

LEGISLATIVE ASSEMBLY

Tuesday 18 September 2001

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

Mr Speaker offered the Prayer.

ELECTORAL DISTRICT OF AUBURN

Return of Writ: Election of Barbara Mazzel Anne Perry

Mr SPEAKER: I inform the House that a writ issued on 13 August 2001 in accordance with section 70 of the Parliamentary Electorates and Elections Act 1912 for the election of a member to serve in the Legislative Assembly for the electoral district of Auburn in the room of Peter Richard Nagle, resigned, has been returned with a certificate endorsed by the returning officer advising of the election of Barbara Mazzel Anne Perry to serve as member for the electoral district of Auburn.

OATH OF ALLEGIANCE

Mrs Perry took and subscribed the oath of allegiance and signed the roll.

BUSINESS OF THE HOUSE

Motion of Condolence: Suspension of Standing and Sessional Orders

Motion by Mr Whelan agreed to:

That standing and sessional orders be suspended to permit the consideration of a condolence motion for the victims of terrorist attacks in the United States of America.

TERRORIST ATTACKS ON THE UNITED STATES OF AMERICA

Mr CARR (Maroubra—Premier, Minister for the Arts, and Minister for Citizenship) [2.18 p.m.]: I move:

That this House:

- (1) condemns the terrorist attacks committed in the United States;
- (2) extends condolences to all the victims and their families; and
- (3) calls on Australians of all faiths to support each other and practise the very values that were attacked—freedom and the rule of law.

All who lived through 11 September 2001 will always remember it. A catastrophe like that bonds us as human beings and great good can sometimes flow from enormous evil as if, in this time of talk of war, when facing the darkness, we most value the light. The events of just a week ago have shown us that human goodness is a fact—it is unstoppable, and ineradicable. The firemen and police who walked into the shadow of two great wobbly towers and climbed the stairs, were probably aware they would not survive. The heroes on United Airlines flight UA93, accepted their fate and attempted by their death to save others and protect their country. The husbands, wives, sons and daughters who rang loved ones from those planes and wrecked offices to say, "Goodbye, I'm unlikely to survive this. It was good to have been your friend upon the earth."

Then the thousands who volunteered their blood, their hands, their exhaustion for the long nights and days that followed. They are still at work. The chaplain who died in the act of giving absolution to a fireman who himself died in an act of gallant self-sacrifice. Our colleague in public service Mayor Giuliani, who never slept, and former President Clinton, who wept with the kinfolk of the fallen. Sometimes it takes this enormity to show the generosity of the human spirit. It is not good that the few who are not susceptible to mercy can do such harm to so many.

We are not here to speak today—though the time will come—of the big picture of world terrorism, its causes and its remedies, or of the strategic goals and alliances that are being talked of, and the necessary action to smash terrorists. We are here today only to speak our shared regret, our sympathies and kindred sorrows. The number of Australians currently not accounted for in New York and Washington is more than perished at Thredbo, when 18 lives were lost; on the Westgate Bridge, 35 lives; in the fires of Hobart, more than 50 lives; perhaps even more than in the Granville Train disaster, 83 lives lost.

We feel ourselves one in blood with the fallen, kin and bonded with all who died. A world away, we share their grief. There were those that morning who had the luck. The Chairman of Cantor Fitzgerald, Howard Lutnick, survived the attack because he was late for work. He decided to take his children to kindergarten for the first time that morning. He lost his brother, though, and around 700 workmates—700! John, a New York Port Authority worker, rolled himself into a ball, tumbled down 80 storeys as the building fell and was barely scratched. Ian Thorpe came to the door two hours before and then went back to his hotel for his camera.

John Howard was giving a news conference at his hotel a short walk from the White House, when the 767 airplane intended for its destruction hit the ground in Pennsylvania. All feel relief but also guilt that they were spared and so many were lost. Human beings are like that. We feel for our fellows, across race, religion and region. We breathe the same air, share hopes and sorrows. We are involved, as John Donne said, in mankind, and the tolling bell tolls also for us as it does for comrade, foe and kin.

We think of our lost Australian kin. Yvonne Kennedy, 62, from Westmead, a widow with two sons, had recently retired from the Red Cross after 25 years, having been awarded the Red Cross distinguished service medal. She was on her retirement holiday. Adelaide industrial advocate Andrew Knox was working for an infrastructure company on the 103rd floor of the north tower of the World Trade Center. Leanne Whiteside, from Prahran, Melbourne, was on the second day of her dream job in the World Trade Center working for an insurance company. Retired Sydney Qantas baggage handler Alberto Dominguez from Lidcombe had worked for Qantas for 21 years. He was a prominent member of the Spanish community. Lesley Thomas, from the Central Coast, was working in New York as an options trader for Cantor Fitzgerald.

For these and all the others missing and not accounted for among the scarred and twisted metal we hope for a miracle: that among the rows of stretchers and doctors waiting for patients and treating so very few, that along the unending odyssey of the sniffer dog Bear, who knows in the way dogs do how essential is his task, a human form in the dust will unexpectedly move and show that life is there, and hope abides.

There is no joy in this occasion. There is no great comfort in knowing that more lives are yet to be shed in the conflict that will surely follow this atrocity, this bestial act by fearless, fanatical, short-sighted men. There is no comfort in sharing a planet, a fragile global confederation, that has in it so much hate, and to see that hate grow by the hour. There is no victory, and there is no honour, in defaced mosques or churches or in abuse and street violence against good citizens born in the Middle East and at peace here in Australia. They detest as much as any these barbarous and poisonous acts and the inhumane organisation that planned them and fed them.

There is comfort, however—some comfort—in the goodness this foul deed has ignited: the song and ritual and the extended hands of nations met in unexpected comradeship, united by their sympathy, sorrow and outrage. In the words of a familiar song, "We are one, but we are many." In this country as in yours and at this awful time we are with you, the very many of you now grieving, in spirit and in fact, in our prayers and in our sorrow, and in our strategic support—in all this, Australia will be there.

Mrs CHIKAROVSKI (Lane Cove—Leader of the Opposition) [2.26 p.m.]: Early last Wednesday morning I received a phone call advising me of what was happening in the United States. Like many people I turned on the radio. I now know how those people some years ago who turned on the radio and listened to the War of the Worlds broadcast must have felt. The horror of that broadcast was such that people in the United States started fleeing their homes in panic. They did not realise that it was just a story. But what I listened to on the radio the other day was not a story; it was a horror so unimaginable that as I lay in bed I could not believe that this was truly happening in our world.

The horror got worse. When I turned on the television I saw the first of the many, many replays of the second plane crashing into the World Trade Center. We started to get the details of what happened. Four planes were brutally hijacked with the very simple intention of causing as much death and destruction as possible. As we now know, American Airlines flight 11 from Boston to Los Angeles crashed into World Trade Center tower one, the north tower. United Airlines flight 175, also en route from Boston to LA, crashed into World Trade

Center tower two, the south tower. American Airlines flight 77 out of Washington on its way to LA, apparently after first trying to head towards the White House, crashed into the Pentagon. Finally, United Airlines flight 93 from Newark to San Francisco crashed in Pennsylvania.

The combined effect of these four horrendous acts was the most deadly act of terrorism that the world has ever seen. At the moment, the toll stands at 5,812 people either confirmed dead or still listed as missing—as a result of this cowardly, barbaric and horrific act of terrorism. The dead and the missing come from dozens of countries, most notably, of course, from the United States but also from our own. Three Australians are confirmed dead and another 70 or so are missing. Many of them are from our own State. Other countries with a high number of casualties include Colombia, with 295 missing; Germany with 270 missing; Britain with almost 100 confirmed dead and still many missing; and Canada with three dead and 100 missing.

We mourn for each and every one of them and we mourn for their families and their friends. We mourn for each individual life lost in these unexpected and senseless attacks on innocent people that came from the skies over New York, Washington and Pennsylvania. We mourn for the families of the dead and the missing and we mourn for their friends, workmates and acquaintances. We cannot but hope as we watch the images on television of people walking the streets of New York with photos of their family and friends that through some miracle—at this stage it would be a miracle—some of them will find those missing people alive.

But it was not just the death, the people missing—it was the absolute trauma of watching what happened on that day that was distressing. If I close my eyes—and I am sure that everyone in this place can do this—I see people throwing themselves out of the buildings in absolute terror at the destruction around them. We can only try to imagine the depth of despair that they must have felt. We should also remember that those who had an opportunity to ring home took the time to say to their family and friends, "I love you". I sometimes say to myself that we do not use that expression a lot, but maybe we should. After the horror that occurred last week, it is an expression we should all think about using a lot more.

Of the Australians who are dead or missing it has been confirmed that 30 are from New South Wales. Among the front-line casualties are 30 people from our local communities, 30 people whose families and friends are suffering pain and sorrow, 30 people with representatives who are sitting in this Parliament today. The Premier has already talked about the courage of those who are involved in trying to rescue as many people as possible. I add my personal congratulations and tribute to President Bush. He has been in office for only a short period and has suddenly had thrust upon him perhaps the greatest difficulty that any leader, anywhere in the world, has ever had to meet in a time of peace—and remember, we are supposedly in a time of peace.

In the way that President Bush has conducted himself over the past few days he has shown great courage, great determination and, most importantly, strong leadership. I believe that the people of the United States will support him in the decisions he has to make in the time ahead. The decisions that he needs to make will be difficult and will require great determination and great courage. But we all know that those decisions must be made, we cannot allow this act to go unanswered. We are not talking about revenge, we are talking about justice. I also congratulate Mayor Giuliani. I have watched him on the television over the past few days. He has been an inspiration because he, too, has had to find the greatest reserves of courage to deal with what we can only imagine are the most horrendous circumstances in his city. I pay tribute particularly to the many thousands of rescuers in New York and Washington.

Last Friday night I was on my way to a function at which, ironically, I had been asked to speak about volunteers and the spirit of volunteering in Australia. As I was travelling by car to the function I heard reports that 80,000 construction workers in Manhattan downed tools and went to the World Trade Center site to offer their assistance to help those caught in the rubble. The workers were removing the rubble bucket by bucket, because there was no other way to do it safely. We need to pay tribute to the workers; they are not experienced emergency workers but they wanted to make sure that everything that could possibly be done would be done to try to save those who may have been caught amongst all the twisted steel and collapsed concrete.

We should pay tribute also to the emergency workers. As the Premier has said, many of them went back into the buildings, and one can only imagine that as they were going up the stairs and encouraging people to come down and flee the building, they knew that their own lives were very much at risk. In New York, 300 firefighters and about 67 Port Authority and New York police officers are missing. They have all performed beyond the call of duty. All those who are still working are working tirelessly. We congratulate and commend them and we recognise that they have put themselves at risk. Each time the buildings tremble, and the rescue workers go back into them, we can only further admire their courage. Other great stories of heroism have come

out in the past few days. Father Mychal Judge was killed while administering the last rites to a firefighter; he had refused to leave as the building toppled down on top of him. As I said, many of the firefighters who went into the buildings suspected that they might not have an opportunity to come out.

We assume that the passengers on United Airlines Flight 93 took a decision that they would overpower the terrorists and bring the plane down. That seems to be the case from the discussions that they had with their loved ones as they gave their last messages over their phones. Those passengers are heroes, they had determined that the safety of many others was more important than their own. We congratulate them. I am sure that all of us could relate stories of people we know who may have been caught up in this terrible disaster. Probably many of us have stories of many people who just missed the disaster. For example, friends of my family have a granddaughter who was due at the World Trade Center at nine o'clock for a job interview. Thank God she slept in and was not there when the disaster happened.

We have other friends with stockbroking mates who were working in the southern tower. When the northern tower was hit they thought that they were experiencing an earthquake. Good Aussie sense took over and they decided to get out of the southern tower. They decided that the safest place to be in New York during an earthquake was the middle of Central Park. They took off down the stairs of the tower, only to emerge at the bottom as the second plane hit their place of work.

Over the past few days people around the world have opened their hearts to the people of the United States and to all the victims of this tragedy. Condolence motions have been moved in the Federal Parliament and in this Parliament. People have written, or sent emails, to whomever they can to express the very deep concern of Australians for Americans who have suffered such terrible loss. People from all walks of life have taken time to contact their American friends. Australian emails have been broadcast regularly on the CNN and Fox television news services as we express our deepest sympathy to our American colleagues.

Around the world we are amongst many who are mourning with our American colleagues. However, we recognise that these are acts of terror, not acts of faith. We need to ensure that all Australians, regardless of their background, race or religion, are safe here. We need to ensure that the type of fervour, which is claimed for a particular religion that inspires those acts, is not present here. We need to ensure that people, wherever they have come from, who have chosen to make Australia their homeland are welcome and not subject to attack. We cannot and must not tolerate people being spat upon in the street, or those who wear the hijab having it torn off or children of Arabic descent having their bus stoned.

That is not Australia and we must not, and cannot, tolerate a society in which that sort of senseless attack on innocent people is condoned; to do so would rip the very fabric of what has made us great as a community. I urge all in our community to adhere to the tolerance that we have so often spoken so proudly of, the tolerance that made us the envy of the world just over 12 months ago when people came here and celebrated the Olympics with us. I urge all those who would think differently to reconsider their position and recognise that the tolerance of the Australian community is part of its greatest strength. We must ensure that the sort of sectarian hatred that has bedevilled so much of the world does not become part of the Australian landscape.

The final implications of these tragic events are yet to unfold. The grief, pain, sorrow and fear generated by these horrific acts of mass murder and destruction cannot be estimated. The people of New York, Washington and Pennsylvania may have been in the front line. However, the waves of revulsion, horror and dread that have spread throughout the world will seriously damage the emotional health of individuals, communities and nations. The victims of this tragedy are not only those who have died or who are missing: the victims of this tragedy are spread throughout the world. All of our lives have been changed forever by the events of 11 September 2001.

But we must not let this tragedy overwhelm us and prevent us moving forward as a community, as a State and as a nation. As part of a community of nations we have the right to demand, as so many others have demanded, justice—not revenge but justice. We have the right to demand that terrorists will not be harboured, financed and encouraged to spread their evil throughout the world. We have the right to move freely around this planet without the fear that our journeys may be our last and we have the right to expect that our children and their children will grow up in a world with an expectation of peace, not of war. In his inaugural address in January 1961 President John Kennedy said:

Let every nation know, whether it wishes us well or ill, that we shall pay any price, bear any burden, meet any hardship, support any friend, oppose any foe to assure the survival and the success of liberty.

Last Tuesday liberty was attacked in a cowardly, horrific and calamitous manner. The spirit of the people of the United States and, indeed, of all those who have joined in denouncing these horrendous attacks, has ensured that liberty will survive. As we meet here today as the elected representatives of one State of one nation of one part of our world, let us not only send our condolences to the friends and families of those affected by the terrorists, let us also commit ourselves to doing all we can to ensure that liberty flourishes amongst the peoples of the world. In his closing remarks in his inaugural speech President Kennedy spoke to both his fellow citizens and the citizens of the world when he said:

Ask not what America will do for you, but what together we can do for the freedom of man.

In this darkest of hours our hearts go out to our American colleagues but so does our resolve that we too will do all that we can to ensure the ongoing freedom of mankind. To the people of the United States, through the Consul General, Eileen Malloy, who is in the gallery today, our prayers and thoughts are with you. May God help and succour all of us in this time of our greatest need.

Dr REFSHAUGE (Marrickville—Deputy Premier, Minister for Urban Affairs and Planning, Minister for Aboriginal Affairs, and Minister for Housing) [2.43 p.m.]: Last week, as the Pentagon burned and New York's twin towers imploded, our future shifted and the world changed: 11 September 2001 stands as a new watershed in contemporary history. Acts of terrorism had previously shocked us. They touched our lives as they destroyed so many others. We saw the body of a disabled man thrown overboard from the *Achille Lauro* in 1985, we reeled as we read of 270 deaths in Lockerbie in 1988 and we know that nine children lost their young lives in the 1998 Omagh bombing. But nothing could prepare us for a terrorist event of the magnitude of what occurred on September 11. The enormity of the act has transformed us all.

We have watched over and over again surreal footage of a plane slamming into the World Trade Center. We have seen the unthinkable: carnage and chaos on the streets of the world's most powerful cities. We have contemplated the unspeakable: the terror of hundreds of people on board four hijacked planes as they realised their fate. The symbols of the might of the West were toppled: America's military nerve centre was hit and the world's most celebrated skyline was transformed. Technology has allowed us the painful opportunity to witness many of these events unfolding live on our television sets: images of people leaping to their deaths from the World Trade Center as it buckled and burned, images of people fleeing and images of rescuers seeking survivors. They are images that will haunt us.

Now, one week later, the apocalyptic images are giving way to chilling and immeasurable sadness. In one news story I saw a child's rag doll lying amongst the debris. We do not know yet how many children were on those planes or in and around those buildings but parents and families the world over are grieving. Thousands of people from 50 nations were in the World Trade Center and the Pentagon. The targets may have been heavily symbolic but the reality is a hideous crime against humanity. Today we stand in this House to offer our thoughts, our shared sorrow, our support to America and to Americans and to acknowledge that we grieve with them and for them. We also offer our sorrow and support to the families from those 50 nations whose hopes and dreams died with their loved ones in New York, Washington and Pennsylvania.

With people the world over we applaud the heroism and extraordinary dedication of rescue workers and firefighters, who are still combing the site. Each day we share more of the American anguish as we revisit those tragic events, as more footage, more information and more stories of devastating loss come to light. And each day we worry about what is to come and we speculate about lives yet to be lost. Ironically, at this time last year our focus was on things much more positive, on possibilities much more uplifting. Sydney was staging the best Olympics and Paralympics the world has ever seen. Our streets reverberated with colour, with hundreds of countries and dozens of religions. We respected our differences and celebrated together. There was a pervasive spirit of joy, camaraderie, sensitivity and exaltation. The world was briefly a better, happier, more unified place.

That spirit has now been eclipsed by what will surely be a defining event of the new millennium. The new century we ushered in with such hope and pride now takes on a sombre, ashen tone. As a society now in transition, we contemplate the aftermath of this terrible watershed. With terrorism and the civilised world colliding on a scale not experienced before, what does the future hold? Inevitably, violence, tragedy and recriminations will be part of the future. Certainly, these deaths, this wanton destruction, cannot go without response. These brutal acts must be swiftly and forcefully challenged. America has stated unequivocally that it is at war with the shadowy forces of terrorism. Australia stands with America and Americans in their pursuit of justice. Our lives will change as this stand we take commences.

But our response should not undermine the principles of our democracies, the principles of freedom and the rule of law. Our support for action against terrorism does not mean our own communities must fracture.

Our society is enriched by a huge diversity of ethnic groups and our citizens are sustained by a variety of religions—Muslim, Buddhism, Sikh, Judaism, Hindu and Christianity. Australia is a society that proudly embraces multiculturalism. We must maintain the pride. We must respect the right of our citizens to worship as they choose. We must remain united as a community to deal with what may become a painful and lengthy global conflict. It is all too easy to allow the call for justice to descend into hatred and intolerance on the home front and to allow the politics of division and revenge to taint our lives. But this is the stuff of nightmares.

Already, unnervingly, there have been instances in Australia of people being targeted for abuse because they are perceived to follow the Muslim faith. We have seen a Lebanese Orthodox Church in Sydney subjected to an attempted firebombing and racist graffiti. Stones were thrown in an attack on Muslim students at a Brisbane school. Muslim women in Adelaide have had their veils torn off. These personal assaults are cowardly and grossly misguided. Hate crimes can only serve to create further damage and further pain. Racism and intolerance must not splinter our community at a time when unity, courage and concern for our fellow citizens are what will sustain us. Nelson Mandela is one who has long confronted racial division and violence within his own homeland and, perhaps more than any other person, has worked to overcome that great divide. We would do well to heed his words:

Never, never and never again shall it be that this beautiful land will again experience the oppression of one by another.

I think we can take heart in the words of Terry Waite, who is all too familiar with terrorism, having been held hostage in Lebanon. He tells us that terrorism ultimately destroys those who practise it. He says:

Slowly but surely, as they try to extinguish life in others, the light within them dies.

We must believe those who orchestrated these hideous crimes against humanity will be found and judged, and we have to believe the forces that guide terrorism will be destroyed. Today this Parliament condemns these crimes against humanity, extends our condolences to the victims and their families and defends the freedom of all Australians to seek comfort in the faith of their choice.

Mr SOURIS (Upper Hunter—Leader of the National Party) [2.50 p.m.]: I join the Premier, the Deputy Premier and the Leader of the Opposition in expressing on behalf of the National Party my profound regret and alarm at the appalling terrorist attack on the United States. Nobody in Australia is untouched by this terrible event, and our hearts go out to those who have lost their lives and to the bereaved families and loved ones who are forever scarred by terrorism. We focus our thoughts especially on the three Australian citizens who have been confirmed killed as a result of this barbaric action and on the families of the 69 Australians who are unaccounted for in the disaster area. I also express my sympathy to all United States citizens around the world.

This act of terrorism has sent a shock wave around the world. The grim reality now is that no country, including Australia, is safe from terrorism. The attacks on New York and Washington are being described as history's rift, meaning that the rules and mores that once existed to define that which is fair and unfair, that which is good and that which is evil, no longer apply when terrorism is enacted. What was once regarded as normal is no longer so regarded. However, the American leadership of President Bush, Governor Pataki and Mayor Giuliani never buckled; they held their nerve and so did the American people. They are an inspiration to the free world. As the world watched the unfolding of this evil terrorist deed, great acts of bravery and courage emerged. The dedication of New York's police, fire brigade, ambulance, the National Guard and municipal staff was nothing short of heroic. Strangers assisted each other to safety and crowds of evacuating office workers remained orderly, as if to deny the perpetrators the spectacle of panic.

Today the United States of America went back to work and demonstrated to the world that it cannot be cowed. It sent a message to the world's terrorists that there is no place in a civilised society for terrorism. America is not alone. Australia and the free world stand shoulder to shoulder with the United States of America in this its time of great grief. Once warring enemies of the United States—Russia, Germany and Japan—along with the rest of the free world have joined an alliance of strength and will never before witnessed in history. They will seek out and deal with terrorism wherever it exists. Australia is part of this great alliance.

Australia has a great and special relationship with America. America is one of our closest allies. Special bonds were forged during World War II when Australia faced the serious threat of invasion and American forces rallied to our defence in the Pacific. We have also fought side by side in other theatres of conflict where freedom has been threatened. That special relationship between our countries has continued and strengthened and it is now proper that we express our friendship and our support to the people of America and tell them that they are not alone. We reach out to them as family to assure them of our support in this time of

calamity and to give them hope and confidence in the future. We reach out in support so that we can make the world a safer place for all children. Terrorism has no place in that world. There can be nothing more certain than the fact that, out of the rubble that was once the twin towers of the World Trade Center and the damaged Pentagon, America's goodwill and the freedoms that make democracy worth fighting for will emerge strengthened and renewed. I conclude with some words spoken by the Salvation Army's Lieutenant Colonel Don Woodland when he led us in prayer moments ago in the Liberal-National party room. He said:

I pray to God for guidance and direction for President Bush and the citizens of the United States.

