marlene was told that she would be paying $18 for every $100 borrowed. She contacted the Department of Fair Trading after the lender charged her a $100 dishonoured cheque fee and threatened to take money directly out of her bank account. The department is continuing to assist Marlene with her problems. Other disturbing allegations have come forward in recent times. The honourable member for Bankstown and the Minister for Gaming and Racing have advised me that some of these lenders are setting up shop near places where people can gamble their loan away. The payday lenders say that this is a coincidence. However, in Queensland one payday lender specifically targets gamblers in his advertising. That must be the lowest of the low.

How do payday lenders manage to avoid regulation? It is a classic case of there being a loophole in the law. Under the current law credit provided for a period of less than 62 days, or two months, is not covered by the uniform credit code. At the time the code commenced payday lenders had not infiltrated Australia. If they had, the code would have been drafted to cover them. This is because the code's object is to cover all products and all lenders, and exemptions are given only in very limited circumstances. The Government will close this loophole in the law. It will be amended so that payday lenders will have to operate under the same requirements as other mainstream lenders.

My ministerial colleague the Queensland Minister for Fair Trading, Judy Spence, recently finalised a report on payday lending for the Ministerial Council on Consumer Affairs. Yesterday the New South Wales Cabinet decided to accept the recommendations in that report. Bringing payday lenders under the code means better protection for consumers, including disclosure in writing of all the costs of the credit before a borrower signs up. That means that all potential borrowers will know what they are getting into. Some may be sufficiently shocked to try for credit elsewhere. All the terms and conditions, and a statement of the fees and charges and interest rate, will have to be set out in the contract. Borrowers will also have all of these details before they sign up.

Payday lenders will be bound by the maximum annual interest rate set out in the code. Interest rates of 1,300 per cent will simply be a thing of the past. Any security required for the loan will need to be set out in the credit documentation. Any changes in fees or interest rate must be properly notified. Twenty days notice will be required. There will be no more arbitrary deductions from a borrower's bank account, which is discovered only when the bank statement is checked. Lenders will no longer be able to repossess a borrower's property, such as a car or furniture, if a payment is a day or so late. A default notice will be required, and a client will have 30 days in which to remedy the default before any action can be taken.

These steps will go a long way towards addressing the problems currently experienced by people who find it necessary to resort to payday lenders. Other benefits include allowing action to be taken if a lending contract is unjust. When the new laws are passed, complying with the code will be mandatory for payday lenders. Severe penalties apply under the code, including a civil penalty of up to $500,000 if disclosure provisions are breached. Responsible credit providers and lenders already comply with the uniform credit code. Its terms are tough, and so they should be, because consumers are often at their most vulnerable when it comes to credit. If companies like ChequEXchange, Instant Cash and the Australian Money Exchange want to do business in New South Wales they will have to do so under the uniform credit code. Finally, I urge anyone with financial difficulties to contact the Department of Fair Trading on 13 32 20 or the Consumer Credit Legal Service on 9212 4111 for advice.

Mr SPEAKER: Order! I have now had an opportunity to check *Hansard*. Contrary to the assertion of the honourable member for Gosford in his point of order, this is the first occasion on which the Minister has been asked a question in relation to payday lenders.

HONOURABLE MEMBER FOR FAIRFIELD
SEXUAL ASSAULT ALLEGATION ICAC INVESTIGATION

Mr HARTCHER: My question is directed to the Attorney General. Will the Attorney General rule out taxpayers of New South Wales having to pay more than $500,000 on legal bills for the Speaker, the President of the Legislative Council, the member for Fairfield, the member for Kogarah and Mr Christian Gillies as part of the Independent Commission Against Corruption investigation into allegations of intimidation and cover-up of a criminal offence?

Mr DEBUS: That decision is one to be taken by a broader group of people than I, but I will not.

Mr HARTCHER: I ask a supplementary question. In view of the Attorney General's failure in his answer to rule out the granting of legal aid, if legal aid is granted to other people, will he ensure that the young woman who reported the sexual assault to police receives the same level of financial support as members of the Australian Labor Party?

Mr DEBUS: I have already answered that question.

HOUSING FOR THE AGEING AND DISABLED

Mr GREENE: My question without notice is directed to the Minister for Urban Affairs and Planning. How is the Government helping to house older people and people with disabilities?

Dr REFSHAUGE: The number of people in the State older than 55 years will almost double in the next 25 years, from about 1.4 million to about 2.5 million. In the next five years we will have an extra 100,000 older people in Sydney. A caring community should strive to help people age with dignity. Helping older people maintain their independence, and stay in areas where they feel part of the local neighbourhood, is a good start.

The Government is encouraging the development of housing that specifically meets the needs of older people and people with a disability. State Environmental Planning Policy [SEPP] 5 was first introduced in 1982 in recognition of our rapidly ageing population. But when it comes to our ageing population, the Opposition is like the proverbial ostrich—it puts its head in the sand and has no policy. The Opposition's only policy is to abolish the policy, which will do nothing to help older people to maintain their independence. Although the Deputy Leader of the Opposition is saying that we should change SEPP 5, the honourable member for Pittwater is saying that we should abolish SEPP 5. The Opposition's policy is no policy.

Just last week at a function I attended, the Leader of the Opposition said she wants no more development. The Leader of the Opposition, who is supposedly an alternative Premier, effectively says, "If you are old and cannot look after yourself in your own home, you have got to move out of the area, go away from your neighbours, lose your networks, and lose your support." It is no wonder that we hear on level 10 in this building, and in the electorates, new adjectives describing the Leader of the Opposition—like "arrogant", "false", "plastic", and "no idea what she is doing". That is what we are hearing about the Leader of the Opposition.

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

Dr REFSHAUGE: The Government is helping older people and people with a disability to stay near their family and friends, in homes that can be modified to suit their changing needs. These are homes that are easy to manage and that can be modified if a person is in a wheelchair. However, following representations from my colleagues, especially members representing the electorates of Miranda, Hurstville, Kogarah, Heathcote and Menai, who were concerned about the inappropriate use of SEPP 5, I instigated a review of SEPP 5. Honourable members will be pleased to hear that we are making significant changes to SEPP 5.

Mr Brogden: Point of order: I refer to previous rulings regarding ministerial statements. It is clear that the Deputy Premier is about to announce changes to state environmental planning policy 5, which constitutes an announcement of Government policy. It is the longstanding tradition of this House that when a Minister announces a policy, that is done in the form of a ministerial statement and the Opposition is allowed to reply. I ask you to require the Deputy Premier to announce any new policy by way of a ministerial statement.

Mr SPEAKER: Order! The honourable member is asking me to attempt to find out what the Minister is about to say. I am not able to do that.

Dr REFSHAUGE: The honourable member for Pittwater did his stocks an enormous disservice when he wrote in the *Australian Financial Review*. This modern-day Don Chipp—Don Chipp without the purple socks—was desperately trying to make a bid for leadership, but not one person on his side came to support him. The honourable member for Pittwater has a great policy development: no policy. It is important that we look at the substantial changes to SEPP 5. The Government wants to ensure that it is not used as a backdoor policy by some developers to introduce medium-density housing. We need to ensure that we crack down on the cheats and end the rorts. There are a number of changes to SEPP 5. First, 5 homes must be within an easy distance for older people to access community facilities or public transport—

Mr Brogden: Point of order: The Deputy Premier has now proceeded to announce changes to the Government's state environmental planning policy 5. The procedures of this House require him to deliver a ministerial statement, which allows the Opposition to reply. I ask you to rule that he has proceeded down this path.

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

Dr REFSHAUGE: I shall outline the changes. All SEPP 5 homes must be within an easy distance for older people to access community facilities or public transport. This must be no more than 400 metres and should not be on a steep hill. All the units must be built to suit the needs of older and disabled people, while 10 per cent must be able to be used by people in wheelchairs. The Government wants to ensure that as people grow older and frailer, they are able to live in the same SEPP 5 home. The new standards include wider corridors, minimum widths and clearances for the kitchen, and suitable cooktops; provision for a main bedroom on the ground floor or stairs designed so that there is capacity for a stair lift; and provision for safety features such as grab-rails in bathrooms. Provision is being made for possible contributions from developers to community facilities under section 94. The Government is prohibiting development in areas where council plans show a high risk of bushfires or floods. Development will be banned on non-urban land, except for retirement villages.

The changes will provide greater guidance on good design. Design requirements include a two-storey height limit on the boundary of developments in areas that do not permit flats, and a minimum 15-metre site frontage to prevent gun-barrel style developments. The changes will also include requirements for better open space and landscaped areas. The Government is increasing the open space needed for each home, and at least 15 per cent of the lot must be able to support mature trees. More attention must be paid to the impact of the development on the local environment. Visual and acoustic privacy, solar access and design for climate and visual bulk will be important considerations. The Government is determined to ensure that SEPP 5 housing is occupied by the people for whom it is intended. Councils should impose covenants on titles under section 88E of the Conveyancing Act. This would prohibit the use of the land for anything other than housing for older people or people with a disability, and ensure that purchasers are aware up front of the restrictions on occupancy. The Government will also be prepared to consider exempting councils from the policy if they can show that their local plans meet the needs of older people and disabled people.

This follows a discussion paper I released earlier this year on options for change and a series of discussion forums. Almost 90 submissions were received from councils, developers, older persons, housing operators, resident groups and individuals. My announcement today is the result of broad-ranging consultation with the community, councils and the development industry. We need to provide well-located and well-designed

housing for older people and for people who have disabilities. We want to work in partnership to meet the housing needs of our ageing population. The Government is making good policy. It is fixing policy when it needs to be fixed. The Opposition has no policy. It has a policy vacuum even from those who pretend to be leaders. A policy vacuum is what the Opposition is about. It is no wonder that the Coalition is seen to be irrelevant.

PRIVATE HEALTH INSURANCE SUBSIDIES

Mr McMANUS: My question without notice is to the Minister for Health. What is the latest information about the effect of the Federal Government's private health insurance subsidies on the New South Wales health system?

Mr KNOWLES: I thank the honourable member for Heathcote for his question. Over the last couple of months, a number of interesting events have been taking place in the national health system. St Vincent's Hospital and the Mater hospital in Sydney announced a proposal to merge to be able to better negotiate with health insurance companies. Eight independent private hospitals have applied to the Australian Competition and Consumer Commission [ACCC] for the right to use a common bargaining agent when contracting with private health companies.

Receivers and managers have been appointed to the Sun health care group, which is the third-largest in Australia. That means that Sydney's south-west private hospital at Liverpool, Dubbo private hospital, Palm Beach-Currumbin private hospital, Shellharbour private hospital and the metropolitan rehabilitation hospitals are in danger of closing if alternative operators cannot be found. They are for sale. I can inform the House that with the Liverpool private hospital, which is a state-of-the-art facility opened a year ago and given its efficiencies, it is highly unlikely that a buyer will be found who will continue to use it as a private health facility.

Nationally, medical diagnostic groups are incorporating as part of an aggressive vertical integration exercise. The New South Wales Health Funds Association is reported to be lobbying Canberra for a health care model in which privately insured patients can opt out of Medicare and, of course, be exempted from the Medicare levy. These events are the result of a major shift in Commonwealth funding away from the public health system and into the private health insurance industry. Three billion dollars in taxpayers funds from a 30 per cent tax rebate went straight to the insurance companies, which not only gave those companies a huge taxpayer-funded windfall but also has placed them in an extraordinarily powerful position when they negotiate fee rates with the private hospital system.

As a result of an announcement made last week, we know that 46 per cent of all Australians have taken out private health cover, but there is little evidence of any reduction in pressure on the public system. When one thinks about it, why should there be? Why would anyone faced with a gap payment of hundreds of dollars—or, indeed in some cases, thousands of dollars—declare himself or herself to be privately insured, unless he or she is wealthy and can afford it? If a person is poor, he or she certainly would not do that. Of course, that does not even take into account the excess component that is in most of the private health fund packages which people have been purchasing in recent times as a result of Commonwealth policy. It is not entirely coincidental that the New South Wales Private Health Funds Association is lobbying for an opt-out arrangement.

Now that there is a $3 billion public subsidy by way of the tax rebate scheme that is directly hypothecated into the private insurance industry, there is a real chance that we are seeing the beginnings of a two-tier health system. Medicare will become a residual system for those who simply cannot afford to opt out, whereas wealthier people will be able to take advantage of a vertically integrated private health care model. Let us begin to put the pieces together because it is worthwhile looking at all these bits and pieces that are occurring throughout the health system. We can add up what Wooldridge and Howard are doing by subsidising the private insurance industry with a $3 billion payout from taxpayers funds.

It is no secret that the health insurance companies are on the public record stating their belief that there should be fewer private hospitals. They say that there should be approximately 30 per cent fewer than is presently the case. It has been reported that the insurance industry wants private hospitals rationalised. "Rationalised" is a code for doing away with the little private hospitals, which are usually located in the bush, so that health insurance companies can deal in competitive rates according to economies of scale with the big conglomerates—the big, heavily integrated conglomerates that are now beginning to form.

The health insurance companies are presently putting the squeeze on private hospitals. The fact is that benefits paid by insurance companies have shifted very little over the past five years in the private hospitals

sector. Margins have fallen dramatically, but costs have skyrocketed. Companies such as Sun, the third-largest in the country, are going backwards out of the industry. Catholic Health Australia, which is the organisation representing the biggest group of non-government health services in the country, makes the point that while insurance benefits paid to doctors—that is, money that is coming from the insurance companies to doctors—has increased by 31 per cent since July this year, in the same period private hospitals received an increase from that benefit of just 2 per cent. In other words, 31 per cent of all the money that taxpayers provide is going to doctors, whereas just 2 per cent is received by private hospitals. That is one of the reasons why organisations such as Sun are going out the back door.

While private hospitals are being starved of funds, the insurance companies are announcing record profits and payments to doctors continue to grow. Last Friday the Medical Benefits Fund [MBF] announced a profit of just under $50 million. Nice work if you can get it, particularly when it is funded by Australian taxpayers! While that may not be a herculean profit compared to bank profits, when one considers what MBF was like just a couple of years ago when it was losing money every year, a $50 million profit is not a bad little earner. It is particularly interesting when one considers that the money being paid by taxpayers is supposed to go from the insurance companies to private hospitals to move people from public to private hospitals and take pressure off the public hospital system. It is not manifesting that benefit because 31 per cent of taxpayers funds is going to doctors and only 2 per cent is going to private hospitals.

The question arises: What has that got to do with the public system? It is obvious that it has quite a bit to do with it because we all accept that the private hospital system is integral to the overall delivery of health care in this country. Without it, pressure immediately goes back onto the public system. This is the thesis behind Wooldridge's policy position which is to load up the private sector by using publicly funded rebates which, in theory, will move people away from the public sector by encouraging people to take out insurance with the private sector. With no demonstrable change, we are seeing a perverse effect because of the lack of flow-on by the insurance companies to the private hospitals sector. And private hospitals are actually going broke.

The point that should be made is that as a direct result of Howard's public policy, health insurance companies are becoming extremely wealthy and are announcing record profits whereas private hospitals are cracking under the strain. Some of them are going broke. And there is no relief in the pressure on the public system. In the best case, there is even greater pressure on the public system; in the worst case, there is potential for establishment of a two-tier health system which will push Australia back more than a quarter of a century to a pre-Medicare era based on a whole lot of ideology about the private sector being able to do things fundamentally better than the public health sector.

It will be interesting to hear what the Opposition has to say about this. Do members of the Opposition support a national health policy that militates against public health and public health care, not to mention the teaching and excellence that can be found in the public health system? Of course, it supports those things that one expects to hear from an Opposition when we speak about public policy. This is a $3 billion investment by the Federal Government in health care. It is an important issue. It is perhaps one of the most important issues affecting all Australians, but it has been very badly handled by Canberra. There has been no attempt to address gap claims and no attempt to address the flow-on effect on the insurance companies and private hospitals. The net effect is a lot of pressure on private hospitals and an adverse effect on the public health system.

I will put this in human terms. Consider a little girl from, say, Liverpool who needs her adenoids done and grommets put in her ears because she has glue ear. The Liverpool private hospital or the south-west private hospital, which is owned by the Sun group and which is now for sale, does those operations day in and day out. It is a day procedure and for a person privately insured, it can be undertaken by whipping in there to get the little girl medical attention. The little girl can get her grommets inserted and her adenoids done, and she can be out and back at home in the same day.

The hospital is for sale. People tell me that it is unlikely to be purchased by someone who will continue to operate it as a private hospital because of the failure of the policy and failure of the insurance companies to keep funds flowing to the hospital to keep it going. If that hospital is sold—and it should be remembered that this is a brand new hospital and one of the best in the country—what happens then? There are two choices for a family. One choice is for the little girl to go down the road to the Liverpool hospital and get her grommets and adenoids done there. That will result in more pressure on waiting lists and on the public system. If people who live in the bush think that what happens in Liverpool does not apply to them they are wrong: it is exactly the same in country electorates that have private hospitals—and they are the ones under threat. People have to travel out of their area, they have to find somewhere else to use their private health insurance.

Mrs Skinner: You have to wait about nine months.

Mr KNOWLES: A person has to wait a long time in the public system to have his or her grommets or adenoids done. What is the response of the honourable member for North Shore to a national policy that will make that wait even longer? What does she say to Michael Wooldridge when Liverpool Private Hospital—

Mrs Skinner: You can't have it both ways. You are responsible!

Mr KNOWLES: I am not responsible for Liverpool Private Hospital. Liverpool Private Hospital is funded through Medicare and insurance levies, and it is going broke. Liverpool Private Hospital is the only private hospital in that region. What does the Opposition say to Mr Wooldridge? More importantly, what does it say to the people of western and southwestern Sydney when they see the resultant closure of facilities, such as Liverpool Private Hospital? Children who need their grommets or their adenoids done will end up on the public list again. If this policy is designed to take the pressure off the public system, it is not working. I look forward to seeing the Opposition joining the rest of Australia in reminding Mr Wooldridge that there is little evidence of the $3 billion of taxpayers' funds, other than a decline in services in the private sector. I am not the only one saying that—the private health association and the catholic health association are saying that. The Opposition had better listen to them. Members of the Opposition may not believe me, but they should talk to them.

Mrs Skinner: I have.

Mr KNOWLES: If the honourable member has spoken to them she is a hypocrite. She knows as well as I do that they regard what Wooldridge is doing as absolutely dysfunctional: $3 billion is going to health insurance companies to increase profits, while private hospitals are going down the drain. There is a major effort by the health system in Canberra to shift them all to the private sector. We await with interest the response of the Opposition to one of the most dysfunctional policies in Australia's health system.

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

RURAL AND REGIONAL FUEL PRICES

Mr WINDSOR: My question is to the—

Mr SPEAKER: Order! The honourable member for Tamworth is entitled to be heard in silence, and the Chair and Ministers are entitled to hear his question.

Mr WINDSOR: My question is to the Minister for Fair Trading. Has his department investigated why diesel is 10¢ to 15¢ a litre more expensive than petrol in country areas? If not, will he conduct an investigation and report back to the House?

Mr WATKINS: Country people have suffered for far too long, paying between $300 and $500 more per year for their fuel. I cannot answer the question because of the noise from Opposition members. How dare they interject! If Michael Photios were here he would sit and listen.

Mr Scully: What happened to him?

Mr WATKINS: Photios is a memory. How dare Opposition members make any noise about petrol prices. They know who is responsible for the divergence in fuel prices between country and city areas. They know that the Prime Minister promised twice, before the last two Federal elections, that he would reform the industry in a way that would bring about price relief for country people. They know that their Prime Minister has breached that promise on two occasions. They also know who promised that the goods and services tax [GST] would not increase the price of fuel: John Howard. We all know that the GST has added between 1.5¢ and 2¢ per litre to the price of fuel in Tamworth, Wagga Wagga and every other country area in New South Wales. We also know that the Federal Government has just taken almost $1 billion because of the GST rip-offs. The New South Wales Government will continue to do all it can to influence the price of petrol, but as the Treasurer—

[*Interruption*]

The amount of noise coming from National Party members—the heroes who hide behind this subject—is fascinating. They should go to Canberra and talk to their Federal National Party colleagues and ask them why

$3 billion in fuel excise is taken from New South Wales motorists. Under this new package we get more than $300 million in proposed road improvements. National Party members should go to Canberra and ask their colleagues in the Liberal Party and the National Party what they will do about fuel prices in country New South Wales.

DAIRY INDUSTRY DEREGULATION

Mr NEWELL: My question is to the Minister for Agriculture. What is the latest information on the New South Wales dairy industry?

Mr AMERY: I thank the honourable member for Tweed for his question in relation to the dairy industry. Whether it is three, four or five questions a day, it takes members of Country Labor or the crossbench to ask a question about country New South Wales. I give credit to the honourable member for Tweed and the honourable member for Tamworth for showing some interest in rural matters. The honourable member for Tweed and many other members of Country Labor continue to ask questions about what is happening in the dairy industry. Deregulation of the dairy industry took effect on 1 July this year. Many dairy farmers are working out how best to adjust to the changes, which is obviously not an easy task. It is still too early to give a clear picture of the industry since deregulation, but early indications are that so far approximately 200 of our 1,800 dairy farmers have opted to leave the industry. The dairy industry predicted that, in the fullness of time, up to 600 farmers could leave the industry following deregulation. Many dairy farmers have lost approximately 20¢ a litre for their milk at the farm gate.

Mr George: And the rest!

Mr AMERY: That is true. In the north of the State prices have dropped by up to 30¢ a litre at the farm gate, which supports what the honourable member for Lismore said. The State Government is trying to help dairy farmers throughout this transition time as much as possible. A number of initiatives have been put in place, including two committees. The Farm Gate Deregulation Assistance Committee was set up last year to oversight joint industry/government initiatives, such as DairyASSIST, DairyFAMILY and DairyCHECK. The Dairy Deregulation Committee was set up in September after it was agreed to by this Parliament during the passage of the Dairy Industry Bill in June. The Dairy Deregulation Committee first met on 27 September and will next meet later this month. At that meeting it will discuss a report from financial counsellors and co-ordinators on the social impacts of deregulation.

The Farmgate Assistance Committee has meanwhile informed me of progress on the three key initiatives known as DairyFAMILY, DairyASSIST and DairyCHECK. New South Wales Agriculture has been working closely with dairy farmers and their communities on all of these projects. Livestock officers are working on DairyCHECK, which involves workshops across all dairying areas of New South Wales. The aim is to help farmers better understand the impacts of deregulation on farm management and income. Honourable members will be aware that National Party members were critical of those programs. The response from dairy farmers is quite the contrary. About 70 per cent of dairy farmers in northern New South Wales have so far been involved in workshops. About 30 to 40 per cent of dairy farmers in the mid-coast and Hunter regions have been involved. And about 50 per cent of dairy farmers in the South Coast and metropolitan areas have attended the workshops. More workshops will be held early next year, to look at, for example, improving overall farm management, labour management, milking shed management, dairy herd management and feed management.

DairyFAMILY is another project the Government is running. The honourable member for Camden seeks to interrupt. If the honourable member is so interested in the dairy industry, she should ask a question about it. All she is interested in is what is happening around the city. I invite the honourable member for Camden to ask a question about country issues. Surprise us all! Drop a policy on us! DairyFAMILY involves local co-ordinators supporting community groups and helping dairy families access the various assistance services that are available. The third project is DairyASSIST. This program has been valuable in helping to ensure that dairy farmers are aware of their entitlements under the dairy structural adjustment program. Now DairyASSIST is taking on a new direction and will help local dairy farming community groups to access funding under the dairy regional assistance program. This is the industry-funded program that was set up in addition to the adjustment package.

Other developments include an announcement made by the Minister for Regional Development, Harry Woods, who launched a $500,000 program last month to specifically help dairying communities in New South Wales. As part of the Regional Economic Transition scheme, the program helps to encourage value adding or

new industries in dairying communities. A video has also been produced in consultation with New South Wales Agriculture's Rural Women's Network, women in dairying groups and the DairyFAMILY network. This video depicts dairy farmers who are dealing with deregulation. It is aimed at helping other dairy farmers adjust and to help guide their decision-making process in the future.

Yesterday I spoke to members of the Dairy Farmers Co-operative at their annual national convention. They were celebrating 100 years of operation in this State. They tell me that one of their biggest problems is waiting for their share of the $1.78 million industry adjustment package. I remind the House that that package is not funded by the Federal Government but by consumers—through an 11¢ a litre levy on the retail price of milk for the next eight years. Canberra claimed several months ago that these payments would have been out by now. I understand that a number of payments have been made, but most have not been received by eligible farmers. So while dairy farmers are trying to adapt to deregulation as best they can, their plans are being hindered due to the much-needed cheques not filtering through.

The Federal Minister wants an inquiry into the impacts of deregulation—something similar to what we are doing at the State level. The Federal Minister wants the Australian Bureau of Agricultural and Resource Economics to report on the impacts of deregulation over the next month. It is important for us to monitor the impacts of dairy industry deregulation. But, unlike the Federal Government, the State Government is providing practical on-ground work and advice to dairying communities to help them adjust in this difficult time. I am pleased to say that delegates at the Dairy Farmers Co-operative annual convention yesterday expressed appreciation at the way many of these initiatives are now working. I thank the honourable member for Tweed not only for his question but for his continuing inquiries through my office on just how these various assistance programs are filtering down to assist many dairy farmers. As I have said, about 70 per cent of farmers in his area are now moving to the workshops set up under these programs.

Questions without notice concluded.

DRAFT 2001 PARLIAMENTARY PROGRAM

Mr WHELAN: I seek leave to incorporate in *Hansard* the draft parliamentary sitting dates for 2001.

Leave granted.

DRAFT PARLIAMENTARY BUDGET SESSION DATES 2001

Week 1	Tuesday	27 February 2001
	Wednesday	28 February 2001
	Thursday	1 March 2001
Week 2	Tuesday	6 March 2001
	Wednesday	7 March 2001
	Thursday	8 March 2001
Recess	Two weeks	Monday 12 March – Friday 23 March
Week 3	Tuesday	27 March 2001
	Wednesday	28 March 2001
	Thursday	29 March 2001
Week 4	Tuesday	3 April 2001
	Wednesday	4 April 2001
	Thursday	5 April 2001
	Friday	6 April 2001
Week 5	Tuesday	10 April 2001
	Wednesday	11 April 2001
	Thursday	12 April 2001
Recess	Five weeks	Monday 16 April – Friday 18 May
School Holidays	From	Friday 13 April to Friday 27 April 2001
Week 6	Tuesday	23 May 2001
	Wednesday	23 May 2001
	Thursday	24 May 2001
	Friday	25 May 2001

Recess	One week	Monday 28 May – Friday 1 June
Week 7	Tuesday	5 June 2001
	Wedensday	6 June 2001
	Thursday	7 June 2001
	Friday	8 June 2001
Recess	One week	Monday 11 June – Friday 15 June
Week 8	Tuesday	19 June 2001
	Wednesday	20 June 2001
	Thursday	21 June 2001
	Friday	22 June 2001
Week 9	Tuesday	26 June 2001
	Wednesday	27 June 2001
	Thursday	28 June 2001
	Friday	29 June 2001
		Total: 32 Days

DRAFT PARLIAMENT SPRING SESSION DATES – 2001

Week 1	Tuesday	4 September 2001
	Wednesday	5 September 2001
	Thursday	6 September 2001
Recess	One week	Monday 10 Sept – Friday 14 Sept 2001
Week 2	Tuesday	18 September 2001
	Wednesday	19 September 2001
	Thursday	20 September 2001
	Friday	21 September 2001
Week 3	Tuesday	25 September 2001
	Wednesday	26 September 2001
	Thursday	27 September 2001
	Friday	28 September 2001
School Holidays	From	Monday 1 October - Friday 12 October 2000 *Labour Day 1 October
Week 4	Tuesday	16 October 2001
	Wednesday	17 October 2001
	Thursday	18 October 2001
	Friday	19 October 2001
Week 5	Tuesday	23 October 2001
	Wednesday	24 October 2001
	Thursday	25 October 2001
	Friday	26 October 2001
Recess	Two weeks	Monday 29 Oct – Friday 9 Nov
Week 6	Tuesday	13 November 2001
	Wednesday	14 November 2001
	Thursday	15 November 2001
	Friday	16 November 2001
Week 7	Tuesday	20 November 2001
	Wednesday	21 November 2001
	Thursday	22 November 2001
	Friday	23 November 2001
Week 8	Tuesday	27 November 2001
	Wednesday	28 November 2001
	Thursday	29 November 2001
	Friday	30 November 2001
Reserve Week 9	Tuesday	4 December 2001
	Wednesday	5 December 2001
	Thursday	6 December 2001
		Total days: 34

CONSIDERATION OF URGENT MOTIONS

Federal Roads Funding

Mr J. H. TURNER (Myall Lakes—Deputy Leader of the National Party) [3.34 p.m.]: The matter for urgent consideration of which I gave notice is that this House calls on the Premier to dissociate himself and his Government from the comments by the Federal Labor leader that the considerable extra funding for local roads foreshadowed by the Deputy Prime Minister that will benefit New South Wales is trivial—is a boondoggle.

Mr Mills: What is a boondoggle?

Mr J. H. TURNER: A boondoggle is a trivial matter. That is what Mr Beazley says about this funding for local roads. That is what he says about the roads in the electorate of the honourable member for Cessnock. Does he consider it trivial? Does he consider it trivial that the Cessnock bypass would not be funded under the announced Federal funding? That funding might go by the way if Mr Beazley's boondoggle comment that such funding is trivial carries the day. This matter is urgent because the funding of local roads in New South Wales, indeed across Australia, is not a trivial matter. Local roads are the lifeblood of new South Wales. It is obvious that the honourable members for Clarence, Tweed, South Coast, Maitland, Port Stephens, Kiama, Cessnock and Bathurst, if they do not dissociate themselves from the Beazley boondoggle comment, will be seen by their local councils as also treating local roads as trivial. As the Deputy Prime Minister and Minister for Transport has said:

> The Government has come to the view that at this point in time it is best to use our strong budget performance to make long-term investments, and when it comes to infrastructure, local roads are the number one priority.

That is exactly what the National Party believes—unlike the Labor Party, which says that such an idea to fund local roads is trivial. It is most urgent that we find out what the honourable member for Tweed has to say about the Kyogle to Murwillumbah road. Does he think that road is trivial and should not be funded? The honourable member for Clarence might like to tell the House about the Armidale to Grafton road. I invite him to give Boondoggle Beazley a ring and tell him that the honourable member does not think that is trivial, because the people of that electorate are pretty concerned about that road. Perhaps Labor Party members generally might like to ring their local councils and see the reaction they will get to their decision that funding for local roads is trivial. I return to the comment made by the Deputy Prime Minister and Minister for Transport:

> Nearly everything this country value-adds and exports starts out on a rural road. For the people who use those roads, though, they are important for social as well as economic reasons. Many, if not most, were built in the 1950s and 1960s and have well and truly reached their use-by date. They are, in simple terms, broken.