Members and officers of the House stood in their places.

Motion agreed to.

DISTINGUISHED VISITORS

Mr SPEAKER: I draw the attention of members to the presence in the gallery of the newly appointed Consul General for the United States of America, Eileen Malloy. Cindy Gilliam, a Rotary ambassadorial scholar from Miami, Florida, is also present in the gallery. Cindy is studying for a PhD in nursing at UWS Campbelltown while visiting the Rotary Club of Camden. We welcome them both to the New South Wales Parliament.

ANSETT AIRLINES COLLAPSE

Ministerial Statement

Mr CARR (Maroubra—Premier, Minister for the Arts, and Minister for Citizenship) [2.56 p.m.]: I have two major concerns following the collapse of Ansett: the jobs of 17,000 workers, 3,200 of whom come from New South Wales, and the retention of regional air services. I want to make one point clear: aviation is a national responsibility and this crisis requires a national response. Last week I called on the Prime Minister to convene a roundtable to determine how Ansett could be kept in operation until a new owner is found. From day one my department was in contact with the airline's first administrator and we are already in contact with the new administrator, Arthur Andersen.

The airline's collapse has resulted in the suspension of 700 flights a day, which carried some 35,000 passengers across Australia. Its demise could cost New South Wales hundreds of millions of dollars. Potential total job losses in New South Wales, both direct and indirect, are estimated at 7,200—including 1,300 in regional areas. The wages lost from those jobs alone are \$277 million annually. Although it is difficult to gauge the impact on other sectors of the economy, early estimates indicate that up to 45,000 contractors and suppliers may also be affected. New South Wales travel agents are set to lose commissions of around \$40 million. Other casualties include drivers, caterers, airport franchise operators and car hire firms who face loss of income, jobs and business.

Yet the cost of keeping Ansett together until another buyer is found could be as low as \$100 million. The State Government and the Federal Opposition have put forward a plan to offset this amount against the \$4.5 billion sale price of Sydney airport. That is a commonsense solution that protects 17,000 jobs and regional air services. In fact, the sale value of Sydney airport will be directly affected by Ansett remaining in operation. Air services are vital to the economic health and social fabric of country New South Wales. Eleven regional centres in New South Wales lost access to Sydney following the grounding of Ansett regional subsidiaries Hazelton Airlines, Kendell Airlines and Aeropelican Intercity Commuter Air.

Those centres are Bathurst, Belmont, Broken Hill, Casino, Griffith, Lismore, Merimbula, Moruya, Narrandera, Orange and Parkes. I welcome the decision by Qantas to take over some regional flights by putting on an additional 93 regional services on 22 of the 32 routes previously serviced by Ansett. However, while Qantas should be congratulated on its quick response, the fact remains that no flights are reaching half a dozen of those centres. As the Minister for Regional Development and Rural Affairs said last week:

Only ... getting Hazelton, Kendell and Aeropelican planes to fly will provide the service those regional communities deserve.

In the year ended 31 March more than 1.4 million passengers used New South Wales regional air services. Of those, 62 per cent were handled by Ansett's three regional subsidiaries, Kendell, Hazelton and Aeropelican, which employ over 700 people between them. As the honourable member for Murray-Darling will tell the House, after his 17½ trip on the *Indian Pacific*, the loss of air services will have a huge impact on local tourism,

business and the future economic development of the Far West of New South Wales. Broken Hill already is experiencing the ramifications of the collapse of Ansett services. The twenty-sixth Annual Minerals Council of Australia environment workshop that was to be held there from 14 October to 18 October has been moved. The conference, which has been lost to Broken Hill, will now be held in Adelaide. As many as 500 delegates were expected to attend. Many local hotels had been block-booked for months.

Mr John Gavranich, the owner-operator of the Charles Rasp Motor Inn, is but one of those who are experiencing the effect of the collapse. His hotel, which previously was fully booked from 13 October to 19 October, now will have 21 vacant rooms during that period. Mr Gavranich had already turned away tourists and regulars for that week to cater specifically for the conference. He also now has had to tell the extra staff he had engaged for that week that they no longer are required. Local restaurants and entertainment venues also will suffer. A great opportunity to showcase Broken Hill as a conference venue has been lost.

Yesterday afternoon brought more bad news. People's Voice, a Centenary of Federation online community history project, was to be launched on Sunday 14 October at the Theatre Royal in Broken Hill. That launch has been moved to Adelaide. Again, that was due solely to the collapse of Ansett. The launch would have used local catering groups and licensed premises and had fully booked three motels for three nights. That is 27 rooms added to the 250 already booked for the minerals conference. In all 18 hotels, motels, motor inns and cottages have lost bookings through the collapse of Ansett. All up those cancellations could cost Broken Hill local businesses up to \$500,000. The loss of air services will also have an impact on social services in rural New South Wales, including the delivery of medical care. Every day specialist doctors fly across the State to perform operations, offer treatment and deliver medical supplies.

A final critical point must be made. If there are to be job losses, it is essential that workers' entitlements are met in full. New South Wales has consistently called on the Commonwealth to introduce a national employer-funded scheme to protect worker entitlements. We have said that it is not good enough to attempt to put something together ad hoc after every company collapse. The Commonwealth's response to Ansett's demise continues to be haphazard and piecemeal. As a result the Federal Government's scheme has only won the support of one State, South Australia. We remain opposed to the scheme. First, it does not provide protection for 100 per cent of employee entitlements and, second, it should not be up to governments and taxpayers to fund the bill for company collapses. I find it astonishing that the Prime Minister refuses to take responsibility for holding this icon Australian company together until a new owner can be found. This issue affects all Australians and demands an immediate response from our national Government.

Mr SOURIS (Upper Hunter—Leader of the National Party) [3.03 p.m.]: The collapse of Ansett is a sad end for a successful airline that efficiently served the people of Australia for 65 years. It is an unseemly end for an Australian icon that directly employed 16,000 people, proudly serviced many rural and regional New South Wales communities, provided competition in the market and indirectly supported many businesses and jobs. I was alarmed to hear the Premier's ministerial statement in which he said essentially that the Carr Government washes its hands of any form of assistance for rural and regional New South Wales after this commuter airline disaster. The loss of jobs, the costs involved, the inconvenience to passengers and the loss of air services to country New South Wales will reverberate throughout the State for a long time. In many instances a town's airline is absolutely vital for a range of services, from delivering newspapers to ferrying businesspeople in and out. The impact of this crisis was summed up particularly well by an Ansett regional ground transport worker who emailed me last week. In part he said:

I drive a regional bus picking up the bushies and I love my job.

Ansett's demise will greatly impact on regional NSW and these people's right to access services such as medical, legal, entertainment and sport et cetera.

Given that there is little public transport infrastructure in rural and regional New South Wales, commuter air services are of paramount importance. Unfortunately, rural areas were some of the hardest hit by Ansett's collapse: 10 major regional centres relied solely on Ansett services. Obviously, the situation is fluid and negotiations are under way to permanently fill the void left in country areas by Ansett's demise. I will not repeat the list of ports affected by the loss of Ansett and its subsidiaries. Many of those routes were profitable for Ansett, so it is hoped that all services will be restored in the near future. I am pleased that the Deputy Prime Minister, the Federal Minister for Transport and Regional Services, has placed the highest priority on restoring rural and regional air services.

Mr Scully: You're kidding!

Mr SOURIS: He has placed a higher priority on it than the Carr Government. Members opposite should try to be a little more sombre, especially today. One of the most worrying aspects of Ansett's collapse is the impact it will have on tourism in New South Wales, particularly in rural and regional areas. Tourism in this State supports 167,000 jobs. The broader crisis in rural and regional air services caused by the Ansett collapse requires the urgent attention of Federal, State and local governments. While the Carr Government's recent decision to abolish licence fees is a start, it should be noted that those fees equate to only 0.2 per cent of regional air service costs. What is needed from this Government is genuine relief for regional airline operators and their passengers. Given that intrastate air routes are governed by the New South Wales Government, and given also the importance of air links to country areas, I am disappointed that the Government is not reimbursing local government airport usage charges, for example.

The Carr Government could also assist by helping to fund airports owned by local government. Yesterday the New South Wales Treasurer was asked whether the Government would underwrite part of Ansett's airline fleet. He avoided any binding commitment. In contrast, the Queensland Premier has offered incentives to companies willing to fill the void left by Ansett in that State, and the South Australian Government is funding a regional airline to help cover the routes of the Ansett subsidiary Kendell Airlines. In a time of crisis we need a government willing to back up its rhetoric. The thousands of people facing unemployment queues in rural and regional New South Wales want clear and decisive support, not statements littered with caveats.

Prior to the Ansett collapse a major concern was the cost of air fares between rural and regional areas and metropolitan areas. Those costs represent a major impediment to travel for country people. For example, prior to the collapse a return flight between Inverell and Sydney cost \$567; between Mudgee and Sydney, \$387; and between Griffith and Sydney \$563. Many businesses and individuals simply cannot absorb those high travel costs, and that leads to a stunting of growth in rural and regional areas. The blame for this crisis lies squarely with the board of Air New Zealand and its lack of good management. It is an appalling indictment of the board of Air New Zealand that after Ansett was run into the ground the future of the parent company is now also uncertain.

I support the Federal Government's determination to pursue Air New Zealand to recover the \$500 million in entitlements owed to Ansett's 16,000 workers. The New South Wales National Party will support any move from either the New South Wales Government or the Federal Government to permanently restore services to country areas and to assist businesses and individuals affected by Ansett's collapse. I note that the Federal Government is offering financial assistance to stranded passengers. Every level of government must aim to retain as many Ansett jobs as possible and to alleviate the impact on the public and the livelihoods of those running small businesses, who have relied on Ansett.

TERRORIST ATTACKS ON THE UNITED STATES OF AMERICA

Condolence Book

Mr SPEAKER: I remind honourable members that a condolence book is available in the Parkes Room for those wishing to sign it as a tribute to the victims of the terrorist attacks on the United States. People in the lower gallery who are visiting Parliament are also welcome to sign it.

OFFICE OF THE PRIVACY COMMISSIONER

Report

Mr Speaker tabled, pursuant to the Privacy and Personal Information Protection Act 1998, the report of the Office of the Privacy Commissioner entitled "Special Report to NSW Parliament Under section 65 of the Privacy and Personal Information Protection Act 1998—Complaint by Ms Carol Atkins against Queanbeyan City Council", dated September 2001.

AUDIT OFFICE

Report

The Clerk announced, pursuant to section 38E (2) of the Public Finance and Audit Act 1983, the receipt of the Performance Audit Report entitled "Follow-up of Performance Audits—The School Accountability and Improvement Model; The Management of Court Waiting Times", dated September 2001.

PETITIONS

Centennial Park and Moore Park Commercial Use

Petition praying that the Centennial Park and Moore Park Trust Act be amended to provide for effective public consultation and full public disclosure of all commercial activities and leases, received from **Ms Moore**.

North Head Quarantine Station

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

Willoughby Paddocks Rezoning

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

McDonald's Moore Park Restaurant

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

Manly Police All-terrain Vehicles Trial

Petition praying that the all-terrain vehicles currently being trialled by Manly police be permanently retained, received from **Mr Barr**.

Beat Policing

Petition calling on the Government to focus policing strategies and resources on beat policing, received from **Mr Debnam**.

Frenchs Forest Policing

Petition praying for increased police resources in the Frenchs Forest area, the re-establishment of the Frenchs Forest patrol and a review of police powers, received from **Mr Humpherson**.

Surry Hills Policing

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

Inner East Sydney Policing

Petition praying that the House prevents the closure of Woolloomooloo, Paddington, Redfern and four other inner eastern suburbs police stations and praying for adequate police resources, including uniformed foot patrols, in the inner east area, 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**.

Inner East Sydney Police Resources

Petition praying that there be an immediate increase in police resources in the inner east, that there be an increase in the uniformed police foot patrols to deter crime and that an effective police recruitment drive be developed to properly resource community policing, received from **Ms Moore**.

Kings Cross and Woolloomooloo Policing

Petition praying for increased police strength at Kings Cross local area command and police foot patrols in Woolloomooloo, received from **Ms Moore**.

Mona Vale Hospital

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

Genetically Engineered Food

Petition praying that the House suspends the commercial release and trials of genetically engineered crops, supports the implementation of mandatory labelling of food derived from genetic engineering and funds independent scientific research to investigate the potential risks to health and the environment, received from **Ms Moore**.

Chatswood High School

Petition asking the House to support the retention and refurbishment of Chatswood High School, received from **Mr Collins**.

Vaucluse Electorate School Closures

Petition requesting funding for public schools and opposing the merging of local schools, received from **Mr Debnam**.

M5 East Tunnel Ventilation System

Petition praying that the Government review the design of the ventilation system for the M5 East tunnel and immediately install filtration equipment to treat particulate matter and other pollutants, 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**.

Redfern Bus Services

Petition praying for an urgent increase in the reliability and adequacy of Redfern bus services, received from **Ms Moore**.

Queenscliff Geographical Names Board Classification

Petition praying that the House reinstate Queenscliff as a suburb with the Geographical Names Board, received from **Mr Barr**.

Old-growth Forests Protection

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

Animal Experimentation

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

Hawkesbury-Nepean Catchment Management Trust

Petition praying that the House reinstate the Hawkesbury-Nepean Catchment Management Trust as soon as possible, received from **Mr Rozzoli**.

Manly Lagoon Remediation

Petition praying that funds be made available to assist in the remediation of Manly Lagoon, received from **Mr Barr**.

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**.

Mandatory Minimum Penalties

Petition praying that mandatory minimum penalties be introduced into legislation, received from **Mr Lynch**.

Brothel Regulation

Petition praying for legislation to allow for more flexible zoning in relation to the operation of brothels, received from **Mr Torbay**.

White City Site Rezoning Proposal

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

Compulsory Desexing of Cats and Dogs

Petition supporting the compulsory desexing of cats and dogs which are not registered for breeding purposes, as occurs in the Australian Capital Territory and in many other countries, received from **Mr D. L. Page**.

Bega Valley Shire Council

Petition praying that extension of the term of the administrator appointed to oversee the affairs of Bega Valley Shire Council be opposed, received from **Mr R. H. L. Smith**.

QUESTIONS WITHOUT NOTICE

ANSETT AIRLINES COLLAPSE

Mrs CHIKAROVSKI: My question without notice is directed to the Premier. Now that regional air services have collapsed in New South Wales, placing at risk jobs and the future of many country towns, will he follow the lead of his Queensland counterpart, Peter Beattie, and offer prospective operators incentives to resume regional flights, including a reduction in payroll tax, training grants and other concessions?

Mr CARR: The Leader of the Opposition has asked for the budget to subsidise regional air operations, which is asking the State budget to subsidise Federal Government taxes and charges on regional air operators.

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

Mr CARR: The cost of Commonwealth taxes and charges to regional air operators is 10 per cent of the total cost of running a regional airline.

Mrs Chikarovski: Point of order: I would like to point out to the Premier that payroll tax is a State tax and the question was specifically about payroll tax. If the Premier does not know the difference between State and Federal taxes—

Mr SPEAKER: Order! The Leader of the Opposition is well aware of what constitutes a point of order and she continually disrupts Ministers by taking suspicious points of order.

Mr CARR: Landing and terminal charges are Commonwealth Government charges, not State Government charges. Landing and terminal charges constitute 6.2 per cent of the total cost of these operations, Air Services Australia charges 4.3 per cent and the Civil Aviation Safety Authority [CASA] charges 0.3 per cent. The Opposition is saying that we should take money from the State budget, subsidise the regional operators and pay the Commonwealth Government. What an absurdity! She should ask her Commonwealth Government colleagues, as I have asked them, to remove these charges as part of a total package to see that the services to these centres in New South Wales are maintained.

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

TERRORIST ATTACKS ON THE UNITED STATES OF AMERICA

Mrs PERRY: My question without notice is to the Minister for Health. How has the Government responded to distress suffered by New South Wales people after the American terrorist attacks?

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

Mr KNOWLES: I congratulate the honourable member for Auburn on her first question. It is fair to say that the devastating impact of last week's terrorist attack on the United States of America is never going to be adequately expressed by words alone. In my generation there is no comparable event that has so profoundly impacted upon the community.

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

Mr KNOWLES: Inevitably, those impacts will be felt for generations to come. The mental trauma experienced by so many ranges from stunned disbelief and sadness through to the most devastating psychological scarring that will live with some of those individuals for the rest of their lives. Equally, and on the other side of the ledger, are the stories of bravery and heroism by individuals. Demonstrations of those enormous strengths—as referred to in the motion of condolence—were also manifest. In Sydney, particularly as passengers travel through Kingsford Smith airport and at the MLC Centre, where the American Consulate is located, our mental health teams are offering an invaluable service. We have also established a 1800 telephone number, which has been used by many people seeking advice and support as they come to terms with their grief, sense of helplessness, despair and loss, and indeed anger.

For example, anecdotally, last Thursday I shared a podium with a professor of nursing from Boston. She had flown out of Logan Airport just eight hours before the now infamous American Airlines flight 11, the same link flight from Boston to Los Angeles, but just eight hours earlier. When she landed in Sydney she was totally oblivious, as were the other passengers on the plane, to what had occurred in New York and Washington. She was faced not only with the shocking news and the uncertainty about the wellbeing of people she knew, but she and the other passengers on the plane were held at Mascot, unable to disembark until checks were made as to whether she or other passengers may have had information relevant to what was by then an international investigation. Some 24 hours later when I met with her she was still coming to terms with her shock and sense of disbelief. She was stunned.

In addition, a member of my staff only two days before the event caught exactly the same link flight, American Airlines flight 11, which departed Boston at 8.00 a.m. for Los Angeles. Despite being 48 hours away from the event and safe in Australia, she is still coming to terms with the reality that she was literally 48 hours away from one of the most tragic events in our generation. The impact of all that on our population, both domestically and on people who are visiting our shores, is being felt in many and varied ways. They include feelings of extreme distress and anxiety for people disembarking from aeroplanes. We have received numerous reports of people unable to go into high-rise buildings; people desperate for information about their loved ones; and Americans resident in Australia seeking information as communication lines fill up, and the uncertainty surrounding that. They are tourists, residents and, indeed, ordinary men and women faced with the extraordinary circumstances of last week and simply, but understandably, unable to cope without support and care.

We also know that those emotions can be exacerbated, particularly for people who have experienced violence or trauma in the past, such as refugees and war veterans. I have spoken in this Chamber on a number of occasions about the good work our Survivors of Trauma and Torture [STAT] team undertakes for such survivors. Those people are particularly vulnerable. The terrorist attack is also affecting children who have seen television footage, who have come to grips with the magnitude of the event, and the effect that is having on their

families and the people surrounding them. Equally, of course, many members of the Islamic communities in Sydney and in this country are also experiencing very high levels of stress and anxiety as they share the shock and burden of the tragedy.

Appropriately, the Government has set up a comprehensive response program to deal with these and other local needs in response to the events of last week. An emergency response was mobilised last Wednesday morning as the news filtered through. It builds on the skills and expertise that are already in place in many of our area health services, skills which were further developed in the context of our preparation for the impact of a potential problem with the Sydney Olympic Games a year ago. Many individuals were specifically trained for the Olympic Games. Their training and additional skills have come into play in the last several days. The Mental Health Disaster Training Manual, which was also developed for the Olympic Games, has been provided and is now being used in the United States to assist mental health responses.

The internationally regarded director of the New South Wales Centre for Mental Health, Professor Beverley Raphael—many honourable members would have seen her on television in recent days—has been providing ongoing advice to the United States National Centre for Post-traumatic Distress. She is an active participant in some of the efforts being undertaken in America. As might be expected, we are in regular contact with the staff of the United States Consul General in Sydney and we have offered counselling for staff employed at the consulate. A special telephone number for consul staff has been provided. It is serviced by Dr Scott Clarke, an American psychiatrist resident in Australia, and two senior clinical nurses from Northern Sydney Area Health Service. Dr Clarke runs South Western Sydney Area Health Service mental health services.

In addition, New South Wales Health is providing counselling services for other tenants of the MLC building at Martin Place. Two mental health response teams are at Sydney airport to assist with counselling for people on aircraft returning from the United States. Our 1800 health line is designed to help US citizens and local residents needing assistance. Calls to the helpline will be diverted where appropriate to particular area health service mental health teams throughout the State on an as needed basis. So far 138 individuals have called the hotline, and 63 have been referred to local mental health services. Additionally, counselling is also available through the Transcultural Mental Health Centre for people from culturally and linguistically diverse backgrounds. That service has a separate number, 1 800 648 911.

I place on record on behalf of the entire Parliament, in the spirit of today's proceedings, the community's thanks to the health professionals who have been on the front line supplying services to people in their time of need and distress. It is appropriate that I use the *Hansard* today to record their names. I express my appreciation to Bev Raphael for leading the team and for her enormous skills, compassion and effort; Dr Scott Clarke from South Western Sydney Area Health Service; Dr Charles Doutney and nurses Renay Atkinson, Lisa Morley and Florance Mansfield from the eastern suburbs mental health service; Dr Ruth Zwi and nurses Ross Jamieson, Patrizia Fiorillo, and Natalie Cutler from the St George mental health service; Abd Malak and his team from the Transcultural Mental Health Centre; and Mr Dave O'Connell from New South Wales Health, who has been co-ordinating much of the effort. I also thank the men and women of the area mental health response teams. Suffice to say, we all regard their effort as essential. They are doing a fine job and playing their part. We thank them for their efforts.

POLICE SERVICE PROMOTIONS

Mr SOURIS: My question is directed to the Minister for Police. The Police Integrity Commission inquiries into police promotions have resulted in a statewide freeze on all new appointments, catching officers scheduled to take up new postings in the New England local area command. Will the Minister intervene and exempt them so that they can take up their positions immediately?

Mr WHELAN: The conduct of the Police Integrity Commission inquiry into promotions deals with the terrible issue of police corruption within the promotions system. It is not within my power as Minister to intervene.

Mr Souris: You have frozen them up. It is the freeze that the question is about.

Mr WHELAN: It is not within my power to intervene in the Police Integrity Commission process.

INNOCENCE PANEL

Mr COLLIER: My question is to the Minister for Police. What is the latest information on the Government's plan to set up Australia's first Innocence Panel under the DNA laws?

Mr WHELAN: Honourable members will no doubt recall the heartbreaking story of Ziggy Pohl. The honourable member for Miranda certainly does—I thank him for his question—as does the honourable member for Rockdale. I remind members that Ziggy Pohl was wrongly convicted and gaoled for life for the murder of his wife—a crime he did not commit. Just before last Christmas Clyde Charles was released from a Louisiana gaol after a DNA test cleared him of a rape conviction after he had served 18 years of a life sentence. These injustices destroy lives. The Carr Government is doing all it can to prevent such occurrences from happening ever again.

Last year the Government gave New South Wales police groundbreaking powers to fight crime through the use of DNA sampling. The ability to take DNA samples under the Crimes (Forensic Procedures) Act is the most powerful crime fighting tool ever given to New South Wales police. It was given with the intention not just to prove the guilt of the guilty but to help acquit anyone wrongly accused of a crime. To make this happen I announced the establishment of Australia's first Innocence Panel. This high level, impartial panel will provide a crucial link between different areas of the criminal justice system and those who come in contact with it. The Innocence Panel has the power to arrange for the DNA analysis of evidence that applicants believe is critical to their claims of wrongful conviction.

Mr SPEAKER: Order! The Leader of the National Party will resume his seat.

Mr WHELAN: The panel will receive applications from convicted people who believe that DNA evidence could prove their innocence. This is an independent process. It enables a post-conviction comparison of the applicant's DNA with DNA from the crime scene—if such evidence exists. Depending on the result, a post-conviction DNA comparison may provide fresh evidence that could be used to feed into the existing system of review. However, DNA evidence is only one part of the review process. The panel will not act as advocate for convicted people who claimed they are innocent. All parties in the justice system need to be confident of the impartiality of the panel. New South Wales already has an established system for the granting of pardons or the review of convictions or sentence if fresh evidence comes to light. Members will be interested to learn that the 10-strong membership of this important panel has been finalised. Chairing it will be Judge John Nader, QC.

The other members are Nick Cowdery, Director of Public Prosecutions; Ken Maroney, Deputy Commissioner of Police; Chris Puplick, the Privacy Commissioner; Howard Brown of the Victims Advisory Board; Margaret Allison of the Legal Aid Commission; Les Tree, Director-General of the police ministry; Dr Anne Cossins, criminal law specialist from the University of New South Wales; the Director-General of the Department of Health or his nominee; and Chrissa Loukas, a public defender. I am confident that these people will use their extensive combined knowledge and expertise to make this panel a success. DNA can be a silent witness, the vital piece of evidence that could set an innocent person free. The Government established the Innocence Panel to ensure that DNA is used to right injustices against innocent people—and, importantly, to ensure that the real perpetrators are brought to justice.

Mr SPEAKER: Order! There is far too much audible conversation in the Chamber. The Deputy Leader of the Opposition will remain silent.

Mr WHELAN: Overseas experience has already shown that the use of DNA comparisons has revolutionised the investigation and prosecution of crime. This aspect of our DNA laws is a turning point for New South Wales. It is about confronting the legitimate concerns of innocent people and using the latest in forensic science to ensure justice.

ANSETT AIRLINES COLLAPSE

Mr D. L. PAGE: Given that the Victorian Government has today announced that it will follow Queensland and South Australia in offering concessions to keep regional air services in operation, why does the Premier persist in his refusal to do the same?

Mr CARR: Aviation is a national responsibility.

TERRORIST ATTACKS ON THE UNITED STATES OF AMERICA

Ms BEAMER: My question is to the Minister for Community Services. How is the Government assisting parents and their children to deal with the events in the United States of America?

Mrs LO PO': Last week we watched, transfixed, while the horrible devastation unfolded on our television screens as New York and Washington came under attack by terrorists. Those actions were clearly intended to provoke fear and to destabilise commercial, transport and financial systems in the United States of America. As adults in Australia struggle to come to terms with America's tragedy, it is important to remember that children, too, have been touched by the horror that we all witnessed last week. Many children have seen or heard about the terrorist attacks, in shocking and brutal detail, through television, radio, newspapers, and adult conversations.

Preschool children in particular can be silent listeners, and we should not underestimate the impact of our conversations and media coverage on them. It is important to recognise the potential impact of these events upon children, ensure that we deal sensitively with their concerns, and help them feel safe and secure. Honourable members would be pleased to learn that the Department of Community Services [DOCS] is assisting all parents, and our foster carers, to respond sensitively. DOCS is advising parents and foster carers to create a sense of calm and reassurance for children, even if they themselves are feeling shaken and insecure.

Children, like adults, may exhibit symptoms of stress following a disaster. For preschoolers this may involve changes in behaviour, such as reverting to thumb sucking, bed wetting and clinging, changes in sleep or eating patterns, and isolation from other children. Older children may be irritable or aggressive and may display poor concentration or other changes in behaviour. These symptoms are usually short term, lasting days or weeks, and tend to resolve with reassurance, patience and nurturing. If the symptoms persist, parents can seek professional help and advice. DOCS has issued fact sheets which provide parents and carers with information on how they can help children cope, and information is being made available on the DOCS web site. At this time it is more important than ever to reassure children that they are safe, and that there is someone there to take care of them. We would all remember hearing about the child who saw someone jump out of a building worrying that no-one would be there to catch that person. When children are stressed about that type of thing we know that there is a problem.

Although many families across Australia have been deeply affected by these events, it can be most reassuring to children to continue the normal routines of daily life—such as dinner, bath and reading time. As we find out more about the individuals responsible for these tragic events it is also important that adults help children avoid making inappropriate assumptions based on race, ethnicity, religious background, culture or national origin. In times of disaster, DOCS has a proud record of helping to pull communities together, strengthening morale and resolve to move forward. We have seen this repeatedly in times of flood, bushfires and other disasters, when DOCS co-ordinates welfare relief efforts. DOCS came to the fore also in helping to care for the Kosovo refugees. This important work that is carried out behind the scenes will help to support families, restore community trust, encourage tolerance—and reaffirm our belief in a caring, just society.

COMMUNITY JUSTICE CENTRES MEDIATION SERVICE

Mr McGRANE: Will the Attorney General outline what plans exist for the expansion of the community justice centres [CYCs] mediation program to regional New South Wales?

Mr DEBUS: The honourable member for Dubbo has taken a substantial interest in community justice centres and mediation processes. In fact, only last week he presented a number of new mediators with their formal accreditation as part of the expansion of mediation services in the Central West region. CJs are a key component of the justice system, offering free, confidential and impartial mediation and conflict management services as an alternative way of settling disputes swiftly and fairly. They can include neighbourhood, family, business and wider community disputes.

In the financial year 2000-01 the CJs received 12,000 inquiries and worked on 7,000 mediation cases, and there has been an overall increase in assistance and referrals, particularly those from Local Courts and mediations. The Government has recognised the value of CJs in helping people resolve their conflicts without resorting to more formal legal action and is providing additional resources to expand that work in regional areas of the State. In the past 12 months another 113 mediators have been recruited, selected and trained to support the regional expansion of the community justice centres. In the Central West there are now 23 trained mediators available to work with residents in centres including Bathurst, Orange, Lithgow, Parkes, Condobolin, Narromine and Dubbo.

In fact, this coming Friday another 17 mediators will receive their accreditation at a ceremony in Griffith to launch the community justice centres service in the Riverina. The mediators will work in Griffith,

Darlington Point, Yenda, Colleambally and Leeton. I am sure that members representing electorates further to the west of the State, in particular the honourable member for Murray-Darling, will be interested to hear that planning is now under way to expand those services to Cobar, the Central Darling shire and Broken Hill by the middle of next year. The honourable member for Murray-Darling is, of course, well known for his keen interest in dispute resolution and his commitment to the creation of a harmonious society.

The new services that I have mentioned add to the existing network, which includes Sydney, Penrith and the Blue Mountains; Newcastle, Gosford and the Hunter, reaching to the far North Coast; and the Macarthur, Illawarra and Shoalhaven areas to the south. There will be further expansion to the far south of the State next year. Staff of the community justice centres offer the community prompt and accessible services, and arrange sessions during business hours, in the evenings, or on weekends to suit those involved. Interpreting assistance is also provided where required. The mediators act to resolve the problems of daily life—dividing fences, rubbish, barking dogs—the sorts of problems which can seem very banal and ordinary to those not involved but which can readily escalate into more serious problems if positive action is not taken. Most local members, at least those as keen as the honourable member for Dubbo, will be well aware of the valuable work of the CJs in the provision of accessible dispute resolution.

HOSPITALS AND NURSING HOMES LIQUOR ACT EXEMPTIONS

Mr HUNTER: My question without notice is directed to the Minister for Gaming and Racing. What is the Government's response to the need to change the Liquor Act to help hospital and nursing home patients?

Mr FACE: I thank the honourable member for Lake Macquarie for his timely question, which was no doubt driven by the fact that numerous aged facilities are located within his electorate, the largest being the C. A. Brown home at Booragul. I am pleased to inform the House that the Government has decided to make a number of amendments to the Liquor Act, one of which I am about to announce. One amendment to the Liquor Act will exempt hospitals and nursing homes from the provisions of the Act.

Honourable members would be aware that many hospitals and nursing homes serve small quantities of alcohol with meals, something that many people enjoy. One of my aunts, who had enjoyed liquor with her meals most of her life, was unable to do so when she became a resident of a nursing home, because she was uncertain of the law. She had her liquor in the privacy of her own room, but not with her meal. Many hospitals and nursing homes that serve alcohol with meals are in breach of the Liquor Act. Most people would realise that it is an offence to supply liquor without a licence.

Hospital and nursing home administrators are in the ludicrous situation of being liable to a fine of \$5,500 or six months gaol if a mean-spirited person reports them for serving alcohol. Although there has never been such a prosecution, the possibility still exists while these institutions come within the ambit of the Liquor Act. Although I would not expect even the harshest magistrate to record a conviction, the Government is of the view that hospitals or nursing homes may possibly be put in such a position. The Government would expect administrators to exercise responsibility in serving alcohol within the spirit of the legislation, and I assure the House that ongoing monitoring will take place. I am sure that patients and residents will applaud this decision. Families of the patients will be especially pleased, as they have made many approaches on behalf of their loved ones, keen to make their lives more pleasant. It will also remove the anomaly that could pose considerable problems to nursing home and hospital administrators.

POLICE INTEGRITY COMMISSION INQUIRY

Mr TINK: My question is to the Minister for Police. How much of the front-line police budget is being spent by the Commissioner of Police on legal fees to try to frustrate Police Integrity Commission hearings into the internal affairs investigations of the commissioner's own reform unit?

Mr WHELAN: I have no idea.

Mr TINK: I ask a supplementary question. In light of the Minister's answer, does he support the commissioner's expenditure of money in this way?

Mr WHELAN: No. It means that I do not know how much barristers charge.

COMPANION ANIMALS LEGISLATION

Mr E. T. PAGE: My question is to the Minister for Local Government. How is the Government helping local councils educate pet owners about the Companion Animals Act?

Mr WOODS: I thank the honourable member for Coogee for his continuing interest in the management of companion animals. As honourable members will remember, he designed the reforms when he was Minister for Local Government. The legislation was debated at length and members on both sides expressed strong feelings about it. The New South Wales Companion Animals Register commenced operation on 1 July 1999. As part of the changes, owners of dogs and cats bought after that date had to have their pets microchipped from eight weeks of age and then lifetime registered with the council from six months. This is a huge step away from the previous system, under which only dogs had to be registered with council each year.

As of September this year the details of almost half a million cats and dogs were recorded on the register. We must now continue to educate people about the responsibilities of owning a cat. If people move to a new address they must ensure that council has their updated details. The State Government has conducted a number of education campaigns over the past two years, including the very successful Chip In campaign. Today I announce another initiative to assist councils with their local education programs. The Government is allocating funding of \$200,000 this year towards new community education material. That is in addition to the \$7 million from lifetime registration fees that has been distributed to councils across the State for animal management and control activities.

Under the Community Education Grants program individual grants of up to \$10,000 will be available to councils, groups of councils or non-profit animal welfare organisations. Earlier this month the Department of Local Government issued a circular to New South Wales councils, with program guidelines as well as an application form. The closing date for the program is 31 October, and I encourage councils and stakeholder organisations to apply for this money. I commend the work of my department as well as the New South Wales Companion Animals Advisory Board for all their work on the education programs. The department has also recently produced a publication entitled "Guide to Preparing Strategic Companion Animals Management Plans". The guide was developed with input from councils and is designed to help them prepare animal management plans. One example is how to balance access to open spaces for dog owners to exercise their pets, for the wider community and for the protection of the environment.

One of the main aims of the Companion Animals Act is to reduce the number of animals unnecessarily euthanased every year in New South Wales. In the past that number has been conservatively estimated to be in the order of 80,000. Although it is difficult to ascertain accurate figures, it is clear from advice and anecdotal evidence that the figure is dropping. That is good news, and it is a major aim of the legislation. Newcastle City Council advises that the number of animals taken to the pound since 1998-99 has decreased by 20 per cent and that the number of animals returned direct to the owner without having to be taken to the pound increased from one in 1998-99 to 192 in 2000-01. The euthanasia rate at the pound has been reduced by almost two-thirds over the same three-year period since the introduction of the Act.

Pittwater Council pound also reported that between 70 per cent and 80 per cent of animals seized are now microchipped. The Tweed Shire Council pound reported that the number of animals returned to their owners from the pound increased from 33 per cent in 1999-2000 to 40 per cent in 2000-01. In its 1999-2000 annual report the RSPCA reported a 17 per cent drop in the total number of animals received and a 29 per cent drop in the number of animals euthanased.

Ms Moore: Point of order: This issue is of great importance to many people in this Chamber and to many of our constituents. I am finding it very difficult to hear the Minister.

Mr SPEAKER: Order! Honourable members will cease conversing. I uphold the point of order.

Mr WOODS: I accept the validity of the comments of the honourable member for Bligh. These are important issues to many pet owners across the State, and many members on both sides of the House regarded this legislation as very important when it was introduced. It should be acknowledged that these results show that the legislation is working well. I know also that the honourable member for Coogee, my predecessor as Minister, is pleased with these figures. He has had personal experience in this regard. Earlier this year his German shepherd dog, Schone—which I understand means "beautiful" in German—was hit by a car late at night on a busy road in Sydney's south. The dog was taken to the local veterinary hospital and the vet was able to get in touch with the honourable member because the dog was microchipped. The honourable member was then able to discuss the surgery options for Schone.

That is a good example of the benefits of microchipping. I know that the honourable member—who, as Minister, had carriage of these important changes—is interested to see people become better pet owners. We have added a new service to enable owners to be reunited with their pets. Pet Line was launched in August last year and vets are now able to ring the 24-hour hotline to report a pet that has been brought to their surgery. The register can then make contact with the owner via the microchip details on the pet. Since its launch the Pet Line service has received more than 2,500 calls. Most people are loving and responsible pet owners. Unfortunately, there is a small minority of irresponsible owners and this results in strays, in dog attacks on our native flora and fauna and on innocent members of our community, and in the large number of euthanased pets—a figure that, fortunately, is now dropping.

We need to continue to drive home the message that becoming a pet owner is a lifetime responsibility for the welfare of the animal, the wider community and our environment. Two years after the introduction of the Act, people are getting that message. I have other good news to report, which I believe will interest the owners of older dogs. When the Companion Animals Act came into effect, the owners of dogs born before 1 July 1999 had three years to move to the new system. That meant that owners could register annually with their council rather than have their dog lifetime registered. That transition period ends next July, which means for this year's renewals that the period from 1 October 2001 to 30 September 2002 is the last time that dog owners can register their dogs annually.

From 1 October 2002 all dogs must be microchipped and lifetime registered as required under the Companion Animals Act. However, the Government has decided to extend the transition period from 1 July to 30 September so as to come into alignment with the end of the Dog Act registration year. In addition, the Government has made some special provisions for older dogs—some people here might be able to benefit. From 1 September this year until 30 September 2002 dogs that are registered under the Dog Act and are 10 years of age or older may be lifetime registered at the normal desexed rate of \$35 or at the pensioner rate of \$15. All New South Wales councillors have been provided with an information package containing full details of these transition provisions.

JAPANESE BOVINE SPONGIFORM ENCEPHALOPATHY OUTBREAK

Mr MARTIN: My question is directed to the Minister for Agriculture. What is the Government's response to community concerns about reports of an outbreak of mad cow disease in Japan?

Mr AMERY: I thank the honourable member for Bathurst for his question, which has arisen as a result of a report last Monday, 10 September, of a possible outbreak or detection of mad cow disease, or bovine spongiform encephalopathy [BSE], in Japan. Honourable members will be aware that BSE, or mad cow disease, had a major impact in Britain even before the recent foot and mouth disease outbreak. Australia is one of only six countries in the world with category one—which is the highest category—freedom status from BSE. Now we hear reports that there may have been a BSE outbreak or detection on a farm in Japan. This detection is yet to be confirmed as more tests are being carried out. If confirmed, this would be the first outbreak of BSE, or mad cow disease, in Asia—which would obviously concern Australian producers.

The cow at the centre of the reports was a five-year-old dairy cow in Chiba prefecture, near Tokyo. The cow was showing signs of neurological damage and last month was reportedly unable to stand. The initial tests on the brain—taken after the cow was slaughtered—were negative, but further analysis showed signs of possible BSE. Samples have since been sent to Britain for testing, which could take up to three months to complete. The remainder of the herd has been quarantined. Meanwhile, Japanese authorities have begun inspecting 140,000 farms and 142 animal feed mills looking for more evidence. The carcass of the suspect dairy cow did not pass into the human food chain and any stock meal that may have potentially included parts of the carcass has been destroyed. Japan currently allows the feeding of meat and bone meal to cattle, although local authorities are now planning to ban this practice. Until earlier this year Japan also imported animal feedstuffs from the European Union [EU], including meat and bone meal. Of course, Australia does not allow these practices.

The suspect BSE outbreak in Japan is unsettling for Australian producers, if not everybody. Last year we exported 336,000 tonnes of beef to Japan worth almost \$1.7 billion. New South Wales beef would account for about 25 per cent of that total. If the outbreak is confirmed it could result in a dramatic reduction of beef consumption in Japan, which could reduce the demand for Australian beef. However, we could also see an increase in Japanese demand for Australian beef, as it is known for being clean and safe. We will, of course, monitor this trend as the situation progresses. Australia has for some time taken precautions against a possible BSE outbreak. We banned all meat and bone meal imports in 1966—except those from New Zealand, which has a similar disease-free status—and in 1997 New South Wales banned the feeding of meat or bone meal to ruminant animals such as cattle, sheep, goats and deer.

That ban was extended Australiawide earlier this year to the feeding of any animal meal or bone or blood meal to ruminants. This was an Agricultural Resource Management Council of Australia and New Zealand agreement and will shortly be included in New South Wales regulations under the Stock Diseases Act and the Stock Foods Act. This will make it illegal in New South Wales to feed any material from any animal carcass, other than tallow and gelatine, to ruminants. It will also make it illegal for any food manufactured for ruminants to contain any sort of animal material other than tallow, gelatine or milk. New South Wales Agriculture has written to all stock feed manufacturers to inform them of these changes and is encouraging them to implement quality assurance procedures when they manufacture these feeds. All stock feed manufacturers have also been audited and will be audited again once the regulations come into effect. It has also recently suspended imports of all beef products from all BSE-affected countries.

As I have said, Australia is one of only six countries in the world with the highest level of BSE freedom status, as determined by the EU. We have been actively surveying for BSE since 1996, including regularly testing sheep and cattle brain samples—all of which have returned negative results. We are also developing tests that can detect animal protein, which can potentially be used to confirm whether banned material is present in feeds. New South Wales Agriculture is also carrying out on-farm audits across the State to determine compliance with the current feed bans. I am pleased to report that no breaches have been found. Australia has also temporarily banned imports of meat from Japan in order to reduce the chance of infection here. Japan exported only 358 tonnes of beef last year. I understand that Singapore has also banned Japanese beef imports. I will report back to the House, especially to the honourable member for Bathurst, should we obtain further information concerning the possible detection of BSE in Japan.

Questions without notice concluded.

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 allow an unlimited number of members to speak for up to five minutes each on the motion for urgent consideration, after the mover and member next speaking.

CONSIDERATION OF URGENT MOTIONS

Ansett Airlines Collapse

Mr WOODS (Clarence—Minister for Local Government, Minister for Regional Development, and Minister for Rural Affairs) [4.10 p.m.]: This motion is urgent because the jobs of 1,300 country people have been put at risk by Ansett's collapse. This motion should be discussed today because the people of regional New South Wales need adequate and regular air services immediately. The House should consider this motion urgently because it greatly affects the citizens of New South Wales with whom my portfolio primarily deals—that is, people in business in rural and regional New South Wales. This motion deserves urgent attention because the effects of the Ansett collapse are being felt now across New South Wales.

Gaming Data

Mr OAKESHOTT (Port Macquarie) [4.11 p.m.]: The motions of which notice has been given today in this House are nowhere near as urgent as present global events. I believe the collapse of Ansett is an urgent matter, but when one remembers what this Chamber is able to achieve, a motion condemning the Federal Government for that collapse is frivolous. If we talk in terms of what this House is able to achieve by implementing Government policy my motion is more urgent than the motion of which the Minister has given notice.

Mr Ashton: Point of order: The honourable member has not yet developed why his matter is more urgent than that of the Minister.

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

Mr OAKESHOTT: The media has discussed the gaming reform legislation package that is to be introduced. Gaming data should be released to the public because it is critical that we all have an informed opinion about the state of play in New South Wales. The central monitoring system was supposed to commence on 1 January last year. Its introduction was postponed to the middle of this year. It has now been postponed again to 1 January 2002. The resolution of the confusion about who is in control of the central monitoring system is urgent so that once again there is transparency and accountability in gaming reform and the introduction of new technologies.

The Minister has said that the Department of Gaming and Racing will no longer have input into the collection and collation of gaming data and that it will all now be done by Treasury. I dispute that. The Department of Gaming and Racing, which has significant input into the process, also disputes that. As the Minister is confused about who is in control of collecting gaming data it is urgent to establish whether the Minister and the department can release the information. I am sure many of us in this House do not like living in a State where information that can provide valuable input on counselling, treatment, research and the development of policy that is important to critical aspects of future gaming policies is withheld. The Government is withholding information simply because it fears what it may contain.

The simple point that makes my motion urgent is that the Department of Gaming and Racing can release gaming data that it now collects. That data will soon be collected through the central monitoring system and the TAB and will be available to both Treasury and the Department of Gaming and Racing. Why does the Government withhold this information, despite the fact that it will do a great deal for research, treatment, counselling and policy? Is it embarrassed about what the information may contain? Is the Government creaming over 10 per cent of the State budget from gaming revenue? Does it not want the public or those involved in the debate on policy development to know where that revenue comes from? Does it want to be dictatorial and unaccountable for future policy direction? Does it rely on what a Clinton dinner has been able to achieve or what Weatherburn has been able to achieve? Is that a reason why there is not an accountability trial in regards to gaming data? This urgency motion needs to be debated and the gaming data needs to be released. [Time expired.]