Yet Boondoggle Beazley says that this is a trivial matter; that we should not worry about local roads in New South Wales, nor indeed across the rest of Australia. It is clear that the people of New South Wales want something done with their roads, and they want that done immediately—if not sooner! The New South Wales Minister for Roads has been running around the countryside challenging the Federal Government to match State Government funding. But if the Federal Government matched Carr Government funding, we would in fact see a reduction in road funding, because that is exactly what happened under the last budget of the State Minister for Roads. He reduced the road budget by $111 million. I will leave that go for the moment because I want to talk about the fact that it appears we will see a significant amount of money being spent on local roads.

Now is the time for the State Minister for Roads to put his hand up and work out a proper program for main roads to complement the upgrade of local roads. I am afraid we will simply see more of the Carr Government's cuts in roads funding. We have seen blackspot funding reduced from $24.8 million in 1978-79 to $19 million. We have seen the $111 million cut to which I have just referred. We have seen funding for rebuilding country roads reduced from $125 million to $86 million, with the subterfuge of putting country bridge programs into that program. We are seeing the decimation of regional roads in New South Wales under the current Labor Government.

It is time that this Minister, at a State level, matched the Federal Government's initiative to improve local roads and to ensure that people in country New South Wales, and indeed in the cities, are given adequate funding and proper roads on which to travel. It is simply not good enough for the Federal Labor Leader of the Opposition to attack a significant infrastructure development program for country New South Wales and the cities and to call it a boondoggle. Members of the Opposition do not believe that it is a boondoggle. We believe that the announcement by the Federal Government of significant road funding, which is expected to be made in the next few days, will be a real boon for New South Wales.

Bankstown Regional Airlines Proposal

Mr WOODS (Clarence—Minister for Local Government, Minister for Regional Development, and Minister for Rural Affairs) [3.41 p.m.]: This motion is urgent because regional airlines such as Hazelton Airlines need certainty of access to Sydney (Kingsford Smith) Airport so they can plan for the future. Country communities require security in their links to the city. The people of country New South Wales want this issue resolved now—not tomorrow, next week or at Christmas. We have asked often enough for this issue to be resolved. It must be resolved now. Members of the National Party, with their new-found interest in long words, should look up the definition of "anachronistic", which is the word I would use to describe them.

Question—That the motion for urgent consideration of the honourable member for Myall Lakes be proceeded with—negatived.

Question—That the motion for urgent consideration of the honourable member for Clarence be proceeded with—agreed to.

BANKSTOWN REGIONAL AIRLINES PROPOSAL

Urgent Motion

Mr WOODS (Clarence—Minister for Local Government, Minister for Regional Development, and Minister for Rural Affairs) [3.42 p.m.]: I move:

That this House:

(1) calls on the Prime Minister, John Howard, to rule out once and for all the diversion of regional airlines to Bankstown;

(2) notes that the Federal Government's indecision on this matter is causing unnecessary uncertainty for regional airlines and businesses; and

(3) notes the impact on the Bankstown community if regional airlines are forced to go to the area.

It is time for John Howard to rule out once and for all the transfer of regional airlines to Bankstown. It is a matter of fairness that this issue of vital economic importance to regional New South Wales be resolved now. It is an issue of importance to people in rural and regional New South Wales—the people that we represent. Mr Andrew Drysdale, Chief Executive Officer of Hazelton Airlines, said that the uncertainty that had been created by the current situation is "the cause of frustration to Hazelton because it constrains our ability to plan for future development". The airline announced its relocation in February 1999 and, almost two years later, it is still waiting to find out what will happen. John Howard and the Coalition obviously still fail to understand the importance of regional development to this State and this nation. This uncertainty is having a major negative impact on regional economies.

It was reported in the *Australian* on 6 July that John Howard is supportive of exchanging the Badgerys Creek airport proposal with an upgraded Bankstown Airport for regional services. That is just not good enough from a Prime Minister who purports to have the interests of regional Australians at heart. John Howard must understand that a decision other than one of guaranteed access to Sydney (Kingsford Smith) Airport for regional airlines will sound the death knell of his Government. Howard and Anderson cannot continue to say one thing in Canberra and another in the country. The people and businesses of regional New South Wales are sick to death of the Federal Government's hypocrisy. It treats country people as though they are stupid with its open-ended language, its half-truths and its stalling tactics. It is a matter of public record that regional airlines, tourism and local economies would suffer under such a proposal.

Communities such as Bathurst, Dubbo, Tamworth, Parkes, Armidale and Orange are completely opposed to any regional airline move out of Kingsford Smith airport. The New South Wales Government supports that position. Only yesterday, when I addressed a Local Government Association conference in Gosford, I was asked a question about the State Government's position on this issue. I told those attending that conference that the New South Wales Government is totally opposed to a move in any shape or form of regional airlines from Kingsford Smith airport. Make no mistake about the seriousness of this issue. The President of the Bathurst Chamber of Commerce said that it would "turn Bathurst into a backwater". The Dubbo Chamber of Commerce and the Dubbo City Development Corporation share the concerns of the Bathurst Chamber of Commerce—a view which is unanimously held across country New South Wales. The councils and chambers of commerce in these towns know how damaging this move could be to their economies and to their ability to attract business.

The people of regional New South Wales are sick and tired of all the dillydallying of the Deputy Prime Minister, the Federal Government and the Prime Minister on this issue. The Prime Minister is no better than anyone else. He has been quoted as saying, "We have not made a decision yet, but we will sometime before Christmas." A headline in the *Parkes Champion Post* on 27 October says it all—"Make a decision about airports, says Mayor." The editorial headline of the *Northern Daily Leader* of 26 October is unequivocal on that point. It states:

> We're the only losers in Government's airport procrastination stakes.

The Mayor of Parkes, Councillor Robert Wilson, commented in the *Parkes Champion Post* on 27 October:

> Council remains steadfastly opposed to moving regional airlines from Kingsford Smith to Bankstown.

Investment and tourism activities will be greatly affected by any decision to discriminate against regional flights. Honourable members would be only too aware of the difficulties and the challenges that regional areas experience in attracting investment and new jobs. To endanger this would be a massive blow not only to regional economies but also to the wellbeing of the entire State economy. I have said often enough that we cannot claim to have a prosperous State if that prosperity is not spread across the State. I do not believe that the Federal Government can claim to have a prosperous nation unless the regions are also prospering. Hazelton Airlines knows that. In August Mr Drysdale, in a speech to the Bathurst Chamber of Commerce, said

> We run a business. Moving to Bankstown will compromise that business and directly affect you, our customers. It will also directly affect the economic development of your city.

On 27 July the *Australian* reported that John Anderson "appears to be willing to accept a plan that offers financial incentives to regional airlines to shift to Bankstown, as long as those incentives fall short of compulsion"—a very telling statement. Other recent media reports have suggested that regional airlines would be encouraged to fly to Bankstown through pricing policies at Mascot. Now that is unacceptable. Any cloak and dagger attempts, any clandestine backroom deals to indirectly influence the major carriers to relocate their subsidiaries or to do so by making it financially unviable, will be taken for what they are. Mr Drysdale commented on reports stating that regional airlines would be encouraged to move to Bankstown and said:

> The word "encouraged" is interesting because what we can see as reasonably probable is that Bankstown may be developed and offered to us as a low cost alternative, and at the same time the fees and charges at Kingsford Smith airport will be cranked up to such a level that the so-called "encouragement" in fact becomes a financial burden that we are forced to move.

At that meeting he also said:

> Let me state what I hope is already obvious: Our passengers don't want to go to Bankstown, the people of Bankstown don't want us there, and we don't want to go there.

Nothing could be clearer. This is a matter of urgency for regional airlines, for regional industry and for regional and country towns. Dubbo Mayor, Councillor Alan Smith, said:

> Regional communities have been struggling for years with one arm tied behind their backs, to maintain services in the bush—now they want to cut off the good arm.
>
> People travelling from Dubbo to Sydney, in the vast majority of cases, have business or medical appointments in the city. If they have to fly to Bankstown first then it's going to add to their travelling time and cost. It means that some will be forced to stay overnight.

The Dubbo Chamber of Commerce stated in a letter to me that around 80 per cent of passengers travelling from Dubbo to Sydney travel for business reasons and 20 per cent fly to Sydney to connect to other services. It also said:

> Dubbo airport and regional air services are essential to the continued growth and prosperity of our region.
>
> Regional air services and transport generally forms the backbone of infrastructure in country New South Wales.
>
> All the great work of this Government in securing projects such as the extension of the AGL Company pipeline from Dubbo to Tamworth, and the expansion of the British Aerospace and Byron Aviation projects at Tamworth airport will be to no avail if John Howard does not maintain access for regional airlines to Kingsford Smith airport.
>
> The only acceptable outcome from the Federal Government is an absolute decision to guarantee the access to regional airlines to Kingsford Smith Airport at a fixed rate and cost.

And at appropriate times. The letter went on:

> The access of regional airlines to Kingsford Smith airport has been on the public agenda since 1996.
>
> And since then the Federal Government has been saying "a decision will be made in a few weeks" or "a decision will be made in the near future" or "it's before the Federal Cabinet".

And there are plenty of other weasel words. It is too long for country towns and cities to be wondering just what the Federal Government is going to do. This is a real case of where no news means bad news for the people of country New South Wales. As honourable members know, this matter has been debated here before. Members of the Opposition support the John Anderson position, but they should be aware that his words are duplicitous; they are not carrying a decision. I read previously from the *Australian*, which said that John Anderson:

> … appears to be willing to accept a plan that offers financial incentives to regional airlines to shift to Bankstown, as long as those incentives fall short of compulsion.

That is central to this debate. Mr Drysdale commented on reports about the word "encouraged". He said:

> The word "encouraged" is interesting because what we can see as reasonably probable is that Bankstown may be developed and offered to us as a low cost alternative, and at the same time the fees and charges at Kingsford Smith airport will be cranked up to such a level that the so called "encouragement" in fact becomes such a financial burden that we are forced to move.

We, and others, are convinced that is the direction the Federal Government is moving in, and the weasel words will not cover it. We need the Federal Government's absolute policy position.

[*Debate interrupted.*]

BUSINESS OF THE HOUSE

Urgent Motion: Suspension of Standing and Sessional Orders

Motion by Mr Whelan agreed to:

That standing and sessional orders be suspended to provide for the following time limits on the debate on the motion for urgent consideration:

Member next speaking	-	10 minutes
Eight other members	-	5 minutes each
Reply	-	5 minutes.

BANKSTOWN REGIONAL AIRLINES PROPOSAL

Urgent Motion

[*Debate resumed.*]

Mr ARMSTRONG (Lachlan) [3.52 p.m.]: It is rather ironic that the Government has moved this motion some four years after the first meeting was called in this Parliament by me as Leader of the National Party, involving Independent members, including the honourable member for Tamworth. That meeting recognised the absolute no-no of any suggestion that regional airlines should be relocated to Bankstown. On the other hand, I am not surprised that the Government sought to bring this matter on today, because it knows, as does the Minister for Local Government, that the transport infrastructure from Bankstown and western Sydney into the Sydney central business district is atrocious. There is no way in the world that it can accommodate any more traffic. Indeed, the western suburbs of Sydney are currently revolting against the Government because of what it has done by way of tolls, et cetera. Clearly there is more than one reason why the option, if it were an option, of regional airlines relocating to Bankstown is not acceptable.

Following that meeting some four years ago representations were made to Canberra, I wrote to every local government body in rural New South Wales, and in my electorate office I have just under 70 replies from local governments around the State, all unanimous in their objection to any relocation. It would be an extraordinarily foolish government of any colour that would be prepared to ignore those 70 local government bodies, who are speaking on behalf of their constituents. Copies of those letters have gone to Canberra, to the Deputy Prime Minister and to the Prime Minister's office, and they have been acknowledged as having been received.

I am much more heartened, though, because the Minister today recognised that the Deputy Prime Minister, who is also the Minister for Transport, has indicated that he is opposed to any relocation of regional airlines to Bankstown. In the last week of July this year Mr Anderson used the words "over my dead body" in relation to any relocation of regional airlines to Bankstown. Those words were repeated in an editorial in the *Land* newspaper of 3 August this year. The facts are these. Regional airlines service just on a third of the New South Wales population that lives outside Sydney. They service one of the fastest growing industrial areas in Australia. It is interesting to note that over the past decade there has been a greater growth rate of industry in regional Australia, including regional New South Wales, than there has been in metropolitan areas. Many forecasting agencies predict that over the next decade the growth rate in rural areas will be greater than in metropolitan areas.

Tourism will also increase. We are told that because of the Olympic Games we can expect a significant growth in tourism in Sydney, New South Wales and Australia. We are often told about the growth rate that occurred in Barcelona following the Games there, and the increase that occurred following the Games in Atlanta. In the first three years following its Games, Barcelona had a 100 per cent growth in tourism, compounding in each of those three years. Although in its first year following the Olympic Games, Atlanta's tourism was fairly flat, in every year from then on up to the first half of this year Atlanta has had significant growth, not only in tourism but in industries wanting to establish in that city. It is not a particularly attractive city, but that is beside the point. The Olympic Games gave it that impetus.

We can expect the same to happen here, but unless we have regional airline access that is convenient and at a price that people can afford and it is competitive with other forms of transport we will not get that growth covering one-third of the New South Wales population in the country areas. City businesses will not take advantage of facilities in country towns. I will not name the country towns, but I will mention a few regions, such as Orange-Bathurst, the far North Coast, Tamworth-Armidale, Albury-Wodonga, Wagga Wagga and the Central West, from Dubbo through Cowra, Grenfell, Forbes and Parkes. The bottom line is that they all have the infrastructure by way of industrial land and housing accommodation that is available at extremely realistic prices.

One has only to look at industries that have relocated to these places in recent times and established themselves in a magnificent way. Take Byrne Trailers at Wagga Wagga. It produces more than 90 per cent of the livestock transport used in Australia today, yet it has only been established 18 years, having started out at Peak Hill in the Central West. It is a great example of what can be done. Wagga Wagga council offered packages to Byrne Trailers, as well as to other industries, that were extremely attractive—packages they could get in regional areas that they could not get in the metropolitan area. The Minister touched on an important point but did not understand it or flesh it out properly. The fastest growing section of traffic in regional airlines is traffic moving out of Sydney. It is transporting health service people and legal service people attending courts around the State. It is taking witnesses out and back for the day and, importantly, it is taking people with special expertise in technology.

We are on the eve of the New South Wales annual harvest at the moment—as a matter of fact it was under way in the north until the rain stopped it—and most newer agricultural machinery these days is highly technical. Indeed, if anything significant goes wrong with that machinery, people in Sydney are despatched out and back on the same day, at a cost of a couple of thousand dollars a day. The people who attend to the computers at the Department of Agriculture at Orange cost a couple of thousand dollars a day.

It is imperative to have an efficient airline service that can get them out for a full day's work and back again so that we do not entertain overnight costs, as the Minister said and, most importantly, an additional day's salary or whatever it might take. The services of these people are needed by other clients as well. There are not many of these expert people about. To put it simply, the out services have to be taken into consideration. What does using Bankstown airport mean? It means that a firm in the central business district [CBD] that wants to get a person out to Bankstown airport quickly to hop on a plane to Parkes or Murwillumbah to look at sugar refinery equipment, et cetera, will have to pay taxi fares of between $47 and $55 each way. To get to Bankstown from the CBD takes nearly an hour each way during peak hours. That time is invaluable, and it is time that we can save by retaining regional services at Mascot.

Let the make my final point. We have just seen the biggest peacetime event in Australia's history—the Olympic Games. We have just seen a record number of people moving through Mascot and we have just seen Mascot handle that without one glitch. The world acclaimed that Sydney's transport system, particularly the aerodrome, worked efficiently and effectively. There is not a scintilla of evidence as to why regional airlines should be removed from Mascot, when we had an Olympic performance that produced an Olympic result.

The regional airlines of New South Wales can be adequately accommodated at Mascot for the foreseeable future. There is no need to spend the capital, and there is no need for the inconvenience or the dislocation of regional airlines in the foreseeable future—and I am talking about 10 or 20 years out—to relocate these airlines when we have proven that country connections can fly Piper Chieftains with nine passengers to and from Cootamundra, Young and Cowra-Forbes in the middle of the biggest ingress and egress of planes that Mascot has probably ever seen in its history.

We can mix the planes. We have 737s and 747s flying all over the world and we have little country connections with nine-seater Piper Chieftains popping up. It works. Why would we want to change it? The Deputy Prime Minister, Mr Anderson, has said, "over my dead body". As far as I am concerned, it is over my dead body, too. It simply will not happen. Let us accept that and give full support to the regional airlines. Let us ensure that we continue to reinforce the positive points that have already been made and that no doubt other speakers this afternoon will make.

Mr STEWART (Bankstown—Parliamentary Secretary) [4.02 p.m.]: The honourable member for Lachlan, by his own example as a deposed leader of the once great New South Wales National Party, provides an interesting example of the phrase "over my dead body", because clearly that is the nub of the problem we face today. Clearly, the leader of the Federal Liberal Party, John Howard, is hell-bent on making Bankstown the airport access for regional airlines. I am extremely disappointed about the current situation that confronts my electorate of Bankstown and the neighbouring electorates of East Hills and Menai. The honourable member for East Hills, the honourable member for Menai and I have all worked strenuously to try to do something about this predicament.

That predicament we face is that plans relating to the extension of Bankstown airport already exist. This is no longer pie in the sky stuff. The plans are the reason that the Federal transport Minister, John Anderson, will not be honest and say publicly that Bankstown airport will be extended. The plans are well-known to the airport operators at Bankstown and the major industry stakeholders in Bankstown who have already been briefed by the Federal airports corporation on the existing plans. Those plans involve resuming a good part of the beautiful green space that is Riverwood golf course at East Hills and using it to extend the runway.

The plans involve regional aircraft from Dubbo, Condobolin, Tamworth and other country areas of New South Wales flying into Bankstown and passengers being transported to Mascot airport by taxi or shuttle bus. One ridiculous element of the situation is that 80 per cent of the passengers who would fly into Bankstown now fly into Mascot, and close to 20 per cent of them travel into the city. The people of Bankstown have a great reputation for being hospitable to country folk. We would love it if country folk visited our great area, but not under continually frustrating circumstances. We do not want them to see Bankstown only from the window of a taxi or shuttle bus. We do not want them to experience traffic delays and not make connecting flights in the first instance. We face those problems at the moment.

It is okay for the honourable member for Lachlan to say that he is concerned about this matter on behalf of the Nationals. However, if he is so concerned he should go to Canberra and give the Federal Government a shove. He should let his Federal colleagues know how he feels. That has not happened to date. It has all been rhetoric, which has gone on for too long. This debate has been continuing for four years, and the Federal Liberal-National Coalition Government still has not given a commitment to quash the plan to extend Bankstown airport.

Clearly, extending Bankstown airport will affect the amenities of the residents in my electorate and in the surrounding areas who will have to put up with aircraft noise daily, without a curfew. That proposal has been put forward for regional aircraft coming into Bankstown. I am talking about not only regional aircraft but also freight aircraft. Already, since the Olympic Games, there has been an increase by stealth in the number of large freight aircraft coming into Bankstown. The Federal Government thinks that the people of Bankstown will turn a blind eye to that. However, they are not turning a blind eye and they are not deaf to the problems arising as a result of their amenities being adversely affected by an increase in aircraft traffic at Bankstown airport by stealth. It is a gutless, shameful way of doing this.

The Federal Government does not have the guts to confront the Bankstown community or the communities surrounding Bankstown airport. It must consult. It must tell people honestly what it intends to do, that is, extend the current runway system at Bankstown and resume Riverwood golf course to do so. It has already told the major stakeholders at Bankstown that this is its plan. Why does the Federal Government not

have the commonsense and decency to tell the Bankstown community? If it did so, the Bankstown community would quickly say, "We don't want any part of this show, not because we don't want to help country New South Wales, but because we care about our amenities. We want to work cohesively with the New South Wales community to ensure that we have an effective airport system, not one that uses a residential area to freight people in and out."

Mr GEORGE (Lismore) [4.07 p.m.]: It is clearly a non-negotiable right of country people to have equal access to Sydney (Kingsford Smith) Airport. We have had to withstand pressure from groups, including the New South Wales Tourism Task Force and the Sydney Airport Corporation, on the question of regional airline access to Kingsford Smith airport. As far as the New South Wales National party is concerned, this is a heartland issue on which there is no room to compromise.

Mr Torbay: What about the Feds?

Mr GEORGE: What are your Federal counterparts doing? The National party at both the Federal and State levels is fighting tooth and nail to ensure that regional airlines are not diverted to Bankstown or anywhere else. I welcome the strong words of the Deputy Prime Minister and Federal National Party leader in relation to this issue. Honourable members on both sides of the House should remember his strong words: This is an equity of access issue. Regional passengers have the same right to Kingsford Smith airport as international visitors and other interstate travellers. Access to Sydney's central business district is essential to rural and regional New South Wales for business. Diverting these airlines would also act as a major disincentive to decentralisation and the establishment of industries in country areas. The collective time that would be wasted if rural and regional flights were diverted is enormous.

Rural and regional businesses would be slugged with extra costs, not to mention inconvenience. It is my fear that many journeys would be abandoned, leading to a stunting of economic development in country areas. The 30 per cent of travellers who make connecting flights would be severely disadvantaged. If the number of aircraft that passed through Sydney airport during the Olympics can be accommodated, together with regional airline access, there should be no question of moving regional airlines for decades beyond the Games. Before we look at moving regional airlines we should look at moving corporate jets, freight-only aircraft and helicopters.

I am confident that the Federal Government will protect regional airline access to Kingsford Smith Airport [KSA], and am hopeful that Federal Cabinet will soon reach a positive verdict on this vitally important issue. I welcome the access afforded to National Party backbenchers earlier this year to address Federal Cabinet on Sydney's second airport. Along with key Cabinet members, the Federal Leader of the National Party, John Anderson, and Deputy Leader, Mark Vaile, four regional backbenchers were given the opportunity to put the case for continued regional airline access to KSA. I also welcome a press release issued in April this year by Hazelton Airlines, which flies a lot of people in my electorate to KSA. The press release stated that the main proponents of moving regional airlines are pressure groups that have paid for various studies—"not Minister Anderson or the National Party". The press release went on to say:

> KSA was built with taxpayers' funds—including taxes paid by rural Australians.
>
> To deny those taxpayers access to their asset in favour of metropolitan or international travellers—many of whom have contributed nothing—is wrong and it is unfair.

Members of the New South Wales Labor Party, particular the so-called Country Labor faction, should be addressing the gross inequity that has been allowed to develop under the Government's administration in areas such as health, education, native vegetation and water.

Mr MARTIN (Bathurst) [4.12 p.m.]: I join my colleagues in supporting this motion. It is interesting to note that the honourable member for Lismore did not listen to the contribution of the honourable member for Lachlan, who painted a glowing picture of how well things are going in regional New South Wales, the fastest-growing industrial area in the State. Perhaps members opposite should get together a little more so that they are aware of exactly how the rest of the State is going. This matter has been raised in this House on many occasions, and I appreciate the Minister's vigilance with regard to it.

Much has been said about John Anderson's comments, particularly "over my dead body", and so on. We do not want to see the dog's tail wagging; we want to hear the dog barking. We want the Prime Minister—the major player in this matter—to give the guarantees, not John Anderson. The Prime Minister, as the leader of the Coalition, is obviously the person with the influence. It is long overdue for the Prime Minister to give an

unequivocal guarantee that regional airlines will not be pushed out to Bankstown airport. Country people deserve that guarantee. It is a guarantee that Country Labour has sought from the very beginning, and it is a guarantee that we on this side will continue to seek on behalf of country people. This is not a city-country divide. Today we heard the honourable member for Bankstown strongly support the motion. I am sure my colleague the honourable member for East Hills will give a similar commitment. Of course, the honourable member for Menai has spoken about this matter on many occasions.

A couple of months ago I attended a meeting of the Bathurst Chamber of Commerce that was addressed by Andrew Drysdale, the Chief Executive Officer of Hazelton Airlines. We have just heard that in April this year Hazelton Airlines was relaxed about the situation, but something must have happened since April, because I can assure the House that Andrew Drysdale and the board of Hazelton Airlines are concerned about the uncertainty that is developing. Hazelton Airlines has major corporate decisions to make about its future, but it is in a vacuum; it does not have the information to make those decisions.

Of course, the key to this issue is a decision on the building of an airport at Badgerys Creek. We know that the Federal Government has been duckshoving that matter for the entire period it has been office. It said a decision would be made "next week", then it said a decision would be made last December, then it said a decision would be made in March. I think the Prime Minister has said that a decision will now be made this December. Unfortunately, he did not say what year, so we are still not sure what will happen with Badgerys Creek. With a Federal election looming in the next 12 months, anyone who thinks that the Federal Government will make a definitive decision on that matter is somewhat optimistic.

As I said, this is an equity issue. As has been said eloquently by members on both sides, country people deserve and need adequate airline services in and out of Sydney airport. Bankstown is not the answer for people in country New South Wales. We on this side of the House will continue to argue that, and I welcome the support of members on the other side for as long as is necessary. There is no incentive for country people to make use of regional airline services if they still have to battle city traffic, not only at the expense of time and inconvenience but also the financial expense.

One issue that is not often referred to by members opposite, although I concede that the honourable member for Lismore mentioned it, is that at the end of the day this issue is all about the bottom line on the balance sheet. We know that the Federal Government wants to privatise Sydney airport. While ever the small regional operators are there, they are an annoyance to the major international operators. The major international operators want the small regional operators forced out so they can land more jumbo jets, because they are paid according to the number of bums on seats, if I may put it that way.

John Howard, and particularly the Liberal Party, which is well attached to the big end of town, the tourism task force people and the major airlines, want people in regional New South Wales out of the way of KSA so that they can put more money into the eventual sale and privatisation of Sydney airport. That is the issue that John Anderson should be driving home with the Prime Minister, instead of making statements such as "over my dead body". It may well be over John Anderson's political dead body unless he can convince the Prime Minister to provide some justice to country people in this matter.

This matter cannot be allowed to continue to drag on. As I have said, it is making it difficult for companies such as Hazelton Airlines to run their businesses effectively. They have no security and no guarantee about where they will be in a few years time. For those reasons, and for the reasons espoused by my colleagues on both sides of the House, in order to provide justice for country people regional airlines must have access to Kingsford Smith Airport without strings attached.

Mr TORBAY (Northern Tablelands) [4.17 p.m.]: Firstly I commend the Minister for Local Government, Minister for Regional Development, and Minister for Rural Affairs for bringing this matter before the House. I believe there is still an enormous amount of uncertainty in this regard, which is not only cruel to the communities involved but also to the organisations that are looking to expand their services. It is very difficult for people to make decisions when there is this sort of uncertainty.

The honourable member for Lachlan is a very skilled member of this House for whom I have tremendous admiration. He spent exactly seven seconds addressing the comments of the Deputy Prime Minister on this matter. He spent a considerable amount of time expressing, very genuinely, his views with regard to protecting access to Kingsford Smith airport, and I share those views. However, it is wrong to suggest that the

context of the Deputy Prime Minister's famous comment "over my dead body" related to denying access to Kingsford Smith airport or protecting access to Kingsford Smith airport for country people.

The Deputy Prime Minister said "over my dead body" in the context of not forcing country airlines out. Let me paint a picture for the House. Clearly, country airlines will not be forced out of Kingsford Smith airport. As the honourable member for Bathurst pointed out, this issue relates to the privatisation of Kingsford Smith airport. The Liberal Party has a view about that and the National Party has a view about that. But I believe they are different views, and that is the difficulty the Coalition faces. The difficulty is clear because on three occasions the Prime Minister's deadline for announcing a decision has been breached. On two occasions John Anderson's deadline for announcing a decision has been breached. People are still wondering, and the members of this Parliament are still trying to find out, exactly what the position of the Federal Government is in respect of a second airport in Sydney and country airlines' airport access.

I do not want to hear comments about regional airlines not being forced out. I want to know exactly what the plan is. The people have a right to scrutinise the Federal Government's plans, regardless of which political party forms the government of the day. It is my view that to resolve this matter completely, the Federal Government must lay out the plan of exactly what is going on. Because of delays, my concern is that a statement will soon be made that country airlines will be forced out. Let me go on with the rest of the story: In my view, Kingsford Smith airport will be privatised and a board of directors will be appointed. Time and again, privatisation and corporatisation have led to the appointment of boards of directors, and what do they consider first? The boards of private companies are interested in a rate of return on investment. After privatisation, the board of the private company will say, "These country airlines are a bit of a liability. We are not making money out of them. We can increase our rate of return by bumping them off and allowing major providers, that is, jumbo jets, to land and seek that rate of return."

What will happen then? Clearly the board of directors will say, "Bump them off, get rid of the country airlines that are a liability." What will we be left with then? We will be left with a government that says, "It wasn't us, it was the board of the private company." That has happened with Telstra and with the corporatisation of NorthPower. The Federal Government hides behind boards of directors and stands back. It then has the audacity to say to the people of New South Wales and to the people of Australia, "It wasn't us, we protected you the best way we could, the private board did it." It is rank hypocrisy to suggest that nothing can be done to protect indefinitely country airlines' access to Kingsford Smith airport.

I commend the comments made by the honourable member for Lachlan. However, I would like to hear more from him about what the Opposition will do to ensure that the access of country airlines is protected in the long term. I would also like to hear what the Coalition will do to legislate for the protection in any sale document of the people of New South Wales, particularly the people of country New South Wales, so they can move forward with certainty. This issue is not about party politics. It is about the survival of regional New South Wales, about which we hear so much from both sides of this House.

Mr Armstrong: Point of order: I note the honourable member's reference to what I might or might not have said. One of the problems about being an Independent—

Mr Martin: What is your point of order?

Mr Armstrong: His speaking time is now up.

Mr ACTING-SPEAKER (Mr Lynch): Order! The honourable member for Lachlan has achieved his objective.

[*Time expired.*]

Mr ASHTON (East Hills) [4.22 p.m.]: I support the motion moved by the Minister for Local Government. The speech made by the honourable member for Northern Tablelands, who preceded me in this debate, was excellent because it focused on a key word which I will refer to in more detail shortly. Several times I have spoken in this House on this issue, yet there is still no decision on the Badgerys Creek airport. There is no decision on what will happen to Kingsford Smith airport and there are continuing rumours about what may happen to Bankstown Airport. It is clear that the big end of town is calling the shots and does not want to tell anyone, including members of the New South Wales National and Liberal parties, what it has in mind. The people who live in Bankstown, Fairfield, Auburn, Sutherland and Liverpool want to know what is going on.

I give credit to honourable members on the Government side of the House who have spoken on this matter on many previous occasions, namely, the honourable member for Menai, the honourable member for Liverpool and the honourable member for Bankstown. John Anderson is the key to this whole debate, and I have no faith whatsoever in his ability to carry the day. Recently we were told that Federal Cabinet had made a decision, which was leaked widely in the newspapers: the decision was to not build an international airport at Badgerys Creek and to upgrade Bankstown Airport for regional aeroplanes.

After some uproar, in no time at all, John Anderson, was quoted as saying on ABC radio, "Regional aeroplanes will not be forced"—and I refer to what was said by the honourable member for Northern Tablelands and repeat "will not be forced", which are John Anderson's words—"to relocate to Bankstown." The key words are "not be forced". It was not a denial by the Deputy Prime Minister that we heard. What we heard was "not be forced", and there is a very critical difference between the two positions.

The honourable member for Lachlan assured this House that regional airlines would be relocated only over the dead body of the Deputy Prime Minister. The real message is that the carcass of John Anderson has long been swinging in the wind. Everybody knows that the Liberal Party has got the numbers. These are not the old days when Black Jack McEwen said, "Oh no, I am not having you, I am not having that", and when the Liberals turned to water. We now have the Liberals, under John Howard, doing all the bell tolling and deciding everything that will happen while members of the National Party say, "How quickly can we do that?" That is why Independents are holding seats formerly held by the National Party , and it is also why members on the Government side of the House representing Country Labor are holding seats that once were National Party seats.

The National Party has become irrelevant. People can talk about boondoggling, they can use all the big words that they want to, but the criticism I make is right and the statement that National Party members are irrelevant is right as well. As far as Bankstown is concerned, I have nothing against people who want to visit Bankstown because it is a great place, but I do not want them flying to Bankstown and landing there. If they fly there, they may be able to buy a cheaper ticket because of a cut-price landing fee that applies at Bankstown Airport but, as the honourable member for Lachlan said, they will have to pay $50 in a taxi to get into the city. If they go on the tollway, it will take them an hour and they will still have to pay the same amount.

Mr Armstrong: And they will pay the extra toll, too.

Mr ASHTON: They will not pay an extra toll but they will pay the GST, and that is a Federal tax. That will assist in obtaining a higher price when the Federal Government finally decides to fully privatise Kingsford Smith airport. John Anderson is the weakest National Party leader in Australia. As I said earlier, he should do a Black Jack McEwen and tell the Liberals where to stick it.

Mr Woods: Are you sure?

Mr Martin: What about George Souris?

Mr ASHTON: Perhaps that is oversight, but I will take up that matter at another time. Certainly John Anderson is the weakest Federal leader I have ever seen. Do honourable members remember a fellow named Charles Blunt?

Mr Woods: He was known as The Echidna for his expertise in licking stamps.

Mr ASHTON: That is right. As I remember it, he racked up quite a bill. The point I make is that Charles Blunt lost his seat, just as I believe the Deputy Prime Minister, the Federal Minister for Transport and Regional Services, will lose his seat at the next Federal election if the right candidate stands against him. This issue is about members of this Parliament saying that they do not want people to fly into Bankstown Airport. They are not welcome there. The problem is that we are selling out the people of regional New South Wales—people in places such as Bathurst, Dubbo, Broken Hill, Orange, Coffs Harbour, Port Macquarie, Albury, Tamworth, Wagga Wagga, even Cowra, places in the Northern Tablelands area and other places. Those people want to come to Sydney but they do not want to go to Bankstown.

We now know that plans are in place to rip up half of the Riverwood Golf Course that lies adjacent to the Bankstown Airport so that the runways can be extended. If members of this House already know that, then John Anderson must know it, so why has he not come out and said so? Why has he not told us the truth? The issue concerns what John Anderson is saying. He has said that he is not forcing regional airlines to relocate and,

of course, he is not. He will just make sure that the landing fees are low at Bankstown Airport and high at Kingsford Smith airport. In that way, he will be able to say that he has not forced anybody to do anything. I commend the Minister's motion to the House. [*Time expired.*]

Mr FRASER (Coffs Harbour) [4.27 p.m.]: I join in debate on this motion to put forward the position of people who live on the North Coast, especially those who live in the electorate of Coffs Harbour. So far all speakers in this debate have stated clearly and succinctly that regional air traffic must maintain a presence at Kingsford Smith airport. In relation to tourism on the North Coast it should be remembered that the majority of people who currently travel to the North Coast for their holidays access the area on a flight out of Kingsford Smith airport and that the vast majority of those people use connecting flights from other areas. Years ago there were direct flights from Melbourne but people travelling from Melbourne to the North Coast now take a flight to Sydney and a connecting flight to the North Coast. The majority of them go to Coffs Harbour, which is the best place in New South Wales, and others go to Port Macquarie and Ballina.

Mr Windsor: Where is it?

Mr FRASER: That is the place without a hospital. The member for Tamworth should remember that. As the Minister for Local Government knows full well, access to Kingsford Smith airport must be maintained to promote tourism and the local economy. I reiterate what was said by the honourable member for Lachlan about John Anderson having already indicated that only over his dead body will regional air services be relocated and that they will be maintained at Kingsford Smith airport. That has been the position of the National Party for a long time. As the honourable member for Lachlan said, in 1996 he initiated a meeting in this regard to ensure that that position remains. To make political capital here out of the issue is demeaning, but it gives us the opportunity to put on record, for the benefit of the people of New South Wales and other States, that the intention of this Parliament and the National Party is to ensure that the access of regional airlines to Kingsford Smith airport remains at all times.

During the Olympic Games the airport maintained the flow and handled the increased air traffic from regional New South Wales and internationally exceptionally well. I believe that will continue. To take some of the pressure off Kingsford Smith airport I suggest that the State and Federal governments shift private charter movements. If private planes are taking up slots that should be allocated to regional New South Wales or to international traffic, they should be moved to Bankstown. The owners of private jets have the money to pay the $40 taxi fare and—

Mr Ashton: The toll.

Mr FRASER: The toll, as the honourable member for East Hills says. If private charter movements were moved to Bankstown more slots would be opened up and regional access to Kingsford Smith would continue. Regional New South Wales needs access to Kingsford Smith airport not only for tourist traffic but also for businesses on the North Coast. Lawyers need to come to Sydney for court cases. Accountants need to gain business information for their clients. Because of poor health services in regional New South Wales—

Mr Windsor: And hospitals.

Mr FRASER: And hospitals, as the honourable member for Tamworth said. All the hospitals on the North Coast have inadequate budgets so people are unable to access the type of medical treatment that they need in their home towns and have to fly to Sydney to do so. If someone with a health problem, for example, someone undergoing chemotherapy—and I know what that is like because my wife had cancer and had to come to Sydney regularly—is forced to go to Bankstown whilst undergoing treatment at Royal North Shore Hospital, as the people of Coffs Harbour do, it is unacceptable for them to catch a taxi, train or bus from Bankstown to the Royal North Shore Hospital. In the interests of health, tourism and the needs of local business people, members representing regional New South Wales must ensure that the access of regional airlines to Kingsford Smith airport is maintained. I commend the Deputy Prime Minister for his statements that that access will be maintained. [*Time expired.*]

Mr WINDSOR (Tamworth) [4.32 p.m.]: An important aspect of this debate is the unified approach by members of this House to a matter of importance to regional New South Wales. It is also important that the matter of public importance has the endorsement of the honourable member for East Hills and the honourable member for Bankstown, who represent areas that will be invaded if the current stance of the Prime Minister of relocating regional airlines to Bankstown is maintained. A number of issues have been raised. The honourable member for Lachlan mentioned a meeting four years ago that resulted from the Country Summit, which was held in Tamworth.

At that time representatives of some 150 country organisations, irrespective of their political persuasion, passed a motion calling for guaranteed access for country people to Kingsford Smith airport at equitable rates. A great deal of lobbying took place and the honourable member for Lachlan, who was then the Leader of the National Party, contacted the Federal Minister For Transport, Mark Vaile. He came to Sydney and spoke with the group of people about the issue and about putting together a charter of rights for commuter aircraft that use Kingsford Smith airport. No such charter has been implemented. I agree with most of what the honourable member for Lachlan said in this debate

As the honourable member for Northern Tablelands and the honourable member for East Hills have pointed out, the Deputy Prime Minister, the Minister for Transport and Regional Services, has used language such as "guarantee", "line in the sand" and "over my dead body" meaning that he will not force regional airlines from Kingsford Smith airport. I believe that he will not force them out but he will not guarantee access for them either. He has held meetings with the major players, the international and interstate airlines, and has tried to persuade one of them to go to Bankstown. The real issue is about the money that can be obtained from the sale of Kingsford Smith airport. If the Deputy Prime Minister, the Minister for Transport and Regional Services, was in charge of this debate he would be in charge of the sale of that asset, rather than John Fahey and Peter Costello.

The honourable member for Northern Tablelands referred to the board of directors of the company that may control a privatised Kingsford Smith airport. Who are the potential buyers of Kingsford Smith airport? I hazard a guess that some of them would be the major international players at the airport now: Qantas, Ansett Australia and Air New Zealand. At the moment the major regional airlines are Hazelton Airlines, which is owned by Qantas, a major international player; Kendell Airlines, which is owned by Ansett Australia, a major interstate and international player; and Hazelton Airlines, which is currently being taken over by Air New Zealand, which in turn is owned by Ansett Australia, a major international and interstate player.

Mr Anderson will not have to force anybody. He will use inducements in relation to the sale of the airport and the landing charges they will be able to impose at Kingsford Smith and Bankstown airports. The regional airlines will be told where to go by their bosses—not by Mr Anderson. The Minister has to guarantee in the sale document that access will be maintained for regional people, not for regional airlines, who want to travel to their capital city. That process can be guaranteed in the sale document. John Anderson has it within his power—as do the Prime Minister, John Fahey and others—to guarantee in the sale document access to Kingsford Smith airport at affordable rates. If he cannot guarantee that continued access in that document he will have drawn the line in the sand and have fallen over it.

Mr McGRANE (Dubbo) [4.37 p.m.]: Being the last of nine speakers who have supported the concept of the motion it will be hard for me to being anything fresh to the argument. The crux of the motion is that we call upon the Deputy Prime Minister to rule out once and for all moving regional airlines to Bankstown airport. To follow on from what the honourable member for Tamworth said, if continued access to Kingsford Smith airport is not guaranteed in the sale document, regional airlines will, in a sense, be forced by stealth. The honourable member for Tamworth reminded the House of the ownership of the airlines that service regional New South Wales. Basically they are owned by the major players. At present the only independent regional airline in New South Wales is Hazelton Airlines, which is subject to a takeover bid by Air New Zealand Ltd, which is in turn owned in a sense by Ansett Australia. The players are Ansett Australia, which controls Kendell Airlines, and Qantas, which controls Eastern Airlines.

Those are the relevant players in this issue. We know that Kingsford Smith airport has recently been upgraded. It is now like a major shopping mall. About $800 million has been spent on the airport to upgrade air movement facilities and the terminals themselves. It is big business to have shopping arcades in an airport. That money has been spent at Kingsford Smith airport for one purpose only: the sale of the airport. The sale document must contain a provision that regional airlines will have access to the airport and will pay reasonable landing fees. We know that at present the number of landing movements is limited to 80 an hour. Yet, for safety purposes, the number of movements can be as many as 120 an hour. That is a 50 per cent increase in movements per hour, while still providing for safety at Kingsford Smith airport.

Apart from that, it is not regional airlines that cause noise problems for Sydney people. That is another matter that this House must spell out to the people of Sydney: regional airlines do not cause noise problems at Kingsford Smith airport. I emphasise that we do not want to increase noise levels for people living under flight paths, though those people elected to live in those areas for various reasons. Also, a lot of freight is now being moved in and out of Kingsford Smith airport. There is a proposal by the Inland Marketing Corporation at Parkes

for an inland freight facility in Parkes. The Federal Government, if it had foresight, would emphasise the fact that any contribution by it to the provision of freight facilities at Parkes would alleviate air movements at Kingsford Smith airport. That is a scenario that can be achieved with minimal stress to all concerned.

We should all work together—it is great to have this House working together to support this vital motion—to ensure regional people and regional airlines have access to Sydney airport. The issue is not confined to access to Sydney, but to access to interstate and overseas movements. Some 20 per cent of movements from Dubbo Airport have overseas and interstate destinations. If those movements have to be made through another airport, they will stop. Another matter that has not been emphasised in this debate is that many professional people come from Sydney to service regional New South Wales. It is a fact that those professional people live in the suburbs near the coast in Sydney. They will not be inclined to travel to Bankstown for at least an hour in a taxicab, at a cost of more than $50, to connect with commuter airline services to regional New South Wales. [*Time expired.*]

Mr WOODS (Clarence—Minister for Local Government, Minister for Regional Development, and Minister for Rural Affairs) [4.42 p.m.], in reply: One thing has come through loud and clear in this debate. I appreciate that all nine members with commitments to country areas and to the city—be they from the National Party, be they Independents representing country electorates, or be they city Labor or Country Labor members—all agree that the people, whether they be Bankstown or country people, do not want regional airlines to move to Bankstown. The honourable members representing the electorates of Menai, East Hills and Bankstown have all said that the people of their areas do not want regional airlines moved to Bankstown. So there is no argument about that. I am sure the Federal Government is well aware of that, and that it is aware that country people and city people do not want regional airlines going to Bankstown.

We all accept that the regional airlines do not want to go to Bankstown. That would not be good for their business. It would be a bad move also for regional business. I think we are all in agreement on all those matters. We are all in agreement that it would be a bad thing if that were to happen. But the debate does not end there. We know that the Federal Government wants to privatise Sydney airport. We know that if more of the bigger aeroplanes land at Kingsford Smith airport, that airport becomes more valuable, and its sale price would increase. So it is obviously in the Federal Government's interest to maximise the price that it can get for Sydney airport by having more of the larger aeroplanes land there. Such an achievement, or the ability to reach that achievement, is a reason to pay more for the airport. That is obviously an incentive for the Federal Government.

Two forces are at work here. One is the maximising of the price obtainable for Sydney airport. Obviously, that is playing on the Federal Government's mind. There is also the issue of what the people want. The Federal Government knows that. How will the Federal Government draw a balance? We have heard that John Anderson said that the movement to Bankstown would be "over my dead body". With all due respect, most people would say, "What the hell!" If the argument goes the other way, do you think it will worry the Liberal Party if John Anderson hits the ground? If the move is over his dead body, that will not worry the Liberal Party.

To my mind, it is most worrying that the Leader of the National Party has not taken part in this debate, nor has any member from the Liberal Party spoken in it. The Leader of the National Party was in the Chamber at question time, and prior to that he gave notice of motions in regard to two Sydney matters, the M4 and M5. But on the matter before the House we need explicit party positions. It is more than a question of saying, "Over my dead body! I will not force airlines there." The issue is access. All of us understand that. I noted that the three National Party members who spoke in this debate avoided being too definitive, because it is an issue to do with pricing. The *Australian* article puts the issue in context when it says that John Anderson appears to be willing to accept a plan that offers financial incentives to regional airlines to shift to Bankstown as long as those incentives fall short of compulsion.

There has been an addition of one other point to this debate compared with previous debates on the issue. We now know—thanks to the honourable members representing the electorates of Menai, East Hills and Bankstown—that there are plans to extend the Bankstown airport runway. That could be for only one reason, and that is to accept larger aeroplanes. Of course, that does not necessarily mean that the extension is for regional airlines. It is merely put forward as an extension. But what if there was a change in the bias, and there was a change in the ratio of airlines charges at Sydney Kingsford Smith Airport? Say there was a little bias towards per-plane charges rather than per-passenger charges, as exist now? That would change the equation completely. It would add to the financial incentive for regional airlines to move out to Bankstown.

So let us have a definitive definition and a long-term commitment from the Federal Government that will guarantee not only the ability of regional airlines to land at Kingsford Smith airport but equitable charging

on the current basis. Let us have a definitive statement from the Federal Government that will accommodate what the people want. We all accept that there is a cost to country areas if there is a movement of regional airlines to Bankstown. Let us have long-term pricing policies for Sydney airport from the Federal Government. [*Time expired.*]

Motion agreed to.

LOCUST PLAGUE CONTROL

Matter of Public Importance

Mr AMERY (Mount Druitt—Minister for Agriculture, and Minister for Land and Water Conservation) [4.50 p.m.]: I bring to the attention of the House as a matter of public importance the control and management of locusts in the far west and Riverina regions of New South Wales. Farmers in New South Wales and in other States are currently facing a locust plague. Some weeks ago I referred to what was considered to be potentially the worst locust plague that this State has seen in 25 years. Honourable members might be aware that today I announced the drought figures for New South Wales, which remain the same at about 6 per cent. However, figures for the marginal areas of New South Wales have considerably improved. In making that announcement, I highlighted the fact that the potential locust plague is still an issue of concern to people in rural areas. Whilst there have been some improvements in the climatic conditions of this State I am still issuing warnings to farmers and primary producers throughout the regions, particularly in the far western parts of New South Wales, about this potential locust plague.

I would now like to give a further report on this issue, which is closely monitored by the New South Wales Department of Agriculture, the rural lands protection boards and the Australian Plague Locust Commission. Land-holders, of course, stand to lose the most from locust plagues. Land-holders in this State have played a valuable role in reporting the extent of the problem to the 48 rural lands protection boards in New South Wales and in carrying out control operations on their properties. I believe they deserve the recognition of the House for the work that they are doing not only in co-operation with the Plague Locust Commission and New South Wales Agriculture but also the rural lands protections boards. This State is ahead of all other States in its control of locusts. Land-holders can also access the bigger picture of what is happening in other districts by logging onto the New South Wales Agriculture web site, which is continually updated as a result of ever-growing concerns about the movement of plague locusts.

New South Wales Agriculture staff have contributed to a Meat and Livestock Australia leaflet on plague locust control for livestock producers and they have reviewed the "Locust Control Manual" and a leaflet entitled "Landholders Control of Plague Locusts in NSW". That control operation has been progressing extremely well. Following a burst of warm weather in the west, heavy hatchings of plague locusts have been reported in a wide area stretching from north of Broken Hill, south to Wentworth and east to Hillston. Hatchings have also been reported from South Australia and Victoria. Fortunately, cool conditions with numerous weather changes bringing significant rainfall have delayed the development of plague locust nymphs in the southern half of the Western Division and the Riverina.

There are large populations of locust nymphs in these areas which will be dispersed and masked by heavy vegetation. This is making the task of aerial surveys and control very difficult. North of Broken Hill early hatchings have now fledged and aerial control of some flying swarms has commenced. Further north around Tibooburra the dry conditions have delayed hatchings and have caused the nymph populations to die, reducing the risk of further swarms in thoese areas. Significant rainfall over the next few weeks would rapidly change that situation and result in a large number of hatchings. Control spraying of nymph bands commenced north of Broken Hill on 27 September and has moved progressively south to the Wentworth area where band spraying commenced on 3 November.

Wet, overcast weather has delayed control in all thoese areas. The major insecticides used are fenitrothion and fipronil. Sufficient quantities of these insecticides are available for the remaining control operations. The rural lands protection boards play a vital role in co-ordinating the supply of these chemicals to land-holders. A total of 17,702 litres has been aerially applied to 913 square kilometres to control nymph bands. A total of 1,021 litres has been used to control over 43 square kilometres. The other insecticide being used is the most exciting development resulting from the locust plague. Green Guard is the commercial product of the biological control agent metarhizium. To date 411 litres of Green Guard has been used over 93 square kilometres in environmentally sensitive areas. These include organic farms, national parks and locus infestations near water bodies. This is the first time that Ggreen Gguard has been used in the control operations.

The development of this biological control agent is extremely promising and deserves a brief mention. It was developed by the Commonwealth Scientific and Industrial Research Organisation, the Australian Plague Locust Commission, the Tablelands Wingless Grasshopper Committee—it is difficult to become a member of that committee!—the Queensland Department of Natural Resources, New South Wales Agriculture and the New South Wales Rural Lands Protection Boards, and was funded through the noxious insects levy. It was developed from a naturally occurring fungus found on spur-throated locusts. Those involved in the control operations have been taking advantage of the best possible knowledge to maximise the locust kill and minimise the amount of chemical used.

Accordingly, locusts have been sprayed in what was called the third instar stage, which usually occurs three weeks after hatching. This is when the insect has shed its outer shell and increases in size for the third time. The control of flying locust swarms prior to migration is more difficult but it can occur in extensive grazing areas. With the organic farming industry on the rise in recent years and a corresponding demand for biological control rather than pesticides, the development of Green Guard has been most timely. Discussions have been held with organic grower organisations to develop suitable protocols to maintain organic accreditation and reduce the risk of large populations in these areas by the use of Green Guard. In 1998 New South Wales Agriculture and the Australian Plague Locust Commission demonstrated that this was the case. Training of New South Wales Agriculture and rural lands protection board staff has been a high priority, with more than 80 officers attending workshops on locust control at Cobar, Nyngan Dubbo and Wagga Wagga.

Despite the control operations progressing well, and despite land-holders reporting locust activity in a timely way, the extent of damage that will be caused depends largely on factors beyond human control, mainly the weather. Climatic conditions will determine how many millions of dollars worth of damage to crops and pastures the land-holders of New South Wales will sustain. Unfortunately, in recent days, some parts of the State have had to delay harvesting crops due to rain. This, of course, brings with it the possibility that grain will be downgraded. Rain also improves pasture conditions for locusts which in turn leads to increased locust survival and development. Those locust eggs that have so far been waiting for more moisture to bring on the hatching process may also be stirred into action through these rains. So while we can be satisfied that everything that can be done is being done to control the locust problem land-holders and authorities still have a lot of work to do.

Land-holders in New South Wales can be assured that the State rural lands protection board system, in conjunction with New South Wales Agriculture and the Australian Plague Locust Commission, is proving to be the best possible system to deal with this locust problem. I understand that the honourable member for Murray-Darling will contribute to debate on this matter of public importance and talk about some of the concerns that have been expressed by farmers in many of the places to which I referred earlier. This locust plague is greatly affecting his electorate. I understand that he has been lobbied by a number of people in his electorate who have brought to his attention growing evidence of this locust plague.

When I spoke in this House some time ago I said that it was feared that this would be the worst locust plague that we have seen in 20 years, and possibly the worst locust plague in the history of this country. However, that has not yet occurred. But there now appears to be a growing concern not only in this State but in other States that this locust plague will result in millions of dollars worth of damage to our agricultural industries. With that in mind I urge honourable members to lend their support to this matter of public importance. I ask all honourable members, particularly those representing country electorates, to work with country communities to ensure that everything that can be done is done to assist farmers in this difficult time.

Mr SLACK-SMITH (Barwon) [4.59 p.m.]: This side of the House supports this matter of public importance, in particular the control of the Australian plague locust, Chortoicetes terminifera. Australia has three locusts that cause damage: the Australian plague locust, the migratory locust and the spur-throated locust. The spur-throated locust is found mainly in the northern part of New South Wales and Queensland. The only thing we can say about the program to combat the Australian plague locust is so far so good. The worst is yet to come. The co-operation between the Australian Plague Locust Commission, the Department of Agriculture, the rural lands protection boards and the land-holders who, as the Minister said, have the most at stake, has been commendable. There is no way in the world the locusts can be controlled except through the vigilance of the land-holder. There is only one time that locusts can be controlled, and that is when they are on the ground. Once they take to the air it is impossible to control them. That is why the vigilance of the land-holders and the rural lands protection boards is necessary to ensure the nymphs are spotted before they take to the air.

Green Guard, metarhiyium, is a very exciting concept and an exciting chemical. This is another one for the CSIRO. The CSIRO, since its inception a long time ago, has done some great things for agriculture, with the

number of developments and scientific tools it has been able to create. This is just another one of them. It will be a very sad day when the CSIRO ceases to exist. The main worry about the CSIRO is the big one of funding. This chemical is another example of the fine work it does, and it should be commended for it. The old product, fenitrothian, has been around for about 20 years and is also a very good product. It has worked very well on the three types of locust we have in Australia. As well as pressure from organic farmers and land-holders, Australia is always facing problems from customers overseas, and if we can dispel what are mostly myths about chemical residues and chemical applications that will go well for our foreign trade for years to come.

As the Minister said, the biggest problem is in the Hillston, Wentworth, Broken Hill and Kilgerry areas. They are the pressure areas now. Tibooburra is still dry, and with any luck it will remain fine up there and the locusts will have a delayed hatching. If that is the case, a further concentration can be placed on that area at a later time. When there are predictions of plague locust outbreaks it is very iffy, because quite often mother nature takes a hand and whatever one thinks is going to happen does not happen. That is why the Australian Plague Locust Commission has come into being, to continually monitor the conditions and egg laying in all areas of Australia. This is necessary, because if these locusts get out of control completely they can cause hundreds of millions of dollars worth of damage not only to the grazing industry but to horticulture as well. That will affect production, which affects our exports and the wealth of Australia. So the money we are now pouring into this plague locust control in the west and south-west of New South Wales is money well spent. I do not believe anyone can begrudge the Government spending what in real terms is not a lot of money in preserving our very vital export industries in New South Wales.

The weather is very tricky. As I speak there is rain in a lot of areas. That is going to create more hatchings because the ground gets moist and soft, and the biggest problem we will have is observing the locusts when they hatch because of the ground cover. It is easy to spot grasshoppers when the country is bare, but when there is grass cover one can virtually drive over the top of them and not see them. They are tricky little devils. I sincerely hope with the surveillance that the land-holders are completely committed to and with the rural lands protection boards working with the land-holders in smaller areas to make sure that every outbreak is reported we can eliminate the hatchings. Of course, if the ground is inaccessible, it is a good feeling to know one has aerial support as well. One aeroplane with the products we are using today can cover a huge area. Also, with the technology of global positioning system mapping an area can be pinpointed with one-square-metre accuracy, and the efficiencies of having this technology available now, which was not available 10 years ago, makes this eradication program a little bit more successful.

I sincerely hope that the land-holders, the rural lands protection boards and the Department of Agriculture, who have been working very hard and doing a great job with this particular problem, along with the Australian Plague Locust Commission, get on top of this problem. We do not want to see any more of this devastation. We have seen enough devastation in the past week or so with the wheat crops in the north and the cotton season has started off very badly due to the inclement weather, particularly with black root rot. Wheat has been downgraded to virtually feed value. This means that some producers will have to walk off their properties because of pressure from the banks, as this is the third year in a row they have missed out on getting a decent crop. We do not want this to happen to our colleagues in the west and far west of New South Wales. We support this matter of public importance and we hope that the good work continues. As I have said, so far so good.

Mr BLACK (Murray-Darling) [5.07 p.m.]: I am always prepared to support and salute the Minister, my coalition colleague from Mt Druitt. I also salute the honourable member for Barwon, who gave an eloquent speech. In four sitting days in a row that contained a question time not one question came from the Opposition about a single country issue. I am sure that if the honourable member for Barwon were allowed to have his way he would come forth and ask questions about the bush. I recognise two of the Minister's staff—workers for the bush and truth—who have done great work on this matter, Don Stewart and Les McDermott, who have been arduous in their campaign to make sure that things go well for people who live in the bush. I am pleased to speak on this matter of public importance before the House concerning the current plague locust situation facing farmers and graziers, particularly in the west of the State and notably in my electorate of Murray-Darling, as was acknowledged earlier by the Minister.

The Minister for Agriculture has already indicated that the problem is most serious in parts of the Western Division and south to the Riverina. Much of the area with dense locust population is to the north, in my electorate of Murray-Darling. Heavy hatchings have been reported in a wide area, stretching from north of Broken Hill, south to Wentworth and east to Hillston—all places within Murray-Darling. The hatchings have been reported from South Australia and Victoria—not places in Murray-Darling. The latest aerial surveys conducted by the Australian Plague Locust Commission have located bands of second and third instar

nymphs—locusts that have shed their outer shell two or three times. These have been found north of Broken Hill and south of Wilcannia. However, heavy vegetation cover as a result of favourable weather conditions and heavy cloud cover have made detection difficult.

The above average rainfall in the locust breeding areas of the Western Division, such as Cobar and Broken Hill, last summer and autumn allowed plague locusts to lay large numbers of eggs, despite a very active control program at the time. Those eggs are now hatching. Control spraying with fenitrothion is under way in Broken Hill and Wilcannia. Fortunately the recent dry conditions around Tibooburra have delayed hatchings, and the problem may not be as severe as originally thought in that area. Like here in Sydney today, it is raining in Broken Hill and further to the east. I recognise the problems caused by rain in terms of bringing forth locusts. I also recognise that many of my farmers have still not completed the wheat harvest, and this rain may be coming at a very bad time, particularly given the fact that the seasonal conditions were looking so good only a few weeks ago.

New South Wales Agriculture and Rural Lands Protection Board staff have benefited from training days in Dubbo on 3 and 4 October, in Wagga Wagga on 5 and 6 October and at earlier sessions in the more important communities of Cobar and Hay. Fortunately, New South Wales also benefits from the co-regulatory partnership arrangements that are permanently in place to control locusts. This partnership is between rural lands protection boards—or the PB boards, as we still call them out west—New South Wales Agriculture and the Australian Plague Locust Commission. A study conducted in the early 1980s demonstrated a positive cost benefit of 24 to 1 on activities of the commission in controlling locusts in the four States concerned. In 1982 an outlay of $5 million saved $120 million worth of fodder and crops. Fenitrothion, the main chemical used to kill locusts, is supplied free of charge to land-holders, with the cost being met by the Noxious Insect Advisory Committee.

The last major outbreak occurred in 1992, and I am pleased to report to the House, on the Minister's assurance and that of his staff, that we have enough chemical in stock to handle that and more. As I said earlier, out west this season looked to be arguably the best season for many, many years. As has been acknowledged by honourable members on both sides of the House, farmers out west have gone through seven years of drought. We had huge rains in December of last year and in February of this year. Notwithstanding it being a great season, we now face two problems. Locusts have already been mentioned, and earlier in another place we heard about the bushfire brigades. Unfortunately, the amount of fodder on the ground will seemingly make this season a problem in terms of fires. In conclusion, I do not know about fires, but the situation in terms of locusts is in hand. Again, it is pleasing to see bipartisan agreement across the House, with the guidance of my coalition colleague the Minister, for this motion.

Mr AMERY (Mount Druitt—Minister for Agriculture, and Minister for Land and Water Conservation) [5.12 p.m.], in reply: I thank the shadow Minister for Agriculture, the honourable member for Barwon, for his positive contribution in support of the motion. As far as the locust control program is concerned, I take on board his comment of "so far, so good". Obviously I reserve the right to say something if things do not go as planned. I thank also the honourable member for Murray-Darling for his contribution and his general knowledge of what is happening in his electorate. Earlier I referred to the issue of chemical use and biological control. The honourable member for Barwon also referred to the use of a biological control product. I am pleased to advise the House that testament to the importance of the development of this project—the honourable member for Barwon highlighted it as a great success for the CSIR0 and other participants—it should be noted that a locust expert from the United Nations Food and Agriculture Organization, Dr Clive Elliott, has travelled to western New South Wales to observe the world's first large-scale operational use of this product.

Dr Elliott was involved with the co-ordinating and monitoring control of desert locusts in North Africa, the Middle East and Asia, and he will observe control operations in the Riverina and Broken Hill areas. Early indications are that Dr Elliott is very impressed with the control methods being used in this State. The previous speakers mentioned the cost of the locust plague. Figures show that in 1984 expenditure of $5 million on control averted damage to problem pastures worth an estimated $103 million. That highlights the point made by the honourable member for Barwon and the honourable member for Murray-Darling that money spent is returned many times over in benefits to our agricultural industries. An outlay of $5 million in 1984 produced estimated savings of $103 million. We expect those figures to be even more of a contrast when the final report on the current locust plague is concluded. I thank honourable members for their contributions.

Discussion concluded.