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

ANSETT AIRLINES COLLAPSE

Urgent Motion

Mr WOODS (Clarence—Minister for Local Government, Minister for Regional Development, and Minister for Rural Affairs) [4.17 p.m.]: I move:

That this House:

- (1) calls on the Federal Government to take immediate action to restore all regional air services and protect 17,000 jobs, in light of the recent collapse of Ansett Australia; and
- (2) notes the devastating effects that this collapse will have on country communities and businesses, putting 1,300 country jobs at risk.

The inaction of the Federal Government over the collapse of Ansett is deplorable. This monumental crisis should have been avoided. The Federal Leader of the National Party and Federal Minister for Transport and Regional Services, John Anderson, clearly was asleep at the wheel and has now left thousands of Australians out of work and out of pocket. As Minister for Regional Development and as a member of Country Labor I am disturbed at the disastrous effect the Ansett collapse will have on country New South Wales. The impact on regional communities and businesses that relied on air services for their livelihoods will be enormous. Instead of leadership and solutions from the Prime Minister or John Anderson, we have a series of bungles, stuff-ups and total negligence. The well-known commentator Terry McCrann was right when he wrote in the *Daily Telegraph* on 11 September that Mr Anderson was "the man who must be the most incompetent transport Minister we have ever had".

As a result of the Ansett crisis 11 regional centres in New South Wales have been left without regular air services. When Ansett collapsed it brought down with it Hazelton, Kendell and Aeropelican airlines. Country people and businesses in Lismore, Griffith, Orange, Bathurst, Merimbula, Parkes, Narrandera, Broken Hill, Moruya, Casino and Belmont relied solely on Ansett's subsidiary companies for flights in and out. Ansett was

responsible for 62 per cent of the regional New South Wales market, and 62 per cent of regional New South Wales has now been left without reliable and adequate air travel. Qantas has commenced interim services to all but three of those centres, but that is only a band-aid solution. The people of country New South Wales need a solid plan for their future air services. They need the Federal Government to take responsibility, to admit it has a role in the management of the Ansett situation and to right the wrongs that have been done to country people.

I hope those on the opposite side of this House show more leadership than their Federal colleagues, and that they support the motion. What is required is the same spirit of bipartisanship that was shown at the recent regional airlines summit. The honourable member for Lachlan called on me to organise a meeting to try to find solutions to the challenges faced by regional air carriers. The result was the regional airlines summit. I am pleased to say that the summit was attended by members from both sides of this House and from all levels of government. As a result of the summit the New South Wales Government abolished licence fees for air operators on 32 rural and regional routes, a saving to operators of \$50,000 a year.

Unfortunately, the Federal Coalition does not share the same commitment. The meeting called on local, State and Federal governments to jointly examine ways in which they could forgo a proportion of income from country community air services. We set up a working group and, within eight weeks, a comprehensive submission to the Australian Transport Council's ongoing inquiry into regional airline costs was prepared. The Western Research Institute undertook an independent study of regional airline costs to aid the submission of the working party. The working party recommended that the Air Transport Council examine tax provisions relating to the sale and purchase of aircraft, the reduction of fuel excise, and review Civil Aviation Safety Authority [CASA] safety certification costs, land and terminal navigation charges, airport landing charges, insurance liability, the effectiveness of subsidy schemes and guaranteed access to Sydney airport by regional operators.

Let us be clear: the New South Wales Government has relatively little direct control over costs faced by regional airline operators—that is, the costs that the summit wanted to examine. However, the day we released the submission the Minister for Transport, the Hon. Carl Scully, announced the abolition of licence fees for regional airlines operating on routes with fewer than 20,000 passengers per year. That measure is the only direct State Government impost on regional airlines, and we took it away. As I said earlier, the summit called on governments at all levels to forgo what they could. Clearly, the Federal Government does not share that commitment. The Federal Government is so greedy that it will not help regional airlines by lifting some of the operating costs.

Direct Federal Government costs account for 11 per cent of the total costs facing regional airlines. Yet the Federal Government refuses to lift landing and terminal charges, CASA charges and Air Services Australia charges, over which it has direct control. The summit working party recommended that these charges be lifted, but we are yet to receive a favourable response from the Federal Government. It is content to be a spectator rather than a player when it comes to jobs and services in country areas. John Anderson, the Deputy Prime Minister, still believes in the Howard-Costello mantra that the market will provide all the solutions for any challenge faced in the country. But it will not. He was under the misguided impression that Ansett would fix itself. Why else would he sit back? On 7 September he told the *Australian* that the Federal Government would not help Ansett because:

It runs a little counter to everything that we sought to do in aviation, which is to recognise that the private sector does a better job of it than the public sector.

In other words, private enterprise will supply; the market will solve the problems. Clearly, it could do no worse. It was private sector mismanagement coupled with the laissez-faire, let-the-market-fix-itself approach taken by Mr Anderson that caused this debacle. It is simply not good enough for country people. John Anderson stood by and allowed Ansett to swallow up smaller and healthier allies, but to what avail? They have become entangled in a mess that should not have been allowed to occur. As Leader of the National Party, John Anderson purports to represent the interests of country people. But this unfortunate situation has led to the grounding of three fine country airlines, and we cannot dismiss his prior responsibility for other air services.

With the collapse of Ansett, Wagga Wagga lost its only connection to Melbourne, and Griffith and Narrandera lost their only air links to Sydney—and there is much worse. As the honourable member for Murray-Darling will point out, the situation is even worse in Broken Hill. Instead of 12 Hazelton flights to and from Sydney and 34 Kendell flights to and from Adelaide the people of Broken Hill have been left virtually isolated. As we speak, the Mayor of Broken Hill and the General Manager of Broken Hill City Council are flying into Adelaide. I met them earlier today. They will drive from Adelaide to Broken Hill because they could not get a flight straight home from Sydney. Unfortunately, they do not have the luxury of jumping on an air force jet, as Mr Anderson does.

Because of this debacle Hazelton has also been grounded, leaving centres like Griffith, Bathurst and Casino with no links to Sydney. Hazelton Airlines employs about 340 people and flies to 20 destinations throughout the eastern States, and that includes the majority of regional New South Wales. But it does not end there. Aeropelican's regular daily flights between Belmont and Sydney have also been lost as a direct result of the Ansett collapse. I am sure all country members will have tales to tell of constituents left stranded and businesses slowly crumbling. Make no mistake: this crisis could bring country New South Wales to its knees. Country communities and businesses are missing out on everything from urgent medical services to the direct delivery of vital machinery for the mining industry to tourism. On Friday Mr Ron Finneran, Manager of Merimbula airport on the South Coast of New Wales South, told the ABC:

That's the last we're going to see of any commercial operators here. There is absolutely no revenue coming into the airport as of today.

I return briefly to the summit and its outcomes. The summit called on the working group to establish a review of costs and issues affecting the viability of regional airlines. A list of costs was drawn up and the call was for local, State and Federal governments to consider how it could reduce those costs. Immediately the State Government reduced the only cost it directly imposes, yet when we approached the Federal Government to consider it we had a blank return. I call on the honourable member for Lachlan to consider that in his contribution. [*Time expired.*]

Mr ARMSTRONG (Lachlan) [4.27 p.m.]: Before proceeding with my contribution on behalf of the Opposition, I move:

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

"this House calls on the New South Wales Government to follow the Western Australian, Queensland and South Australian governments in offering payroll tax concessions and other assistance, such as a direct subsidy, to assist in restoring air services to regional communities."

Everyone understands the catalyst for this latest situation regarding New South Wales regional air services. A publicly listed company which has been based in this State for something like 63 of the last 65 years and has under its umbrella two other publicly listed companies—Hazelton and Kendell—has gone into liquidation and is currently under voluntary administration by the firm Arthur Andersen. A couple of years ago Ansett was acquired by Air New Zealand, which comes under the management of the New Zealand Government. Singapore Airlines is also heavily involved in that structure. The bottom line is that regional New South Wales is primarily without any realistic access to Sydney by air—and Sydney has no realistic access to the regions, a point that is often forgotten.

The Minister referred to the difficulties of access. What effect has the collapse of Ansett had on urgent medical supplies that are needed each day in regional New South Wales? What effect has it had on urgent manuscripts and documentation for court cases? What effect has it had on transporting judges, barristers and solicitors for day-to-day court cases? One can only imagine the disruption it is causing to the judicial system throughout New South Wales. What effect has it had on specialists who take one-day trips to Tamworth Base Hospital, Griffith Base Hospital or Cowra District Hospital? It is not only everyday air travellers who are affected; the collapse of Ansett will affect those essential people who provide specialist services to country regions. In many instances those services are unique and cannot be replicated.

To give honourable members some idea of the distances involved, this morning I checked the gauge in my car, and since about last Wednesday I have driven something like 2,600 kilometres. Two months ago I would have driven approximately 600 kilometres to cover more or less the same ground. The Minister has made much of the proposition that there is nothing more the State can do apart from wiping out the \$50,000 per annum that it would receive in licensing fees. I suggest to the Minister that so long as New South Wales continues to have the most expensive payroll tax and highest workers compensation premiums in this nation it is capable of reducing costs to companies involved in airline operations.

As I have said, I believe responsibility lies with the three levels of government, but that is not an excuse for the State Government to be sanctimonious and claim it has done its bit with the \$50,000 wipe-out. The burden of payroll tax remains. It is a direct tax on employment and the establishment of new businesses in this State. It would be far cheaper for a Queensland or Victorian operator to service the New South Wales airports. One of them may yet do so; I hope one of them does. I am not particularly worried where the operator comes from, so long as it starts to service rural and regional airports once again. I felt obliged to make that point.

The other point I must make is that this major, wonderful city of Sydney has a subsidised public transport system. I do not have all figures to hand, but in many cases the subsidy could amount to 50 per cent. I

put it to honourable members that under community service obligations governments have a responsibility to provide fundamental infrastructure. Public transport is fundamental infrastructure. As Queensland governments of various political persuasions have so ably demonstrated, it is in the public interest and public good, and in the interests of the State, to provide services for regional commuters. In Queensland services from Brisbane to St George, Longreach and Charleville are only some of the services in receipt of subsidies. In South Australia the service to Finke in the north is subsidised and I believe a service in Western Australia is also subsidised. It would not be unique if a subsidy were to be provided in New South Wales.

The Minister referred to the report of the New South Wales air transport summit working committee. I am delighted to have been able to establish that bipartisan working party. I believe it was unique, and that it got something done in a hurry. That report is not scheduled to go before the Air Transport Council until November. We cannot wait that long. Yesterday I asked the Federal Minister to bring that meeting forward in light of the collapse of Ansett airlines and its subsidiaries. I hope he will respond to the request. I also made the point that the collapse is forcing travellers to travel by road and that there are problems associated with bus travel. In the past six months two major bus lines have withdrawn from inland New South Wales. The situation in relation to public transport in inland New South Wales is more than critical. Public transport is almost non-existent. Unless action is taken the lack of services will have an impact on further development and on the value of existing development. Industry will be further encouraged to move either north or south, as has been the case for some considerable time.

It is my understanding that as of two hours ago Ansett pilots were fully paid to the night before Ansett went into voluntary receivership, but that Hazelton pilots have not been paid. I have been advised that they are owed almost three weeks wages. Honourable members will appreciate that most of us have commitments. The severe curtailing of one's income causes problems. I am sure that all members of this House will join me in asking the administrator, Arthur Andersen, to endeavour to pay the Hazelton pilots and staff their entitlements so that they can carry on until they find some other form of employment.

An aspect that has not received sufficient publicity and has not been referred to by the Minister is the trickle-down or flow-on effect of this collapse. I understand that Traveland is in trouble. I believe that other airlines may also be in trouble. This morning the honourable member for Dubbo and I discussed the fact that Airlink, which operates into Cobar, Bourke and other western airports, is dependent on passengers coming into Dubbo. If that does not continue Airlink will be under pressure. Airlink has been great. In the past few days it has provided services out of airports such as Parkes to try to help out. However, it must be acknowledged that this collapse affects not only Ansett airlines and its subsidiaries. Bus lines, travel agents, fuel suppliers, repairers and baggage handlers at country airports have all been affected. They will be more seriously affected if this haemorrhage is allowed to continue.

I cannot overemphasise the urgency of this matter. I call upon the New South Wales Government to stop playing politics and to act in a positive manner. It is in the Government's interests politically, as well as a matter of honouring its responsibilities, to ensure that we work together to restore services. This is one occasion on which we should wave the white flag and call a truce so far as politics are concerned. Let us forget about the backstabbing and the approaching Federal election and work in co-operation to find a solution. Let the three levels of government hold out the olive branch.

Local government has been magnificent because, in the main, and certainly earlier this year, it lost 100 per cent of its income from airport landing fees at airports abandoned by Yanda Country Connections. I suspect that many local government authorities will be prepared to go down that path as a result of the demise of Hazelton and Kendell. This issue has an urgency about it the like of which we have not seen in a long time. I ask the Government to work in the spirit of co-operation to service infrastructure. I do so at a time when country New South Wales is having a fairly good season and prices for rural products are at a level that we have not seen for a long time. Now is the time to get behind country New South Wales instead of playing politics. *[Time expired.]*

Mr SCULLY (Smithfield—Minister for Transport, and Minister for Roads) [4.37 p.m.]: The Assistant National Secretary of the Rail Tram and Bus Union, Mr Ron Pearsall, was unable to take a plane to Adelaide from Sydney because of the Ansett crisis and chose to travel by motor vehicle. It is with some sadness that I inform the House that he died behind the wheel of that vehicle just outside Griffith. I take this opportunity to place on record my sympathy for his family. He was a gentleman, a tough negotiator for his members and a character. He was a pleasure to be with and he contributed much to the life of his members. It is appropriate that we all remember him on this sad occasion. I send my best wishes to his family and to the leadership of the bus division of the Rail Tram and Bus Union.

I acknowledge the call for bipartisanship from the former Leader of the National Party on the issue of the collapse of Ansett airlines. On many occasions I have acknowledged his contribution in the same way as I have acknowledged the contributions of the honourable member for Tamworth and the Minister for Local Government. At times such as this the community expects us to put politics aside and to be inclusive. But we have to remember our responsibilities. I agree that we should not be cute and sanctimonious. However, I think it is somewhat cute to call for payroll tax and workers compensation premiums to be addressed. I have not called for company tax or income tax to be abolished in respect of regional airlines or other operators. I do not regard that as appropriate. They are general charges or levies: the general cost of providing services to the community.

The Government has a huge responsibility to provide infrastructure and services to country New South Wales. The New South Wales roads budget is of the order of hundreds of millions of dollars each year. The New South Wales Government spends tens of millions of dollars every year subsidising freight track and freight operations. The cost of reducing registration charges for heavy vehicles is of the order of \$60 million each year. I have written to John Anderson saying that he must reduce landing fees, the excise on avgas, taxation on the purchase and sale of aircraft and CASA charges on safety accreditation. They are huge imposts.

The Federal Government cannot expect a reasonable case to be put forward for a State Government subsidy when those Federal charges are in place. I have never said that the abolition of licence fees for smaller operations is anything other than a modest contribution, and is designed to ensure consistency. I cannot ask for John Anderson to remove his fees if I as a Minister in a State Government have fees as well. So I have abolished them. I have written to John Anderson but have not had a reply. It is appropriate that he treat this issue seriously. He should have abolished those fees.

What concerns me even more is that not only has John Anderson not shown leadership on the Federal Government taxes and charges that are crippling airlines; I am very concerned about the role he played in the Ansett debacle. I have it on good authority that he took the Qantas line. He was overly concerned about what Qantas had convinced him would be the anti-competitive nature of a recapitalisation from Singapore Airlines. I am told on good record that the Singapore Government was frightened off by John Anderson. Had this not been the case, it is quite likely that the Singapore Government would have encouraged its carrier, Singapore Airlines, to invest through Air New Zealand into Ansett. It would have recapitalised it. It would have enabled it to acquire new aircraft and to refurbish aircraft and have working capital.

The Deputy Prime Minister of this country has frightened off an opportunity for recapitalising this once great air company. This has resulted in thousands of jobs being lost and their services to country New South Wales being crippled. As transport Minister I want to make sure there is a second viable air carrier in Australia and that we protect as many jobs as possible. Country folk have a right to reasonable air services. I am very worried about the continued availability of air services to country New South Wales. Before we start talking about whether it is appropriate for State governments to subsidise air services, let the Feds do what they should do: abolish taxes and charges, come clean on what John Anderson did in frightening off the recapitalisation of Ansett, and guarantee the country folk that they will get back viable air services. [*Time expired.*]

Mr R. H. L. SMITH (Bega) [4.42 p.m.]: I welcome the opportunity to take part in this urgency debate on regional airlines. My electorate of Bega has been dramatically affected by the collapse of Ansett airlines on Thursday night. I became aware of the problem on Friday morning. On driving past the airport I observed that the Hazelton plane that usually leaves at half past six was still there. The whole network of Ansett and its subsidiaries has unwound. The two airports in my electorate are at Moruya in the Eurobodalla shire and at Merimbula in the Bega Valley shire. Services from both airports were linked to Sydney. Hazelton had three services a day—an early morning and late evening service, with one in the middle of the day. Over a number of years, from the time when Max Hazelton was the owner-operator of Hazelton through to when Hazelton became a public company, with the resources available, Hazelton provided a very good service for the Bega electorate. The early morning and late evening flights enabled people to travel to Sydney and return on the one day. People wanting to do business in Sydney or to attend medical appointments did not have to pay for overnight accommodation.

The absence of services will very much inconvenience many people. It could be a disaster for tourism if the problem is not sorted out in the near future. Qantaslink has a service to Merimbula once a day from Sydney but Moruya has no air service. Kendell has a service from Melbourne to Merimbula and Cooma. That is still operating but there are doubts about what will happen with that service. I am extremely disappointed at the way the debate has gone. Scoring political points is irrelevant in view of the urgency of this dramatic situation for country people. It is up to every level of government to help. Rather than the New South Wales Government

talking about the Federal Government all the time, it should consider what it can do to assist. When the Premier commenced his ministerial statement I thought that he would make a leadership statement announcing what the State would do to correct the situation for all country areas. However, that was not the case. All he did was tell us that he was going to do nothing—expanding the problem.

The Leader of the Opposition asked the Premier whether he would match what was done in Queensland with payroll tax exemptions and training grants and other concessions. The Premier said, "It is a Federal Government problem." It is a problem for all governments and it is about time the State Government did what it can. Queensland has provided payroll tax exemptions and training grants. Victoria has now joined in, another Labor Government with another offer of payroll tax exemptions and grants. South Australia will subsidise Kendell on regional services. Only the New South Wales Government is not putting anything in. What is it going to do to assist in overcoming this major problem for regional New South Wales? [*Time expired.*]

Ms NORI (Port Jackson—Minister for Small Business, and Minister for Tourism) [4.47 p.m.]: There is no doubt that the events of last week will change the tourism environment. The grounding of Ansett has obviously had significant economic consequences for the State economy, and it has the potential to impact across a range of sectors. Clearly, the terrorist attacks in the United States will lead to a downturn in international travel, particularly by US citizens who, understandably, will be reluctant to fly. According to the Pacific Asia Travel Association [PATA] the greatest impact will be between now and 2002. The collapse of Ansett could not have come at a worse time. It has resulted in the suspension of about 700 flights a day, which normally carry 35,000 passengers across Australia. Obviously, we are also monitoring the situation with Air New Zealand. New Zealand is our No. 3 inbound market, providing 304,000 visitors to New South Wales each year.

The entitlements of the Ansett group's 17,000 employees—with about 4,000 here in New South Wales—are absolutely non-negotiable. According to advice from the Department of State and Regional Development, a full stand down of Ansett staff will have a negative flow on effect with the loss of 9,000 or 10,000 direct or indirect jobs and about \$513 million in wages in the air transport sector. The most important thing is to guarantee the entitlements of all Ansett workers should the airline's grounding be permanent. The Federal Government should pursue Air New Zealand for the full entitlements owed. The application of a levy on airfares to fund the entitlements should be a last resort. Let us hope it does not come to that! Obviously the reduced competition in the airline industry, coupled with a potential levy for the entitlement of Ansett workers and a newly introduced passenger movement charge at Sydney airport—and Sydney airport alone—may lead to higher costs. It also may make the Australian market less competitive to holiday-makers.

I have alerted the chairman of the Australian Competition and Consumer Commission to this, and I have asked him to closely monitor the reduced competition and passenger movement charge to ensure that our tourism industry remains competitive. Obviously increased security will lead to more costs, and those costs will be borne by global markets. They will not make Australia uncompetitive throughout the world market. The events in the United States of America will not impact well on the Australian market internationally. According to a number of sources, the North American airlines have seen large-scale cancellations and many airlines are in severe financial difficulties. North America is one of Australia's key international inbound markets—it is our fourth largest inbound market. North American travellers tend to spend more time in New South Wales than in other States. Therefore, sadly, a reduction of travellers from the United States of America will impact disproportionately on New South Wales.

Tourism New South Wales has advised me that it has suspended advertising in some overseas markets, as has the Australian Tourist Commission. We have suspended the Singapore Feel Free and Hong Kong Feel Free programs for the time being and we are constantly reassessing the situation. We will make a decision as to how and when we will re-enter those markets as developments occur. The situation with Ansett and international airlines is changing as we speak. The Ansett collapse has also affected international travel. Ansett serviced Japan and Hong Kong and that air capacity has been lost. People still want to come here, but they cannot get a seat on a plane. Today I asked Qantas whether it needed support from the Australian Government to change over some of those slot arrangements. Those agreements are part of the international airline agreements and the Federal Department of Transport and Regional Services negotiates with the Australian industry, and so on, on a case-by-case basis. I understand that Qantas has increased the number of international flights transporting domestic air travellers between capital cities on the last leg of an international flight. [*Time expired.*]

Mr MAGUIRE (Wagga Wagga) [4.52 p.m.]: Wagga Wagga is the home of Kendell Airlines. In 1965 Don and Eilish Kendell established Kendell Airlines with a single aircraft, flying from Wagga Wagga to

Melbourne and return. Under their stewardship the airline grew and it now employs 186 people based in Wagga Wagga and 1,000 people Australiawide—not to mention the multiplier effect throughout the community to which Kendell Airlines contributed until its sad demise under the ownership of Ansett. I have no doubts that since Don Kendell retired from running his airline, its mismanagement lay squarely at the feet of Ansett and Air New Zealand. At this time Wagga Wagga is without a direct service to Melbourne and that is affecting the community in many ways. It is certainly affecting the provision of health services because previously specialists regularly flew to that city.