BUSINESS OF THE HOUSE

Bills: Suspension of Standing and Sessional Orders

Motion by Ms Nori agreed to:

That standing and sessional orders be suspended to postpone private members' statements to allow the introduction and progress up to and including the Minister's second reading speech on the following bills:

Legal Aid Commission Amendment Bill
Crimes (Administration of Sentences) Amendment Bill.

LEGAL AID COMMISSION AMENDMENT BILL

Bill introduced and read a first time.

Second Reading

Mr GAUDRY (Newcastle—Parliamentary Secretary), on behalf of Mr Debus [5.18 p.m.]: I move:

That this bill be now read a second time.

The objective of the Legal Aid Commission Amendment Bill is to promote greater efficiency in the management and operation of the Legal Aid Commission. The Legal Aid Commission Act 1979 presently provides for the appointment of commissioners who in effect function as a governing board overseeing the commission's operations. The current legislation uses the term "commission" to refer to the organisation and to the appointed commissioners without distinction. The bill provides for a board of the Legal Aid Commission to be established. The composition of the board mirrors exactly the present composition of the commission. The board will consist of the chief executive officer, currently referred to in the Act as the managing director, and nine part-time members, currently referred to in the Act as part-time commissioners.

The nine part-time board members will comprise a chairman and three others appointed by the Attorney General, one person nominated by the Law Society, one person nominated by the Bar Association, one person nominated by the New South Wales Labor Council, a representative of consumer and community welfare interests and a representative of community legal services. I reiterate that the composition of the board is exactly the same as the Act's current requirements for the appointment of commissioners. The bill's transitional provisions provide for the existing part-time commissioners to become members of the board for the balance of their term of appointment as a commissioner, when the amendments come into effect. It is the function of the board to establish the broad policies and strategic plans of the commission.

The bill provides that the chief executive officer is responsible for the day-to-day management of the affairs of the commission, including managing financial and human resources, in accordance with the board's policies and strategic plans and any general directions the board may issue in connection with those policies and plans. The amendments proposed by the bill formalise the current role undertaken by the legal aid commissioners and clarify the respective responsibilities of the commission's board and its chief executive officer. The bill also revises the composition of legal aid review committees to provide for three person committees, rather than the five-member committees presently established by the Act. The reconstituted review committees will comprise a legal practitioner nominated jointly by the Bar Association and the Law Society, a lay member and a member nominated by the Attorney General.

The board will appoint the members of a committee and determine the chairperson. This is consistent with present arrangements whereby the review committees are appointed by the commissioners. The change to the composition of the review committees will facilitate more efficient administration of the legal aid appeals process. The bill also clarifies that when a review committee is determining an appeal, it must comply with any legal aid policy guidelines which the initial decision maker was required to apply. This clarification will ensure that relevant legal aid policy guidelines apply consistently to both initial determinations and to any subsequent appeals.

The bill also makes a further change to legal aid review procedures by providing that a condition imposed on a grant of legal aid, requiring the legal aid to be provided by a particular private practitioner, is not appealable. Presently an applicant for legal aid cannot appeal to a legal aid review committee against a decision to allocate a matter to a legal aid lawyer or to a public defender. This further change will enhance the commission's ability to ensure that when legal aid is granted it is provided in the most efficient and cost-effective way.

Since 1997, following the Commonwealth's unilateral changes to its legal aid arrangements with the State, the commission has provided legal aid in Commonwealth matters under an agency arrangement with the Commonwealth. To reflect these changes, the bill proposes to amend section 72A of the Act, which deals with Commonwealth-State agreements or arrangements, to enable the commission, with the approval of the Attorney General, to enter into arrangements with the Commonwealth for the provision of legal aid services.

The bill also makes a number of miscellaneous minor amendments to make the operation of the Act more efficient. Section 23A and consequential provisions are amended to enable the chief executive officer to delegate, to more than one person, functions under the Act required to be exercised by a practising solicitor. Section 31 is amended to provide for an application to be lodged in a manner determined by the commission. This will facilitate the use of electronic commerce and address other circumstances where an application may not be able to be made in writing. Section 34 is amended to clarify that the commission must notify an applicant for legal aid of the determination or redetermination of his or her application as expeditiously as possible, but not exceeding 14 days after the determination or redetermination is made.

Section 41 is amended to make it clear that the existing prohibition on private legal practitioners demanding any payment from a legally assisted person in respect of the work assigned by the commission, except with the approval of the commission, extends to payments for disbursements incurred on behalf of that person. The amended section 41 also prohibits any contracting out of the prohibition. Section 46 is amended to clarify that the commission may recover the costs of legal services provided to a legally assisted person by the commission, as a debt, as well as retaining a lien over relevant documents to secure such payments.

The Crimes (Sentencing Procedure) Act 1999 is also amended to allow the commission to make recommendations to the senior Public Defender regarding guideline judgment proceedings under that Act. The reforms outlined in the bill will improve the efficiency and effectiveness of the Legal Aid Commission. The proposed amendments clarify the respective roles and responsibilities of the board and the chief executive officer. The changes will also further streamline the legal aid appeal process and improve the operation of the Act generally. I commend the bill to the House.

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

CRIMES (ADMINISTRATION OF SENTENCES) AMENDMENT BILL

Bill introduced and read a first time.

Second Reading

Mr GAUDRY (Newcastle—Parliamentary Secretary), on behalf of Mr Debus [5.27 p.m.]: I move:

That this bill be now read a second time.

In 1996 the New South Wales Law Reform Commission recommended that sentencing laws in New South Wales be consolidated into two Acts. One Act would cover sentencing procedure, and would be used by the courts to sentence offenders. The other Act, by far the longer of the two, would cover the administration of sentences, and would be used by the Department of Corrective Services to implement sentences imposed by the courts. On 3 April these two new Acts came into force. One is called the Crimes (Sentencing Procedure) Act 1999; the other is called the Crimes (Administration of Sentences) Act 1999. Prior to the commencement of the Administration Act, the Department of Corrective Services conducted an extensive training program for its staff. During that program a number of minor deficiencies in the Act came to light. The Crimes (Administration of Sentences) Amendment Bill will rectify those deficiencies and make some other changes sought by the Corrections Health Service and other agencies. I shall now outline some of the more important changes being made.

A new, more encompassing definition of "law enforcement agency" is to be included in the Act. The current definition covers only the New South Wales Police Service, the Independent Commission Against Corruption, the New South Wales Crime Commission, and the Police Integrity Commission. The bill extends the definition of "law enforcement agency" to include a police force of another State or Territory, the Australian Federal Police, the National Crime Authority, the Director of Public Prosecutions of any State or Territory or the Commonwealth, the Department of Juvenile Justice, and any person or body prescribed by the regulations under the Act for the purpose of the definition. Section 6 of the Administration Act is to be clarified. Under section 6, a governor of a correctional centre may order a convicted inmate to perform work inside a correctional centre. In certain circumstances, with the approval of the Commissioner of Corrective Services, a governor may also order convicted inmates to perform community service work outside a correctional centre.

The changes to section 6 will make it clear that an inmate performing work inside a correctional centre is not performing community service work, and that when an inmate performs work outside a correctional centre, such work is community service work unless it is performed for the Department of Corrective Services or for a public or local authority. The bill makes several changes sought by the Serious Offenders Review Council, a statutory body which is chaired by a judge, a former judge or some other person who is judicially qualified. Amendments to section 19 will clarify the circumstances in which the review council may reject an application from an inmate for a review of a segregated custody direction or a protective custody direction made by the Commissioner of Corrective Services.

New section 209A will enable a judicial member of the review council to deny a person access to a document which is in the possession of the review council if provision of the document may adversely affect the security of a correctional centre, endanger the life of any person, jeopardise the conduct of any lawful investigation, or prejudice the public interest. Section 209A is in virtually the same terms as section 64 of the Correctional Centres Act 1952, an Act that was repealed on 3 April 2000 when the administration Act commenced. The bill makes similar amendments to section 194, which provides for a judicial member of the Parole Board to deny a person access to a document that is in the possession of the Parole Board. An amendment to section 195 will clarify that the Serious Offenders Review Council is to consist of at least eight, but not more than 14, members.

An amendment to schedule 2 will enable the Serious Offenders Review Council to hold up to six meetings each year at which all members of the review council may attend. These meetings are planning meetings which examine general issues rather than specific cases. The bill makes similar amendments to schedule 1 so far as the Parole Board is concerned. The bill amends clause 12 of schedule 1 to the Act so that the chairperson of the Serious Offenders Review Council, or a judicial member of the review council nominated by the chairperson, may choose a non-member of the review council to represent the review council at meetings of the Parole Board. This change gives the chairperson greater choice of persons for this position.

The bill amends sections 38, 77 and 249 to clarify the definition of "correctional officer" used in those sections. Essentially, for the purpose of those sections, a correctional officer may be a person employed by the Department of Corrective Services to be a correctional officer on a full-time basis or a person employed as a custodian of offenders by the privately managed correctional centre at Junee.

The bill amends section 39 to provide that a correctional officer or a police officer may arrest, with or without a warrant, an inmate on a local leave permit who the officer considers has breached the conditions of the permit. I shall give an example of the way in which section 39 will operate. A minimum security inmate may be granted a local leave permit to attend work on certain days of the week to prepare for release back into the community. The Department of Corrective Services conducts random and targeted checks on such inmates to ensure that they do in fact go to work. If, during such a check, a correctional officer found an inmate in, say, a TAB agency, the officer would immediately escort the inmate back to the correctional centre and the inmate's local leave permit would be revoked. At present, due to the current wording of section 39, there is some doubt as to the validity of action taken to escort an inmate on a local leave permit back to prison.

The bill amends section 59 to increase from $50 to $100 the amount of compensation which a governor of a correctional centre may require an inmate to pay for loss or damage to property as a result of committing a correctional centre offence. The current limit of $50 has remained unchanged for more than 10 years. I would mention that if an inmate damages property to an extent that exceeds the monetary limit that a governor may order an inmate to pay, the governor may arrange for a visiting justice—that is, a magistrate—to hear the matter. A visiting justice may impose any level of compensation.

The bill makes a number of changes sought by the Corrections Health Service. New section 72A provides that an inmate must be supplied with such medical attendance, treatment and medicine as in the opinion of a medical officer is necessary for the preservation of the health of the inmate, of other inmates and of any other person. The bill amends section 73 to provide that only the chief executive officer of the Corrections Health Service may order an inmate to undergo compulsory medical treatment and that such treatment may only be imposed on an inmate when the inmate's life is in danger, or when such treatment is necessary to prevent serious damage to the inmate's health.

If the chief executive officer is not a medical practitioner, the chief executive officer must designate a person who is a medical practitioner to decide whether to make such an order. I would mention that it is rare for an inmate in the New South Wales correctional system to refuse to undergo medical treatment to the point that the inmate's life is in danger or to the point that the inmate's health may be seriously damaged.

The bill inserts sections 236A, 236B and 236C into the Act. These sections provide for the functions of the Corrections Health Service, access to correctional centres by the chief executive officer at the Corrections Health Service and the appointment of medical officers. The appointment of medical officers is currently dealt with in the regulations. The functions of the Corrections Health Service and the right of access of the chief executive officer are currently not spelled out anywhere in the legislation. That concludes my remarks on amendments affecting the Corrections Health Service.

The bill also amends section 77 to enable any court, not merely those courts defined in section 3, to require that an inmate attend before it for the purposes of any legal proceeding. At present the Family Court, for example, cannot require that an inmate attend before it for divorce proceedings. The bill amends section 89 to prevent a periodic detainee who fails to attend periodic detention from gaining an unearned advantage if the detainee, soon after having failed to attend periodic detention, is arrested and remanded in custody on another matter.

At present, if a detainee fails to attend weekend periodic detention on Friday night and then, on Saturday, is arrested for, say, driving a stolen car and is placed on remand pending a court appearance in respect of the alleged offence, section 82 would operate so as to grant to the detainee credit for the time spent in full-time imprisonment during that weekend. The amendment to section 89 will prevent the detainee from being able to count such time towards completion of his or her periodic detention order. If, however, the detainee were still on remand the following weekend, time spent in prison on the second weekend would count, as the detainee would have been physically and legally unable to attend periodic detention on that second weekend.

The bill amends section 93 to provide that the Parole Board, rather than the Local Court, should hear an appeal from a periodic detainee against a decision by the Commissioner of Corrective Services not to grant leave of absence for a detention period. Since 1 February 1999 the Parole Board has taken over from the courts the function of revoking a periodic detention order for failure to comply with the order. The board has quickly built up expertise in periodic detention. It is logical that the board, the new revoking authority, should also take over the function of hearing appeals under section 93.

The bill amends section 114 to rectify an internal inconsistency in that section. Currently, section 114 states that a person on a community service order may apply to the sentencing court for an extension of the time originally granted to perform the community service, but then states that the Local Court may grant such an application. Section 114 is to be amended to state that such an application is to be made to the Local Court. In most cases the Local Court is also the court that originally made the community service order for which the applicant is seeking an extension of time. The bill amends section 115 to state that an application for revocation of a community service order cannot be made later than one month after the expiry of the time in which the order is to be served. This amendment reinstates a long-existing rule relating to community service orders. The rule had been deleted by the new Act on the basis that it would give the Probation and Parole Service greater flexibility in dealing with breaches of community service orders. Deletion of the rule has, however, caused some confusion.

The bill amends section 116 to avoid a court having to follow unnecessary procedures. Currently, when a probation and parole officer makes an application to a court for revocation of a person's community service order, the court must call upon the person to appear before it. If the person does not appear, the court may then issue a warrant for the arrest of the person. These procedures are sensible in those cases where it is likely that the offender will in fact appear in court. In other cases, however, when the location of the person is unknown, it is pointless for the court to issue a notice to the person's last known address in the hope that the person may appear.

The amendment to section 116 will enable a court, in a case where the location of the offender is unknown, to immediately issue a warrant for the arrest of the person. The amendment will also enable a Clerk of the Court to issue such a warrant in certain circumstances, after the court has authorised the issuing of a warrant. A similar procedure already exists, in another context, in section 25 of the Crimes (Sentencing Procedure) Act 1999. The bill amends section 998 of the Crimes (Sentencing Procedure) Act 1999 so that a court may use the new streamlined procedures in section 116 of the Administration Act when it deals with an alleged breach of a good behaviour bond.

The bill amends section 138 of the Administration Act to make it clear that the Parole Board may amend a parole order in circumstances when the board considers that a parole order should be amended. There are rare cases where the board makes a parole order but, before the offender is actually released, the offender's

intended place of residence becomes no longer available. In such a case, the board currently has to revoke the order and then, when new accommodation arrangements have been made, re-make the order. The revocation of the order may imply later on, however, that the offender must have done something wrong.

By the Parole Board amending such an order, rather than revoking it, the possibility of a future misunderstanding as to what actually occurred will be avoided. The bill amends sections 163, 167 and 170 to enable an offender to apply for revocation of a periodic detention order, home detention order or parole order. There are rare cases where an offender wishes to have an order revoked. The bill also amends section 167 to make it clear that, if a co-resident of a home detainee withdraws consent to the continued operation of the home detention order, the Parole Board may revoke the order.

The bill amends section 163 to enable the Parole Board to revoke a periodic detention order, on application by the Commissioner of Corrective Services, on health or other compassionate grounds and, in such a case, on application by the Commissioner, to make any order that the board may consider appropriate. There are rare cases where the commissioner may consider that a particular periodic detainee is incapable of completing a periodic detention order but may also consider that the person concerned would be able to complete some other kind of order, such as a community service order. Rather than exercise his power to exempt the person from periodic detention, in which case the person would go free of any penalty, the commissioner may wish to seek to have the Parole Board impose some other appropriate penalty on the person.

The bill amends section 165 to give the Parole Board more options when it revokes a periodic detention order and seeks to have the offender serve the remainder of the sentence by way of home detention. Currently, when the board revokes a periodic detention order and refers the offender for assessment by the Probation and Parole Service as to suitability for home detention, the board has two options: either the board can place the offender in prison, in which case assessment is difficult to carry out; or the board can allow the offender to remain in the community. Since the offender would have already breached the conditions of the periodic detention order, the board may be reluctant to have the person live in the community without any supervision whatsoever.

The amendments to section 165 parallel the current situation in section 80 of the Crimes (Sentencing Procedure) Act 1999 under which, when a court has sentenced a person to imprisonment and has referred the person for assessment as to suitability for home detention, the court may grant the person supervised bail. Similarly, under the amendments, the Parole Board may impose supervision as prescribed by the regulations. The regulations will prescribe conditions similar to those imposed by a court when a court grants supervised bail. Time spent by an offender under such supervision will not count towards completion of the sentence.

New section 168A will enable the Parole Board, on application from a home detainee whose home detention order has been revoked, to reinstate the order after the offender has served three months in full-time imprisonment. The rationale for this amendment is twofold. It will give incentive to the home detainee to improve their conduct whilst in prison, and it will give the Parole Board greater flexibility in cases where circumstances may warrant a reconsideration of home detention at a later stage.

The bill amends section 179 to enable the Parole Board, when it revokes a consecutive periodic detention order, to make a home detention order in respect of both the first and the consecutive order. If, for example, an offender was serving two consecutive periodic detention orders, each one year in length, and the offender breached the first order after six months, the Parole Board would revoke the first order and may revoke the second order even though there has been no breach of the second order. If the board did in fact revoke both orders with a view to the offender serving the remaining 18 months by way of home detention, the board could currently make a home detention order only for a remaining six months of the first periodic detention order. The amendments to section 179 overcome this problem.

New section 179A will ensure that, in a case where the Parole Board revokes the first of two consecutive home detention orders, but does not revoke the second home detention order, the board must refer the offender for reassessment as to suitability for home detention when the offender has completed the remainder of the first order in prison. A new assessment is necessary to ensure that home detention is still a viable option for the offender and the offender's family. The offender's home circumstances may have significantly changed while the offender was in prison.

The bill amends sections 180 and 181 so that the secretary of the Parole Board may sign, in accordance with a decision of the board, a warrant requiring an offender to appear before the board and a warrant requiring

an offender to go to prison. This change will obviate the current need for a judicial member of the board to wait after a meeting of the board for warrants to be filled out so that the judicial member may sign them. The bill amends section 184 to enable a division of the Parole Board to consist of more than four persons.

New section 235B will enable the Commissioner of Corrective Services to issue "commissioner's instructions" to staff of the Department of Corrective Services, in the same way in which the Commissioner of Police is able to issue "commissioner's instructions" to staff of the Police Service. This change will mean that the department will be able to rewrite its code of conduct to delete disciplinary matters, thereby converting the code into a purely aspirational document. The change will also mean that the department will be able to use commissioner's instructions to spell out more clearly than it does at present acts or omissions which amount to breaches of discipline. The bill amends clause 31 of schedule 5 to the Act to overcome a technical problem relating to transitional provisions.

I have spent some time outlining most of the amendments being made by this bill. I felt that honourable members would appreciate obtaining background information about these various amendments. The driving force behind the amendments is commonsense. All of the amendments are designed to make the Crimes (Administration of Sentences) Act 1999, a long and somewhat complicated Act, work even better than it is working already. I commend the bill to the House.

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

Pursuant to resolution private members' statements taken forthwith.

PRIVATE MEMBERS' STATEMENTS

ILLAWARRA SUMMER BUS

Mr CAMPBELL (Keira) [5.50 p.m.]: This evening I speak about a road safety initiative occurring in the Illawarra for the third summer. I would first advise the House that last week my colleague the honourable member for Illawarra and I launched the Illawarra Summer Bus for the 2000-01 summer at the award-winning Wollongong Entertainment Centre. Every year three factors contribute to the vast majority of motor vehicle accidents on New South Wales roads. Speed, fatigue and alcohol are involved in too many deaths and injuries, and the State Government employs a range of measures to address those issues. In addition to enforcement by police, the Roads and Traffic Authority conducts a range of awareness initiatives that target the three factors as easily preventable causes of road trauma.

In line with those efforts, the Illawarra's Summer Bus initiative serves two important purposes. First, as alternative transport, it provides a safe and accessible late night transport service for those enjoying themselves over the summer months and the Christmas-New Year period. Second, it helps in the Government's ongoing efforts to ensure that the dangers of drinking and driving remain as visible as possible. Over the last two summer holiday periods the availability of special late night bus services has proven successful in the fight against drink-driving. While drinking and driving is a community problem 365 days a year, people celebrating over the coming holidays are arguably more likely to make the potentially fatal decision to drink and drive.

By offering an alternative late night ride home, the Summer Bus addresses the fact that last year 16.5 per cent of all fatal road crashes in New South Wales involved alcohol. Alcohol was also involved in 291 crashes leading to 13 fatalities and 196 injuries in the Illawarra area between 1995 and 1999. With the initiative now in its third year, people are again encouraged to make use of a Summer Bus on Friday and Saturday nights from early November until Saturday 27 January, with Christmas, New Year's Eve and Australia Day services also to be available. More than 4,000 people caught the Summer Bus last year. I am pleased to be able to say that the State Government is providing $60,000 to promote the availability of the services via radio, newspaper and bus shelter advertising.

I am also extremely pleased to be able to acknowledge the support this year of the Wollongong City Wolves, the current National Soccer League champions and leaders in the current competition, along with an increasing number of local licensed premises. The involvement of local licensed premises is important. The hospitality industry has a renewed conscience about its responsibility to the community. That local licensed premises support funding for this service—promoting and advertising it within their premises—is also

extremely important. The Wollongong City Council and Shellharbour City Council, Road Safety officers of councils generally, the Illawarra Area Health Service, the Roads and Traffic Authority and Wollongong police are also onside. They are supportive of this initiative. Buses are provided by local companies Dions, Rutty's and John J. Hill, which are all extending their normal services so that the Summer Bus runs from the Wollongong Entertainment Centre north to Austinmer, south to Dapto, as well as to Shellharbour. The service runs well into the early hours of each Friday, Saturday and Sunday morning.

Hourly departures are from the Wollongong Entertainment Centre, with normal fares and bus stops applying. All this promises to make the 2000-01 Summer Bus services one of the best and highest profile ever. This is a local initiative. I want to emphasise that it is a joint effort between licensed premises, police, the area health service, the Roads and Traffic Authority, bus operators and the Wollongong and Shellharbour councils. In particular I acknowledge the efforts of Prue Dunstan of the Wollongong City Council and Tony Arts of the Roads and Traffic Authority. Andrew Rutty of Rutty's Bus Company provided the vehicle for the launch of this service last week as a means of raising its profile and highlighting the issue of drink-driving and the fact that there is an alternative put together by local people.

Anyone planning a late night out and a few drinks in the coming months is to be encouraged to take advantage of this excellent service. Obviously, it is targeted particularly at young people, but is directed also at people of a mature age, to make them think twice about drinking and driving. It is in the hope that they will come to realise the benefits of public transport in a community like the Illawarra. I encourage young people and people of all ages who are having an evening out to consider using the Summer Bus as a very appropriate service.

Mr AND Mrs LETTICE AND THE STATUTE OF LIMITATIONS

Dr KERNOHAN (Camden) [5.55 p.m.]: I would like to inform honourable members of a situation where natural justice has been denied in the name of the law. My constituents Fred and Evelyne Lettice of 190 Theresa View Road, Theresa Park, are going to lose everything through no fault of their own and our so-called justice system. In 1982 the Lettices bought their 25-acre hobby farm. This property had road access to a flat area, on which they built their home, which led over an escarpment to a 13-acre flat farm with a second road access via a well-maintained right of way over two properties. Because of the topography of the area, the Lettices stressed to their solicitor, Albert Macri, then employed by Peter J. Scarcella of Liverpool, that contracts must not be exchanged until a proper survey was checked by him.

In 1993 they lodged a plan with Wollondilly Shire Council to subdivide the property into two lots, with a view to selling the farm below the escarpment and use the proceeds to further their children's education. The council found there was no legal access over one of the two properties. On discovering this in 1994, the owner of that property denied the Lettices access to their farm from Theresa View Road. Hence their grazing land became useless and the subdivision was refused. The Lettices received legal advice from their local solicitors, Caldwell, Martin and Cox, barrister Trevor Boyd and Terry Norton QC which indicated the statute of limitations of six years only applied from the time such errors were discovered.

On this advice they sued their 1982 solicitor in the Supreme Court, where Justice Ireland found him negligent, and the Lettices were awarded party-to-party costs and damages with a judgment of $195,837. However, the solicitor's insurance company, LawCover, appealed against that decision on the basis of the statute of limitations applying from the original purchase date. Although the Lettices were represented by Phillip Greenwood QC, the appeal was upheld by Justices Handley, Giles and Powell. A fortnight ago the Lettices were told they had to pay the costs of both court cases, which will force them to sell their only asset—the family home on the land they have loved for 28 years.

At the original trial the solicitor denied negligence but readily admitted it during the appeal. I am told that one of the appeal judges said during the proceedings that Mr and Mrs Lettice had done nothing wrong, however the innocent were often cast into the road for the law to apply. Where is the justice in our system when the insurance company, paid thousands of dollars each year by lawyers to protect them if they are found negligent, can appeal against an order for the payment of damages on a technical point when the solicitor is negligent in his or her duty? It seems to me, as a non-lawyer, that a solicitor can be as negligent as he or she wants and that unless clients find out within six years of the deal they have no redress whatsoever.

I call on the Attorney General to look at this situation and possibly at amending the law to close this loophole so that other innocent people will not suffer the fate of the Lettices. Bear in mind that nobody knew

about the negligence until 12 years after the event. There must be others in similar situations who are completely unaware of this problem. They might suddenly find themselves with no redress. I ask the Attorney General to amend the law quickly. Moreover, I would plead for retrospectivity of the change, although I would not normally do so. Is it any wonder that the general public often accuse the law of being an ass?

SUTHERLAND SHIRE BUILDING DEVELOPMENTS

Mr McMANUS (Heathcote—Parliamentary Secretary) [6.00 p.m.]: I congratulate the Deputy Premier, and Minister for Urban Affairs and Planning on his recent statement relating to urban planning in Sutherland shire. At the last election the honourable member for Miranda, the honourable member for Menai and I, as members representing Sutherland shire, said that we were concerned about backdoor housing development in Sutherland shire and we were determined to do something about it. Today the Premier announced that the New South Wales Government is keen to help us protect Sutherland shire from such development. Changes will be made to State environmentalplanning policy 5, thus enabling older people with disabilities to stay near their families and friends in homes that can be modified to suit their changing needs.

The Government, through SEPP 5, is encouraging the construction of easy-to-manage homes that can be modified for wheelchairs. In the past some developers have been using this policy to get medium-density housing approved through the backdoor. The Government is now determined to crack down on cheats and to make sure that this policy helps the elderly and the disabled, particularly in Sutherland shire. Housing developed under this policy is for people over the age of 55, or for people with a disability. The Government is urging councils, particularly Sutherland Shire Council, to impose a covenant on the land title which prohibits its use for anything but housing for older people or the disabled.

The Government is insisting that housing be more adaptable so that residents can stay in their own homes as they become less able. For example, SEPP 5 homes must be suitable for wheelchairs, and they must also have a bedroom on the ground floor or they must be built so that a chair lift can be installed to take residents upstairs. The Government now requires SEPP 5 homes to be built within easy distance, that is, 400 metres, of shops, community facilities, a doctor and regular transport services. Homes are not allowed in areas where council plans show that there is a high risk of bushfires or floods.

I deal now with projects that are proposed for the Sutherland shire. Over the next five years the number of older people in Sydney will increase by some 100,000. It is obvious that, as Sutherland shire is a desirable place in which to live, a large percentage of older people will want to stay in the shire or move to the shire to retire. The Government and the local members must continue to fight for the rights of our communities. We have done so on a number of occasions by stopping or reducing the size of what we believed to be ill-conceived developments. We will continue to oppose those sorts of developments. The Government and the Minister have indicated that they will support changes to regulations and to legislation to ensure that the community has more input. We must work with Sutherland Shire Council.

I congratulate the mayor, Tracie Sonda, on working with the members of Parliament who represent the area and with the State Government to ensure the provision of sustainable housing in Sutherland shire. We appreciate the ongoing consultation that she has with us. I congratulate all those clear-thinking councillors on Sutherland Shire Council who protect the community and who attempt to ensure that there is better consultation in the community when such planning decisions are being made. Local members will continue to fight to ensure that planning matters are taken care of and that there is regular consultation with the community. I am sure that all those intelligent people on Sutherland Shire Council who realise that there are problems in our community will work with us to ensure the provision of sustainable housing.

STATE CABINET VISIT TO PORT MACQUARIE ELECTORATE

Mr OAKESHOTT (Port Macquarie) [6.05 p.m.]: On Monday of next week State Cabinet will visit Kempsey and the mid North Coast. I note the presence in the Chamber of the Minister for Small Business, and Minister for Tourism. I am pleased that there was such a quick response to the Port Macquarie tourism video which was circulated in the House a fortnight ago. The visit by State Cabinet will be a great opportunity for people on the mid North Coast. The members of Cabinet will be welcomed to the area. I hope State Cabinet will consider a number of issues, particularly roads in the Port Macquarie electorate. Minister Scully is aware of several key issues, as they have been raised with him. With Cabinet in the area it is a fantastic opportunity for the Government to respond to those issues with action.

I refer in particular to three roads in my electorate. Last Friday a delegation met with the Minister to discuss the rerouting of Oxley Highway. The Roads and Traffic Authority [RTA] has purchased nearly 40 per

cent of the land that is required for this rerouting. The issue has been on the RTA's planning agenda for nearly 20 years but, unfortunately, about three to four months ago, the authority made a strange decision that it would no longer reroute Oxley Highway but would upgrade only the current Oxley Highway route. The community and every local organisation, including council, the chamber of commerce and the local Labor Party branch, have acknowledged that decision is the wrong one.

The ball is very much in the court of the Minister and the Government. With State Cabinet in the area the Government now has an opportunity to correct that wrong decision by the RTA based on the key indicators of safety and future planning. I refer also to Stingray Creek Bridge in North Haven, where a substantial expenditure of money, between $500,000 and $800,000, is needed for rehabilitation work. A load limit has been put on that bridge. Anyone who knows the area will be aware that it is the central bridge in the Laurieton-North Haven area. The use by heavy vehicles of that bridge is limited.

If nothing is done about that problem soon school bus transport in the area will be affected and buses will be required to travel on the Pacific Highway. I am sure that no government wants more buses on the Pacific Highway. The third road to which I refer is Wingham Road and the sinking of the railway crossing leading into Wingham. Greater Taree City Council expressed ongoing concern about the safety issues involved in the sinking of that railway crossing. In the interests of Wingham community and safety on the mid North Coast I hope that State Cabinet takes this opportunity to support Greater Taree City Council and the local community in funding the upgrading of Wingham Road railway crossing.

I want also to touch on some other issues, including entry fees into the national park. I hope that State Cabinet takes this opportunity to look at the issue on the ground, to determine its impact and to talk to many local residents who have now lost the opportunity of having a cheaper holiday, something which is needed because of the demographics of my electorate. Many people have been taking advantage of cheaper camping holidays. National park entry fees, increased camping fees and the introduction of recreational fishing licences, unfortunately, represent three hits on people in my electorate in the run-up to summer. I hope that State Cabinet examines the imposts in those areas.