Don Kendell said that Ansett managed to take on the sole operator role and provided a service from Melbourne to Wagga Wagga and return and even managed to make a loss on that! One would really have to question the capabilities of Ansett's management. I firmly believe that Kendell will fly again, and I believe that for a lot of reasons. First, Wagga Wagga has an infrastructure worth many millions of dollars that has been built up over the years to service the fleet of Kendell planes. Kendell will fly again because its structure is such that it provides an opportunity to be a great regional airline once again under the right management. Perhaps the destinations to which it will fly will be reconfigured, but, as I said, under a progressive and honest management team it offers real possibilities. Negotiations are currently being held with interested buyers, which may be a piecemeal sell-off.

However, Kendell remains a jewel in the crown of regional airlines and, under the right management and ownership, will continue to be. The South Australian, Victorian and Queensland State governments have offered incentives to help airlines provide services to country areas. I ask the Government to put aside the politics of today and think about the 186 workers who are unemployed and of the 1,000 direct and indirect workers throughout Australia who have been affected by this closure. I ask the Government to act now to save this enormous base at Wagga Wagga, which is known as the home of Kendell Airlines. This is a regional development, tourism and employment issue—and one that the Government needs to come to grips with. Following the demise of Kendell Airlines its staff were treated differently from Ansett staff. Ansett staff received their paperwork much earlier, which allowed them to register for unemployment benefits, or termination benefits, et cetera.

Kendell's staff were treated differently because it is a regional airline. That is not good enough! Thankfully, our Federal member has stepped in and solved some of the problems and this has made it a little easier for staff to apply for benefits through Centrelink. Our Federal member has risen to the cause and is certainly working very hard to bring about a positive response and to work through this issue. That is what is needed from this Government. Yesterday in Wagga Wagga people from Kendell held a meeting. There were no placards, there was no shouting—it was an orderly meeting, as would be expected of country people. The Kendell staff have great dignity, but they want a job and they are willing to work. They are genuine people, but Kendell Airlines needs an owner. The people of Wagga Wagga would give an owner the same loyalty that they gave to Don and Eilish Kendell, and to Ansett and Air New Zealand. But they have not been repaid with loyalty. The treatment they have received in the past few days has not been appropriate. The management of Ansett and Air New Zealand stand condemned for the way that they have treated our people. [*Time expired.*]

Mr MARTIN (Bathurst) [4.57 p.m.]: I support the urgency motion moved by the Minister for Local Government, Minister for Regional Development, and Minister for Rural Affairs. Members from both sides of the House are joined in a common theme. The sudden action last Thursday night involving Ansett has had a devastating impact on regional Australia, no more so than in the Central West. As the honourable member for Orange would know, the birthplace of Hazelton Airlines is Orange, and its headquarters is in that city. Centres such as Bathurst, Parkes, Cowra and Forbes have lost their air services in recent months and the impact on those areas has been devastating. The initial reaction was that the loss of regional services would be inconvenient.

However, I refer also to the potential impact on the business community of a centre the size of Bathurst. Major companies have been affected, including Simplot, an Australiawide operation that is heavily involved in Melbourne; Devro, an international company that has been based in Bathurst for more than 20 years; and Country Energy—a creation of this Government—a major supply authority that covers all of modern coastal and metropolitan New South Wales. The regional general manager of Country Energy, which is based in Bathurst, estimated that each week between 50 and 100 of its staff regularly fly out of Bathurst, Orange and Dubbo to operations on the coast or interstate. The closure of the airline will have a major impact on them.

The Minister for Transport has said that people have been forced to travel by road, which has led to tragic consequences. Our airlines have a wonderful safety record and Hazelton and the smaller country airlines are up there with the best of them. The blame must be sheeted home to the incompetence of the board of Air

New Zealand and Ansett management. During the peak times of Christmas and Easter the Civil Aviation Safety Authority [CASA] had to ground several of Ansett's planes because of maintenance problems, which had a devastating impact. Ansett could have avoided that by predicting the problems and having a suitable plan in place. That inaction and incompetence drained its cash flow and brought about the disastrous consequences of last week. As to what individual State governments should be doing, there is no way that an ad hoc decision of any State government will solve the problem for regional airlines in Australia.

Mr Windsor: We have to sit down and work it out.

Mr MARTIN: Exactly. We need a rational approach. To be viable many airlines must fly across State borders. Payroll tax relief or a reduction in landing charges may be implemented by various State governments but at the end today that will not provide viable air services in regional New South Wales and in other States. The Federal Government must show leadership because air services are a national responsibility. The Federal Government must take up the ball and run with it, with the co-operation of the States. We have seen the limited financial impact of direct charges to the airlines in New South Wales and although the Minister for Transport does not often talk about being modest he has set the scene by eliminating whatever charges he can. I ask honourable members to support the motion and send a strong message to the Federal Government to show leadership to get this matter back on track.

Mr R. W. TURNER (Orange) [5.02 p.m.]: It is with some sadness that I speak about the demise of Hazelton Airlines, which commenced operations at Cudal, near Orange. Max and Laurel Hazelton were the founders of Hazelton Airlines, which started as a crop-dusting operation. Locals recall Max being lost in the Blue Mountains for more than five days during winter, presumed dead. However, he walked out down through the Colo River and resumed his career. He then went into airline charter, which was also successful. In the late 1970s he obtained his commercial licence and commenced operations with a Navaho plane. I had the honour of being one of two passengers on his first flight out of Cudal to Sydney in the late 1970s. In typical fashion Max said, "Right, we are all here. Hop on board." We went on board, Max put his cap on, the plane took off and once it reached cruising speed he put it into autopilot, came down the aisle, collected the money and gave us our ticket. Max was the pilot, the flight attendant, the ground crew—the whole lot.

Later he purchased some Metros, Shorts aircraft, which were not very popular, and the SAAB 340Bs. In the 1980s he took advantage of the pilots' strike and became licensed to fly into regional areas within New South Wales. At one stage Hazelton Airlines was the largest regional privately owned airline in Australia. Hazelton Airlines then became a public company, with a slightly chequered career, and it was finally bought out by Ansett. In hindsight some say it should have been bought by Qantas, but Ansett offered more money. The only change I saw was that the tickets showed I was on an Ansett flight rather than a Hazelton flight. Nothing else changed. The Metros were still being serviced at Cudal. Unfortunately, 50 to 60 engineering staff will lose their jobs in the Cudal-Orange area. The call centre for Hazelton bookings throughout Australia is located at Orange, and there will be staff losses as well as a loss of service.

Orange City Council runs the airport and over the years it has provided considerable infrastructure. Recently it spent \$180,000 to upgrade lighting at Orange airport to allow Hazelton planes to land and take off more safely and more regularly during inclement weather. A major factor in the decision of the Department of Agriculture to relocate to Orange was the fact that Hazelton Airlines provided a reliable service to Sydney for its specialist officers. Cadia mine workers and officers are also regular users of the airline. The blame must lie with Ansett and with Air New Zealand. On the surface it appears that when it bought Hazelton it did not have sufficient capital to do so let alone enough funds to do the necessary upgrading. Regardless of whether State governments or the Federal Government should help with finance, Ansett would not be in this mess if Air New Zealand had been properly funded and had the money to upgrade not just Hazelton and Kendell but the Ansett planes. Licensing fees and landing fees could have been sorted out if the airline had been properly funded when Hazelton and Kendell were first taken over. Orange now has no service, except a token Qantas service once a day. I hope that improves in the next few days. [*Time expired.*]

Mr BLACK (Murray-Darling) [5.07 p.m.]: Some weeks ago on radio station 2WB, Bourke—which covers an enormous area, including the channel country of Queensland, much of western New South Wales, Cobar and Nyngan—I was asked, "What does this Government need to do to be re-elected in 2003?" I said, "2½ things. The first is for Bob Carr to stay alive. The second is for Kerry Chikarovski to stay the Leader of the Opposition. The half is George Souris leading his party from obscurity to the edge of oblivion." If anybody doubts the veracity of the half, I refer them to the Leader of the National Party's reply to the Premier's ministerial statement today. The Leader of the National Party reached new heights in hypocrisy and new depths

in political point scoring. Today we are talking about the disaster of last Friday, 14 September. At 2.00 a.m. Broken Hill lost six flights to Sydney and 17 flights by Kendell to Adelaide, a total of 23 flights in and out of Broken Hill. As I speak today Broken Hill has no air services whatsoever. And this situation does not apply only to Broken Hill.

Nine regional New South Wales centres—Lismore, Griffith, Orange, Bathurst, Merimbula, Parkes, Narrandera, Moruya and Casino—rely exclusively on Hazelton, and another Ansett subsidiary, Aeropelican, serves Belmont. Eight other regional centres in New South Wales have been grievously harmed by the demise of Hazelton, with Qantas providing a much-diminished service. Communities such as Kempsey, Cowra, Gunnedah, Forbes, Young, West Wyalong, Cootamundra, Singleton, Scone, Coonabarabran, Maitland and Deniliquin previously lost their air services with the collapse of Country Connection and Horizon, which carried about 20,000 passengers. Last Thursday Joe Knagge, the Country Labor candidate for the seat of Parkes at the coming Federal election, said:

Media reports have estimated that 315,000 passengers in 11 New South Wales regional centres, that are serviced only by Ansett subsidiaries, could be left stranded if the airline collapses.

Centres that would be hard hit include—

the ones that I have mentioned already—

... where Ansett subsidiaries each carry between 9,000 and 18,000 passengers a year.

In addition, Dubbo would be severely affected having one of the busiest airports in regional NSW. Last financial year over 70,000 passengers travelled between Dubbo and Sydney on Ansett subsidiary, Hazelton Airlines. Also, there are over 9,000 passengers each year using connecting flights between Dubbo and towns such as Bourke, Cobar, Nyngan and others, who could also be affected.

Last Friday the honourable member for Bankstown, the Parliamentary Secretary Assisting the Minister for Education and Training, was stranded in Broken Hill, as was the magistrate. There were no bank services. However, Heather Gray of the Far West Area Health Service did a deal with the Royal Flying Doctor Service and organised daily flights from Adelaide to Broken Hill carrying specialist pharmaceuticals. Stephen Bradford telephoned me last Friday morning to say that he was putting additional carriages on the *Indian Pacific* and the *Ghan*. I congratulate people such as Michael Pantich and Penelope Jansson on their involvement in organising the train that brought me to Sydney. I left Broken Hill at 5 p.m. on Sunday and arrived at 10 a.m. yesterday, a trip of 17 ½ hours. I still do not know how I will return to Broken Hill.

Previous speakers in this debate, including the Premier, have referred to the fact that Broken Hill has lost the Minerals Council of Australia conference, which was to be held between 13 and 19 October. We will also lose events associated with the upcoming Bankstown sister city visit. In the short time remaining, I must firmly nail John Anderson to the wall over the loss of regional air transport services. The fact is that he is married to competition policy and the two-airlines policy. He fired the smoking gun when he allowed profitable organisations Kendell and Hazelton to be gobbled up by Ansett.

Mr D. L. PAGE (Ballina) [5.12 p.m.]: The collapse of Ansett is very serious for our nation and the State, and particularly for regional New South Wales. A debate such as this is not the time to attempt to score cheap political points; it is an opportunity for us to try to analyse the situation with a view to arriving at some solutions as to where we are heading. All governments share responsibility in this area and I was disappointed by the Premier's response to my question earlier this afternoon when I asked whether he would be prepared to do what he could in New South Wales and follow the lead taken by Victoria, Queensland, South Australia and Western Australia. The Premier simply waved his hands and said that it was a Federal responsibility. That is disappointing.

Although we recognise that the Federal Government has primary responsibility for air services across the nation, the New South Wales State Government could take action similar to that initiated by other States. I remind the honourable member for Murray-Darling and others who have spoken in this debate that the State Government is responsible for licensing air routes in New South Wales through the Air Transport Council and that the Carr Government went ahead with the deregulation model. When I was assistant Minister for Transport during the Armstrong-Fahey Government we took a deliberate decision to opt for a policy of what we called "managed deregulation". In other words, we did not throw open the smaller ports. Our policy was that centres with 80,000 air passengers a year would definitely have competition but that smaller ports would not go to the deregulated model. This Government embraced that model, so we should not take too much notice of the comments of the honourable member for Murray-Darling that this is somehow all the responsibility of the Federal Government.

Mr Windsor: It is recommending full deregulation.

Mr D. L. PAGE: That might be the Federal Government's policy in relation to deregulation. However, my point is that this Government did not have to deregulate air services in New South Wales. We did not do it. In searching for a solution the Federal Government must obviously concentrate on particular areas. One such area is the infrastructure costs associated with running airlines across Australia, particularly in the regions. Many built-in infrastructure costs are horrendous when compared with similar types of costs elsewhere. This is one area where competition would be a good idea. If we can believe Dick Smith, it costs \$515 to provide the fire fighting service at Karratha whereas the same type of aircraft can be landed for \$18 in New Zealand. The light of competition should be shone on some aspects of the air transport cost structure in Australia.

We should acknowledge that both Federal and State governments have a responsibility to do what they can to provide solutions to this problem. We should also acknowledge that the primary cause of this disaster is bad management by Ansett over not just the past few years but a decade. Air New Zealand has also played a negative role in managing Ansett. The fact that that airline offered to buy Virgin for \$250 million when it did not have any money in the bank demonstrates the irresponsibility of the Air New Zealand board. Let us sheet home most of the responsibility to those with whom it should lie.

I have several suggestions about air services on the North Coast, which has been a controversial subject for some time. There are three airports in the Northern Rivers region—Ballina, Lismore and Casino—that are located less than one hour's drive apart. In July I attended a very good meeting organised by Northern Rivers Invest, which is part of the Regional Development Board. It was addressed by Mr Harbison, an aviation expert, who provided air passenger numbers. In 2000 Ballina had 120,000 passengers, Lismore had 45,000 and Casino had 10,000. Grafton had 28,000—that is a separate issue because it is a discrete market—and Coolangatta had 1.3 million air passengers because it is a tourist-oriented market. As to the situation in Lismore, Ballina and Casino, it is high time that we carefully considered nominating a regional airport, which would reduce costs and provide more viable air services in the Northern Rivers region.

Mr ACTING-SPEAKER (Mr Lynch): Order! It being shortly after 5.15 p.m. debate is interrupted for the taking of private members' statements.

PRIVATE MEMBERS' STATEMENTS

DEATH OF Mr MICHAEL BRIGGS

Mr PRICE (Maitland) [5.18 p.m.]: I refer to the death of Michael Briggs on 8 September 1998 at Stockton in the Newcastle area. His mother and father are constituents of mine in Maitland. Although two inquests have been conducted into Michael's death, the Coroner has returned an open verdict each time. This has caused great distress to the family and continues to be a major irritation to Mrs Briggs in particular. While she acknowledges that her son was a bit of a scallywag, she believes all she can do for him now is to clarify the circumstances of his death and ensure that justice is done in that regard. Her letter to me of 25 February last year, which initiated the inquiry, asks several questions, including:

1. If he died at 6.00 p.m. why wasn't an ambulance called till 7.00 p.m.
2. Moylan states he went to bed at 6.00 p.m.
3. Why wasn't Moylan, Griffiths or the ambulance drivers called as witnesses.
4. If new information becomes available who receives it and do I ever get to hear about it.

I made certain representations to the Attorney General and received replies from him, but some of the information in that correspondence has again caused distress to Mrs Briggs. It suggested that a solicitor, Mr P. J Harper, was engaged by the Newcastle office of the Legal Aid Commission to appear for Mrs Briggs in this matter. She claims seriously and vehemently that Mr Harper did not appear for her. He did conduct his own inquiry and referred a brief to Catherine Renshaw, a solicitor at the Legal Aid Commission. However, Mrs Briggs has never met Mr Harper and, therefore, he did not represent her in court. I assume his statement was tabled, and it supports Mrs Briggs' concern about discrepancies in evidence collected at the time and evidence brought forward or requested at the coronial inquiry. I am concerned about why certain issues were not dealt with. In his brief Mr Harper referred to one of the people present in the house where Mr Briggs was killed on the night. He said:

It appears though that Moylan's version given to police (that the deceased had told him that he had three live rounds in a magazine and a number of dummy rounds, the latter of which he used as a party trick) does not help to explain the circumstance of the death because the magazine which allegedly contained the live rounds was not attached to the rifle, nor were any of the three live rounds missing from the magazine. Moreover, a further round (be it live or dummy) was discovered in a separate area (the wall unit). The question must be posed: If the deceased was performing his party trick (question where the evidence of the party trick comes from?), how did a live round get into the rifle? This question casts further suspicion towards Hennessy whose original version to the police was an admitted lie so as to distance himself from any possible inculpation, the second version did not allow for the loading or cocking of the rifle, and the third version placed Hennessy out of the room when this most vital event (the loading or cocking of the rifle) occurred. The other scenario is that the rifle contained a live round whilst it was stored as alleged. The changing position by Hennessy is of significance, we would suggest.

I understand that Mr Hennessy was not called, but if he was he certainly was not questioned to such a degree that his evidence may have clarified the situation. Likewise, it appears that the body had been moved, either prior to the ambulance arriving or by the ambulance officers. Again, that was not clear. The matter contains a number of variables that I believe require investigation. Mrs Briggs has every right to ask for the matter to be investigated yet again and for certain statements to be rechecked—not only those from the ambulance officers and other witnesses but also from the police who attended the scene. For instance, as I understand it no forensic evidence of fingerprints was produced. The gun was removed for fingerprinting but no report was brought before the Coroner. The matter has a number of serious discrepancies and I ask the Attorney General, whom I advised I would raise this matter, to review this issue because I believe an injustice may have been done to the Briggs family.

PENNANT HILLS POLICE STATION

Mr TINK (Epping) [5.23 p.m.]: Following approaches to me by a number of my constituents seeking to have a public meeting to discuss policing in Pennant Hills I organised such a meeting to take place on Sunday 16 September. It was not billed particularly as a protest meeting directed at the Government but rather a meeting to discuss general policing issues, not the least of which involved the future of the police station. I am grateful that the local area commander, Superintendent Frank Minelli, made time to attend accompanied by his acting crime manager, the community liaison officer and the person in charge of crime statistics at the local area command. I was grateful also for the attendance of the local Federal member, Philip Ruddock, and a number of Hornsby councillors including Stephen Pringle, Nick Berman and Robert Browne.

Approximately 80 people attended the meeting. Attention focused reasonably quickly on the future of Pennant Hills police station. A number of speakers expressed concern that since 1 July 1997 the station had been downgraded from a locally led and based patrol with 30 police, to a station that was open 24 hours a day, seven days a week, but which operated with only one car and one supervisor, to the current situation, where the station is open only part time, from 8.00 a.m. to 6.30 p.m. Monday to Saturday. The local area commander presented some crime statistics and then argued that getting people out of the police station into cars and onto patrol was a better use of police resources. The very strong feeling of the meeting—indeed, it turned out to be the unanimous feeling—was that this was no substitute for a permanent police presence at Pennant Hills station, working from that station and in the local community. There was a fair amount of argument to and fro. In the main it was an extremely constructive meeting and involved a good exchange of information and opinion as distinct from heated comment and invective.

However, at the end of the meeting a motion was moved by Mr Peter Waite and seconded by Mr John Cochrane, calling on me as the local member to call on the Government to allocate sufficient resources for the immediate restoration of community policing at Pennant Hills so that trust could be rebuilt between the community and individual members of the Police Service. The motion was passed unanimously. Notwithstanding arguments put forward by the police, it is a continuation of the strong view of the local community in response to a survey I conducted: they want local police based at the station. The community does not consider police roaming at large, so to speak, across the local area command to be a substitute.

Last night I attended another public meeting in the Dural area, at the northern end of this command. It is astonishing that police resources for that area come from a police station at Eastwood. The fact that police have to travel a significant distance on congested roads highlights the need for a police presence at Pennant Hills, to ensure that the northern part of that sector can be manned by police based at Pennant Hills. Travelling times to places like Dural would be reduced and police based in the northern part of the command would have a reasonable chance to get to know local people, be able to swap information and work together to solve crime. It cannot all be done from a centralised police base at Eastwood. That was made clear to me from the Pennant Hills meeting on Sunday and its unanimous resolution and from the Dural meeting. My concern now is the ongoing program to further centralise police commands. For my constituents and more generally, that decision must be reversed.

PORT STEPHENS TOURISM

Mr BARTLETT (Port Stephens) [5.28 p.m.]: In a week when tourism is going to be markedly affected by the events that occurred in the United States of America, and also at a time when Ansett airlines has collapsed in Australia, I bring a good news story about tourism in Port Stephens. My story concerns a gentleman named Mr Bob Westbury. Tourism in Port Stephens is a major growth employer, accounting for 20 per cent to 25 per cent of the local economy. The Tomaree Peninsula is now dependent on tourism and I am sure it will be a future tourism employment area.

About 40,000 people visit Port Stephens each winter, when we traditionally experience a downturn in the economy, to participate in whale watching and dolphin watching. Today one in nine jobs in Australia is in the tourism industry and one in eight new jobs is in the tourism and hospitality industry. In this International Year of Volunteers I pay tribute to the inaugural and current Chairman of the Port Stephens Tourist Organisation, Mr Bob Westbury. Mr Westbury is acknowledged throughout the Tomaree peninsula for his dedication and the time he gives to the organisation in which he so strongly believes. Once a month about 70 of the 300 members of Port Stephens Tourism come together to network among themselves and to hear a report from Bob. He was the inaugural chairman when the council and Port Stephens Tourism became a co-operative. He has done an excellent job over the years.

When Bob Westbury arrived in Nelson Bay he said that the area was just itching to grow. He said that Port Stephens was a backwater that oozed potential, and he wanted to be a part of it. It offers everything that the Sunshine Coast and, to a degree, the Gold Coast have to offer, without the overdevelopment. Bob started his career in 1953 as a butcher's apprentice. In 1956 he was the Navy cook on HMAS *Sydney*. In 1973 he bought the Woolpack Hotel in Parramatta, and in 1978 he bought a hotel-motel in Liverpool. Throughout his time in Sydney he was an outstanding and dedicated member of his local community. He helped many charities and local organisations. In 1995 Bob moved to Port Stephens and set up Westbury's Marina Resort, which has provided the base for our numerous sister city visits, tourism and community meetings. He is an absolute gem to work with.