Finally, I refer to ongoing concerns in my electorate in relation to health. The Government announced that $46 million in additional funding would go to the Mid North Coast Area Health Service. Where is that money? There are ongoing problems in the provision of services to the mental health. There is no case management in the local area, there is nowhere for involuntary patients to go and the area has the lowest staff per population ratio in mental health services in this State. That is an absolute disgrace. We have a crisis on our hands. I hope that State Cabinet takes this opportunity to fix those problems.

Ms NORI (Port Jackson—Minister for Small Business, and Minister for Tourism) [6.10 p.m.]: I reassure the honourable member that I will be meeting with the mayor to further progress discussions on the Slim Dusty Museum. I have a report from the department about the challenges and opportunities presented by that concept. I do not think it will come to fruition in the next five minutes. However, I am looking forward to progressing discussions on that development.

YOUNG MALES AT RISK

Mr BARTLETT (Port Stephens) [6.10 p.m.]: My remarks today concern young males at risk in our community. I raised this matter in my inaugural speech, and it concerns boys, boys' education and boys under stress in our present system. In many of our communities some young males have feelings of frustration and hopelessness; they have low self-esteem and feel alienated from society. A recent report in the *Sydney Morning Herald* related to the retirement of Mr Ken Buttrum from the Department of Corrective Services. When talking about young people in his care he made the points that the people in his care were terribly underskilled and disadvantaged and the cost of keeping people in detention was in the vicinity of $100,000 per year. Recently a young male from the Nelson Bay area, having spent a short time in a correctional institution, was apprehended after his release with a sawn-off shotgun.

The skills and knowledge that young people pick up in detention centres are not the skills and knowledge the community wants them to have. Incarceration is a poor societal option. High priority needs to be given to diverting the behaviour of young males before they reach the disruptive stage. That disruptive behaviour is occurring in Newcastle, Cardiff, Raymond Terrace and Cessnock, as well as in other areas in New South Wales The Drug Summit confirmed that there is no one answer to the problems of licit and illicit drugs in our community. The same applies to young people who cause disturbances and malicious damage, and behave

in an unacceptable way. A number of programs are running in the Port Stephens electorate and I should like to tell Parliament of two.

The first is a program called Machismo, which is under the chairmanship of John Ivancic. That program provides activities for young people at risk in our community. Machismo is designed to bring together males of all ages, to create a resilience and develop connectedness. One of the things we find about alienated young people is that they do not feel connected to society. Machismo operates on a number of levels, using the creative and performing arts as a vehicle to improve self-esteem and wellbeing. Through workshops and performances in schools and the community the program provides males with tools for self-expression that are not aggressive but self-empowering In the Tomaree high school Machismo is running as an option. Approximately 26 young males in the class are looking at some areas of film-making.

Machismo is flexible and utilises the resources in each community. In many ways boys represent the lack of diversity in our community. It is the intention of Machismo to challenge stereotypical expectations by exposing males to activities not usually directed towards them, such as the arts. Machismo connects males, including retired men, back to the community by offering fun activities in the form of visual arts, drama, film-making, music and physical theatre. Skateboard riding is a risk activity. Machismo puts young people on a one-wheeled circus bike, teaches them juggling skills and aerial activities, and puts on performances to music. It is helping them use their risk-taking activities for more useful and self-developing purposes.

The Rotary Club of Williamtown runs a youth sailing program on Grahamstown Dam. Eighteen months ago the club purchased six second-hand catamarans. Recently the number has grown by eight more. The catamarans are used to encourage local youths who were becoming a problem in the area to participate in a sport in which anyone can complete. Medowie has one of the highest populations of young people. It was thought that youths from low-income families would benefit from the free sailing on one of Port Stephens greatest assets, the Grahamstown Dam. Recently the club extended the sailing fleet to include sailing boats that will allow the disabled to participate. I congratulate Tom Ford, the past president, and John Donahoo, the present chairman, and all members of the Williamtown Rotary Club for an outstanding effort to provide alternatives for males at risk.

Mr GAUDRY (Newcastle—Parliamentary Secretary) [6.15 p.m.]: I congratulate the honourable member for Port Stephens on bringing these two issues before the House. He has shown how positive programs often connect senior members of the community with youth in artistic endeavour. He has shown how a fine sailing program can be used not only to develop skills but to divert young people away from negative behaviour and into positive behaviour. In the recent past I had the opportunity to visit, along with the honourable member for Londonderry and others, the Yatta Pinnacle program in the Brewarrina area. Under the program young Aboriginal offenders sentenced to less than one year are given a wonderful opportunity to learn skills, to reconnect with their community through elders of the area and to develop a sense of self-esteem.

One significant statement was made by one of the elders: it is a pity that the young people have to be convicted before they go into such a program. That is a lesson that we can all learn. I congratulate the Rotary Club of Williamtown for its sailing program on the Grahamstown Dam, and John Ivancic on the Machismo program at Tomaree. If those sorts of programs are spread across all communities they would not necessarily divert all young people away taking from a negative direction, but they would capture the attention and interest of a great number of young people who might be losing their way and turn them in a far more positive direction.

Mr AND Mrs RAWLE BUILDING DISPUTE

Mr TINK (Epping) [6.17 p.m.]: On behalf of Mr and Mrs Rawle of Beecroft I raise an issue relating to major renovations conducted at their family home. The work occurred between November 1998 and January 2000 and was carried out by Bradley Owen Davis, who, I understand, is a licensed builder. Amongst other things, a recently completed building report indicates the following in relation to this building work, which is substantially above the first floor level:

> The Walls and Roof Framing above the First Floor provide ground for considerable structural concern.

The report also states, amongst other things:

> rafters are undersized for the timber grade provided, and are incorrectly lapped …
>
> roof struts exceed 30 degrees from the vertical, are not properly connected to support members, are incorrectly installed, and are undersized for the timber grade provided …

> longitudinal roof braces are undersized, are considerably bowed and incorrectly anchored to resisting wall frames …
>
> So great and numerous are the deficiencies that we see no possibility of physically rectifying the current framing arrangement in-situ …
>
> In the case of the wall and roof framing above the first floor level the whole framework will have to be demolished.

In other words, there are major structural problems with this work. I went to inspect the work, and even to my untrained eye it presents major and fundamental problems. A number of issues arise. The work was twice inspected and approved by Hornsby shire council inspectors. My first question is: How can council inspectors possibly have approved work of this type? Second, how can a licensed builder build work of this type? I understand the builder is still building. The third matter, which in some ways is of most concern to me, is the insurance cover these people have taken out on the work. I have spoken to the Minister for Fair Trading about this and he has indicated he will take up the matter. They have insurance issued by Home Owners Warranty of New South Wales, which I understand is subrogated to HIA Insurance Pty Ltd. My constituents have started proceedings in the Fair Trading Tribunal and HIA Insurance, by subrogation, is the party on the record that would pay out on this claim.

First, the Fair Trading Tribunal asked the respondent—that is, the insurance company—to complete a form relating to the claim and return it to the tribunal within 21 days. That was as of 8 June. I understand that that has not happened. Second, the matter was listed on 3 October 2000. The purpose of the listing was, amongst other things, to promote a settlement of the proceedings, to identify and clarify the nature of the issues in dispute, and to identify the fact of law to be determined. The tribunal indicated that the parties should be represented at the case conference. I understand that there was no appearance by HIA Insurance. This is totally unsatisfactory from the point of view of a person who obtained insurance in good faith to cover defective workmanship.

The least that people who take out this insurance should be able to expect is that the insurance company, which is ultimately liable to compensate for this defective work and which is the party on record in the tribunal proceedings, will appear. I assume that HIA Insurance is licensed or regulated in some way. The Minister for Fair Trading must reconsider the question of licensing insurance companies that do not appear at these types of hearings. The average person expects an insurance company to seriously take into account all proceedings and look at any opportunity to promote a settlement of proceedings, otherwise they must prepare for a hearing in an expeditious and cost-effective way. We should expect that from insurance companies. I ask the Minister for Fair Trading to follow up this matter to see why the insurance company has not appeared in this case, to follow up the position of the licensed builder and, through the Minister for Local Government, follow up how a council could inspect and approve work of this type.

KIRRAWEE COPTIC ORTHODOX CHURCH

Mr COLLIER (Miranda) [6.22 p.m.]: One great privilege I have as a new member of Parliament is the opportunity to meet with and learn from a variety of community groups and organisations. Together these groups and organisations make a valuable contribution to the life of the Sutherland shire community. One such group is the Coptic Orthodox community. The focus of that community is the Coptic Orthodox Church of St Mary, St Bakhomious and St Shenouda located at Kirrawee in the heart of my electorate. The Copts are Christians of Egyptian origin and ancestry. Last year I joined with the Coptic Orthodox community in celebrating the Coptic New Year and the feast of the martyrs, and in launching a pamphlet on the historic church. On 10 September this year I celebrated with them the Coptic New Year—El Nayrous 1717—the feast of the martyrs and the 2000th anniversary of the Holy Family's flight into Egypt.

The New Year is one of the most important events of the Coptic calendar and one of the great festivals. The Coptic year dates back to the times of the ancient Egyptians, more than 4,000 years before the birth of Christ. The festival must surely be one of the oldest celebrated in Australia. The church was founded by St Mark the Evangelist, who commenced his ministry in Alexandria in AD42. Clearly, we are talking about one of the earliest established Christian churches in the world. The first Coptic Orthodox Church in Australia was established in Redfern in 1969 to cater for the religious and social needs of the Coptic community. There are now some 10 parishes located in Sydney, and the church estimates that there are more than 25,000 members of the Coptic Orthodox faith in this State.

The Kirrawee Coptic Orthodox parish was established in 1991. The idea arose as Coptic families increasingly moved into the Shire. The Coptic community worked very hard to build the church at Kirrawee, which was consecrated by His Holiness Pope Shenouda III on 8 December 1996. The task of building and establishing the church was not easy. The first liturgy was held in a school hall in Sylvania in June 1991. The

first early mass was held in Father Tadros' lounge room; later services were held in factories and at a Christian church in Sylvania. The main church commenced in January 1996. The church has some marvellous architectural features. For example, it is built in the shape of a ship, a style for Coptic churches since the first century of Christianity—a style referring back to the time of Noah and the ark. The Coptic calendar and the Coptic New Year are fascinating.

The Coptic calendar is the oldest known calendar in the world. This accurate calendar, which took account of the leap year, was established by the great Egyptian astronomer Toot 6,241 years ago. This calendar is used by the Coptic Church to establish events and celebrate all feast days. The date of 11 September was El Nayrous, the first day of the Coptic New Year. Not surprisingly, the first month of the Coptic calendar is called Toot, after the astronomer. The Copts celebrate the New Year and the feast of the martyrs at the same time. This remembers the persecution of the Egyptian Christians and in particular the massacre of the Copts by the Roman Emperor Diocletian in AD204. The Coptic Orthodox Church has adjusted the start of its calendar to that time, so we now begin the Coptic year 1717. This year celebrated the flight of the Holy Family into Egypt 2,000 years ago. In fact, the Copts were quick to point out to me that Egypt was the only country outside Israel visited by the Holy Family.

The importance of a church goes beyond its architecture, ceremonies and history. The most important part of this church is its people. This Church has a welfare office. It organises vacation care programs, camps and functions for its congregation. It conducts meetings for youth, and even arranges lessons in the Coptic language. The Coptic Orthodox Church of St Mary, St Bakhomious and St Shenouda at Kirrawee is one of the landmarks of the Sutherland Shire. It is testimony to the hard work, commitment and dedication of the parishioners and their priests to their faith, their families, their community and the shire community. I am privileged to have this wonderful church, the centre of the religious, social and welfare activities of the Coptic Orthodox community, in my electorate of Miranda. The church and its community enrich the life of Sutherland shire.

Mr JOHN McMULLEN HOSPITAL TREATMENT

Mr J. H. TURNER (Myall Lakes—Deputy Leader of the National Party) [6.27 p.m.]: On behalf of my constituent Mrs Doreen McMullen and her family, Bruce and Susan McMullen, I raise an issue relating to the late John McMullen. Both Doreen and John McMullen had been extremely valuable citizens in the community; they came from Hallidays Point in my electorate. John was a member of the Lions Club and played an important role, as did Doreen McMullen in the quota club. Mr McMullen was diagnosed with bladder cancer about 12 months ago. He underwent minor operations in Foster and in Lake Macquarie Private Hospital, but complications set in and he was transferred to John Hunter Hospital, where he was gravely ill for 11 weeks. During that time Mr McMullen was fed intravenously. As a direct consequence of the illness and limited nutrition, he lost a considerable amount of weight.

After two months his health began to improve by increments and it was deemed necessary to encourage normal eating habits and return to soft food. The continual improvement resulted in the prescription of chewable foods. A problem then arose: because of the loss of weight, Mr McMullen's false teeth no longer fitted. As a consequence of that, he had considerable difficulty handling chewable food. The doctors at John Hunter Hospital arranged for Mr McMullen to have a new set of dentures fitted. Late in October, although Mr McMullen was still critically ill, it was deemed essential that new dentures be fitted.

Consequently, Mr and Mrs McMullen and the head of nursing for the surgical ward at John Hunter Hospital were transported by ambulance across town to the Royal Newcastle Hospital denture clinic, only to be turned away. It was explained to them that the Hunter Area Health Service only treated patients in its area and that the service could not therefore assist. The nursing sister proposed that the Hunter Area Health Service bill the Mid North Coast Area Health Service for the dentures, but was told that this was not possible. Understandably, everyone was frustrated, and everyone was transported back to John Hunter Hospital by ambulance.

As Mr Bruce McMullen, Mr McMullen's son, said, it was an expensive exercise in futility. I suggest that the cost of providing the ambulance service to take the nursing sister from one side of Newcastle to the other on two occasions would have well and truly offset the cost of providing the dentures. Obviously, this state of affairs caused much distress and frustration to Mrs McMullen, who, out of desperation, chose to employ the services of a private dental prosthesist to come to the hospital and fit a set of dentures. The dentures cost some $580. Mr and Mrs McMullen are both pensioners. The very sad aspect is that Mr McMullen passed away on the day the dentures were finally fitted. Mr Bruce McMullen stated:

> … it is obvious that there needs to be created a mechanism whereby billing can occur across area health services.

Whilst the Government might argue that such a mechanism is in place, clearly this is a case in which billing across area health services has not occurred. Mr Bruce McMullen went on to say:

> What alternative was there for my mother other than to employ a private dentist, even though she could not afford it? Through no fault of his own, Dad was sent out of his "area" for hospital treatment. Was dad supposed to travel back to Taree, with the accompanying entourage of medical staff in order to get a new set of dentures, and then return to John Hunter for ongoing treatment?

Of course, the answer to that is that Mr McMullen should not have had to do that. But, unfortunately, circumstances were such that that was the alternative that was placed before him in this situation. Regrettably, many specialist services are available only in the larger cities and many people such as Mr McMullen are forced to avail themselves of these facilities as a direct result of the decline in the availability of specialist rural health services. Obviously, when additional treatment is needed, it should be provided at the medical institution where the person currently receives treatment. Mr Bruce McMullen went on to say:

> I would go so far as to assert that the additional stress caused by the transport, the hassle and the frustration of not finding a satisfactory solution, contributed to my father's rapid decline and passing. Is this yet another example of the lack of understanding of rural affairs by the current Government?
>
> I would humbly request, therefore, that you ask the relevant Minister for an explanation of the appropriate mechanism my father had at his disposal to gain the necessary dental health care to enable him to eat, regain strength and recover? If indeed there is such a means, could he explain why no-one knew of its existence?

STEEL TANK AND PIPE MANUFACTURING COMPANY WORKERS ENTITLEMENTS

Mr GAUDRY (Newcastle—Parliamentary Secretary) [6.32 p.m.]: I draw to the attention of the House the disgraceful treatment of the employees of Steel Tank and Pipe that has emerged as the company has gone into receivership. Steel Tank and Pipe was founded in Newcastle in 1947 and expanded to seven companies throughout Australia. The company manufactures a range of tanks and containers for the storage of liquids, including petrol, oil and water. It had branches operating in Queensland, South Australia, Victoria and New South Wales which have been progressively placed in receivership. The latest receivership, involving the Carrington plant in Newcastle, occurred on 3 November. The first time the employees of the company found out that they were in a position of great jeopardy was when they received a letter from Price Waterhouse Coopers, who were appointed as the receivers. In the letter Price Waterhouse Coopers said:

> I advise that I was appointed Joint and Several Receiver and Manager of the above companies ("the R & M Companies") on 3 November 2000, together with my Melbourne partner …
>
> I have investigated the records of the R & M Companies and advise that these records indicate that you are not employed by any of the R & M Companies.
>
> I am however informed by Messrs Brad and Stephen Weeks that you are employed by one of the following companies:
>
> Steel Tank & Pipe Manufacturing Pty Limited
> STP Fibreglass Pty Limited
> L. W. Weeks Holdings Pty Limited
> STP Administration Pty Limited
> Steeltank Pty Limited
>
> ("Employer Companies")
>
> Messrs Brad and Stephen Weeks are Directors of each of the Employer Companies.
>
> Attached is a schedule detailing the name of your employer and your employee entitlements estimated as at 3 November 2000. Your employee entitlements arise under your contract of employment with your Employer (named in the attached list) and are the responsibility of that Employer.

At a subsequent meeting with the receiver on 9 November the employees discovered that they had been transferred, without their knowledge, by the directors, Brad and Stephen Weeks, into shelf companies that held no assets whatsoever. The impact of this Patricks-style move by the company means that its workers face the total loss of their entitlements, amounting to some $3.3 million in the firm's operations across Australia, excluding redundancies for Newcastle, Perth and Sydney. Last Monday I spoke to many of the 60 workers employed at STP's Parker Street, Carrington, plant, where they have set up a picket to protest the company's disgraceful treatment of them. In return for their loyal years of service to the company they stand to lose their entitlements to annual leave, annual leave loading, long service leave, rostered days off payments and superannuation entitlements accrued as at 3 November, the date of receivership of STP at Carrington.

The workers were understandably bitter about the manner in which they were treated. They advised me that while they would miss out on all their entitlements, the secured creditors of the seven companies in

receivership stood to gain any dispersal of the company's assets. These creditors were believed to include the National Australia Bank, for $10 million, Mrs Weeks, for $1 million, and a Malaysian company believed to be owned by the Weeks brothers, secured for $1 million. While the workers miss out on their entitlements, it appears that the company directors will retain their right to share in the disposal of the company's assets. The workers were particularly bitter about the fact that, while they suffered, the company directors were living in splendour, enjoying ocean views in Merewether Heights. That is just part of the problem.

The real problem, of course, is that this is not a new issue. This has been an issue across New South Wales—for example, in Cobar, at Scone Fresh Meats and National Textiles. This case is simply the latest in a long list of cases on this issue. It is time that legislation was established in the Corporations Law, the Federal industrial relations law, to make it a criminal offence for a company to set up shelf companies, as occurred in this case, to ensure that workers' entitlements are not put into a company with no assets, and to ensure that action is taken against companies that treat their workers in this way.

Mrs GRAHAM AND THE DEPARTMENT OF COMMUNITY SERVICES

Mr GLACHAN (Albury) [6.37 p.m.]: I raise a matter of concern to both me and one of my constituents, Mrs Graham. On 16 October I wrote to the Minister for Community Services and forwarded her copies of two letters I received from Mrs Graham. Four of Mrs Graham's grandchildren—Tara, 13; Ben, six; Jayemin, four; and Ashleigh, three—came into her care on 9 December when Mrs Graham's daughter, Sharon, was murdered by her husband. Thirteen-year-old Tara was stabbed by her father when he murdered Tara's mother, and she was seriously injured and left for dead. The four grandchildren then came into Mrs Graham's care. At that time Mrs Graham's husband was suffering from leukaemia and doctors had given him between six months and seven years to live. When the children first came into her care, Mrs Graham was receiving fortnightly payments from the Department of Community Services of $37 for Ben and $65 for the other children. She believed that these were foster care payments.

Later, Tara, the child who was seriously injured, became very disturbed because of all the trauma involved with her father murdering her mother and seriously injuring her. She later went to live with an aunt in Wodonga and, while she was there, she came under the care of the Department of Community Services [DOCS] in the Wodonga area as a foster child to her aunt. Her aunt received financial assistance for her. When Tara left and went to Wodonga, DOCS stopped all payments to Mrs Graham because Tara was no longer with her, although she still had three other grandchildren living with her. Sadly, Mr Graham died in November 1998, which was 11 months after his daughter was murdered. To add to Mrs Graham's problems, in December 1998, which was just a few weeks after her husband died from leukaemia, little Ashleigh underwent eye surgery which was unsuccessful and she is now considered to be clinically blind.

So Mrs Graham's daughter was murdered, one of her granddaughters was seriously injured at the time of that murder, her husband died from leukaemia, and one grandchild, Ashleigh, is now blind. Mrs Graham is looking after three grandchildren and receives no financial support from DOCS. As a result of all the upsetting events Tara experienced, including the trial of her father for the murder of her mother, she was reported missing. Mrs Graham was advised to seek court custody of the children after their father's trial—he was gaoled for 24 years. Mrs Graham sought court custody of the children and that cost her more than $1,500. Tara has now returned to Mrs Graham. Because Mrs Graham is recognised as Tara's foster carer, she receives financial support for Tara. Because Mrs Graham could not cope with all the children living with her and with all the problems she had, Jayemin was placed in foster care with her godparentsand, I am pleased to say, is now very happy and content. Jayemin's godparents are receiving financial support for her. Mrs Graham still receives no support for Ben or for her blind granddaughter, Ashleigh, but she receives support for Tara.

To add to all Mrs Graham's problems, on 11 February she broke her ankle and was confined to a wheelchair. Nine months after the break, she is still in plaster. Mrs Graham wrote to the director-general on 20 April 2000. She received a reply on 30 May saying that she would receive a response as soon as possible. She complained to DOCS and thereafter three Wagga Wagga officers contacted her to find out what the Albury office had been doing. Arrangements were made for her to sign some papers and she was told that she would receive some payments which would be backdated to 1 July. Later, that date was changed to 3 August, but as at 16 October she had received absolutely nothing. She has received no money to support her other two grandchildren, Ben and Ashleigh. On Mrs Graham's behalf I have written to the Minister for Community Services, Minister for Ageing, Minister for Disability Services, and Minister for Women. Mrs Graham has faced all these problems. My question to the Minister is: Can she assist? Can she intervene and ensure that Mrs Graham receives support for Ben and Ashleigh?

WALCHA BUSHFIRES

Mr WINDSOR (Tamworth) [6.42 p.m.]: I draw to the attention of the House the recent occurrences of Walcha bushfires and some of the problems emanating from those fires. Most honourable members acknowledge that a number of bushfires occurred in the northern part of the State, mainly in areas surrounding national parks. In a few instances the fires encroached upon quite substantial areas of national parks. I point out that I have taken up this matter with the Attorney General, Minister for the Environment, Minister for Emergency Services, Minister for Corrective Services, and Minister Assisting the Premier on the Arts, Bob Debus, and I have alerted him to my intention to address the issue in the House. Today he was good enough to send me an explanatory note in response to some of the questions I posed by letter recently.

In the view of many land-holders and members of the community who live in the Walcha area there appeared to be extreme waste in the manner in which fires in the area were fought. I instance the use of section 44 emergency powers, the use of many helicopters—there were occasions when eight helicopters were sighted in the area at one time—water bombing in a national park, and the use of aircraft and taxis. A whole range of various resources were brought into the area to fight the fires. As the Minister pointed out in his letter, some of the fires that occurred very early in the piece were on private land. Over a period, the fires escaped from private land. The nub of the issue to which I wish to draw the Minister's attention is that border control of boundaries between national parks and private land-holdings are the subject of hazard reduction plans that either are or are not in place or should or should not be acted upon.

Be that as it may, in a couple of instances normal spring burning activities were carried out on private land-holders' properties. Owing to a number of circumstances, fire escaped into a national park. Thereafter a section 44 emergency was declared and a whole range of very costly activities was instigated. Some fires in the national park were caused by lightning which has also caused some degree of concern. As a member of the committee which examined the aftermath of the Sydney bushfires and as someone who is aware of the findings that the Government has picked up and applied in the process of allocating resources to, and improvements in the communications of, the bushfire service, I am not one to make a complaint against individuals involved. However, one of the outcomes of the 1994-95 inquiry was the formulation of improved hazard reduction plans particularly in national parks and in neighbouring private land-holdings. If those plans had been implemented, the activities which took place in the Walcha area would not have occurred, and that is the key point of this issue.

A great deal of money was spent in putting out fires. In most cases the fires were quite slow and were moving along quite gently. One should consider the amount of money that was spent to contain those fires against the background of a land-holder who approached National Parks and Wildlife Service officers and said that he intended to carry out a spring burn. He asked for a neighbour policy arrangement to be carried out whereby officers would go along a fire trail and backburn to ensure that the fire did not encroach upon the national park, but that suggestion was rejected by the National Parks and Wildlife Service officer in Walcha. Hence a fortnight later a fire occurred which entered the national park and led to enormous expense being incurred to put the fire out.

I make this appeal to the Minister because there needs to be better planning of hazard reduction. The Minister is in the unprecedented and unique position of being both the Minister for the Environment and the Minister in charge of rural fire services. I know that people on both sides of the debate would like more appropriate plans to be put in place. My constituency consists mainly of private land-holders who are very upset about the way in which the fires were mismanaged. But, more importantly, my constituents are concerned to ensure that fires are better managed in the future. Fire is a natural occurrence in the Australian bush, but a program of better hazard reduction control between neighbours needs to be implemented—in this instance particularly between the National Parks and Wildlife Service and private land-holders on neighbouring properties. I am very pleased that the Minister has come into the Chamber. He may care to respond to some of the points I have made. I reiterate that the Minister is in a unique position to resolve this problem for the future.

Mr DEBUS (Blue Mountains—Attorney General, Minister for the Environment, Minister for Emergency Services, Minister for Corrective Services, and Minister Assisting the Premier on the Arts) [6.47 p.m.]: Earlier this afternoon I provided the honourable member for Tamworth with some detailed written responses to a number of the issues he has raised. I will continue to talk with him about this matter. During September and October the North Coast and Northern Tablelands experienced a series of fires covering more than 400,000 hectares. There was serious threat to private property throughout the area.

I am advised that local authorities clearly indicated to the Rural Fire Service that local resources were becoming exhausted in the Walcha area. It was indicated that a major effort would be required and local

resources would have to be significantly augmented. That is why the local fire control officer, on behalf of the Walcha bushfire management committee, requested that section 44 of the Rural Fires Act be invoked, saying that was necessary because of the impact of multiple fires across the area. The fire control officer also indicated at that time that Walcha Rural Fire Service was stretched beyond its ability to cope. Therefore, the decision to invoke section 44 of the Act was entirely in response to locally based requests.

Local knowledge and expertise were certainly used in fighting these fires. The primary leaders were the local officers of the National Parks and Wildlife Service and Rural Fire Service volunteers. It appears that the origin of the four fires which were collectively managed, as the honourable member said, such as the Cheyenne-Kunderang fire, was, in each instance, on private property.

The National Parks and Wildlife Service and the Rural Fire Service are carrying out investigations to determine whether three of the fires were lit by neighbouring land-holders. The fourth was certainly lit by a lightning strike. I can say also that the National Parks and Wildlife Service and the Walcha fire control officer plan to meet with land-holders to consider ways in which the two organisations may be able to assist them in containing future fires they may light on their properties, and obviously to teach them about issues concerning hazard reduction. [*Time expired.*]

BILL RETURNED

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

Federal Courts (Consequential Provisions) Bill

WORKPLACE (OCCUPANTS PROTECTION) BILL

Bill received and read a first time.

Mr ACTING-SPEAKER (Mr Mills): I have been advised by the honourable member for Northern Tablelands that he will have carriage of the bill in the Legislative Assembly.

ROADS AMENDMENT (M5 EAST ROAD TUNNEL) BILL

Bill received and read a first time.

Mr ACTING-SPEAKER: I have been informed by the honourable member for Myall Lakes that he will have carriage of the bill in the Legislative Assembly.

[*Mr Acting-Speaker (Mr Mills) left the chair at 6.52 p.m. The House resumed at 7.30 p.m.*]

SYDNEY 2000 GAMES ADMINISTRATION BILL

Second Reading

Debate resumed from 1 November.

Mr HARTCHER (Gosford) [7.30 p.m.]: I speak to this bill on behalf of the Coalition parties. The Sydney 2000 Olympic Games and Paralympic Games have rightly received accolades from the President of the International Paralympic Organising Committee and the President of the International Olympic Committee as the world's best ever Games. It is a tribute to the people of Sydney, to the people of Australia, to the thousands of volunteers, to the athletes and, of course, to the organisers that these Games were such a success. I have previously placed on record my appreciation to the Minister and to the members of the board and senior staff of the Sydney Organising Committee for the Olympic Games [SOCOG].

I would like now to acknowledge other staff of SOCOG with whom I had the honour to be involved. I speak in particular of Di Henry, the director of the torch relay, and Lisa Hanley, her assistant. They are two of the finest people I have had the honour to meet. They were both superbly dedicated to the Games and to the torch relay. They literally lived their work. It was not a job for them, but for about five years they lived it day and night: always on the phone, organising, attending meetings, thinking how to improve the torch relay and to ensure that it worked. They gave up time with their families and travelled around Greece and Australia. They worked literally seven days a week, 24 hours a day. They were extremely dedicated and deserve every attribute that can be given to them.

I was especially pleased that Di Henry received the Olympic pin from Juan Antonio Samaranch. I hope that Lisa Hanley also receives appropriate acknowledgment. I greatly enjoyed working with them and wish them both well in their future careers. Senior staff of SOCOG were wonderful people who did a first-class job. I am sure everyone wishes them well in their future careers. I referred to a number of them by name when I spoke to the Olympic Games motion that was moved by the Premier, and I shall not repeat those comments. We often do not realise what fine public servants we have in Australia—I use the term "public servants" in the wider sense as people who serve the public.

We have a gifted public service. When I became a Minister I realised how hard they work, how intelligent they are and what great commitment they have. That certainly shone through with the staff of SOCOG, and I am sure the same applies to the staff of the Sydney Paralympic Organising Committee [SPOC], with whom I did not have as much personal involvement. However, their commitment translated into the results and the atmosphere that volunteers were able to catch. They lit the fires from which the volunteers were able to draw warmth and they in turn shared that warmth with the wider community. Everybody who has been touched by the Olympic Games and Paralympic Games will remember them for the rest of their lives and will always regard those weeks in September and October 2000 as great events in the history of the city of Sydney.

This bill seeks to dissolve the board of SOCOG. I might declare an interest. Pursuant to the Act, as shadow Minister for the Olympics I am presently a member of the board of SOCOG. I have sought guidance from the Clerk and have been advised that there is no objection to my participating in this debate as I have no pecuniary interest in the board. Pursuant to the Act I do not receive any salary. Accordingly, I feel confident that in accordance with the code of conduct it is appropriate for me to speak to this legislation. I want to pay tribute to the staff of the Minister's office, all of whom are excellent people to work with. I mention in particular Mr Michael Deegan, who is now Director-General of Transport, Mr Tom Forrest and Mr Brett Gale, all of whom were courteous and competent. I am sure that when the Minister resigns they will have no trouble finding future employment. I acknowledge openly that their sympathies are not with my political party but that in no way denies their personal ability and charm. I pay a special tribute to Cheryl Owen, who is an absolute joy.

Mr Knight: Sensational.

Mr HARTCHER: She really is. She is a most charming, helpful and lovely person, and I am sure she was a joy to the Minister's office because it was always a great pleasure for me and my staff to work with her. She was caring, helpful and devoted to the Minister. I had no idea he was able to attract such personal devotion.

Mr Knight: She is a remarkable person.

Mr HARTCHER: She certainly is. I would like to pay tribute to her and all of the others. Having said that, I return now to the bill. The bill seeks to wind up the board of SOCOG. Obviously the functions of SOCOG will continue. The existing statute has a sunset clause which comes into effect on 31 March 2002. However, it is the Government's intention to wind up the board of SOCOG and the Olympic Roads and Transport Authority [ORTA] earlier than that and to essentially transfer their functions to the Olympic Co-ordination Authority [OCA]. Previously I acknowledged the work of OCA and people like David Richmond, who is pleasant and competent. He did a wonderful job for the Games as Director-General of both SOCOG and OCA. However, the Coalition parties have determined that in the best interests of the people of New South Wales it would be more appropriate if this legislation does not pass.

The Coalition takes the view that the public accountability and public responsibility as expressed in the existing structure is the most appropriate one for the governance of the dissolution of the Games, to ensure public confidence in the process of dissolution and an appropriate level of public accountability. For those reasons, although the Coalition parties have always adopted strong bipartisan support for the Games, they are not prepared to support or endorse this legislation. The effect will be that when a vote is called later in this debate the Coalition parties will not support the Government but will vote against the legislation. This does not mean that the Coalition parties in any way derogate from the great success of the Games or the integrity of the staff of SOCOG, but because they are concerned that the public accountability and public interest are best protected and served by maintaining the existing structure until 31 March 2002 and the continuance of the existing structure as provided by the original Act, which was passed by the Parliament in 1993 or 1994. For those reasons the Coalition will not support the bill.

Mr KNIGHT (Campbelltown—Minister for the Olympics) [7.40 p.m.], in reply: I thank the shadow Minister for his kind words about the staff of SOCOG, the Sydney Paralympic Organising Committee [SPOC] and the Olympic Co-ordination Authority [OCA], and also the staff of my own office. I heartily endorse his remarks. I must say that I am a little perplexed at the attitude of the Coalition in opposing this legislation. Why would the Coalition want to oppose something of this nature? Is it because the original SOCOG Act of 1993, put through by the Coalition when in government, had a sunset date of approximately—and I say "approximately" advisedly—31 March 2002. I say "approximately" because if there is ongoing litigation it may be impossible to wind up the organisation by that date.

Is the Coalition simply taking the view that it does not want anything changed that would bring about a situation different to the one envisaged in 1993? Are members of the Coalition so sensitive as to think this is an implied criticism of them, or are they opposing the bill merely for the sake of opposing anything that the Government puts up? Clearly, their hearts are not in it. The Coalition is obviously not fair dinkum in its opposition to this bill when it could produce only one speaker on behalf of the Liberal and National parties to offer any contribution in opposition to this legislation.

The official reason offered was something along the lines of, "We think the existing structure should remain to provide greater public accountability." That is a silly argument because nothing in regard to accountability or the procedures involving Parliament and the Auditor-General will change as a result of this legislation. This legislation recognises what everyone in New South Wales has recognised—except, apparently, members of the Liberal and National parties in the State Parliament—that is, that the Games are over; the Games are finished. Both the Olympics and Paralympics were sensational. They were terrific Games, but they are over.

The thought of retaining organisations whose whole focus was to run the events that are now over defies any credibility. What the Opposition has offered tonight is a circumstance whereby we would keep the SOCOG board going and pay the members of that board, other than the shadow Minister and my successor—who, under the Act, would have to be appointed as Minister for the Olympics in the new year to serve on that board, regardless of the fact that the Olympics are over. Although we would not have to pay those two people, if the Opposition has its way we would continue to pay people $50,000 a year of public money to sit on a board that performs no role and has nothing to do.

I would not accuse members of the Coalition of looking after their mates and say that this is a rort to pay Nick Greiner and John Valder $50,000 a year each, because Graham Richardson would also have to be paid $50,000 a year. It is a classic form of bipartisan stupidity. It is not some silly rort for the mates of the Liberal Party; it is a crazy proposal. It would also involve paying $50,000 a year to the Lord Mayor of Sydney, Frank Sartor. It does not affect only the Labor and Liberal parties; it affects people who do not belong to a political party.

There is absolutely no justification or reason for paying people to sit on boards when those boards have nothing to do. They would be paid a sum of money to receive non-existent reports, to attend meetings—or not attend meetings. If they did attend meetings they would have nothing to do at those meetings. If one added to that the costs involved in providing support staff, a place for the board to meet, someone to deliver any papers—if someone were able to fabricate some sort of work as a form of make-work scheme—it would probably be running in the vicinity of $1 million a year.

As well, under the Opposition's proposal the board members of the Sydney Paralympic Organising Committee would continue to meet long after the Paralympics are over, long after the accounts have been effectively balanced and long after there was anything left to do. In addition we would have to keep the Olympic Roads and Transport Authority [ORTA] operating long after its whole reason for existence was over. I am almost speechless with amazement and there is very little else I can say on this aspect. I certainly hope that the members of the crossbench in the upper House will adopt a far more sensible approach than I have seen in this Chamber tonight on behalf of the Liberal and National parties. I commend the bill to the House.

Question—That this bill be now read a second time—put.

The House divided.

Ayes, 50

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

Noes, 35

Mr Armstrong	Mr Kerr	Mrs Skinner
Mr Barr	Mr Maguire	Mr Slack-Smith
Mr Brogden	Mr McGrane	Mr Souris
Mrs Chikarovski	Mr Merton	Mr Stoner
Mr Debnam	Mr O'Doherty	Mr Tink
Mr George	Mr O'Farrell	Mr Torbay
Mr Glachan	Mr Oakeshott	Mr J. H. Turner
Mr Hartcher	Mr D. L. Page	Mr Webb
Mr Hazzard	Mr Piccoli	Mr Windsor
Ms Hodgkinson	Mr Richardson	*Tellers,*
Mr Humpherson	Mr Rozzoli	Mr Fraser
Dr Kernohan	Ms Seaton	Mr R. H. L. Smith

Question resolved in the affirmative.

Motion agreed to.

Bill read a second time and passed through remaining stages.

WATER MANAGEMENT BILL

Second Reading

Debate resumed from 2 November.

Mr D. L. PAGE (Ballina) [7.55 p.m.]: I lead for the Opposition on the Water Management Bill. This comprehensive legislation covers 300 pages. The Minister proposes to move no fewer than 160 amendments to the bill, which was introduced in June. The Government has also indicated that it will move three or four subsequent amendments. In addressing the challenging and somewhat daunting task of speaking about a bill that contains 300 pages, which is all-embracing in nature and arguably the most significant resource management legislation to pass through this Parliament, I decided that the best way to approach it was to make a few introductory general remarks, move to the bill's key provisions, identify its considerable number of positives, express some concerns about it and, finally, indicate the position that the Coalition will take in moving its own amendments.

This legislation is an improvement on what was contained in the white paper and is superior to the original bill introduced by the Minister in June. I acknowledge that the Government has accepted at least some of the changes suggested by the Coalition and other members. It goes without saying that a secure water supply

is vital to regional areas. Without going into detail about how many billions of dollars are generated by irrigation, industries which rely on water use and other water users, I am sure we all accept the importance of water to local councils and towns. Water is an important and critical resource to regional New South Wales. Those of us who have been to regional New South Wales have observed that towns and areas which have a secure water supply do quite well.

Generally speaking, towns such as Griffith and areas in the Murray Valley with a secure water supply are thriving. There is a connection between a secure water supply and economic and social benefits. Central to this legislation is the challenge in achieving a secure water supply for those who need it whilst allowing for change in water management regimes to meet environmental. Having given the matter considerable thought I believe that there are two ways to approach the issue. First, we would like to provide a perpetual property right which will provide security for water users. Under such a system, changes needing to be made as a result of environmental requirements could be made while maintaining equity in the sense that people adversely affected by the changes would be duly compensated.

I think there is fair acceptance of that general position, bearing in mind that the water entitlements we are debating have been issued by government. They have not been stolen; they are legal entitlements. On the basis they have been issued by government, if they are to be withdrawn by government then obviously the Government should compensate for them. The other way to approach the challenge of providing a secure water supply while at the same time allowing for change over time in environmental management, is to take the approach that the Government has chosen to take, which in my view is the lesser of the two options. Be that as it may, it has chosen to enshrine some sort of water right within the context of a water management plan. The problem with that approach is that at the end of the period of the plan the security that was previously there ceases to exist, in the absence of some transitional arrangements taking one into the next period.

One of my greatest concerns about this legislation is that at the end of the 10-year period of the water management plan it has no automatic provision for rollover. If the Government is serious about trying to provide some sort of water security, particularly in relation to meeting the needs of the finance industry—which has indicated to me, in no uncertain terms, that it requires more security than is currently provided—it needs to think carefully and seriously about providing some mechanism to provide real water security beyond the 10-year period. People quite often talk about property rights without necessarily explaining why it is important that property rights should exist. To me, there are at least four reasons, quite possibly more, that property right for water is important.

Firstly, it provides security for water users, enabling them to plan investment strategies for the future in the knowledge that a water entitlement is likely to be in existence for some time. Secondly, it allows for change in an equitable manner. In New South Wales over the last three or four years there have been changes in water management regimes that have not been equitable in that water rights have been taken away from people without proper compensation. A water right provides for change, but in an equitable manner, in the sense that those who are adversely affected are compensated appropriately. Thirdly, a water right, if it is backed by a compensable element, acknowledges the reality that the community as a whole—not just the individual farmer—has a responsibility for natural resource management. Where there is change with a compensable right, quite clearly the community underwrites that change. Thus it is acknowledged that it is not just the farmer who is responsible for natural resource management and environmental repair.

Interestingly enough, this was a point made by the Premier at the salinity conference in Dubbo. There the Premier acknowledged—in my view, quite rightly—that salinity is not just the farmer's or land-holder's problem; it is a community problem. The Premier said, quite correctly in my view, that there needed to be a whole-of-government approach and whole-of-community approach, with the community needing to underpin changes that occur. My concern is that the sort of principle that the Premier espoused on that occasion—which I believe was warmly received—is not inherent in the water legislation in that the Government has chosen to enshrine a water right within the context of a plan that is finite, as this legislation is currently written.

A fourth and important reason for having a decent water right is that if we are to go to a system, as this legislation does, that provides for increased tradability of water, and is designed to give outcomes that take water to its highest and best use, we must trade in a commodity that is secure. People will not buy something from another person if there is no guarantee that what is being purchased has longevity or long-term security. So it is worth reminding ourselves why water rights are important. The key water-sharing principles of the bill are sustainable and integrated management of water resources, the protection of free ecosystems, the recognition of the social and economic benefits to the State from the sustainable and efficient use of water, and the orderly, efficient and equitable sharing of water.

I understand the Minister has indicated that a provision will be included to make it plain that all of those principles are of equal standing and that no priority attaches to them. That is quite important. With the current legislation I moved an amendment to section 11 to the effect that the ministerial corporation had to take into consideration the social and economic impacts. The Government accepted that amendment, and it remains part of the current legislation. Effectively, by establishing those principles, we are saying that they are all important and one is not more important than the other. I think that in itself is an important principle.

The functions of management committees include the preparation of draft management plans and reporting to the Minister on matters affecting the management of their water management areas. I have no real difficulties with those provisions. Management committees are very important to the functioning of the whole of this legislation. The management committees are critical because they prepare the management plans that determine the sharing arrangements for water. The management plans are probably the key aspect of the legislation.

The current legislation provides for management committees of at least 11 and up to 20 members. At least two are to be representatives of environmental protection groups, two representatives of water user groups, two representatives of local councils, two representatives from Aboriginal interests, at least one representative from catchment management boards and trusts, at least one member of staff from the Department of Land and Water Conservation, other persons appointed to represent such interests as the Minister considers require representation, and of course one person to be appointed the independent chairman.

The Opposition has a few concerns about the composition of the committees, particularly the provision that enables the Minister to appoint up to 20 people on a committee. The minimum requirement is 11, but the government of the day has the capacity to appoint an additional nine persons. My concern is that it is quite possible for a government, if things are not going exactly the way it wants , to stack committees by appointing any number of people, up to a maximum of nine, to those committees to make sure that the Government gets the outcome that it wants.

If we are serious about water management, we must recognise that it is a partnership arrangement and that the community has the right to a say in outcomes, in the same way that the government of the day has. I am concerned about the capacity of government to abuse the system in that way. I would prefer a committee of a smaller size—not just to reduce the potential for stacking of committees but also to make the committees more manageable, because a committee with about 20 people on it is fairly difficult to manage.

Another of my concerns is that the community representatives on the committees in my view ought to live in the area to which the management plan relates. It is not satisfactory to have people flying in on aircraft just for the day to go to a meeting then fly out again. Wherever possible, the community representatives on the committee should live in the area to which the management plan pertains. I accept that departmental people are in a different category, because quite often the departmental person is not based in the particular valley and it is not practical to provide that that person livein the area. I foreshadow that as one amendment the Opposition will move in the upper House.

Another aspect that concerns me is that schedule 6 contains a provision relating to disclosure of pecuniary interests of members of management committees. My concern is that when assessing a bulk access regime, or a change to a bulk access regime—and we are talking about shares in a bulk access regime, with the legislation providing for either a shared arrangement or a volumetric entitlement—an individual irrigator, for example, who by definition has a share in the bulk access regime, would have to have a pecuniary interest in the outcome.

It concerns me that somebody might be of the view that an irrigator would not be able to vote on a water management committee because he or she would have a direct pecuniary interest. He or she would have a licence that would be part of a total share in an available resource. It may not seem a big point but it is something that must be clarified. We might need to include in the legislation something along the lines that an irrigator will be able to vote and will not be deemed to have a pecuniary interest. It would be a general interest rather than a specific interest, but it could be argued that he or she had a specific interest.

I welcome the amendments that involve a change in decision-making arrangements. The present legislation provides that when it comes to decisions the preference will be for a consensus or, if not a consensus, for a majority. In any event, regardless of those two issues, decisions relating to changes to draft water management plans must be unanimous. That removes the concern that I originally had about certain groups

being underrepresented in committees. It means that on important decisions like a draft water management plan or a water management plan, a person in a minority position would have to be convinced that it was the right way to go; otherwise he or she could object and it would not be a unanimous decision.

There is some protection for minority groups no matter where they are coming from—a provision that was not in the legislation before. Those changes to the legislation are to be welcomed. So far as process is concerned, the legislation is pretty reasonable in that it states that draft water management plans must be referred to the Minister after they have been put together by the committee. The plans then have to go on public exhibition. After a period of public exhibition members of the public then have an opportunity to comment on them. Those submissions are received, the plans are resubmitted to the Minister, and the Minister responsible for the Department of Land and Water Conservation must obtain the concurrence of the Minister for the Environment.

I am concerned that the Minister for the Environment, who will not have been involved in the process up to that point, will have a veto power. Under this legislation that Minister has the power to veto the plan altogether or to approve it only on the basis of changes that he or she deems appropriate. It seems to me that that provision, which is inappropriate, should be removed, and I foreshadow that the Opposition will move an amendment along those lines. Water management plans will last for 10 years, which is an improvement over the five-year period provided in the original legislation. That provision will be reviewable after five years. Losses that are caused by compulsory acquisition through changes to the bulk access regime during the course of the plan—that is, the 10 years—will be compensable. I welcome that desirable change.

On my reading of the legislation, if there is a partial loss of entitlement during the 10-year period, a person can go to the Valuer-General to seek compensation. So the Minister has been taken out of this equation in terms of valuation. A person would go to the Valuer-General, who would advise the Minister and that decision would be final; it would not be appealable. However, if it is a compulsory acquisition it is a different ball game. The matter goes to the Valuer-General and any person who is unhappy with the Valuer-General's decision can appeal to the Land and Environment Court. That applies to total acquisition.

The provisions in the legislation for partial loss are different. Anyone going to the Valuer-General does not have the right to appeal the recommendation that the Valuer-General makes to the Minister. There is no automatic presumption that someone will be entitled to compensation for a partial loss. Whilst I was originally told that these changes were fully compensable over the 10-year period I discovered, on a closer examination of the legislation, that the provisions for a partial loss are not the same as the provisions for a total loss. The Government should re-examine that provision to ensure that that is the intention of the legislation. It is my understanding that the intention of the legislation is that any loss throughout the period of the plan would be fully compensable. That is what the Director-General of the Department of Land and Water told me. I ask the Minister to address in his reply the issues that I have raised.

I refer now to water management plans. The big issue is: What happens after year 10? There is no provision at the moment for any automatic rollover. There are a number of ways in which one could attempt to provide security beyond year 10. It is important that such a provision be included in the legislation. Assume that in year eight a person goes to the bank to borrow money to do something that involves a water licence. The bank manager might ask, "How long have you got to go?" The person might reply, "Two years." The bank manager might then say, "That is no real security. I will not give you the loan or, if I give you the loan, the interest rates that apply might be the high interest rates that apply to a personal loan because the risk to the bank is much higher."

The Government has a few options in relation to this important issue. First, it could attach compensability to the licence, which would be complex in the context of current legislation. The Government could extend water management plans to 15 years, or it could seek some sort of boundary of change at the end of that 10-year period. Let us say, for example, that there was more than a 5 per cent variable on bulk water access. The Government could compensate beyond 5 per cent, for example.

The Government could include that kind of an arrangement, or it could try to include some sort of an arrangement that provided for a presumption that a water management plan would be renewed at the end of 10 years, unless there were extraordinary circumstances—the same sort of presumption that exists in relation to licences covered by current legislation. There is a presumption that, after 15 years, licences will roll over unless a person is in default of their licence, or there is some extraordinary circumstance. There is a bit of room to move. As legislators, we should be looking to provide additional security for the irrigation industry in particular, and for all water users beyond year 10. At the moment there is no security at all beyond year 10.

I refer now to domestic and stock rights. Initially, I was concerned about the abolition of riparian rights. However, I am not as concerned about them now as I believe that the current legislation provides the equivalent of a riparian right by way of a domestic and stock right. So an owner or occupier of land is entitled, without the need for an access licence, to water for stock and domestic purposes. There is no volumetric limit. It is purpose-driven. As long as a person is using a licence for stock and domestic purposes there is a riparian right. I am not sure how we will get around the issue of subdivisions, which I believe is a real issue. That may be a debate for another day.

I am pleased to see that riparian rights are now provided for in the legislation, although under another name. It appears that the harvestable right that was in previous legislation has been included in this bill. Again, while it is not a perfect arrangement, it is something we can live with. I encourage the Minister to look at the conversion rates that apply to different zones across New South Wales. One of the problems relating to harvestable rights is that in areas of high rainfall and, therefore, areas of high run-off, people are allowed to build bigger dams than they are in areas of low rainfall and lower run-off.

In areas of high rainfall, for example, on the coast, including the North Coast area where I live, generally speaking people need smaller storages because they have more regular rainfall. However, they are allowed to build bigger dams than those living in the Tablelands and out west, who, arguably, should be able to build larger dams as they need a higher level of storage. There is a factor in that equation which can be multiplied by 10 per cent. However, I believe that we should review those provisions because they do not enable people in drier climates to provide for any sort of decent storage if they have a dry year. That is an administrative issue that could be dealt with outside the legislation. I encourage the Government to have a close look at that because it would solve a lot of problems for people on the tablelands and in the upper Murray Darling.

As far as access licenses are concerned, again the legislation is generally fairly good. The tradeability of the share component is expressed in terms of either specific volume of water available or a proportion of water available. I am not sure whether that is because the Government does not know which way it will go with that, but it cannot have it both ways. At some time it will have to decide whether it will go with the percentages of what is available or volume. I suppose it can convert one from the other, but in principle it will have to decide one way or the other. If it does not, it will get itself into trouble.

The extraction component is non-transferable. Again that gives some protection within the context of a general water trading market. Trading will occur in an ecologically sustainable way, and that is desirable and should be borne in mind. Generally speaking, water trading is a good thing so long as it is not to the detriment of the environment within the valleys. Making the access licence available for 15 years is a good aspect of the legislation, with 20 years for water utilities. At the end of 15 years there will be criteria to provide for priority renewal, and licences will not have to go back on the water market. That is a positive provision. The idea that in normal circumstances one will be able to renew a licence should be applicable to a water management plan as well.

Transfers of access licences must be noted on the register. In the case of any registration of a third party interest, the application must be accompanied by documentary evidence that the holder of that interest consents to the application being made. Basically that means that if there is a third party, the person who holds the licence has to consent to that mortgage, if it is a mortgage from a bank, being put on the title. We do not do that in land titles, and as I understand it the register is intended to be in the Department of Land and Water Conservation [DLCW]. That provision needs to be much stronger. It should be taken out of the DLWC, which has not shown a lot of capacity to manage its existing transfer arrangements. I could tell the House some good stories about people applying for licences in one valley and being granted licences in another. It is a bit of a worry.

Only today I heard of a bloke in the Darling who was sent a bill for a licence in the Murray Valley. I am sure the DLWC would know the difference between the Murray and the Darling, but that is what happens. There are a few problems in the DLWC as far as its existing arrangements are concerned. Everyone would be better served if we compiled an improved register, put that register in the Land Titles Office and thereby secured something along the lines of what is in place for land title changes. Again, that is an amendment that the Opposition will move in the upper House.

I have a little to say about the water investment trust. The intention of the trust has some merit. It looks towards environmental enhancement and investment in water savings, and obviously that is commendable. The trust is to consist of five members—the Minister; the Director-General of the Department of Land and Water

Conservation, a person appointed by the Minister on the basis of financial expertise, a person to represent environmental protection groups and a person to represent water user groups. Basically it will comprise three government representatives and two non-government representatives, so again it is very much a government-dominated arrangement. While the objectives of the trust set out in the legislation are admirable as far as they go, the Opposition has some serious concerns about the provisions of the bill relating to the trust. I will have more to say about that in a moment when I deal with what I regard as the major problems with the bill.

A positive aspect of bill is the provision for supplementary access licences, in so far as those supplementary access licences can now go out to 15 years. Under the previous bill it was only two years. Obviously that is important to people who rely on supplementary access licences, and that water is non-compensable. The bill provides for the full separation of water rights as per Council of Australian Governments arrangements. However, because of the problem of local government rating income being attached to land values, which will be less if the value of water is taken away, the proposal is that the Valuer-General take into consideration the irrigable value of the land as well as the land value. That deals with the issue of local government rating income and protects its rating base. I can understand the concerns in that regard, because with water trading there will be a reduction in the land value in the absence of an arrangement like this.

However, the problem exists for persons who have sold their water licences to somebody else. Under these arrangements they will continue to pay rates as if they owned the water licence. On the other hand, the persons to whom the water licences have been sold will not pay the extra rates that would be attached to the extra value they now have. That is an equity issue that needs to be dealt with. It is a vexed issue. I am not sure what the answer is, but the matter needs to be addressed. I understand the Government proposes that current valuations stay as they are for five years and then move into some new, as-yet-undisclosed regime. I want to make that point. Under this legislation, in year one people who sell their water licences will still be rated by local government as if they owned those licences.

While I am talking about land and water separation, there are certainly some issues to be dealt with. One of those issues is the impact of trading water away from a community that has become dependent on those water licences, in other words, the social impact on persons selling licences out of the community where more than their personal interest is involved. There is a wider community interest. That is an issue, and I am not sure how one gets around that. Certainly some rules in regard to water trading could provide safeguards, so that the Department of Land and Water Conservation would consider not only the ecological impact of a water trade, but also its social impact. We should not forget that this bill provides for the social and economic impacts to have equal status with other objectives. It is not unreasonable for the Department of Land and Water Conservation to have some regard to those types of issues if they are significant. I am not suggesting one would not allow water trading to occur in normal circumstances, but if it is a significant sale perhaps the Depatment of Land and Water Conservation should look at the social and economic impact.

The other issue that is always raised is what happens if a Kerry Packer type person gets involved in the water market and purchases water, because one does not need to own land any more to do that. That person could hold on to the water for a couple of years and put it back on the market when he can make a big profit, such as during a drought. I have had assurances from the Government and the Director-General of the Department of Land and Water Conservation that if people wanted to do this they could have done it under the current legislation, because one only needs to own land somewhere in New South Wales to get involved in the water trading business. I am not sure it is as simple as that, but that is what I am told.

I warn against the logic that merely because it has not happened in the past, it will not happen in the future. Clearly, blind Freddy can tell that the price of water will increase in the foreseeable future. It seems to me that it would make a lot of sense to a person who did not have a particular requirement for a return on a yearly basis to speculate on water, as one would on the Stock Exchange, and invest in it. That person could sit on the water licences and not worry about the dividend, but wait for the capital gain. It is London to a brick on that in five years time the price of water will go through the roof. Of course, by holding water, he will help to drive up the price. This issue cannot be dismissed automatically. Like so many issues that will come out of this bill, it will need to be monitored fairly closely to ensure that we have not created an unintended consequence. That does happen when new legislation is brought in, particularly when it is all-embracing, as is this bill.

In terms of town water allocation and population growth, the volumetric allocation of town water can be readjusted every five years to allow for population growth. However, if new water is required for industrial and regional development it will have to be obtained from savings or through purchase. I have no problem with allocating water on the basis of population growth, except for certain communities, particularly coastal

communities, that are growing at very fast rates. I represent such a community, and the Tweed is growing even faster than my area. If such communities must wait five years before they get an adjustment as a result of population growth they could be looking at population growth of at least 15 per cent before an adjustment is made. They would not be able to sustain that situation. They would be undersupplied with water, and I suspect that they could not generate sufficient water out of savings, particularly if they want industrial growth.

If the Government imposes a constraint that communities must generate water for industrial development out of savings, there will not be much left from savings for population growth. I suggest that the Government consider a regime under which councils in high-growth areas are able to approach the Minister yearly or every couple of years, if necessary, and to say, "In the last two years we have increased our population by 6 per cent. We can't wait until the end of year five. We want you to grant us an increase in our water allocation on the basis of population growth to accommodate that new growth." That is not unreasonable. Again, the Opposition proposes to move an amendment along those lines in the Legislative Council.

Another issue is whether the Government should insist that water for industrial growth in regional economies be made available only through water savings or through purchase on the open market. The arguments are fairly strong for giving regional communities special consideration if we want regional economies to grow, and for allowing some latitude in relation to new water coming into the system which does not have to be automatically generated by water savings or purchased on the open market. On the other hand, I can understand the irrigation industry's argument that if water is to go to local government and it does not come from the water market it must come from somewhere. The odds are on it having to be purchased or taken from an irrigator's entitlement if it is not purchased on the open market. That is a vexed issue, but it needs to be watched closely as the impact of the Act unfolds.

I would hate to think that a job was not created in country New South Wales as a result of the legislation not providing for an adjustment for water to be made available for industry, because the water could not be purchased at that time. We must maintain some flexibility in these arrangements. The system of credits that will apply to councils that reuse water is a big plus, although I would like some clarification of those credits. For example, a council that reuses water and puts it on land is probably arguably doing more with the water than a council that reuses water and puts it back in the stream. On the other hand, one could argue that putting the water back in the stream provides a benefit in terms of environmental flow.

There are a few different water uses. Some water goes back into the system; some does not. Will the Government have weighted credits? How will it deal with those credits? Will it have higher credits for some water uses? The bill provides for the development of a New South Wales water management outcome plan. It is intended to be a whole-of-government statement of intent, have a broad policy content setting targets and strategic outcomes and be prepared on a five-yearly basis. It is always good to know where one is going in a strategic sense. I do not have any difficulties with the plan, provided that there is no hidden agenda to do things or to have the heavy hand of central government over what a local valley water management plan might want to do.

I have been around long enough to know that some policies are put in place specifically to give central government a reason not to approve things which local people want to do and which have some common sense. I simply make the observation that I have no difficulty with the plan, provided it is a genuine strategic document and is provided to indicate leadership and direction. I would hate to think that it was some sort of heavy-handed thing that sits on top of local communities and generates an outcome that is contrary to where they want to go.

One of our biggest concerns relates to the initial bulk access regime. Under the legislation the Minister has the power to set the initial bulk access regime for water management on advice from the water management committees within 12 months of the enactment of the bill. This will occur before—and I emphasise "before"—the water management plans are approved. That is as the Act is currently written. Obviously, we will have a completely new round of argument about the bulk access regime. I remind the Government that we have just been through a fairly difficult period with the water management committees trying to find a reasonable outcome for environmental flows and what is a reasonable sharing arrangement for extractive use and environmental flow. I counsel the Government strongly not to embark on yet another review of the regime at this time.

The water management committees have worked very hard to get to where they are. The last thing they want to deal with is another task to go back to taws and start the whole process again, with the potential division that is likely to result. You can bet your bottom dollar that the key stakeholders will be putting their hands out

for the maximum amount of water they can get in the bidding process that the Government is suggesting should occur before the water management plans come into operation. I strongly suggest that a process was undertaken before the bulk access regime was put in place. In many cases it has been fairly painful getting there. I urge the Government to use that process as the foundation for commencing new water management plans: make that the line in the sand and start the water management plans from there. Again, I indicate that the Opposition proposes to move an amendment in the Legislative Council in relation to the water management plans and the current bulk access regime.

In summary, the provisions of the bill are certainly superior to what was contained in the white paper and the initial Water Management Bill. This bill provides for a compensable property right over a 10-year period with the provisos I raised earlier. The riparian rights are still there but they are under a different name. The harvestable rights remain but in my view they are still inadequate and need to be reviewed. Licences will definitely be for 15 years, instead of up to 15 years, and there is a presumption that they will be continued after 15 years. That is a positive. The requirement that a unanimous decision must be reached to change a draft water management plan provides adequate protection to minority groups, including water users, on the committees. Supplementary access water licences are being increased from two to 15 years. That is important, particularly for those who need supplementary access to water.

As I said earlier, credits are good for councils who reuse their water. Generally speaking, I support the trading of water, subject to the concerns I raised earlier in relation to land valuation, equity issues for people who own licences and sell them, and speculation. On the negative side, I believe the legislation needs to be amended because it does not provide for security for water users and regional communities beyond 10 years, as is currently the case. The financial institutions will be lending over longer periods, at least 15 years, and will require security over that entire period. The banks may not make finance available under the current legislation, and if they do they will charge higher interest rates.

The Minister has the power to radically change the current bulk access regime before the water management plans are put in place, which could result in major losses to irrigation in particular, and, as I indicated, a new round of brawling between the key stakeholders, which I believe is unnecessary and undesirable at this time. While water access licences can be traded separately, for local government rating purposes the Valuer-General will continue to include the irrigable water value, even if there is no water licence, therefore artificially inflating land values and the rates paid, especially for those who have sold a water licence. As I indicated earlier, I am concerned about the fact that the Minister for the Environment, whilst having no role in the development of the water management plan, has a veto power over its implementation. That role should be one of consultation rather than concurrence.