Bob Westbury moved into an area that is undergoing enormous growth. Between the two of us we are working to solve current problems. Leaving aside problems with airlines and tourist numbers, Bob and I are very concerned about public liability insurance. Public liability insurance is discussed at almost every meeting we attend. During the summer paraflaying across Shoal Bay was a popular activity in Port Stephens. Although not one insurance claim has ever been made, the increase in public liability insurance from \$3,500 to \$16,800 put the operators out of business. Rob and John Caldwell own the toboggan run, which employs 35 people in the Port Stephens area. Public liability insurance increased from \$35,000 to \$70,000 in one leap, and the operators of the toboggan run are struggling to remain in business.

Geoff Sansom from Oakvale Farm, a local nature reserve that has been in existence for 22 years, has such a problem with public liability insurance that the reserve is now broken down into different components. He has a small pony, about 2½ feet high, for which he charges \$2 a ride. The public liability insurance for that pony is now \$7,000. He is being forced out of business by increased premiums for public liability insurance that are the result of problems in the insurance industry generally. Bob Westbury is very much aware of the situation, and is working closely with me to resolve the problem. We are yet to solve it. I acknowledge his enormous contribution to tourism in Port Stephens.

Ms NORI (Port Jackson—Minister for Small Business, and Minister for Tourism) [5.33 p.m.]: As usual, the honourable member for Port Stephens is sticking up for his area and for tourism. I join with him in congratulating Bob Westbury on his hard work, and the success of the tourism industry in Port Stephens. It is an attraction that is receiving increasing recognition and is the beneficiary of an ever-increasing number of international visitors. Well done, Port Stephens and people like Bob Westbury!

WEST WYALONG HIGH SCHOOL INTERNET ACCESS

Mr ARMSTRONG (Lachlan) [5.33 p.m.]: I raise a matter that has been drawn to my attention by the New South Wales Teachers Federation representative at West Wyalong High School. I received an email on 13 September which stated:

As NSW Teachers Federation Representative at West Wyalong High School I would like to draw to your attention problems we are countering with our DET Internet access.

Our school accesses the Internet through a DET provided ISDN line. Quite often the Internet is extremely slow or simply does not work. We have been told, by an IT consultant from the private sector and from DET's District Office personnel, that the problem lies with the Internet Provider in Sydney (contracted by DET). Please note: we are not laying the blame with our District Office people—they have been very supportive.

Whilst we are aware that DET are now trying to do something about the problem—they have been aware of the situation for approximately 12 months—during which time the problem has got worse.

The fact that we often cannot access the Internet is very frustrating for teachers and students—particularly Yr 12 students preparing for the HSC and trying to access University entrance information. This problem is not isolated to West Wyalong—it will be affecting schools right across New South Wales—however I feel it is an equity issue for country students. Our kids can often not go home and access the Internet because of poor telecommunications.

Can you please talk to your fellow country Parliamentarians and, if the problem is widespread, try to bring some pressure to bear on the Government to rectify the problem immediately.

Thanks for your help.

Federation Rep
West Wyalong High School

We are talking about the education of young people and the last chance for year 12 students to obtain a proper education. We are talking about the responsibility of the Government to supply services that work. Everyone would support schools having access to the Internet and information technology. But once you change the system and make students dependent on IT you have to make it work. Education in this State is compulsory and it is free. Because it is compulsory it has to be provided. I have every reason to believe the Teachers Federation representative that West Wyalong High School, and many other high schools, have an inadequate service. Their students are therefore receiving a second-class education opportunity. However, I bet that some of them do very well. The bottom line is that this problem may be fairly simple so far as the Government is concerned, but it is a major problem for the individual.

I ask that the Minister and the department attend to this matter urgently. The final exams will be held within about eight weeks. It is a dereliction of duty not to provide the students with proper facilities. I ask the Minister for Small Business, and Minister for Tourism to draw to the attention of the Minister for Education and Training a fundamental problem in providing infrastructure services to the students of West Wyalong High School. I have every reason to believe that this is symptomatic of problems throughout the western regions and other high schools across the State. It is a simple one. It is a matter of identifying the problem. We do not have time on our side. It has to be done immediately.

Ms NORI (Port Jackson—Minister for Small Business, and Minister for Tourism) [5.38 p.m.]: I certainly undertaken to forward the honourable member's concerns to the Minister. However, I point out to him that the provision of Internet access to regional New South Wales is of general concern to me, as I am sure it is to him. I have had discussions with Telstra and put the case very strongly that if our regional small businesses are to compete in the global market, their mobile phones cannot drop out one kilometre out of town, and Internet access has to be prompt, immediate and secure.

AUSTRALIAN SPECIALISED DEFENCE EQUIPMENT PTY LTD

Mr COLLIER (Miranda) [5.38 p.m.]: The wheels of bureaucracy turn slowly—far too slowly for one of my constituents, Mr Peter Pool. In his case it seems that the wheels of bureaucracy have ground to a halt, as though someone has dropped a spanner in the works. Mr Pool is the Managing Director of Australian Specialised Defence Equipment [ASDE], a family company located at Kirrawee in my electorate. The company specialises in surveillance defence equipment and special boats. It also provides specialised defence consultancy.

On 17 February 2000 the company was requested by the Olympic Security Command Centre to provide a specialised Seacat P30 vessel to support all underwater security operations for the Sydney Olympic Games. A purchasing order from the New South Wales Police Service accompanied the request. During the six months of the building program, ASDE and its fabrication engineers liaised continually with the nominated Police Service building supervisor and the police divers who were to crew the vessel. Changes were made to meet police requests as the building proceeded.

To ensure delivery of the boat for the Olympic Games ASDE worked day and night, involving the company in extra payments for overtime. The vessel was built to Survey Standard 2C, inspected by the Waterways Authority and registered. The vessel, a Seacat P30, was delivered to the Olympic Security (Special

Diving) Command in August 2000. It was trialled and used throughout the Olympic and Paralympic Games. The firm provided service engineers for the vessel on a 24-hour, 7-day-per-week basis free of charge during the Olympics period. When the vessel required repairs after being run into a seawall prior to the closing ceremony, those repairs were done without charge. Even when dirty fuel was placed into the tanks during the Olympics, it was cleared by the company without charge to the Police Service.

The Olympics are now over. A year has passed and, despite Mr Pool acting in good faith, the \$60,000 owing to him for the vessel remains unpaid by the Police Service. In August 2000 the Olympic Security Command advised that the cheque was in the mail. In November last year, after the Olympics, Mr Pool received a list of modifications. In March of this year, six months after the Olympic Games concluded, he was notified that the vessel did not meet the speed requirements and that the Police Service disputed the payment. Mr Pool, like any businessman, wants the dispute resolved as expeditiously as possible. Delay costs time, money and interest—and in this case jobs.

In April I wrote to the Minister for Police about this matter. To his credit he responded quickly that he had been advised that "the Police Service is attempting to finalise the matter as quickly as possible". That has not happened. The \$60,000 remains outstanding and Mr Pool has advised me that he has had to dismiss three employees. He has also advised me that in the past 12 months he has not paid himself a wage. That has obviously taken its toll on his health. I have spoken at length to Mr Pool's solicitor and he has corresponded with me. It is clear that the Police Service is not making a genuine attempt to settle this dispute. Indeed, the solicitor wrote to the Police Service on 10 September in the following terms:

... the writer is disappointed that you have wasted our time by not entering into meaningful negotiations.

He pointed out, quite rightly, that this dispute has dragged on for an unreasonable length of time. All of that means extra legal costs for Mr Pool. Mr Pool and his solicitor have indicated to the Police Service and to me their willingness to negotiate a settlement of this matter without unnecessary recourse to the courts. That seems to be increasingly unlikely because of what appear to be Police Service delays, inactivity and, in one instance, sheer obstinacy. The most recent proposal put forward to Mr Pool's solicitor is that Mr Pool can have the boat back if he repays to the Police Service all the progress payments he has received to date. This is a specialised boat. The Olympics are over. The Police Service used the boat for at least 400 hours but now wants Mr Pool to effectively forgo \$60,000 for the privilege of supplying the boat. That is outrageous.

It is even more outrageous for the Police Service to suggest to Mr Pool's solicitor that, despite its extensive use by police during the Olympics, there has been no delivery or passing of property in the boat to the Police Service. That appears to be a legal nonsense, given that the contract remains on foot. My constituent Mr Pool has had an enough. A year is far too long for the bureaucracy to finalise this matter. It is scandalous that Mr Pool, who put in the effort to help make our Olympics the best ever and the safe event they were, has been given what is in effect a marathon runaround by the bureaucracy. I call on the Minister for Police to take steps to have this matter finalised as quickly as possible.

Mr WHELAN (Strathfield—Minister for Police) [5.43 p.m.]: I thank the honourable member for Miranda for bringing this matter my attention.

Mr O'Farrell: Do something.

Mr WHELAN: In response to the interjection from the Deputy Leader of the Opposition: yes, I will do something. The contribution of the honourable member for Miranda is a good example of this local member working diligently to represent his electorate. I am advised that the Police Service is currently investigating issues relating to the 11-metre dive support vessel constructed by Australian Specialist Defence Equipment. However, in light of the honourable member's statement today, I will ask the Commissioner of Police for an update on the matter. The honourable member mentioned a contract. I will also seek from the commissioner advice about how this matter, which has been the subject of dispute for some considerable time and in relation to which there appears to have been part performance, can be resolved. The contract undoubtedly contains a clause relating to dispute resolution. I will refer the matter to the Commissioner of Police and contact the honourable member when I have received the commissioner's advice.

KU-RING-GAI MUNICIPAL COUNCIL RESIDENTIAL STRATEGY

Mr O'FARRELL (Ku-ring-gai—Deputy Leader of the Opposition) [5.45 p.m.]: I again raise the issue of inappropriate development across the Ku-ring-gai municipality. I do so as a result of the widespread concern

in the municipality about the State Government's proposals, particularly under State environmental planning policies 5 and 53. The best indicators of that concern are the public meetings that have been occurring throughout Ku-ring-gai. In recent times they have been held at North Turramurra, where more than 400 people were in attendance; at Wahroonga, where several hundred people were in attendance; and last week at West Pymble. On Sunday the honourable member for Davidson and I attended a well-supported meeting at St Ives and, tomorrow night, the Ku-ring-gai Preservation Trust will hold a major meeting at Turramurra Uniting Church hall. All of those meetings expressed concern about the State Government's attempts to foist inappropriate development upon the Ku-ring-gai municipality.

In July the Minister for Urban Affairs and Planning wrote to Ku-ring-gai Municipal Council, saying essentially that the residential strategy had not yet been accepted and that the council had to go away and do more work. Of more concern was his statement that the council should consult with the development lobby. I note there was no request to consult with the community or members of the public. The Minister said the council should talk to the development lobby, which I believe clearly gives away the Minister's game. I wrote to the Minister requesting a meeting with council and the Minister. That meeting took place. It took a month for it to take place, but it did occur and I am grateful that the Minister sat down with a deputation led by me and the mayor of Ku-ring-gai Municipal Council to discuss these issues.

That meeting could not be described as fruitful but it allowed both sides to exchange open and frank views about the issues before them. Of particular concern was the request at that meeting that the Department of Urban Affairs and Planning at least tell the council what it had done right and what it had done wrong. Essentially, the State Government has answered either yes or no to Ku-ring-gai council's requests about residential strategy, without providing any guidance. As others have said, it is very much like a Dutch auction. At that meeting both the Minister and the Department of Urban Affairs and Planning [DUAP] promised to provide letters to council setting out the major complaints and the parts of the strategy that met with approval.

I was concerned when I met with Councillor Roy Bennett, the Mayor of Ku-ring-gai, last Thursday to discover that weeks after the meeting those letters have still not arrived. Ku-ring-gai Municipal Council is under pressure from the State Government to put forward an acceptable residential strategy, but it is unreasonable to apply that pressure when DUAP cannot itself meet targets set by the Minister for Urban Affairs and Planning. Ku-ring-gai council is still essentially in the dark as to what the department or the Minister objects to in its residential strategy and what the Minister and the department approves in that strategy. Until that basic information is provided it is difficult for Ku-ring-gai council to react.

The second issue raised by that deputation relates to State environmental planning policy [SEPP] 5. In 1998 that policy was amended to allow for infill development. It is that infill development that is causing concern. No-one objects to the concept of the provision of housing for seniors and disabled people, but we all support local council determining the areas in which that accommodation should be provided. My concern in particular is that the administration of this policy and this change is having a significant effect not merely across Ku-ring-gai but across inner-ring suburbs around Sydney.

The Government accepts no responsibility for upgrading infrastructure and services needed to support additional population densities. For instance, at North Turramurra, with additional SEPP 5 houses being built, the Government is doing nothing to accept responsibility to overcome existing traffic problems in the suburb, which is essentially served by one road that accesses an arterial road and the Pacific Highway. To continue with this policy without accepting responsibility for things such as transport, sewerage, water supply, electricity and emergency services is simply a cop-out on the part of the State Government.

Finally, I express my concern that essentially the Minister and the department are saying that although the people of Ku-ring-gai are concerned about SEPP 5 developments, until the council resolves the residential strategy and puts an acceptable strategy to the Minister and the department, they will do nothing to solve the SEPP 5 problem across Ku-ring-gai. As I have said in this House before, infill SEPP 5 developments will change the character of parts of Ku-ring-gai forever. It is urgent that the Government respond to Ku-ring-gai council's request for feedback on SEPP 53 so that a strategy can be put together to meet the needs of seniors and disabled people and halt this terrible policy that is affecting so many areas of the Ku-ring-gai municipality.

Mrs YVONNE KENNEDY MEMORIAL SERVICE

Ms ALLAN (Wentworthville) [5.50 p.m.]: Tomorrow at 3.00 p.m. in St Mary's Cathedral a memorial service will be held for Yvonne Kennedy, one of the first Australians to be identified as having been killed last

week in the United States. She was a passenger on American Airlines flight 77, which was taken over by terrorists and crashed into the Pentagon. Mrs Kennedy was a resident of Westmead, which is adjacent to my electorate. She had been a major supporter of the Red Cross in western Sydney since 1976, working as a volunteer for the Parramatta Red Cross from 1976 to 1990. Following the death of her husband in 1990 she returned to paid employment and eventually became a senior administrator with the Red Cross.

Mrs Kennedy is currently being deeply mourned not only by the workers of Parramatta Red Cross but by people in western Sydney generally. It is with heartfelt emotion that I can represent the views of many people who knew Mrs Kennedy or heard of her work throughout western Sydney. Mrs Kennedy had two sons. Various quotes in the media have been attributed to them about what a loving mother she was. They are not seeking publicity and have not been named publicly. They loved their mother dearly and I think that the service tomorrow will be very emotional.

Mrs Edith Piggott, one of the key people in the Red Cross, has gone on the public record speaking about Yvonne Kennedy. I thank her for her warm and loving comments. Last week she was quoted as recalling that Mrs Kennedy had worked in a variety of capacities for the Red Cross from first-aid, resuscitation and home nursing to teaching. Once she returned to paid work it was inevitable that she would end up working full time for the Red Cross. So significant was her service to the Red Cross that on her retirement in May last year she was awarded the Distinguished Service Medal.

The motion in this Chamber before question time today was momentous. Many people in this place have views they would like to express on behalf of their constituents. I take this opportunity to speak about Mrs Kennedy because she knew many people in my electorate and I wanted to put on record my respect for her and my deep sadness at her death. Unfortunately, her sons will have to live with the terrifying manner of her death for the rest of their lives. But they can also remember that their mother was a woman of outstanding value. She did tremendous community service in a region where there are too few volunteers.

The New South Wales Red Cross and the Parramatta Red Cross have often discussed with me how much they need support because of the demands on their services and how few takers there are to provide the necessary support. Yvonne Kennedy was one of those brave soldiers on behalf of the Red Cross. It is significant that the memorial service tomorrow will be in Sydney rather than Parramatta. It will give the opportunity for people from her neighbourhood to attend and also will allow Sydney as a whole to suitably acknowledge her tragic death. I offer best wishes to members of her family and wish the Parramatta Red Cross a period of healing so that it can get on with the task that it has been performing so well in the Parramatta region.

NAMBUCCA HEADS FIRE STATION

Mr STONER (Oxley) [5.55 p.m.]: I must raise an issue that I have taken up with the Minister for Emergency Services on many occasions since 1999: the urgent need for a new fire station at Nambucca Heads. I do this today because this issue has become more urgent than perhaps the Minister is aware. When I first raised the matter in 1999—I believe that the former member for Oxley, Bruce Jeffery, had done so previously—the need for a new fire station at Nambucca Heads was quite pressing. The present station is old and extremely cramped. It has no shower, tea room or other facilities for staff. It is in the Nambucca Heads central business district on a busy intersection adjacent to a primary school. Nambucca Heads is a fast-growing area. In a letter dated 12 August 1999 the Minister informed me that he had approved the purchase of a site for a new fire station and that the purchase was concluded in November 1999. At that stage funding of the new fire station was likely in 2000-01. Unfortunately, it slipped off the funding list for 2000-01, but the Minister advised me in April 2000:

... the project has not been placed on the "back-burner". I have asked Commissioner MacDougall to make it a high priority in the bids for the Brigades' Capital Works program.

In February 2001 the Minister advised me:

... a new fire station at Nambucca heads remains on the Brigades' capital works program and continues to be high on the Brigades' State-wide priority list for capital works funding. At this stage the Brigades anticipates funding for Nambucca in the 2003/04 allocation.

So there was further slippage. That was devastating news to the local community. Brigade members were working under duress, possibly in breach of the Occupational Health and Safety Act in my opinion, in the extremely cramped conditions. They had to squeeze between the fire tender and the walls with all the equipment

hanging down. The workplace could even be closed down if there were a notification under the Act that it was unsafe. Ironically, the situation has been exacerbated by the arrival of new equipment for the station. A new fire tender is much appreciated but, being much larger, there is even less room in the current fire station. The staff have to squeeze around the tender. It is unsafe and even more difficult to work in. The Nambucca Shire Council wrote:

Council is firmly convinced that the Minister is not aware of the unsatisfactory conditions at the existing building—with particular emphasis on the occupational health and safety aspects as posed under the existing operating conditions.

Unfortunately, the building occupies an extremely confined site—it is surprising that there is sufficient room in the building for the movement of the firemen when the new tender is in place.

Further, this site is on a corner opposite the Nambucca Heads Primary School and the situation becomes quite congested in times leading up to the commencement and completion of the school day with traffic movements including school buses.

None of this makes for a safe, speedy exit from the station on the part of the fire tender.

Further, a four-wheel-drive fire vehicle has been housed at Macksville and it has been suggested that this vehicle is needed more urgently at Nambucca Heads because forest encroaches right around the township of Nambucca Heads. At present it is extremely dry and in my view there is a great danger of bushfires on the mid North Coast. Today I received a letter from the Minister dated 12 September. The letter stated:

As you are aware the New South Wales Fire Brigades has purchased a site for a new fire station at Lot 39 Kenwood Drive, Nambucca Heads. Commissioner Ian MacDougall ... advises me that he will seek funding for this project within the Brigades' Capital Works Program for 2002/03.

Whilst that is a welcome improvement I stress the urgency of the need for a new fire station. I implore the Government to move the project forward as the situation is potentially unsafe. If the project is not moved forward the consequences may be dire for the Nambucca Heads community.

JOHN HUNTER HOSPITAL TENTH BIRTHDAY BALL

Mr MILLS (Wallsend) [6.00 p.m.]: On Saturday 1 September I had the honour and pleasure of attending, together with my wife, the John Hunter Hospital's tenth birthday ball at the Newcastle Entertainment Centre. More than 900 past and present staff, volunteers, friends and members of the community attended. The celebration of the past 10 years is an important step in healing parts of the history of the Hunter Area Health Service and John Hunter Hospital. The celebration acknowledged significant achievements and the service now looks forward to a new era of health care. The ball was the most significant occasion in the calendar of celebratory events. The master of ceremonies for the occasion was Mike Rabbit of NBN television. The speakers were Professor McGrath, who welcomed guests and gave some history of the hospital. The chairman of the board, David Evans, offered his congratulations to the staff and acknowledged their work. The Lord Mayor of Newcastle, John Tate, the Lord Mayor of Lake Macquarie, John Kilpatrick and I were honoured to speak.

Our speeches were followed by a video compilation researched by the hospital's public relations unit and produced especially for the evening by Out of the Square Media. It was well received. In my remarks I was pleased to acknowledge the efforts of the hospital staff and the wonderful things the hospital has achieved in its 10 years of operation. The hospital's General Manager is Brian Howells and the Assistant General Manager and Director of Nursing is June Graham. Four former executive officers—Ken Donald, Lynden Seys, Steven Batts and Ron Robinson—were also present. Heads of division who have done great work included Peter Fletcher for medicine, Peter Fletcher for surgery, Phil Byth for anaesthesia and intensive care units, Warwick Giles for obstetrics and gynaecology, Richard Vane-Tempest for emergency, Kate Rawlings for CAYHNet, and David Rhodes for allied health services. It is my pleasure to thank them and their staff for the work they do in looking after patients in the Hunter.

I also thank the trade unions that have been involved, particularly the Health and Research Employees Association, the New South Wales Nurses Association, the Public Service Association, the Australian Manufacturing Workers Union, and the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia. Without the co-operation of its workers such a large enterprise would not have been as successful. An important part of the hospital complex is the work done by volunteers through the Kookaburra Carers under the leadership of Bernice Jensen. Her work has been well and truly acknowledged by the community. Artists, including Pippa Robinson, have done great work in both the children's hospital and the main hospital. Newcastle Buses ensures that regular bus services go into and around the hospital to cater for visitors and staff.

The Aboriginal liaison officer, Phil Towney, has taken responsibility for Yallarwah Place, the accommodation centre which opened a little over a year ago. Ronald McDonald House is well-established on the site and provides care for the families of young people in the John Hunter Children's Hospital. Many donors, fundraisers and chaplains were present on the night, as were two former chief executive officers of the area health service: Dr Tim Smyth, who was there for five or six years, and Dr Owen James. Dr James advised me that on the day before the ball he had achieved a settlement from the Department of Health. I express my thanks to the honourable member for Willoughby, who raised Dr James' case in the House some months ago. I thank the honourable member for Maitland for his early representations on behalf of Dr James. On 27 February the honourable member for Willoughby said:

The time has come to square things with Dr Owen James ... He has been unjustly treated. We now have a chance to set the record right.

I thank the Minister for Health for ensuring a successful settlement for Dr James. I said to the people assembled for the ball that during the previous week the Opposition's spokeswoman on health had thundered about poor performances of emergency departments in major hospitals, but the one major hospital in New South Wales that did not get onto that list was John Hunter Hospital. Why? Although the hospital has the busiest emergency department in New South Wales it works well, the staff are good people and they give great service to the patients of the Hunter. Well done, John Hunter Hospital, for its excellent service over the past 10 years!