The bill gives insufficient consideration to the management of coastal rivers, and raises a potential conflict with the Environmental Planning and Assessment Act, particularly regarding matters such as coastal policy, estuary management, and so on. It is fair to say that this legislation tends to be dominated by the concerns about the Murray-Darling Basin. Indeed, I would go so far as to say it tends to be dominated by concerns about the regulated rivers on the Murray-Darling Basin. To some extent that is understandable, because that is where the pressure is coming from for water reform. However, in my view a number of aspects of this legislation do not pertain to coastal rivers, which are of course in a different category. Coastal rivers run much faster, they are much shorter and, generally speaking, they have access to higher rainfall and have different sorts of environmental issues to deal with. Generally speaking, coastal rivers do not have algal blooms. They do have them, but not to the extent that they occur in the Murray-Darling Basin.

Many of the issues relating to water quality in coastal areas occur as a result of action on land and the pressures of urban population growth around estuaries and so on. Professor Thom from the Coastal Council has indicated to me that the council can envisage some real difficulties in relation to the implementation of the coastal policy and where responsibilities lie under this legislation. The council gains most of its power through section 117 of the Environmental Planning and Assessment Act. A number of issues need to be considered. We may be looking at potential conflicts between estuary management and coastal river management with regard to what this legislation is likely to provide.

I have already indicated the concerns of local government in relation to new water. Councils claim that they comprise a relatively small percentage of water users—they argue that they use only about 3 per cent of the water. Therefore, if they are allowed to have new water for industrial development to create jobs, the net impact of that on the bulk access regime will be minimal and they should be given some latitude. That is not an unreasonable argument. However, as I indicated earlier, the irrigators argue that if that is the case, the water will

have to come from somewhere and most likely it will come from them. They do not want changes. The irrigators ask why local government should not have to go out into the market to buy water like everyone else. It is a two-edged issue.

As I said earlier, I would hate to think that jobs would be lost—even one job in a rural area —because of a narrow mindset in relation to the availability of water, particularly in a community which has a plentiful water supply. In other words, they have thought about the future, and have plenty of water storage, and there is no real issue, but they are not able to have it unless they generate savings, which may be difficult for them. It may cost them a lot of money to invest in infrastructure, for example, to generate the savings. On a cost-benefit analysis it might not be a desirable way to go, at least in the short term.

I also referred to councils in high-population areas needing an increase in allocations prior to the five years because they will not be able to last the five years. I notice that the honourable member for Tweed has come into the Chamber. He will understand what I am saying. If an area has a population increase of 3 per cent per annum, it cannot upgrade its water allocation on a population basis until the end of the fifth year, which in effect means a 15 per cent growth. There is no way that local government can sustain that kind of population increase without some sort of an increase in the allocation of water in the meantime.

In summary, I indicate that negotiations are taking place with the Government as I speak, and I believe that some agreement can be reached with regard to some of the matters I have raised. I acknowledge that the situation is still somewhat fluid. However, I foreshadow that the Opposition will move amendments in the Legislative Council along the following lines. First, we will move an amendment to provide security for water users beyond the tenth year of a water management plan. Second, we will move an amendment to allow water management plans to be developed on the basis of the current bulk access regime. In other words, the current bulk access regime will be the line in the sand from which the new water management plan commences its tenure.

Third, the Opposition will move an amendment to significantly improve the register of water licences and water licence interests and approvals to provide a more secure licence, and a transfer and notation system. It is proposed that the register will not be held in the Department of Land and Water Conservation but will be held in the Land Titles Office. Fourth, we will move an amendment to provide that wherever practicable the community representatives on the water management committees must reside in the area to which the water management plan applies. Fifth, we will move an amendment to provide that where a local government area is experiencing rapid population growth such that to wait five years to review water supply increases would create an unreasonable burden on councils, those councils would be able to apply to the Minister at any time within the five-year period for an increased water entitlement, and the presumption will be that the Minister will grant such an increase.

Sixth, the Opposition will move an amendment to provide that the role of the Minister for the Environment in relation to the approval of water management plans will change from one of concurrence to one of consultation. We believe it is inappropriate that a Minister who has had no involvement whatsoever in the development of a plan should have a power of veto over that plan. The Opposition has serious concerns about the water investment trust as the bill is currently drafted. We see merit in a partnership arrangement between the Government, water users and other stakeholders to bring about water savings and environmental enhancement. However, the way the bill is drafted means that there is no limit to the so-called investment contributions from water users. Essentially, there are no accountability mechanisms in place to safeguard charges that will be imposed on water users. The trust will be dominated by government on the basis of the five trustees, three of whom are from government.

The funds are to be held in a statutory deposit, which basically means they will be held in Treasury, and there is no guarantee down the track that Treasury will make that money available under the current arrangements. Having had a deal to do with Treasury over the years, I know that Treasury hates giving money away. Unless we can get something that guarantees that Treasury will keep its fingers off the money, there would be no point in pursuing that arrangement. We know of a couple of examples in the past in which Premiers and governments on both sides of politics have used a hollow log mentality to raid money that has been put aside for a particular purpose, and I would not want that to happen. Those in the irrigation industry would certainly not want that to happen, because that money would have been contributed from their own pockets to achieve water savings.

The legislation does not provide for any flexible valley by valley approach. As I have said, I believe the legislation does not contain sufficient safeguards. Members of the Coalition have serious concerns about matters

of detail. Although we can see that an equitable and accountable arrangement, and possibly a trust, between the Government and stakeholders would achieve beneficial outcomes for both the environment and water users, we are not convinced that as currently written the bill will do that. The proposed trust is seriously flawed and the Coalition cannot support the proposal on the basis of the provisions contained presently in the legislation.

Accordingly, in the absence of any substantive change to the Government's proposed amendment, "Part 3 Water investment trust", the Opposition will move amendments in the Legislative Council to remove all provisions of the legislation dealing with the trust. We believe that the Government needs to do much more work on the Trust than has been done in the past. It is worthwhile reminding the Minister that the Trust proposal was not part of the white paper or the original bill which was presented in June. As such, there has been virtually no public consultation on a very important issue. My view is that the trust has been thrown into the bill at the last minute and without any broad-based community consultation. Although I can see some benefits in what the trust is designed to achieve I believe that, in its current form, it is totally inadequate.

As I said earlier, unless the Government is prepared to make substantial changes the Opposition will seek to remove all the provisions relating to the trust. If the Government wants to do more homework on the provisions, the Opposition will look forward to whatever proposals may be presented. At this stage, the position of the Opposition is that we will move to delete all provisions in the bill dealing with water investment trusts. As I indicated earlier, the Opposition is engaged in negotiation with the Government on a range of issues. It is a fluid situation and the Opposition has taken a pretty constructive approach to the whole issue of water management. We appreciate the need to make changes and recognise that we are dealing with major legislation.

The Coalition made submissions on the white paper and on the bill which were fairly comprehensive and hopefully productive. I acknowledge and note the subsequent acceptance by the Government of some of the points made in submissions by the Opposition. I hope that with goodwill on both sides legislation can be produced that will yield a positive outcome for all people who have an interest in water resources—not just water users, but also environmentalists. As I said earlier, the Coalition adopts a constructive approach to this issue. We look forward to further negotiations with the Government on the course that this legislation will take in the upper House.

Mr SOURIS (Upper Hunter—Leader of the National Party) [8.52 p.m.]: Before I commence my contribution to this debate, I place on record my appreciation of the work on this bill undertaken by the honourable member for Ballina, the shadow Minister for Land and Water Conservation. Many people may not know that a shadow Minister does not have any extra staff and has only two members of staff in his electorate office. All the work associated with this most comprehensive bill has been conducted by the honourable member for Ballina. Much of the outcome, particularly the adjustments and amendments, are entirely to his credit. I pay a tribute to him for his work. Today honourable members are debating perhaps the most significant piece of natural resource management reform to come before this House.

The future of rural and regional New South Wales, with one-third of the State’s population, is inextricably linked to the quality and nature of this legislation. If we get it right, country New South Wales will move ahead. If we get it wrong, there will be dire consequences for every person and business in this State. Australians use more than 14,600 million cubic metres of water a year—the equivalent of 30 times the capacity of Sydney Harbour. It is the critical element in this State’s ongoing economic wealth; it is the basis of one of our largest industries; it accounts for $90 billion worth of infrastructure investment; and it contributes about $6 billion to annual revenues through irrigated agricultural production.

In New South Wales, agricultural production from irrigation exceeds $2 billion per annum. Across the Barwon, Darling, Gwydir, Hunter, Lachlan, Macquarie, Murrumbidgee, Murray and Namoi areas, tens of thousands of New South Wales residents are employed in the irrigation industry and associated industries. Communities, such as Griffith, Bourke and Moree, are almost entirely dependent on secure water industries for their survival. Eight weeks ago at the Australian National Committee on Irrigation and Drainage conference, delegates were told of the job benefits derived from the water industry: in horticulture, there are 30 jobs per 1,000 megalitres of water; in producing tomatoes, there are 23 jobs per 1,000 megalitres of water; in dairying, there are 15 jobs per 1,000 megalitres of water; and in the grazing industry, there are 0.62 jobs per 1,000 megalitres of water.

Australia now produces about one-third of its agricultural exports from irrigation from 4 per cent of the arable land area. Over the past 200 years mistakes in the way we have managed our land and water resources have led to problems, including rising water tables, increased salinity of ground water and soil, and decreased

water quality. Clearly reform is needed. Successive governments have caused the problems and it is now the Government's responsibility to solve them. Water users understand the need to address the issue of sustainability if their businesses or populations are to grow in the future. More than 100 years ago arguments over access to water led to the existing Water Act 1912. Since then we have had ad hoc Acts and amendments to deal with situations and problems as they arose, which has led to a complex and outdated system. The legislation we are debating today is wide ranging and represents a complete rewrite of legislation on water management in non-metropolitan New South Wales.

Before I turn to the Water Management Bill 2000, I will briefly recap on how we arrived at debating this bill. It began in 1993 when the Council of Australian Governments [COAG] commissioned a working group to report on the reform of the water industry. COAG endorsed the report in 1994 and water reform in this State has been driven by that COAG agreement. The agreement provides a framework for change and its key elements include: State governments are to implement comprehensive systems of water allocations or entitlements which are to be backed by the separation of water property rights from land and are to include clear specification of entitlements in terms of ownership, volume, reliability, transferability and, if appropriate, quality; trading, including cross border sales of water allocations and entitlements within the social or physical and ecological constraints of catchments; greater responsibility at the local level for the management of water resources.

While water management is a New South Wales Government responsibility and the COAG agreement is being implemented through it, Federal programs such as the Natural Heritage Trust, Murray-Darling 2001, Rivercare and the National Land and Water Resources Audit are also involved in the ongoing reform process. Additionally, Federal assistance is provided through the Agriculture and Resource Management Council of Australia and New Zealand [ARMCANZ], the Australia and New Zealand Environment Conservation Council and the Murray-Darling Basin Ministerial Council. Water reform is a requirement of National Competition Policy [NCP]. On the basis of progress in implementing water reform, New South Wales is entitled to a share in the competition transfer payments from the Federal Government.

Payments under the second tranche 1999-2000 depended on New South Wales effectively implementing the strategic framework for the efficient and sustainable reform of the water industry and future processes, as endorsed at the 1994 COAG meeting. Payments under the third tranche in 2001-02 will depend on New South Wales giving full effect to, and continuing full observation of, all COAG agreements on water. The COAG agreement has sought to promote water tradability to ensure water is driven to its highest value use. In order for people to trade water they must know what they are trading. That is why it is critical that we have meaningful property rights. Tradability cannot operate within a vacuum.

The Carr Government is happy to endorse trading, yet it is reluctant to provide the necessary property right, and the two are, of course, closely linked. Quite clearly, the Government is not fulfilling the COAG requirement to "include clear specification of entitlements in terms of ownership, volume, reliability, transferability and, if appropriate, quality". How can it do that when the Minister has the power to dramatically change the current bulk access regime before the water management plans are put in place? On 3 November the Deputy Prime Minister and Federal National Party Leader, John Anderson, called on the Carr Government to fully recognise the rights of farmers under the COAG agreement. Mr Anderson warned this Government that it faces suspension of NCP payments if it does not establish a robust system for allocating water entitlements. I note that the Treasurer has said that the National Competition Council will conduct a further assessment of progress by New South Wales next month. Mr Anderson went on to say:

> The New South Wales Government is on notice. It must get its act together and establish a water entitlements system that provides real security for irrigators. The proposed legislation currently before the New South Wales Parliament is clearly inadequate.
>
> They must stand up … and deliver a water entitlements system that provides long-term security and compensation when water rights are taken away in the interests of sustainable management.

The New South Wales National-Liberal Coalition has made detailed submissions to the Government in relation to the white paper and the Water Management Bill. The submissions have come after exhaustive consultations with rural and regional communities, water users, financiers, environmentalists and other interested groups. Those interest groups include the Australian Bankers Association, Cotton Australia, Gwydir Valley Irrigators Association, Lower Namoi Valley Groundwater Advisory Association, Macquarie River Food and Fibre, Murrumbidgee Irrigation, Namoi Valley Water Users Association, the Ricegrowers Association of Australia, New South Wales Irrigators Council, Mungindi-Menindee Advisory Council, Murray Irrigation, and Darling River Food and Fibre.

The bill as it stands before us is an improvement on the draconian white paper and the original bill laid on the table, thanks in large part to the work of the Coalition shadow Minister for Land and Water Conservation, the honourable member for Ballina. I also pay credit to the Minister for Agriculture, largely for the flexible approach he has adopted during this consultation period to ensure that these amendments can be accommodated. Many of the changes to the legislation suggested by the shadow Minister—most of the 160 amendments thus far—have been accommodated by the Government, and this was recognised by water-using communities as he has toured the State seeking input. However, there are still significant flaws in the Government's bill that will cause major problems in water-using areas across the State, and indeed for the entire State when agricultural production and regional development is impacted.

As foreshadowed by the shadow Minister, the Opposition will move further amendments in the upper House. I will now move through elements of the bill, some of which stand out as sticking points that need to be addressed if this bill is to be a truly balanced piece of legislation. In relation to water management committees, it is crucial that the proposed membership of water management committees is balanced as it will be these bodies that develop water management plans, which in turn determine the water sharing arrangements in each area. I am relieved that the Government has amended its original plan for water management committees and the Water Advisory Council to undertake decision making by consensus on major issues, rather than majority decision making.

It is my feeling that agency representatives should not get a vote unless otherwise agreed by the water management committee and likewise community representatives must be from the valley, unless otherwise agreed. Under the Government's original plan, water users, who had a direct interest in the outcome, were grossly outnumbered by those who had an indirect interest. The National Party still believes there should be significantly more representation for water users on the water management committees. It is the water users, local government and community representatives who have the biggest stake and the best local knowledge relating to the water regime that the Government is putting in place with this legislation. Typical of many submissions on the bill, the MIA Council of Horticultural Associations Incorporated said:

> Water users have the greatest commercial interest in water, as well as being the only group who actually contribute directly towards the costs of operations of water management in New South Wales.
>
> Despite this, the committees who will have considerable power over the administration of water include only two representatives of commercial water users. This situation is grossly inequitable.

Another concern is that the bill does not define "water user". Anyone who turns on a tap could be deemed to be a water user.

The bill also does not recognise that within a water management area there may be a number of different water user groups, ranging from surface water users to sub-surface water users, as well as stock and domestic users. In respect of water management plans, draft plans relating to water sharing, water source protection, drainage management and floodplain management, will be prepared by water management committees. A draft plan must be referred to the Minister, who then places it on public exhibition. Submissions will be received before the plan is resubmitted to the Minister. Before making the plan, the Minister for Land and Water Conservation must obtain the concurrence of the Minister for the Environment.

The Government has seen the sense in extending the term of water management plans from five years to 10 years under the recent amendments, although there is no security beyond the 10 years. Security of at least 15 years is critical for lending institutions and to allow water users to plan ahead. The banks may not make finance available under the current bill or, if they do, they will charge higher interest rates to cover their risk. The Australian Bankers Association [ABA] says that given that a high proportion of the value of irrigated land pertains to the water rights attaching to the land, it is anticipated that the access licences created by the bill will be quite valuable assets. [*Extension of time agreed to.*]

The ABA says that those assets are likely to form a large proportion of the security offered by the farmer, even if that security is only collateral security. The association says that although the apportionment of the value of irrigated land between land and water rights is the subject of conjecture, it is anticipated that access licences will represent a high proportion of the property value of an irrigated enterprise. Most rural lending is done over a 15-year time frame. Lenders prefer to see property planning undertaken for a longer time frame, as it allows the farmer to take into account seasonal fluctuations in weather and in commodity prices. It should be noted that access licences comprise two components: a share component, which is tradeable and can be expressed in terms of a specific proportion of available water or a specific volume; and an extraction component, which specifies the time, rate, location and other aspects of access. This is non-transferable.

The bill provides for a supplementary access licence but it must be linked to a general security access licence. These supplementary access licences can be for 15 years. Compensation is not available for reductions on supplementary access. I was somewhat relieved to see that there is now a compensable water right within that 10-year plan, as determined by the Valuer-General. The previous situation where the issue of compensation payable was left to the Minister, in consultation with the Treasurer, was simply not satisfactory. Access to compensation for any loss of entitlement is vital as it is an essential element of any type of property right. It acknowledges that the community as a whole should help pay for broad based environmental benefits, not just the individual water user. It puts some discipline into the Department of Land and Water Conservation and the Minister's decision-making process in that they will know that if they wish to deprive individuals of their lawfully acquired and government-issued water entitlement they will have to compensate the affected water user.

A plan, having been reviewed after year five, can be extended for a further 10 years— although, as the shadow Minister for Land and Water Conservation pointed out, we have some reservations about this section. My concern is that the bounds of change must be specified—after 10 years there is no indication of what access a water user will have to resources. What happens when a water user goes to his or her bank in year eight and is told there is no more finance as the bank has no idea what the situation will be for the water user after year 10? It could well be that after 10 years the water user's plan could be altered without compensation. Of further concern to rural and regional communities are the provisions allowing the Minister to amend a water management plan and vary the bulk access regime currently established by existing river management committees. It is unjust for a Minister to have the power to radically alter the current bulk access regime before the water management plans are put in place, potentially leading to water users suffering major losses in their entitlements.

The bill also states that the Minister for the Environment must concur with the making of a water management plan. At no stage is the Minister for the Environment involved in the development of the water management plan. Water management committees have environmental representatives and representatives from government agencies, whom one could reasonably expect would be able to advise on pertinent issues, such as environmental concerns. Given the inclusion of environmental concerns within the development process, to give the Minister for the Environment veto power over a process that the Minister has had nothing to do with is unreasonable. The review of a water management plan is conducted by the Minister, in consultation with the Minister for the Environment. The National Party believes that the review must also include the water management committee for the area for which the plan was developed. In relation to the Minister’s plans applying to any part of the State that is not within a water management area, the National Party is concerned there are no provisions for public consultation.

I have deep concerns with the investment trust, as it has been proposed by the Government. While its aims of funding activities that result in environmental enhancement and investment in water savings are commendable, I am worried that the trust will be used as a mechanism to shift costs to water users. It is interesting to note that Treasury has remained silent on its commitment to this bill—meaning that water users will more than likely be expected to foot the bill for environmental work. We will be sure to hear nothing from Government members in relation to the National Competition Policy payments that this Government may or may not receive this financial year. Money paid into this fund would be raised by way of water investment contributions, money appropriated by Parliament, the proceeds of investment of money in the fund, and any gift or bequest of money to the trust. The regulations may make provision for or with respect to the fixing, assessing and levying of water investment contributions from persons who hold access licences. [*Extension of time agreed to, by consent.*]

A water investment contribution payable by the holder of a licence is taken to be a charge payable in respect of the licence. My concern is that there are few accountability mechanisms and nothing to stop Treasury from raiding the funds because they will be held in a Statutory Deposit Fund. I have been informed by the New South Wales Irrigators Council that the trust we are debating today is not the model it put before the Government. I note that the Gwydir Valley Irrigators Association Incorporated rejects outright the Water Investment Trust, stating that the proposed trust is a "Government tool". The association's chairman, John Seery, said:

> These amendments give the same powers to the Minister, an unlimited capacity to charge access licence holders, spend the funds where he likes upon what he likes, control Trust expenditure without adequate safeguards.
>
> The money in the Trust Fund is totally under control of the Treasurer.

The current structure is unacceptable to the National Party and water groups. The Opposition will oppose the establishment of a water investment trust.

In respect of title, the proposed register for water licences is plainly inadequate. The National Party sees value in a registry of water access licences, the same as the current registration of land interests under the Real Property Act 1900, allowing for the separation of land and water title and water trading. Financial institutions will simply not lend to water users if title is questionable. The register should record the interest of the licensee and any mortgage or other person claiming any interest in the entitlement. The register as currently proposed merely lists possible interests, which may lead to confusion and does not include a guarantee of indefeasible title upon registration.

Water titles must be backed by legislation—they must be mortgageable. The Australian Bankers Association recommends that the registration system should mirror the provisions of a Torrens title system, insofar as those provisions are applicable. It says a system of registration of water rights that mirrors the Torrens title system for land would create certainty in dealing with the rights created under the bill because: there is a body of law that deals with the various interests that are generally accepted and understood; there are procedures that the public is used to following and can understand; and these procedures and law are for the benefit not only of the users of the system but of the registry staff as well. In respect of land-holder rights, in all of the National Party's consultations on this bill, meaningful property rights stand out as the issue of most concern. The report of the Working Group on Water Resource Policy to COAG, at page 11, said:

> In order to facilitate trading, governments will need to ensure that property rights to water are clearly defined and specified in terms of ownership, volume, reliability, environmental flow and tenure.

Moreover the basic principles set out in the ARMCANZ paper "Water Allocations and Entitlement: A National Framework for Implementation of Property Rights in Water" also supported tradeable property rights. These principles discuss water entitlements that are clearly defined in terms of tenure and resource share—that the environment have an allocated share that is potentially tradeable and that trading in entitlements be encouraged.

The bill has been improved by the latest amendments, but the National Party contends that it has not gone far enough. The bill provides for the full separation of water rights from land as per the COAG agreement. However, because of the problem of local government rating income being attached to lower land values as water is separately traded, the Valuer-General will take into account both land and water value for valuation purposes.

Unfortunately, the plain fact of this bill is that there is no water security for water users and regional communities beyond 10 years. Water users were looking for meaningful property rights from this Government, to enable them to invest with confidence. That investment leads to jobs in rural and regional New South Wales, where unemployment is often disproportionately high. I was relieved that the Government has relented on its proposed abolition of riparian rights. Although these rights will be known under a different name, an owner or occupier of land will be entitled, without the need for an access licence, to access water for stock and domestic purposes. I note that where a court determines native title exists, native title holders will have basic water rights for things such as drinking, washing and fishing. I note also that an owner or occupier of land is entitled to harvest, without the need for any licence, 10 per cent of the average rainwater run-off that falls on his or her land.

Given the extreme competition for water resources, there is a clear need to strengthen the rights of water users and guarantee them security into the future. In respect of town water allocation, population growth and regional development, local government across the State will potentially have their water allocations cut, which in economic terms will cost them millions of dollars each year. Tamworth City Council, for example, is reported by the ABC on 29 August as saying its allocation is being cut from 16,000 megalitres a year to as much as four megalitres. I note the Country Mayors' Association has also taken up this issue on behalf of rural and regional local governments. Under the bill, volumetric allocation of town water can be re-adjusted every five years to allow for population growth.

For councils in high population growth areas, such as the Tweed, five-yearly water entitlement adjustments will not be frequent enough. I urge the Minister to consider allowing councils to apply to the Minister for more regular adjustments as required. However, if local government requires new water for industrial or regional development, it will have to be obtained from savings or through purchase. I note that a system of credits will apply for councils that re-use water. The general consensus is that new water should be available for industrial development, especially as only about 3 per cent is allocated to town use. Any brake on regional development is detrimental not only to rural and regional employment but will further exacerbate the pressure on our urban areas as population drift accelerates.

In expressing those concerns, I note that the bill represents a considerable shift from the original white paper. I have already commended the Government for that process, and I have commended the shadow Minister for his involvement in that process. I look forward to the Government's response to the very important issues that have been raised. I look forward in particular to the Government's response to the amendments that will be moved by the Opposition in the upper House. In the end, after all, we are all working to provide, on a bipartisan basis, the best possible comprehensive legislation that looks to the future, to the betterment of Australia and our country communities, and to regional development, recognising the wonderful resource that water is and its tremendous ability to provide much of the economic wealth of our nation.

Ms SEATON (Southern Highlands) [9.16 p.m.]: There is no doubt that it is time for a new approach to water management. Water is, after all, our most precious resource. Since 1912, in the original Water Act, the environment has changed considerably in New South Wales, as have our expectations and priorities. Environment is high amongst those priorities for all stakeholders. It is important that the Government not underestimate the goodwill of traditional water users and enables them to participate in achieving environmental priorities. I think we have already had good evidence of the land water management plans being developed or having been developed by Murray Irrigation in the south of the State. Anyone who has spoken to people involved in projects related to the Macquarie Marshes, in association with the World Wide Fund for Nature, will also know the extent of the goodwill among stakeholders to play their part in ensuring our environmental future.

Other agreements that have been made between organisations such as SouthCorp and the Australian Conservation Foundation—agreements that have been made outside the government process and independent of it, again to meet environmental objectives—make it important that we understand the extent to which all stakeholders can play a role and that government does not have to be the monopoly motivator or provider in this process. One of the most fundamental issues in this debate has been that of property rights in respect of water. As has been noted already in this debate, much of land value in New South Wales is associated with access to water, water entitlements and security of supply. Therefore, there is great importance in acknowledging and accepting the notion of compensation where rights or entitlements are removed or challenged.

In the original white paper, in the original bill, no compensation was even contemplated. That caused enormous anxiety and uncertainty among farmers around the State, especially in my area, where people rely heavily on those things in order to make investments in value adding and fairly high-cost areas, particularly horticulture. The white paper contained some good principles, including the notion that water management committees be community based. I applaud that notion. But there was always a big stick ready to be waved above the heads of those communities. It was the threat of ministerial power if water management plans were not able to be completed, if insufficient data was available in the area, or if for some reason no agreement could be reached.

That brings me to an important point that is fundamental to all debate on the use of resources in New South Wales and in Australia: the quality of our data. We should be making good use of, and planning decisions about, that data. It is a constant problem in natural resource management and environmental management in this State. If honourable members speak to anyone involved in catchment management committees, native vegetation committees, coastal committees, water committees and threatened species assessment committees they will find that there is a lack of a consistent quality data across New South Wales.

My recently released discussion paper on conservation issues for the Liberal Party identified, amongst other things, gaps in resource management data across New South Wales. It proposes the development of sets of data that are complementary across the entire State. At the moment, if we compare the population of a particular species in the south of the State with the population of that same species in the north of the State, we find, in most instances, that the methodologies are so incomparable as to be almost useless. We must improve on that. We must urgently attempt to ensure that our data is comparable and that we have no data gaps.

That will make it a lot easier for expert volunteers who participate in countless community committees across the State. They might be able to spend more time at home with their families. Instead of being out five nights a week they could be out one night a week doing the same job, using an integrated resource management approach and using reliable data. We should not misuse or abuse those excellent volunteers who give of their time and goodwill to solve our environmental and natural resource problems. I also support the call by the honourable member for Ballina for the Minister for the Environment to be involved in water management plans from the beginning. It is important to get this right from the start.

We must design a system now that addresses environmental objectives from the beginning and not at the end of the process. Not to do so would be to contradict the thrust of the white paper, which sets out as an

objective to correct the imbalances that have occurred over many years and to enable environmentalists to be involved in these allocation decisions. I will deal now with some of the reactions to, and views on, this bill by people in my electorate of Southern Highlands. I have had a number of consultations with individuals, farmers, and with the South East New South Wales Horticultural Producers Association. That association raised a number of issues with me and with the honourable member for Camden. That group of people represents fruit, vegetable, flower and nut farmers in south-eastern New South Wales, all of whom are licensed irrigators.

I thank Ed Biel for the time and effort that he and his colleagues have put into the submissions they have made. Primarily, they were concerned about the security of title of licences, an issue that has already been covered. They were also concerned about the duration of licences. They believe that 15 years is not an adequate period and point out that irrigation assets often have a 30-year life, so they need a span of 30 to 35 years to get their investment back and to convince banks and financial institutions to lend them money. Certainly a 10-year water management plan regime is better than none, but they need the capacity to roll over beyond 10 years and to be compensated for any further losses.

Harvestable rights have been discussed. In my electorate, estimates by the horticultural community reveal that 25 per cent to 30 per cent of runoff must be harvested in order to meet the needs. Of course, 10 per cent of run-off in a high rainfall area is much more than 10 per cent of run-off in a drier area. So the flat 10 per cent rate clearly is not the way to go. I acknowledge that a formula attaches to that, but in my electorate of Southern Highlands that formula will not meet the needs of horticulturalists. The South East New South Wales Horticultural Producers Association makes the point that, in relation to water management committees, it wants the Wollondilly area kept separate and not lumped in with the Hawkesbury area. Horticulturalists in that area do not want to be lumped in with urban water users as they believe that the needs of horticulturalists will be pushed very much to the background. That association also notes that groundwater users, dam users and river pumpers are all different and their concerns should also be taken into account.

The association also states that one of the only things keeping the Nepean River viable is sewage treatment plant water that is discharged back into the waterway, which is rather in contradiction to some of the idealistic objectives in the white paper. It must be acknowledged that a lot of that water was diverted from farms in the first place. Horticulturalists are keen to ensure that the Minister understands those issues. Local councils in my area, including Wollondilly, Wingecarribee and Mulwaree shire have expressed concern about the bill, particularly in relation to the added impact of the Sydney Catchment Authority and the regional environmental plan that we are now discussing. There are major agricultural needs in the Southern Highlands area.

Water is a limited resource. Paul Stephenson, President of Mulwaree Shire Council, points out that the Sydney Catchment Authority has placed additional burdens on the Southern Highlands area. One of the greatest drains on environmental flows in our area is Sydney users of drinking water. If we are serious about improving environmental flows we must ensure that we do whatever we can to encourage the efficient use of Sydney water. Sydney, of course, has 60 inches of rainwater a year—most of which goes into stormwater drains and out to sea, whereas in the Sydney Catchment Authority area, which has half that rainfall, people are required to provide water for themselves, for agriculture and for the needs of Sydney, which wastes its 60 inches of rainwater each year. That is absolute nonsense.