Mr FACE (Charlestown—Minister for Gaming and Racing, and Minister Assisting the Premier on Hunter Development) [6.05 p.m.]: I commend the honourable member for Wallsend for his comments on the John Hunter Hospital. The hospital is now ten years old and its quality of service has already made a significant contribution to the community. It has become a landmark in its own right. On a recent visit to the hospital I told the Governor, who accompanied me, that the hospital's site came about by accident rather than planning. In the late 1940s or early 1950s a hospital had been erected on the site, which was rather extensive, for sufferers of tuberculosis. Eventually a decision was made to relocate the Royal Newcastle Hospital, a relocation which was long overdue, because of the extensive maintenance that resulted from its closeness to the sea.

The obvious site for the relocation was where the John Hunter Hospital now stands. Construction of the hospital commenced under the previous Labor Government and the hospital was opened when the former Coalition Government was in office. The hospital has received great community support from the start. I am pleased that Dr Tim Smyth and Dr Owen James were able to attend the tenth anniversary ball. Another person who had a great deal to do with the hospital was Professor Jeffrey Kellerman, who played a significant role in medicine in the district. Sadly, his wife, Wilma, passed away a few days ago; they were very close. On behalf of the Parliament and my colleagues representing electorates to the north of Sydney I pass on my profound sympathy to Jeffrey on the passing of Wilma.

Mr GRAHAM PAYNE AND CSM SERVICES GROUP

Mr RICHARDSON (The Hills) [6.07 p.m.]: Tonight I bring to the attention of the House problems faced by my constituent Mr Graham Payne of Cherrybrook. Mr Payne, who is the former principal of Cherrybrook Public School and a decent man, seems to have been cursed in his dealings relating to a home unit he owns at 6 Reed Street, Cremorne, which is occupied by his daughter Meredith. First, he had problems with a rogue builder who was erecting another block of flats next door. The construction work cracked the walls of No. 6. The builder demolished the sandstone retaining wall between the two properties without permission and replaced it with a substandard concrete block wall. It took months of representations to have these matters satisfactorily resolved. I thank the Minister for Fair Trading for his assistance in that regard.

In August last year, Mr Payne and the body corporate—there are five units in the block—entered into a strata management contract with a firm called CSM Services Group of Willoughby Road, Crows Nest. CSM was supposed to carry out all the normal functions of a strata manager, including organising body corporate meetings, collecting levies, organising and paying for maintenance, and so on. What was different about this contract was that it lasted for three years. Honourable members may be aware that a one-year contract is the more usual standard within the industry.

The problems started immediately. CSM Services' Ms Kerrie Nesbitt failed to pay tradespeople for some weeks, blaming the previous managing agents, a company called Jamesons. However, Jamesons were completely up to date with payments to tradespeople. It was not clear whether the contract began on 24 October or 9 August because the paperwork was confusing. The first payment to a tradesman occurred on 25 October, yet CSM took fees from as early as July. The owners, who included Mr Graham Richardson, who is well known

to members on both sides of the House, complained within weeks of joining CSM. Mr Payne was soon in discussions with the Department of Fair Trading. They rang Ms Nesbitt, who said she was giving them good service. Why then did every single one of the five owners complain?

The owners wanted to pursue mediation—and here is the catch-22 situation. Some of them got cold feet when they realised Ms Nesbitt would charge an exorbitant fee simply for going to the city to enter into mediation. She charged \$360 for a letter no-one has ever seen, a further \$136 to send out the agenda for a meeting, up to \$90 a month for photocopying, \$4 for a phone call, and \$345 for legal advice with no proof given as to what it was for. Advice from the Department of Fair Trading has been ignored with impunity. For example, Mr Payne asked how much notice had to be given of a meeting and he was told seven days with four days for posting. CSM allowed eight days all up. The Department of Fair Trading also informed Mr Payne that as long as he paid his levy, which had been delayed because of his concerns about the way the property was being managed, he should be able to vote at the annual general meeting [AGM] of the body corporate. Ms Nesbitt told him he would not be allowed to vote if he attended as he had not been financial at the date of the original AGM, which she had postponed.

The secretary of the body corporate was also declared to be unfinancial as she had delayed payment until she had received her notice of meeting. Because of these exclusions there was no executive elected at the AGM, giving Ms Nesbitt complete control of the operation for a period of eight months. What an appalling situation—the managing agent, the servant of the owners, having open slather to do whatever she likes! Surely goodwill should be a consideration for dealings between a managing agent and his or her clients. The Department of Fair Trading told Mr Payne that he would definitely be able to vote at the next meeting of the operation held in December at which the executive was to be re-formed. Ms Nesbitt refused permission, presumably because it would have diluted her influence.

Ms Nesbitt has not provided a bank statement for the period when her company first took over. Yet whenever members of the body corporate phone her, she is almost invariably on a call, at a meeting or with a client and fails to ring back. When Mr Payne sent copies of his faxes to Mr Callaghan, a director of the company, Ms Nesbitt told him he was wasting his time because she was not letting the faxes go through. The building needs painting but there is no money to do the job; it has all been swallowed up by CSM. I emphasise that this situation is not just for the short term but will remain for a further two years and there seems to be nothing that Mr Payne, Mr Graham Richardson and other owners of this block of flats can do about it. I ask the Minister for Fair Trading to instruct his department to investigate this company's modus operandi and, in particular, its exorbitant charges, its lack of service and the way it conducts meetings. On a broader front, I would ask him also to examine the possibility of outlawing three-year contracts for strata managers, which appear to be weighted entirely in favour of the strata manager and against the property owners.

RURAL AND REMOTE COMMUNITIES LEADERSHIP PROGRAMS

Mr TORBAY (Northern Tablelands) [6.12 p.m.]: It is a truism that good leadership is an essential ingredient for success. From companies to countries, good leadership can overcome circumstance, create opportunities and determine positive future directions. The attempt to find and train good leaders exists everywhere in the public and private sector, in politics at all levels, in communities large and small—and the search will always continue. While leadership training programs and access to mentors is common practice in metropolitan cities and larger rural centres, that is certainly not the case in the more isolated and remote rural areas—communities that probably need them most of all. I am therefore pleased that the University of New England in Armidale has recognised the need for specific programs that address this issue. I acknowledge Dr Narothon Bhindi for his leadership in representing the University of New England, which is at the centre of a rural region surrounded by small communities.

One such program of great promise is being offered by the university's consortium for leadership, research and development through its School of Administration and Training. It is a pilot project which intends to train leaders and managers in the public sector in the New England region and will focus, through wide community consultation, on the needs of rural and remote communities. It is targeting those involved in local government, regional development, public education, voluntary organisations and indigenous communities. Most people are aware that our small, never-say-die rural communities face a different range of challenges than the better serviced urban environments. That is not to say that they do not have many advantages as well—and one need only travel with me around my electorate to be convinced that members of my communities believe that they have the best lifestyle in Australia.

However, in today's economic environment there are specific pressures and a whole new world of information technology to be conquered, which these small communities are well aware of. The University of New England program aims to empower the leaders who live in these remote and rural towns, farms and villages to take charge of their destinies, to make better informed decisions, to identify new opportunities and to influence growth and development. The University of New England consortium's initiative will respond to leadership, regional and community development needs in two specific ways. First, through the development of new specialisation in leadership and community development in the Bachelor of Administration and Master of Administrative Leadership program currently serviced by the School of Administration and Training. Second, there will be short-term specifically tailored professional leadership development program in collaboration with interested organisations and community groups.

Organisers will work with church and other groups to avoid duplication of existing local programs. It will also take a collaborative approach within the university linking up with some of the excellent programs and projects being delivered for rural and remote communities by the Institute of Rural Futures, opened by the Premier this year. The consortium will develop innovative approaches to researching the concept of good leadership in rural and remote communities and the special challenges of distance, transport and communication systems, health and education, the skill base and the dynamics of centres with small and often falling populations. I commend this program. Rural and regional concerns have not received the attention they deserve for many years and they have suffered not only from geographic isolation but political and economic isolation as the prophets and disciples of economic rationalism have held the floor for a considerable period. It is yet another ideology doomed to fail.

As most of the leading ideologues are well aware, the sleeping giant is waking and inland Australia is making its opinions heard. That is largely due to leadership. Rural leaders of the past provide an example, which this new University of New England program can draw upon to inspire the leaders of the future. The program will start in the New England but the organisers aim to expand it not only throughout our nation but also to small and isolated communities in neighbouring Asian and South Pacific countries. Universities located in rural and regional areas are a vital resource and the University of New England is demonstrating through this leadership program that it is responding in a positive way to the requirements of its local communities. I would expect the leaders it encourages may very well be standing in this Parliament in the future to make sure that their communities participate equitably in the prosperity and growth of the nation. I acknowledge the presence in the Chamber of the Minister for Education and Training and of my colleague on the University of New England Council, the honourable member for Wallsend. I am delighted to promote the University of New England in this way.

Mr AQUILINA (Riverstone—Minister for Education and Training) [6.17 p.m.]: I commend the honourable member for Northern Tablelands for raising this matter and compliment him on the work he is doing as a member of the governing council of the University of New England. I congratulate also the university on this initiative aimed at leadership capacity building and rural and regional organisation. It is very worthwhile. The importance of leadership development is recognised by the Department of Education and Training and the university is taking a leading role by introducing programs that will reach into isolated and remote rural communities. The department seeks to serve such communities and efforts are being made to ensure that the educational leadership programs can also be accessed across the State. The prospect of involving groups, individuals, local government, education, voluntary organisations and indigenous communities is very positive for the New England area and aligns well with educational leadership programs, which seek to have school leavers aware of and work in co-operation with other responsible agencies.

The School Leadership Preparation program, which is offered across the State by the department, includes groups of teachers from the New England area who aspire to leadership positions in schools. Speakers from local government, commerce and industry are employed to broaden the participants' understanding of leadership across the community. The Aboriginal Leadership Development program, which is linked to the School Leadership Preparation program, has drawn several successful applicants from the New England area. Once again, I commend the honourable member for Northern Tablelands for bringing this matter of leadership to the attention of the House. I commend him for the leadership role he is taking in this area. Once again, I congratulate the University of New England on its leading role, particularly in the New England area.

Private members' statements noted.

[Mr Deputy-Speaker left the chair at 6.19 p.m. The House resumed at 7.30 p.m.]

BUSINESS OF THE HOUSE**Bills: Suspension of Standing and Sessional Orders****Motion by Mr Whelan agreed to:**

That standing and sessional orders be suspended to allow the introduction forthwith and progress up to and including the Minister's second reading speech of the following bills, notice of which was given this day for tomorrow:

Liquor (Rugby League Grand Final Special Provisions) Bill
Police Service Amendment (Testing for Gunshot Residue) Bill
Police Powers (Vehicles) Amendment Bill.

LIQUOR (RUGBY LEAGUE GRAND FINAL SPECIAL PROVISIONS) BILL**Bill introduced and read a first time.****Second Reading**

Mr FACE (Charlestown—Minister for Gaming and Racing, and Minister Assisting the Premier on Hunter Development), on behalf of Mr Whelan [7.32 p.m.]: I move:

That this bill be now read a second time.

The Liquor (Rugby League Grand Final Special Provisions) Bill is important for many rugby league fans in New South Wales. Honourable members will appreciate that the 2001 National Rugby League Grand Final match will be held at Stadium Australia on Sunday 30 September. In the past, rugby league grand finals have been held during the afternoon. However, the 2001 grand final match will be held in the evening, commencing at 8.00 p.m. and ending some time around 9.30 or 10.00 p.m. In the event of a draw at full time, the game will continue until one team scores, which could mean a finish after 10.00 p.m. The Government expects that many rugby league fans throughout New South Wales will want to watch the match on television at their local hotel. Hotels are accepted as very popular venues for viewing sport as many of them have access to specialised satellite television and large-screen display systems and are a traditional Australian social environment for sporting fans.

However, the current standard Sunday hotel trading hours under the Liquor Act will cause problems for some hotels wishing to televise the grand final match as they will be required to cease trading at 10.00 p.m. As a result, patrons of those hotels will be required to vacate the premises almost immediately after the match is completed or even while it is still in progress. It is possible that hotel licensees and police will have considerable difficulties enforcing such a closing time—quite frankly, I would not like to be in their shoes. Furthermore, the forced exit of thousands of hotel patrons onto the street at 10.00 p.m. will place a significant strain on local transport and security. The Government believes it is reasonable that rugby league fans watching the grand final match at their local hotel should be able to spend some time after the match celebrating or otherwise. It will also assist local authorities and, most importantly, transport operators—transport is usually at a premium—if fans are able to leave at staggered times rather than all at once.

Therefore, the bill provides a one-off extension of trading until midnight on Sunday 30 September 2001 for premises licensed as a hotel under the Liquor Act. The extension will allow hotels to sell liquor for an additional two hours on the grand final night for consumption on the licensed premises only. The amendments will not under any circumstances permit take-away sales—usually referred to as off-licence sales—to be made. The extension of trading in this bill does not overrule recently imposed trading restrictions or other conditions that apply to an individual hotel licence, such as restrictions resulting from a complaint about undue disturbance to the neighbourhood. There have been several complaints of that nature recently as a result of irresponsible behaviour and the failure of particular licensees to meet their obligations.

I point out that under the existing law in New South Wales, about 25 per cent of hotels already have extended trading approved until midnight or beyond on Sundays. Most of those hotels are in Sydney or major entertainment centres and this bill will have no impact on the trading rights of those hotels. This legislation is likely to affect regional and country New South Wales rather than the Sydney metropolitan area. The bill will provide a benefit to those hotels that do not have extended trading on Sunday, many of which are in regional or country New South Wales. The extension will apply to hotels only. Most registered clubs generally have no restrictions on their trading hours, and will therefore be able to trade during and after the rugby league grand final match. Most clubs that operate in a responsible manner would not want the many people who would be forced to leave hotels to seek entry to their premises.

Only a few licensed premises in New South Wales, such as hotels, have restricted trading hours as a consequence of the court's upholding complaints about undue noise. The bill does not extend the trading hours for other types of licensed venues, such as licensed restaurants. There is no evidence that they are in the same section of the marketplace as they are generally not the types of venues used by the public to view sporting matches. This bill will help to facilitate better control of rugby league fans in hotels on grand final night. It will benefit hotels, and the Government expects and warns hotel licensees and staff to serve alcohol and to operate their venues responsibly on that night. This bill is not an invitation to such venues to flout the rules governing the responsible service of alcohol or other conditions applying to their ordinary, everyday activities. I commend the bill to the House.

Debate adjourned on motion by Mr Oakeshott.

POLICE SERVICE AMENDMENT (TESTING FOR GUNSHOT RESIDUE) BILL

Bill introduced and read a first time.

Second Reading

Mr FACE (Charlestown—Minister for Gaming and Racing, and Minister Assisting the Premier on Hunter Development), on behalf of Mr Whelan [7.40 p.m.]: I move:

That this bill be now read a second time.

The Police Service Amendment (Testing for Gunshot Residue) Bill inserts section 211AB into the Police Service Act 1990 to enable the continuation of the Police Service's current policy for testing police officers for gunshot residue following the discharge, or possible discharge, of a firearm by a police officer. The bill is fully supported by both the Police Service and Police Association of New South Wales. When a firearm is discharged it leaves traces of burnt and unburnt primer and propellant, known as gunshot residue. Gunshot residue testing confirms whether a particular officer did or did not discharge a firearm and can also provide evidence as to the circumstances of the discharge. It is current Police Service policy that when a police officer discharges a firearm, or may have discharged a firearm, all police officers who may have been at the scene are tested for gunshot residue.

However, there is no legislative basis for this arrangement. This bill provides legislative backing for the current policy. The need for specific legislative arrangements in this area arises from the introduction of the Crimes (Forensic Procedures) Act 2000. Gunshot residue testing involves a surface swab of a person's skin and is a forensic procedure within the meaning of the Crimes (Forensic Procedures) Act. This means, absent legislation, police officers will be required to be tested for gunshot residue as either a volunteer or suspect for the purposes of that Act. This is not desirable for the reasons I will outline shortly. The Crimes (Forensic Procedures) Act 2000 is intended to regulate only those forensic testing processes that are not regulated under other Acts. Section 14 (1) of that Act states that the Act is not intended to limit or exclude the operation of another New South Wales law relating to the carrying out of a forensic procedure or the taking of forensic samples.

The Police Service Act, at section 211A, provides for forensic drug and alcohol testing processes for police officers involved in police pursuits, firearm discharges and critical incidents. This bill is modelled on the relevant provisions of section 211A. If police are tested for gunshot residue under the Crimes (Forensic Procedures) Act they must be tested either as suspects or volunteers. The necessary procedures for gaining informed consent and testing under the Act may take additional time than is the case under the current service policy. The volunteer provisions of the Act were not designed to deal with gunshot residue testing of police officers. Rather, they were designed largely to regulate the testing of volunteers in mass screening situations such as that which took place in Wee Waa last year.

Gunshot residue is one of the most fragile forms of evidence and testing needs to take place as soon as possible after the discharge of a firearm. The evidentiary value of gunshot residue will markedly diminish if collected more than two to four hours after discharge. The provisions of the Crimes (Forensic Procedures) Act as they stand would also enable police to refuse testing as volunteers. This might prevent their testing or give rise to them being tested under the suspect provisions of the Act. This is undesirable for both the Police Service and the affected officers—the stress of being treated as a suspect for what may be a completely appropriate use of a firearm will be traumatic for police officers who are already involved in a stressful situation.

The bill contains a regulation-making power, consistent with provisions of section 211A of the Police Service Act, to enable regulations to be made for the conduct of gunshot residue testing, the devices to be used in carrying out such tests, the procedure for the handling and analysis of test samples, the accreditation of persons conducting analyses of gunshot residue, offences relating to interference with testing or the test results, and the confidentiality of test results. It is in the interest of the Police Service, affected police officers, and the community generally, that information about police firearms discharges is obtained in a way that best presents the truth about the circumstances of the discharge, and that minimises the stress that may be associated with the testing process. This bill achieves those aims. I commend the bill to the House.

Debate adjourned on motion by Mr Fraser.

POLICE POWERS (VEHICLES) AMENDMENT BILL

Bill introduced and read a first time.

Second Reading

Mr GAUDRY (Newcastle—Parliamentary Secretary), on behalf of Mr Whelan [7.44 p.m.]: I move:

That this bill be now read a second time.

On 4 September the Premier announced a comprehensive package to respond to gang crime. The Government already has introduced the first part of that package: the Crimes Amendment (Aggravated Sexual Assault in Company) Bill. This bill forms another part of the Government's anti-gang package, with further legislation to be introduced after Parliament's resumption. The Police Powers (Vehicles) Amendment Bill makes several improvements to the Police Powers (Vehicles) Act 1998, which was introduced after the cowardly drive-by shooting attack on Lakemba police station in November 1998. Those amendments will assist police in the investigation and prosecution of gang and other offences. The Ombudsman, who was responsible for monitoring the operation of the Act for its first year of operation, reported on its operation in 2000. The Act was subsequently reviewed by the Ministry for Police, having regard to the Ombudsman's report.

Whilst the review concluded that the Act was generally working well, a number of improvements were identified. Currently, section 6 of the Act permits police to demand drivers and owners of vehicles reasonably suspected of having been used in the commission of an indictable offence to provide them with certain identity information. Some magistrates have taken a very narrow approach to defining "used in the commission of an indictable offence". The Local Court in the 23 June 2000 case of *Police v Vivienne Mason* held that police could use their powers only when the use of the vehicle was itself an element of the offence—for example, where the vehicle was used in a ram-raid or to run over a person. The clear intention of the legislation is to enable police to use their powers when a vehicle has been used to escape from the scene of a crime, and most magistrates have applied the Act in this way.

The Ombudsman recommended that consideration be given to amending the Act to prevent magistrates adopting a narrow interpretation of the provisions. Accordingly, the amendment to section 6 (1) of the Act enables police to use their powers when a vehicle has been used in connection with the commission of an indictable offence. Whilst the Act enables police to ask owners and drivers of vehicles to disclose the identity of the driver and passengers of a vehicle, the Ombudsman notes there is no power in the Act to request a passenger to produce identification details. Whilst the Act enables police to request that the driver of a relevant vehicle identify him or herself, there is no power to request the passengers to identify themselves, even where they are present when the driver is being questioned.

In some cases the passenger may be more directly linked to the offence than the driver or owner of the vehicle—for example, where the driver is a get-away driver and the passenger the principal offender. In drive-by shootings, such as the one on Lakemba police station, it is rare for the shooter to be the driver. The bill gives police the power to directly ask passengers to disclose their identity and the identity of other occupants of the vehicle. This will assist in verifying information provided by other vehicle occupants and discourage the making of false or misleading statements as to identity. This additional power may be of assistance to police in responding to gang-related criminal activity, where a number of gang members leave the scene of a crime in a vehicle. As noted in the second reading speech to the Act, the identification provisions were introduced to break the "strict code of silence" that most gang members adhere to.

This code appears to be the only code the gangs respect. They certainly have no respect for the law. It is likely that the driver of a vehicle may not assist in identifying a passenger who is a fellow gang member. In a

deliberate attempt to obstruct justice, the driver may claim to be ignorant as to the passenger's identity or simply refuse to properly answer the request. This may prevent police from following up an important lead in their investigations. Giving police the power to question passengers directly will help to overcome this problem. It is possible that police could ask passengers to provide their identity under section 563 of the Crimes Act 1900. However, that section does not enable police to ask passengers to identify other passengers or the driver of a vehicle. Also it provides for a penalty of only \$220 for failure to refuse to comply with the request. Section 563 is designed primarily to identify potential witnesses, not potential offenders. A \$220 penalty will not be sufficient to get potential indictable offenders to disclose their identities.

The bill provides that passengers who refuse to give relevant identity information can be charged with an offence carrying a penalty of 12 months imprisonment and/or \$5,500. As noted in the Ombudsman's report on the Act, police officers have identified that the high penalties under the Act are the major motivating factor for persons to breach the code of silence. The bill also amends the definition of identity in section 3 of the Act to make it clear that identity has the same meaning in respect of both drivers and passengers. Whilst the Act currently enables police to request name and address information, it does not give them the power to request proof of the information they provide to police. The bill inserts a new section 9A to the Act, which gives police the power to request drivers or passengers of vehicles to provide proof of their identity. This will reduce the likelihood of people providing false identity information under the Act, and assist police in prosecuting offences relating to the provision of false information, which also carries a penalty of 12 months imprisonment and/or \$5,500.