Anyone in this House who is interested in this debate should look at Michael Mobb's house in Chippendale. They will then realise how easy it is, if there is leadership from government, for people to invest in domestic rainwater tanks in urban areas. That would apply also in rural urban areas and in areas in metropolitan Sydney. The Government must take the lead to make it easy. In that way we will reduce Sydney's dependence on Sydney Catchment Authority rainwater, we will increase environmental flows in those rivers, and we will be able to use some of Sydney's wasted 60 inches of rainwater each year. I acknowledge the submissions and views that were sent to me by the Southern Highlands branch of the National Parks Association of New South Wales Inc. John Dorman and his members are supportive of "moving away from the traditional principles of water supply and regulation to those of ecologically sustainable development and the provision of environmental flows". John Dorman makes the important point:

> It is important to ensure a formal linkage of water entitlements with relevant policies and plans such as LEPs, REPs, Native Vegetation Management Plans, etc ...

That will enable us to integrate our resource management. Many individuals in my area, including Jane Lemann, a well-known conservationist, make similar points. Many farmers in my area have expressed concern about compensation, water rights, and the value of entitlements that they hold when they buy a property. I congratulate the honourable member for Ballina on the work he has done in clawing back some of those important principles and in moving the Government some way away from its initial position.

I acknowledge the work of the Nature Conservation Council in this area, in particular, the work of Kathy Ridge. One of the issues raised sensibly by the Nature Conservation Council is town water allocation and use. The honourable member for Ballina raised this issue as well and pleaded with the Minister to give him some sort of understanding of the rate of growth of some towns, particularly on the coast of New South Wales. We must take this opportunity to ensure that country towns free themselves of the problems that are being experienced in Sydney—where people are dependent on someone else's drinking water.

Let us ensure that as country and coastal towns grow they are encouraged from the beginning to be as efficient as possible in their water use. They must use as much as possible of the rainwater that falls in their areas so we do not perpetuate this dependence on catchments from distant areas that causes so much disruption to areas that supply water. I acknowledge submissions from the New South Wales Minerals Council. Of course, in addition to agriculture, the Southern Highlands electorate relies on a good deal of mining, coalmining and other quarrying, which, of course, is a water user.

The Liberal Party rural seminar held in Bathurst in March and a Liberal Party regional development seminar held in Nowra earlier this year also raised concerns about the Government's intentions with the earlier version of the water bill. I acknowledge the input that Liberal Party members have had in making sure the Opposition has come up with the best possible solution to the Government's original proposals. I acknowledge also the Irrigators Council, and Ian Cole in particular, for the points they have made regarding the water investment trust.

Huge benefits will flow from a sensibly configured water investment trust. It was a good idea and a good model was proposed but I have grave concerns with the way in which the Government has modified that plan. I think it severely compromises the independence in each valley and compromises the ownership of each group. An example of that would be the land and water management plans I have already mentioned in the Murray irrigation area. If the money that was to be allocated to those plans from the community and from other sources was to find itself in a quasi-consolidated revenue fund, local goodwill would fast disappear.

Finally, I congratulate the honourable member for Ballina. The original bill created huge problems, but he has undertaken an amazing level of consultation and this has resulted in the Government making more than 100 amendments to its own bill. Many people will be grateful to the shadow Minister for Land and Water Conservation for so diligently negotiating the 10-year management plans and the security they provide.

My electorate is a major agricultural area, with dairy, cattle, horticulture, viticulture, olives, industry and mining. We supply Sydney's water. There is an important role for the Sydney Catchment Authority to play in environmental remediation. It is one of the major factors in the environmental flows in our area. It is important that the Sydney Catchment Authority gets it right and diverts some of the huge dividend that it pays to Treasury back into environmental remediation so that we are not just supplying Sydney's water but, rather, that we have some capacity to deal with our own environmental problems with our own environmental flow requirements and meet our own agricultural needs. [*Time expired.*]

Mr SLACK-SMITH (Barwon) [9.31 p.m.]: First, I congratulate the Minister on this bill. Second, I congratulate the shadow Minister for Land and Water Conservation, the honourable member for Ballina, on throwing a totally different light on this bill from what we experienced in the white paper and the original bill. I am an irrigator in the Namoi Valley. I believe I am the only cotton grower in the Parliament of New South Wales. So, I suppose when it comes to a vested interest, I have more at stake in this bill than in any other bill that has come before Parliament.

I believe that, as far as my electorate is concerned, this bill is the most important ever introduced into this House since I became a member of Parliament in 1995. The bill indicates the sincerity of the Minister in getting together what he believes is a bill that looks at the big issues in water rights and water usage throughout New South Wales. The bill also goes a long way towards providing security for irrigators, the environment, towns and businesses and any industry that relies on water. In regional and rural New South Wales irrigation is the lifeblood of local economies.

The purpose of the bill is to provide for the sustainable management of water throughout New South Wales and to amalgamate all water management legislation relating to non-metropolitan areas into one statute. I would like to go through the proposals in this bill. In some cases I believe it is sufficient, in others, I believe that the Minister can do a little better than this bill, but, hopefully, following the debate he will consider some amendments we will propose. Management committees on a valley-by-valley basis is good. These management

committees will comprise two representatives of environmental protection groups, water user groups, local councils, and Aboriginal interests, one representative of catchment management boards and trusts, and a member of staff of the Department of Land and Water Conservation. The membership of the committees shall be at least 11, but not more than 20.

The important thing is that these committees can only make decisions on a consensus basis. If a draft management plan is not unanimous, it will not be passed. Therefore, all stakeholders on the committee are covered. There is no point in having a committee on which there is no consensus. What would happen then is that people would not be content with proposals, and it would be a pity to get so far down the track and not have consensus. All of the groups represented would have vested interests. No matter what agricultural activity one is in in New South Wales, without water that person is a gone duck. It is not so much the volume of water one uses but the quality and quantity. Some people use water just for stock, et cetera. Although stock use a lot less water than irrigators do, if you did not have water for your stock you would be ruined.

The water management plan will last for 10 years. That is adequate, but there is a grey area at the end of that 10 years, because all bets are then off. The Minister should consider whether after about eight years financial institutions that back people like me may say, "I am terribly sorry, but what is going to be the guarantee after the next two years?" The Minister must bear in mind that we must have something after the 10 years to give a glimmer of hope and to enable lending institutions to carry on financing. It is also good to see the tradability of water entitlements with the market prices.

At the moment one megalitre of water will provide approximately one bale of cotton. At today's prices, thanks to the dollar, cotton is about $600 per bale. We could budget very easily if one megalitre of water produced $600. When one takes the costs out of it, it is much less than that. If I can produce cotton at that rate and a farmer down the road can produce something else with an extra megalitre of water, the tradability is that we must get the best value for money from a State-owned resource. The tradability of water is very important.

Equally important is the security of domestic and stock rights. That is also addressed, as is the harvestable rights of landowners who can capture and use a certain amount of run-off on their farms as an economic resource. What they are doing is producing goods that are used for the wealth of New South Wales, and that is very important. Access licences will be granted for 15 years for general use and for 20 years for water utilities. Looking at the bill, I believe it is closer to 10 years. The transferability of water entitlements must remain on the basis of valley to valley. We should look at the tradability of water not only from valley to valley in New South Wales but also from one part of a valley to another part of the valley. In some cases we have totally different industries in the hidden waters of a river, compared to downstream.

The community and the economic environment of the river upstream has been geared to irrigation of a specific type with value-adding businesses. If we turn around and remove that water due to market forces and take it downstream for another industry we must look closely at the value of doing that from the point of view of the community. I turn now to the water investment trust. As I said, I am a cotton grower from northern New South Wales. I am aware that the irrigators in the McIntyre, the Barwon, the Darling, the Namoi, the Macquarie and the Gwydir are totally opposed to the water investment trust, because they believe it has very few strings attached to it.

The bill provides that the trust can demand so many dollars per megalitre of water per irrigator. The irrigators in my electorate and I are petrified of having a trust acting as a government funding agency seeking to pay for infrastructure and costs that are now carried by the New South Wales Treasury. We believe that the trust will be an ideal utility for Treasury at any time—it has done this in the past under both Labor and Coalition governments—to raid the log and take that money from industry. Irrigators in northern New South Wales are opposed to the trust because they think there are too many loopholes in the bill, that it will be totally unfair, and that it could mean the demise of the New South Wales irrigation industry.

It is important to look at the security of water entitlements in New South Wales. I have a few irrigation licences—not many, and not as many as I would like. However, the lending institution that I work for—I suppose we always work for banks—does not have access in the form of a mortgage on my water licences, which are fairly valuable. However, as far as a mortgage is concerned, I cannot borrow money on my water licences. Water entitlements must be put in a register, much the same as land titles. That would be a great step towards enabling lending institutions to look favourably on using water entitlements as a form of mortgage security.

In my case if the bank decided to foreclose tomorrow—hopefully, it will not—it will have no security over my water entitlements. I could sell my water entitlements tomorrow and the bank would have no security over that. That is important. As for water management plans, in the past few years, agreements have been made by irrigators in the environment and town areas as well. In terms of the current basis of entitlements to the environment, irrigators and others in the industry, it would be a retrograde step if we turned around now and said that all bets are off and we will start negotiating again. That would put the irrigation industry back at least two years until we stop negotiating in so far as working out who is entitled to what. That would be a pity.

I implore the Minister to retain the present deal for the environment and for irrigators. I am concerned about the role of the Minister for the Environment. I believe his role should be one of consultation. He should not be able to veto water management plans. That is the responsibility of the Minister for Land and Water Conservation. I ask the Minister to consider requiring that people on the water management committees live in the area. They should not be bureaucrats who fly in from Sydney, cast a vote and fly out again without having a vested interest in the communities they are visiting. It is important that community representatives should be entitled to vote in relation to water management in their area.

So many times we see bureaucrats—there are some good bureaucrats but there are some bad bureaucrats—fly from Sydney to areas like Burke, Walgett, Moree and Narrabri to cast their vote and leave again; they have virtually no responsibility in terms of living and earning their livelihood in the community. Even as a public relations exercise, it is important that the people who make the decisions should live in the area and play a part in the community. If that could be done, that would top off an excellent bill.

Mr WEBB (Monaro) [9.46 p.m.]: The Water Management Bill has been some time coming. We have been looking for water reform in this State for many years. I echo the words of the previous speaker in congratulating the Government and the Minister on getting water reform this far and on getting the bill on the table. However, the process has been very confusing. We have had farm dams, septic tanks, ground water salinity, State environmental planning policy 58, the white paper, the bill of 260 pages and then a further paper of 40 pages with some 160 amendments. And we find that still more amendments are needed! The process of consultation throughout the past 12 months, and prior to that with the white paper, was lacking in some areas and it needed to be chased up in many other areas. I support the remarks of the shadow Minister for Land and Water Conservation, the honourable member for Barwon, and others. I congratulate the shadow Minister on his involvement in scrutinising all the issues relating to water reform in this State and on getting us to the point where we are tonight.

One major issue of water reform is its relationship to regional growth in New South Wales and the prosperity of the nation, along with the other water uses. Certainly there are implications for the sustainable and viable agriculture industry of our State. This bill attempts to address the provision of a secure water supply. However, as my speech goes on it will become obvious that the bill is lacking in detail because of the Government's desire to cover all water in this State. Previous speakers have talked about coastal waters, the Murray-Darling Basin, salinity, irrigation, town water and coastal water, even out to sea. This lengthy bill, with so many words is insufficient to deal with all those matters, and we will see the devil in the regulations in ensuing years.

I emphasise the importance of water as a natural resource, the implications for land use, the implications for local government and rural and regional towns, the production aspects of water, which are obviously intrinsically linked, and the implications for the environment. There are many economic and social benefits of water. However, I will not detail those as the leader of the National Party referred in detail to the dollar value, the people value and the economic benefits of water to the State, and to the social benefits not only for those in regional areas but for those in the larger provincial cities and major metropolitan areas of the State who derive a direct benefit from the use of water.

The bill allows for change. Change is something that we must all allow for; it is an inevitable process. However, I am not certain that having cut-off periods of five, 10, 15 and 20 years properly allows for change. The bill does not take into account details of compensation flows, and whether there are renewable rights, licences, and so on, after that period. Whilst the bill has more concrete terms and greater detail, I still do not believe it goes far enough. I regard water as a perpetual property right which should be attached to land. An easy way to do that would be to entirely attach water across the State to the land on which it falls, whether it be National Parks and Wildlife Service land, farmland, town land that is designated for urban development, or city land. Regrettably, the water that falls here in the city is generally lost and is not put to its greater use, whereas water on the other side of the escarpment, the Great Divide, is generally reused again and again. This may be a simple view, but I do not understand why an irrigator or a potential developer to the west of the State could not purchase land and, therefore, the water right attached to that land.

Water, unlike land, is not something that one can manipulate, develop and watch change. However, it is difficult to treat water separately from land. We heard earlier of the third party rights within the bill to own, manipulate and trade water. The problem with that is that often they are rights to water that has not even fallen yet. It might be water in a dam or water in a river that is not even there, and it is difficult for people to see the water and know when it is going to be applied or traded out of that area. The land titles that we all have and are common today, which are still associated with the water that is related to the land, have been issued and ratified by governments, and the land and the water have been valued together by governments. However, this will be largely taken away, in many cases without compensation. I understand that initiatives of the Council on the Cost of Australian Governments will drive water to its highest profitable use. Many land-holders have retained valuable water rights, largely undeveloped, and now they will lose the greater part of that right, that is, above and beyond harvestable, stock and domestic rights.

The intrinsic relationship between land, water and run-off is nowhere more evident than in bushland and the reafforestation areas of the National Parks and Wildlife Service. With greater vegetation and reafforestation, particularly with pine, there is a lot less run-off. We must value grasslands, because they are the heart of run-off into our creeks, streams and rivers, which provide for the immediate reuse of water. The regeneration initiatives, if taken to their fullest extreme, would result in a vast reduction in available water. I am not sure of the value of having a licence or a right to water if there is no water. That raises the issue of tenure and the period of a water licence. It is good to have a 10-year licence, but if through reafforestation or taking land out of production the potential for water to penetrate the soil and run off the soil is lost, I do not understand how one can quantify the water that will be used in a particular area.

There are many difficulties here, and it is clear that in the bill the department and the Minister have tried to come to terms with that with regard to access to water supply and excess water use, and so on. It is a little like the Snowy River, which currently is at less than 0.85 per cent. The 1990s have been very dry, and less than 1 per cent of nothing is not very much. As well, environmental flows and greater flows for the Snowy River are difficult issues, and the Government is looking at initiatives of 15 years and beyond to deal with them. The Government is using $150 million of taxpayers' money to facilitate that. The broader community should be involved in sharing water and sharing water costs and burdens. Our farming sector and Australia generally enjoy subsidies of some 4 per cent to 6 per cent. In Europe, perhaps it is 50 per cent, and in the United States perhaps 30 per cent to 40 per cent. I understand that there is a problem there.

As I have said throughout my parliamentary career, including in my maiden speech, cities need to be involved and take some ownership of that and provide some of the funding, as I believe they will, to address the water inequities across our State. We need subsidies right across the board. Certainly in cities, sewage water and stormwater goes out to sea and is lost , whereas water in the country is reused many times and has a greater environmental use as well. In my electorate there is the Sydney Catchment Authority. Sydney Water has a significant implication for the township Braidwood and Tallaganda Shire, and many of the spin-offs from the bill will impact quite heavily upon those areas.

Today's environmental management standards must take into account all areas of water use, as well as socioeconomic factors. Increased tradeability needs regional security and perhaps attachment to land to be realisable and documentable. If there is to be a register, its provisions would have to be strengthened if the banks and others are to have confidence in them because, otherwise, third parties will speculate during drought times. Invisibility of ownership is also a problem. The bill provides water-sharing principles. It also provides for water management committees. I agree with the honourable member for Barwon that members of a committee should live in the local area. Local people will bring to the committee the benefit of their local knowledge, ownership and experience. It is vitally important that the committee comprise local representatives of catchment authorities, local government, and Aboriginal and interest groups, particularly those who have invested their sweat and money in the local land.

I am not sure that I agree with the composition of the water management committees. The Minister has the power to stack the committees to achieve his ends. I do, however, agree with the requirement for unanimous decisions. I am concerned about the provision requiring the concurrence of the Minister for the Environment. I am sceptical of the intent regarding the regulations for Sydney Water with regard to sustainable catchments and safe drinking water, and I support the concerns expressed in that regard by the honourable member for Southern Highlands. Reference has been made to 10-year water management plans and to a review after five years. But what happens after 10 years? Will there be compensation if a licence is not renewed? Will there be security for borrowings, bank interest rates and risks part way through or at the conclusion of the term of a licence? [*Extension of time agreed to.*]

I am pleased to note that the bill contains provisions for extensions of time being granted, but the question remains: What happens after 10 years? Water management plans affect the relationships between businesses and banks, utility development, farm development, the development of regional communities and ever-increasing population areas of rural districts in this State. I believe that growth in rural communities has occurred because of the certainty of, and reliance upon, water resources and the attachment of importance by communities to water resources. But now those resources will be taken away. I know of examples of businesses that have not used their entire water allocation but instead have preserved and conserved water resources in the past. Because they have adopted a very conservative approach, they will have their water allocation reduced, which can have major implications on the potential growth of rural areas. As all honourable members know, water allocation entitlements are currently based on population. The review after five years will always be a catch-up provision because the population may have increased during the preceding five-year period.

In the past, land valuations have taken into account the value of water resources. There is a relationship between local government rates and land values. I welcome the role of the Valuer-General which is foreshadowed in the amendments and I am pleased to note the move away from the original intention of the bill. Under the original provisions, land-holders and local councils who suffered the consequences of variations in the ratable value of land and reduced rates income would have had little chance of recouping their losses. The involvement of the Valuer-General and the provisions relating to appeal are welcome amendments. As I mentioned earlier, the provision of a land register also impinges on this issue and relates not only to land management, agriculture production, population increases and decentralisation in rural and regional areas but also to the security on which banks will be able to rely.

The burden of alterations to water resource allocations is felt most keenly by smaller communities. If the rating base of a shire or local council area decreases because water resource allocations have been removed from the area or are not available to assist development, the local authority area's mechanism for producing an income will be affected. The burden of reduced land values forming the rate base will fall on other ratepayers as a consequence of the redistribution of the rate base and zoning potential in the area. That is a lose-lose situation. Such an area would lose its water resources without any compensation, and members of the community will have to pay increased local government rates to support the local authority community governance mechanism which is so vital.

The Coalition was very concerned about changes in the bill to riparian rights which stem from the 1912 Act, but I note that stock and domestic rights will be categorised as non-volumetric rights as a result of an amendment, which is certainly welcome because it will be vital for land-holders, country people and graziers. For many, many years I have been involved in grazing. Over five generations my family has been involved in grazing on land along the Murrumbidgee River to the west of the Australian Capital Territory . We have not utilised riparian rights beyond stock or very basic domestic rights and have never undertaken any irrigation although it has often been thought about. The property has amazing drought-proof potential, yet many of the water rights associated with the property will be removed from the land.

In times of droughts or low rainfall, the Minister will have powers to protect threatened water resources to make changes to some stock or domestic rights. I hold grave fears in relation to the possibility of such changes. I am certainly pleased to note that the provisions of harvestable rights are being continued in the current amendments. The minimum 10 per cent provision is vitally important. As the honourable member for Ballina rightly said, the size of dams in areas receiving lower rainfall or areas receiving less reliable rainfall really need to be bigger so that property owners can be more opportunistic in storing rainwater to get through dry periods.

Recently great rainfall occurred in the Monaro district. Falls were measured at 70 to 80 millimetres and have filled up the dams in the area. Larger dams would enable property owners to store enough water for two or three years whereas small dam entitlements with a minimum of 10 per cent do not really provide a secure water supply over two or three year dry periods which are ever so common in Monaro. When there is sufficient rainfall, the grass grows well and I have to say that the Monaro district has produced some of the best sheep and cattle stock that this country has ever produced. The district is renowned across the nation and throughout the world for its livestock.

Extraction components are contained in the bill and are to be applied to all water. Obviously the aquifers contain great unknown quantities of water. The Government stands to gain a windfall in the future should it proceed to capitalise on aquifers. A huge aquifer has been discovered in Western Australia so the speculative element has been reduced. I have already mentioned the land subdivision and land ownership

problems confronting local government but I believe that these problems have not been examined properly. I live in an area near the Australian Capital Territory which is one of the largest growth areas in this country consisting of the Yarrowlumla Shire Council and the Queanbeyan City Council. The problems of providing sufficient water for subdivisions need to be taken into account.

The relationship between property values and the potential for industry development and decentralisation has been hamstrung somewhat by this bill. Although credits for use allow for some innovation in certain areas, I do not believe that the environmental use in a secondary use category—such as the use of grey water on sporting fields, which is a great thing that assists in population development and profitability of the State—has really been quantified. In terms of social and economic impact, the bill provides insufficient detail to examine all the water resources throughout this State. However, I mention that Monaro covers whole rivers in New South Wales including those in coastal, eastern or southern areas such as Pambula, Kiah, Bombala, Delegate and the Snowy as well as the headwaters of the Bega, Bemboka, Shoalhaven and Deua Rivers.

The Murray River rises in Monaro, which partly forms the New South Wales-Victorian border, is vital for New South Wales and is the food bowl for the whole of Australia. The Murray Irrigation Area and the Murrumbidgee Irrigation Area [MIA] are extremely important to Victoria, South Australia and New South Wales. I also mention the upper Murrumbidgee River and its important tributaries, the Queanbeyan and Molonglo, together with the irrigation potential of the Numeralla and Bungendore areas and grazing and recreation uses of town and city water which are all affected by this bill. I reject the amendment to establish a water investment trust. Although many other provisions of the bill are important, the bill suffers from a lack of consultation. I have enjoyed having the opportunity to make this speech but I regret that it is inadequate in many respects owing to limited time that has been available to devote to it.

Ms HODGKINSON (Burrinjuck) [10.06 p.m.]: The legislation that is before this House will have an enormous impact in my electorate. At the outset I declare a personal interest as I am a member of Parliament who lives on a productive farm on which water plays a very important role. The Leader of the National Party stated during this debate that Australians use more than 14.5 million cubic metres of water a year, which is the equivalent of 30 times the capacity of Sydney Harbour. Water also accounts for $90 billion worth of infrastructure investment and approximately $6 billion in revenue derived through irrigation. This bill represents the most significant natural resource legislation that I have seen before this House.

The process began with the white paper which the Minister presented last December. The dissent resulting from the publication of the white paper was remarkable. When the Minister reintroduced the amended legislation on 22 June, the bill represented something of an improvement. However, several problems associated with the bill were highlighted to me very dramatically by various people from my electorate, not the least of which was the need for consultation. The people in the Crookwell area of my electorate were particularly unimpressed by their lack of awareness that the bill had again been laid on the table of this House. Dr Bob Smith very kindly consented to send one of his departmental officers to address a meeting of people in Crookwell. I appreciated that a great deal. As a result, the people of my electorate were able to forward late submissions to address the issues reflected in the bill. I appreciate greatly that they were given the opportunity to do that.

The meeting in Crookwell, which was attended by 70 locals, caused great concern. Several issues were raised at the meeting to which I will refer briefly. It appears that some of the issues I put forward in my submission have not been taken into consideration in the new bill. The attendees came from several shires, including Wollondilly, Shoalhaven, Mulwaree, Crookwell, Gunning, Evans, Cowra, Cabonne, Yass, Boorowa and Tallaganda and represented a broad spectrum of agricultural activities. Mr Don Martin from the Department of Land and Water Conservation presented an overview of the bill at the meeting.

The amendments in the bill do not refer to rural bushfire fighting. In my submission I said that no thought or consideration had been given to the needs and requirements of rural fire fighting. I said that the second longest serving member of the New South Wales Bush Fire Council, Geoffrey Mitchell of Lark Hill in Goulburn, has informed me that it is not unusual to use between 100,000 to 200,000 litres of water a day when fighting a bushfire in the south-eastern area of New South Wales. I would like confirmation that that has been covered by the amendments. Boorowa Council has expressed concern that the right of councils to take water for road building and maintenance purposes has not been given consideration in the bill.

In relation to tradeability the shadow Minister said that the competitive economic model approach which has been put forward needs to be looked at realistically. He put forward the proposal of someone such as

Kerry Packer speculating, entering the water market, buying large volumes of water, holding that water outside and releasing it back into the market at a price that farmers could not afford to pay. That would be considered to be totally unacceptable by any land-holder in my area. The concern was also expressed that this may not only be put forward by Australians but also by foreign multinationals who could ultimately be able to purchase access rights to our State's water. That was mentioned very strongly to me and I would hate it to occur.

The bill certainly represents a considerable shift away from the white paper. I fully acknowledge the efforts of the shadow Minister for Land and Water Conservation, and his assistant, Emma, who have worked extremely hard on the amendments. They have done an amazing job to ensure that the Coalition's proposals are put forward. The Minister for Agriculture, and Minister for Land and Water Conservation has ensured that these amendments will go ahead. It is important to continue to work hard to get the best legislation possible for farmers, industry, local government, residents and small business owners. Ensuring that that happens will be no mean feat. For that reason, the Opposition will move amendments in the upper House, as the shadow Minister has said.

The Opposition is concerned about banks lending money, to which the shadow Minister also referred. He referred to the lack of security after 10 years. Security of, say, 15 years will be crucial. The Australian Bankers Association [ABA] in a press release last week stated that it had great concerns about being able to provide guarantees on the proposed 10-year period that is being offered. The ABA says that those assets are likely to form a large portion of the security offered by the farmer, even if it is only collateral security. The association said that although the apportionment of the value of irrigated land between land and water rights is the subject of conjecture, it is anticipated that access licenses will represent a high proportion of the property value of an irrigated enterprise.

The ABA also said that most rural lending is done over a 15-year time frame. The Leader of the National Party also raised that matter. He said that lenders preferred to have property planning undertaken for a longer time frame. That is understandable because it allows the farmer to take into account seasonal fluctuations in weather and in commodity prices. In fact, fluctuations in weather are occurring at this time, as the honourable member for Monaro pointed out. He also mentioned the collection of 10 per cent of the average annual regional run-off and the harvestable right. He said that given good times such as the present, which has resulted in dramatic amounts of rainfall in the electorate of Burrinjuck and beyond, farmers' ability to store and drought-proof their farms is an important and basic part of farm management. In everyone's opinion it would be extremely unsatisfactory if that were denied to them.

In relation to the availability of compensation, access to compensation for any loss of entitlement is vital, as it is an essential element of any type of property right. Access to compensation acknowledges that the community as a whole should help pay for broad-based environmental benefits, not only the individual water user. The bill will put some discipline into the Department of Land and Water Conservation and the Minister's decision-making process. The department will know that if it wishes to deprive individuals of the lawfully acquired and Government-issued water entitlements, it will have to compensate the affected water user. A 10-year plan, having been reviewed after year five, should be able to be extended for a further 10 years, although we have some reservations about that section of the bill, as the shadow Minister pointed out.

For example, as has been pointed out previously, what will happen when a water user or farmer goes to his bank in years seven, eight or nine and needs to refinance and is told that there will be no more finance because there is no guarantee what will happen after year 10? That issue needs to be addressed by the Government. That should be done before this bill becomes law. The bill also provides that the Minister for the Environment must concur with the making of a water management plan without being involved in the development of the plan. Water management committees have environmental representatives and representatives from government agencies, who one could reasonably expect would be able to advise on pertinent issues, such as environmental concerns. In his second reading speech the Minister said:

> … the Government will move an amendment to increase from one to two the minimum number of indigenous representatives on water management committees and the Water Advisory Council. We will also provide for water management committees to operate on a consensus decision-making basis. The current bill specifies a majority-voting model. I am pleased to say that both these amendments are supported by all peak interest groups—

That is great. The Minister continued:

> The Government has received some representations from the farming community which have asked that the bill also be amended to ensure that the membership of these committees is drawn from the local area. However, the Government is of the view that this suggestion can be accommodated—and this is largely our intention—without prescribing it in legislation.

It is essential that there is local representation on any committee. Without local involvement, how does one know that the best decision will be made for the local area? The Opposition has deep concerns in relation to the

water investment trust as proposed by the Government. While its aims of funding activities that result in environmental enhancement and investment in water savings are commendable, the National Party is worried that the trust will be used as a mechanism to shift costs to water users. The regulations could make provision for, or with respect to, the fixing, accessing and levying of water investment contributions from persons who hold access licenses.

In relation to title the proposed register for water licences is plainly inadequate. As I mentioned earlier, financial institutions will simply not lend to water users if their title is questionable. In all negotiations—including those conducted by myself, those on the backbench, by the shadow Minister for Land and Water Conservation and by the Leader the National Party—meaningful property rights stood out as the issue of most concern. Even though the bill has been improved by the latest amendments, the National Party contends that it has not gone far enough. The bill provides for the full separation of water rights from land, as per the agreement of Council of Australian Governments, which the Minister pointed out was so important in his second reading speech.

However, because of the problem of local government rating income being attached to lower land values as water is separately traded, the Valuer-General will take into account both land and water values for valuation purposes. The plain fact is that the bill provides no security for water users and regional communities beyond 10 years. In relation to town water allocation, population growth and regional development, local government bodies across the State potentially will have their water allocations cut, which in economic terms will cost them millions of dollars each year. For councils experiencing population growth, such as Mulwaree, five-yearly water entitlement adjustments will not be frequent enough.

The Minister must consider allowing councils to apply to the Minister for more regular adjustments as required. Local government bodies that require new water for industrial or regional development will have to obtain that water from savings or through purchase. Even though a system of credits will apply for councils that reuse water, the general consensus is that new water should be available for industrial development, especially as only a very small percentage is allocated to town use. Any brake on regional development is a scourge not only to rural and regional employment, but will really strain urban areas as population drift accelerates.

To summarise, natural resource legislation in this State is not integrated; and native vegetation, soil conservation and water are governed by their own Acts. I am concerned that the Government, in devising this piece of legislation, has not focused sharply enough on producing legislation that will fit into an integrated legislative model at some time in the future. What is clearly needed is a more integrated management of all resources that impact on water quality, environmental outcomes and productive uses. Industry security must be kept in focus at all times during this debate. There is a tendency for this Government to lose sight of the importance of security for water users. One of my major concerns with the bill is that there remains far too much ministerial discretion and not enough community empowerment. The Government needs to learn to trust residents living in rural and regional New South Wales.

There are definitely improvements from the white paper and the initial Water Management Bill 2000. These include a compensable property right for changes or compulsory acquisitions within the 10-year water management plan and riparian and harvestable rights remaining. Additionally, supplementary access water is being increased from two to 15 years. This will assist water users who need supplementary access water. But the improvements are outweighed by my remaining concerns, which include: no water security for water users and regional communities beyond 10 years; financial institutions being unable to make finance available under the bill, or, if they do, charging higher interest rates; and the Minister being able to radically change the current bulk access regime before the water management plans are put in place, which could well result in major losses to irrigators and other water users. Other remaining concerns are that the register for water licenses is inadequate; water access licenses can be traded separately; the Water Investment Trust; the role of the Minister for the Environment; the bill having given insufficient consideration to the management of coastal rivers, and its potential conflict with the Environment Protection and Assessment Act; and matters related to bushfire services. [*Time expired.*]

Debate adjourned on motion by Mr Whelan.

SPECIAL ADJOURNMENT

Motion by Mr Amery agreed to:

That the House at its rising this day do adjourn until Wednesday 15 November 2000 at 10.00 a.m.

House adjourned at 10.25 p.m.