The bill also amends section 10 of the Act. Section 10 gives police the power to stop and search vehicles where the officer reasonably believes the vehicle may have been used in the commission of an indictable offence and the exercise of the powers may provide evidence of the offence. It also allows police to stop and search vehicles where the officer reasonably believes that the exercise of the powers will lessen the risk to public safety. The bill amends section 10 to remove the requirement for police to obtain the approval of a senior officer to stop and search vehicles under that section, except where roadblocks are used. Whilst the senior officer authorisations were introduced to provide for an additional level of scrutiny in the use of vehicle stop and search powers under the Act, the Government is satisfied that these authorisations are generally unnecessary and simply add an extra layer of bureaucracy to a system that often requires quick action.

The Ministry for Police review of the Act found that similar stop and search powers to those in section 10 exist under other legislation without any requirement for a senior officer to authorise the use of those powers. Section 357 of the Crimes Act 1900 permits a police officer to detain and search any vehicle that the officer reasonably suspects contains a dangerous article reasonably suspected of being, or having been, used in the commission of an indictable offence. Section 357 (e) of the Crimes Act permits an officer to stop and search a person or vehicle if the officer reasonably suspects that he or she or it is conveying anything stolen or otherwise unlawfully obtained, or anything used or intended to be used in the commission of an indictable offence. Section 37 (4) (b) of the Drug Misuse and Trafficking Act 1985 permits an officer to stop, search and detain any vehicle if the officer reasonably suspects that it is carrying prohibited drugs.

As noted in the Ombudsman's report, some officers have reported on occasion that it may be too time consuming to find a senior officer when urgent vehicle stop action must be taken. The Ombudsman recommended that the Police Service monitor the operation of the authorisation provisions to determine whether to recommend that the Act should be amended to permit non-compliance with the stringent authorisation requirements in exceptional circumstances. It is not proposed to create an exceptional circumstances test. That would require an officer involved in stopping a vehicle to make an additional judgment call as to whether the circumstances are exceptional in a situation where a quick response may be needed. It would then require the court to assess whether the circumstances were exceptional in determining whether the vehicle stop was lawful. Certainty is required in these circumstances.

Consistent with other legislation, police may generally stop and search vehicles under the Act without tossing up whether the circumstances of the stop and search are exceptional. However, the Ombudsman's report makes it clear that public safety issues are involved in setting up any roadblock. The Act is the only legislation that gives police roadblock powers, and it is clear that those powers need to be exercised through a careful balancing of whether the public safety and law enforcement benefits of a roadblock outweigh the negatives. Accordingly, the bill recognises the importance of senior officer authorisations wherever a roadblock is used. This bill clarifies and improves the operation of the Police Powers (Vehicles) Act 1998. It gives police additional powers to obtain identity information from potential suspects and provides prompt and certain vehicle stop and search powers. I commend the bill to the House.

Debate adjourned on motion by Mr Fraser.

ANSETT AIRLINES COLLAPSE**Urgent Motion****Debate resumed from an earlier hour.**

Mr GAUDRY (Newcastle—Parliamentary Secretary) [7.58 p.m.]: Honourable members who have spoken in the debate have made very clear the enormous impact right across Australia of the collapse of Ansett, the disgraceful management of Ansett by its board and, particularly, the involvement of Air New Zealand in running down Ansett's funding to the point that it is no longer able to operate. The impact is deeply felt in New South Wales as a result of the consequent collapse of Hazelton, Kendell and Aeropelican air services that are absolutely essential to regional and rural areas in carrying passengers and linking those centres to Sydney. The honourable member for Murray-Darling gave a most graphic description of the impact of the loss of air services on Broken Hill and the enormous difficulties it has created. Those difficulties are replicated across New South Wales. That impact has been felt very strongly in Newcastle—by the 44 full-time employees of Aeropelican, and the loss of air services between Belmont and Sydney.

I turn now to the dramatic impact of the collapse of Ansett throughout the community, on travel agents, those who supply fuel or food, and people involved in the tourist industry. Two schools in my electorate—St Pius X High School and the Hunter School of Performing Arts—had planned, since February this year, to send 28 students on a cultural exchange to Catania in Sicily. They had also arranged to spend a week in Rome. Those students raised \$67,000, and that money was paid to Traveland on Monday 10 September. On 12 September the group's Commonwealth Bank cheque was cashed by Traveland and, of course, on that day the liquidator-administrator was appointed from PricewaterhouseCoopers to take over the affairs of Ansett.

That move had the effect of freezing those funds. In fact, the funds are lost to the students. The 28 students, their parents, and families throughout Newcastle and the Hunter have been caught up in a situation wherein the funds that were to be used to pay for flights with Lufthansa, Singapore Airlines and Cathay Pacific have now been captured by the collapse of Ansett, and they are being treated as secondary creditors. I received notification of this from Miss Gabriella Smith, Mrs Enza Pigliacampo and Mr Tony Kelly, the Deputy Principal of St Pius X High School. Since Monday the school and I have been involved in discussions with Traveland and the administrator from PricewaterhouseCoopers—of course, that has changed and Arthur Andersen has now taken over.

I must say a great deal of effort has been put in by the school and by Traveland to try to do something about this situation, because the students were due to fly out of Australia on Saturday 22 September. At the moment they are facing the prospect that their entire trip has been destroyed and their funds lost. I hope that QBE Insurance and the administrator can come to some decision that will enable these students to undertake the trip, to repay the hospitality they showed to students from Catania and spend time with their hosts in Sicily. This is just one small example of the destruction caused by the collapse of Ansett, both in a business sense and to communities across New South Wales. It is an issue that we must act on. I commend the Minister for his quick action and I call on the Federal Government to move rapidly to keep these regional airlines in the air until such time as a solution can be found. [*Time expired.*]

Mr GEORGE (Lismore) [8.03 p.m.]: I support the amendment moved by the honourable member for Lachlan. Like every other regional centre in receipt of rural aviation services, my electorate has been shattered by the loss of the services of Ansett and its subsidiaries, particularly Hazelton Airlines, into Lismore and Casino. The news of the collapse rocked Australia last week, following the devastating news from America. It certainly was "The week that was!" As honourable members are aware, I represent the electorate of Lismore. Both Lismore and Casino have been serviced very well by the Hazelton network. I know that the community was saddened when Hazelton was taken over by Ansett only months ago. Fortunately, the Hazelton network is still there; the infrastructure remains in place. Thank goodness Ansett did not have time to dismantle it. I hope that in the future someone will purchase Hazelton Airlines and re-establish services.

In Casino, and Lismore—where Hazelton had its regional office—some 30 jobs have been lost. One pilot with more than 25 years service with Hazelton, Captain Ian Jones, woke one morning to be told, "Sorry, we are not flying this morning." That was a devastating blow, particularly to pilots, the ground staff, auxiliary staff, office staff and management, led by Maurice Gahan, who have dedicated their service and time to the people of the North Coast. Casino has been overlooked in the new round of approvals for flights to take place. Lismore is receiving flights at this stage, but certainly not the volume of flights it needs to service the area. It is simply a stop-gap situation at this stage. We hope and trust that the Hazelton network will be purchased and services recommenced shortly.

No flights are operating at Casino, but I have received an assurance from Richmond Valley Council General Manager, Ross Schipp, that the airport will not be closed. They are doing their best to get services back into Casino following the collapse of Hazelton Airlines, a division of Ansett. I pay tribute to the Royal Flying Doctor Service, which has agreed to deploy additional aircraft to regional areas to transport patients, who previously relied on an Ansett-owned regional airline, to Sydney-based medical specialists. The loss of these services will be felt, in particular by those who need to get to major cities to, and receive medical treatment. Where do we go in the future?

Other honourable members spoke about the need for one regional airport in the area. The region has three airports, at Casino, Lismore and Ballina. As a result of the collapse of Ansett communities are now fighting each other. One person is saying we need one regional airport and another is saying we need all of them. We have communities at loggerheads and fighting each other because of a problem caused by the failure of Ansett. I urge the community to stick together. Regional and rural areas need these services and we do not need the local community fighting amongst themselves in an attempt to gain particular services. We need to pull together in country and regional areas to support the local communities through this difficult time.

Mr BARTLETT (Port Stephens) [8.08 p.m.]: On a news broadcast this evening there was an announcement that some American airlines are to reduce flights by 25 per cent and will stand down more than 11,000 employees. In Australia the administrator said today that Ansett has debts of \$2 billion. In addition the Federal Government has announced that it will allocate \$400 million for the protection of workers entitlements, to be paid for by way of a \$10 levy on airline tickets, until it can sort out whether any money will be forthcoming from Air New Zealand in regard to the Ansett airlines debacle. My comments basically relate to the impact on Newcastle airport and the Hunter economy, and the importance of air services to local regional economies.

Six or seven years ago Port Stephens Council and Newcastle City Council took over the 25-hectare lease of Newcastle airport. In that time there has been spectacular growth. Last year there were 200,000 passengers a year out of Newcastle airport and 95,000 passengers out of Aeropelican. The population of the Hunter Valley is only 500,000. About 500 people work at the regional airport at Newcastle. It has become a real synergy for work development in the aeronautical industry. There are multimillion-dollar investments in taxiways, terminals and aprons. There is employment with the final assembly of the BAe Hawk lead in fighter and a 25-year maintenance program for it.

I am very concerned about the attacks on air New Zealand. My understanding is that Auckland airport produces something like 10 per cent of New Zealand's gross domestic product [GDP]. In the Hunter we have a vision for Newcastle airport involving something like 10 per cent of the Hunter's GDP by 2030. If Air New Zealand collapses after the Ansett debacle it will impact on the viability of not just Auckland airport but the New Zealand economy, the Australian economy and tourism in Australia and New Zealand. We are probably on the brink of an implosion of the tourism sector in this part of the world. There could be a 25 per cent reduction in flights from the United States. People will be hesitant to fly if they do not need to. Ansett has collapsed with \$2 billion in debt and the rescue package is basically about workers entitlements, not getting Ansett up and running within the next few days.

The longer the situation continues the more likely it appears, with action being taken against Air New Zealand, that that airline may go down the same path. From everything I have read about Air New Zealand, it is becoming very wobbly. On the positive side, on 12 November Freedom Air will commence services from Auckland to Newcastle. There will be three direct flights in each direction. We understand that about 500 people a week come from New Zealand to the Hunter. We are hoping to develop that into a major tourism pathway both ways. We have great hopes for that, having seen the departure of Impulse from Newcastle area. Ansett going under will also affect tourism because of the Star Alliance links that Ansett had. I am giving my views only from the point of view of the Newcastle area but the collapse of Ansett will have an impact on tourist destinations all over Australia, and tourism is our big employer now.

Mr WINDSOR (Tamworth) [8.13 p.m.]: It gives me no pleasure to speak to this motion. A number of people tonight have been all too ready to cast aspersions on people from all political persuasions but no-one has addressed possible solutions to the problem. Members of Parliament who are interested in this issue—many are interested only in the politics of it—should refer to the report of the New South Wales Air Transport Summit Working Group. It was put together by a number of people in the Parliament, including the Minister for Local Government, Minister for Regional Development, and Minister for Rural Affairs and the honourable member for Lachlan—I agreed with much of what he said earlier—and others within the Parliament and within the

aviation industry. The document contains a number of recommendations that Federal, State and local governments should give credence to. If some of the members who spoke in this debate had read that report before making accusations they might have gained some knowledge of the problem.

Obviously, it is a tragedy that Ansett has gone the way it has. A lot has to do with the management of that organisation. But prior to Ansett collapsing there were problems in relation to regional aviation. A moment ago the honourable member for Port Stephens referred to the problems faced by Newcastle. People from Newcastle may regard it as part of regional New South Wales, but many people from regional New South Wales regard it as part of the Sydney-Newcastle-Wollongong corridor. Various legislative and corporate arrangements are having an impact on the capacity of the people of Newcastle—with much larger populations than many other communities—to have access to their major metropolitan area. Therein lies a clue to what is happening. The economic dogma that has been presented over a number of years by Federal and State governments is not working in its application to regional Australia. People who believe that it will only be the small and the weak that fall prey to some of the economic dogma that is being presented are being proved incorrect. There is a classic case in the reaction from Newcastle through Aeropelican to the collapse of Ansett.

There are solutions to the problem, and we should look very carefully at the report I mentioned. Local, State and the Federal governments have to look at the way they have levied charges, the way they have milked the aviation cow. The State Government has removed some charges but it could do more than it has done. I was disappointed that today the Premier walked away from the issue, saying that it is completely a national issue. Obviously, it is not all national; it has a lot to do with the development of our State. The national Government has a significant influence and it should consider removing the 10 per cent costs on regional airlines to see effect that has. Then, if necessary, the State Government should at least be open to considering subsidisation. The honourable member for Lachlan and the honourable member for Bathurst made significant points when they talked about the essential service nature of the industry. Air services are not a luxury for Broken Hill, Cowra, Gunnedah or Inverell. They are an essential service. Government has to look at all the charges that can be removed. Then government and society generally have to find ways to assist regional communities to maintain basic community services such as access to air transport. [*Time expired.*]

Mr PRICE (Maitland) [8.18 p.m.]: I support the motion and reject the amendment. I do not disagree with many of the comments of the honourable member for Tamworth. I do not think it is just a matter of government charges. This issue was brought about to a significant extent by very poor management and very expensive private enterprise operations. It seems to me that before any government invests any money in taxation reduction or direct subsidisation there should be a very close look at the style of management that operated the companies. The Federal Government's solution to the problem of workers entitlements is to put a \$10 levy on plane tickets. That is not government intervention; that is taxation in another form by a government that claims it does not increase taxes. Forget the 8¢ on a litre of milk and the GST! It now proposes to add another \$10 to the cost of a plane ticket to cover workers entitlements. Those costs should have been covered by the private companies that run the airlines taking out some form of insurance.

The area in which I live has a private airport that is operated by the Royal Newcastle Aero Club. Yanda Airlines operated services to Sydney from that airport and connected also with flights to Singleton and Scone. Sadly, as a result of petrol contamination some time ago Yanda was forced out of the skies. It has been unable to pick up trading since and has ceased operation. As a result, my electorate is not serviced by an airline. If I wish to access an airport from my home in the Dungog shire, I have to drive for an hour to Williamtown or 1½ hours to Belmont, which is operated by Aeropelican. That is hardly worth the trouble if I am travelling to Sydney, which is a 2½ hour trip by car. This problem runs a lot deeper than arguing about who subsidises whom, and who removes charges. It seems to me that management of the airlines is the main problem.

Mr Windsor: You obviously have not had a look at Yanda's numbers.

Mr PRICE: That is beside the point. The State Government has taken the tax off the airport access, no-one has chosen to come in and the town is without the service that it had enjoyed for many years. I could give the honourable member for Tamworth my view about flying with Yanda, but it is my view and not for publication. I lived through the National Textiles problem. Subsidies were poured in by State and Federal governments to prop up the industry and it still collapsed with no return to the governments, which had put in millions of dollars over a number of years. The directors walked away with their fees and their bonuses. The only reason that the workers got their just deserts was purely and simply because of the relationship between the Federal Government and a company director.

It does not matter what the problem is. We need to restore regional air services wherever we can. Williamstown has been serviced by Qantas and that service will remain. I understand that Aeropelican would become viable if it could get back into business. It has been suggested that the local pilots and company employees could operate the system profitably if they could afford to purchase it. But I do not know whether that is the answer. Policies should be examined that would improve the opportunity for regional airlines to recommence or for a larger operator to resume the services.

At the time of the bus accident at Grafton the nearest blood supply was Newcastle, and it seems to me that it may be difficult to get vital supplies to areas of crisis other than by air. A number of significant problems involving the safety of the community seem to have been overlooked or not considered to be relevant. We are too busy worrying about who is paying and who is not paying, and what charges should or should not apply. We need to direct our attention principally to operators who can demonstrate an ability to manage and to operate with their own resources, albeit perhaps with shareholders funds or a corporate pool. It would be appalling to accept the view of the Federal Government. If Air New Zealand has a role to play in supplying some of the money, that is fine. But we should be advised as to why it abdicated its responsibility for a major operation in this country by stealth. That was a criminal act and it is unfortunate that we do not seem to be able to take action to resolve it. I support the urgent motion. [*Time expired.*]

Mr WEBB (Monaro) [8.23 p.m.]: I would have liked to have spoken to the condolence motion moved earlier today relating to the events that transpired in the United States of America last week. The motion we are now debating is the motion moved by the Minister for Regional Development. Unfortunately, he got it wrong. He has generated a debate that has set Federal and State governments against one another rather than a debate about the 17,000 jobs that have been potentially lost in the Ansett collapse. Across the State tens of thousands of jobs have been lost in affiliated companies. I fully sympathise with the honourable member for Lachlan, who moved an amendment to the motion urging the Government to follow the approach adopted by the Queensland and South Australian governments, both of which offered concessions to airline organisations to fill the void. The second part of the motion referred to the devastating effects that the collapse of Ansett will have on country communities and businesses and the 1,300 jobs that will be put at risk.

We should be talking about the 17,000 jobs that will be lost across the country and about all the associated airline and transport businesses and industries across the State. We should be talking about the tourism industry, which is reliant on aircraft traffic to provide sustainable industries. We should be talking about the Merimbula-based Hazelton and Kendell airlines, which operated to Melbourne and Sydney, and the consequences for Ian Baker, the operator of Merimbula airport, who lost \$40,000 on the day of the announcement. The future will be difficult for him and for businesses that operated out of that airport. It will be almost impossible for local business people to get to Sydney or Melbourne to carry out their business.

The future will also be difficult for industries on the far South Coast of New South Wales that rely on tourism because the Government has closed down logging; it has closed down farming through native vegetation legislation. The Government has made major changes to the agriculture base of the far South Coast and throughout the Monaro electorate, and that has impacted on tourism. The urgent motion is not about the collapse of Ansett or about job losses; it is about one government against another. I have spoken to staff in the office of the Federal Minister for Transport and Regional Services. They have been working 24 hours a day to fill the gap. People from overseas with connections to small airlines and turboprop aircraft manufacturers have spoken about filling in the regional airline gap. The State Government has done absolutely nothing about it, but John Anderson and the Federal Government are working 24 hours a day to resolve the problem that has resulted from a commercial collapse. It is not the responsibility of Federal or State governments to fill the void left by the collapse of a commercial operation such as Ansett.

The collapse of Ansett is sad for all of us because it has been an icon. Earlier we heard how different parts of the Ansett corporation started. But it has collapsed, and it is up to Federal and State members to do what they can. We do not want to attack one other, but we could have heard about the tax incentives that can be provided. We could have heard about payroll tax incentives that the State Government could initiate. We could have heard about the GST commitments that this State could have made. But we have not heard any of that. All we have heard from members opposite is an attack on the Federal Government. That is not good enough for those in the industry or for those who rely on aircraft for regional transport. That is not a good enough message for the people of the Canberra airport group, who have lost a substantial amount of business as a result of this recent collapse. Federal and State governments must work together with local government in relation to this important matter. We have to support the Snowy Mountains airport and other private airports. [*Time expired.*]

Mr ASHTON (East Hills) [8.28 p.m.]: I am sure all honourable members regret the collapse of Ansett airlines, but we must realise that the signs had been there for some time. In the boardrooms of Ansett and certainly in the boardrooms of Air New Zealand those messages were not understood or considered. Members will recall the expensive "Absolutely" campaign, which was run to reclaim the faith of travellers after the Ansett debacle when the fleet was grounded at Christmas and again at Easter. Clearly, the message was there. When companies are going bad and cannot afford to do what is necessary, the first thing neglected is maintenance of cars, engines, planes and other necessities. That is why the Ansett fleet was grounded.

It was all well and good to get the fleet back in the air and to spend a lot of money on a publicity campaign, but unless the planes are returned to the air now, there will not be a buyer for Ansett and regional passengers will suffer greatly. With the possible exception of Virgin Blue, Qantas will be the monopoly carrier around Australia. As all honourable members would be aware, passengers do not get the best deal when there is a monopoly, except perhaps for those from the more wealthy areas of Sydney who can afford to pay. Those in the bush, who are probably the most disadvantaged in this country, will have an even more difficult time.

One day the truth about Ansett's collapse will come out. I do not want to get into apportioning blame; today I will merely state the obvious. There is an urgent need to guarantee worker entitlements for the employees of Ansett. We hope that Air New Zealand plays its part in trying to bale out Ansett Australia because 17,000 people depend on Ansett getting back into the skies one way or another. The collapse of Ansett would easily be the biggest corporate collapse in Australia so far as jobs are concerned. If it were not for the recent tragic terrorist attacks in New York and Washington the collapse of Ansett would be the only thing people would be talking about in Australia today: the collapse of an airline that goes back to when Sir Regional Ansett formed his own airline company after building his own planes. Whether it be the State governments, the Federal Government or industry, somebody has to try to save the airline, the workers' jobs and entitlements. Clearly, the Federal Government has the major responsibility, whether we like it or not.

Mr Windsor: What about the state of the roads in Cessnock?

Mr ASHTON: My colleague the honourable member for Cessnock will talk about Cessnock in a little while but other than the roads in Cessnock the most important thing is the Ansett collapse. The proposal by the Federal Government to sell Sydney (Kingsford Smith) Airport and Bankstown Airport, turning it into a second Sydney airport, does not have any great future when one realises that there may not be enough air carriers to use these major airports. Two years ago Compass collapsed, unfortunately, and a few months ago Impulse, a second air company also collapsed, demonstrating that a pattern is forming. When I was a kid there was TAA, Ansett and Qantas. Other than small regional operators there was one private large-scale carrier in Australia, and it has now gone to the wall.

TAA no longer exists and there now remains only the part privatised, part government-owned Qantas. That causes one to question whether the Federal Government is in control of our skies. Obviously, I am not a great believer of privatisation or I would not be on this side of the House. I believe in it to a degree because one needs that motivation. I hope that the Federal Government realises that if it has a few million dollars to spend on keeping a few illegal immigrants out of the country, it should have a few hundred million dollars to keep a great national carrier flying. [*Time expired.*]

Mr GLACHAN (Albury) [8.33 p.m.]: The last speakers have said they do not wish to apportion blame but that is what they did. I shall not do that because my concern is for those in my electorate who depend on air services or who have been employed by subsidiaries of Ansett. Whenever problems occur with air transport, the regional centres always come off worse. Somehow someone can always find a way to provide services between the capitals. During the pilots strike the Federal Government of the day supplied Air Force planes to fly people about Australia but no-one thought about regional centres. They were simply forgotten, as they often are. That is sad because, notwithstanding the fact that many people depend on air services, those in regional areas depend on them almost totally.

Air services in Albury-Wodonga have an amazing history. My first memories of air services were of TAA, which vacated the scene and Ansett took over. When the pilot strike was on and Ansett was not able to fly to Albury-Wodonga, Hazelton Airlines, which was a small organisation in those days, stepped in to fill the breach. I well remember that the company flew nine-seater aircraft to Albury-Wodonga and even though they

only had only nine seats those planes were a godsend; they were much appreciated by the people in my area. Hazelton then leased larger aircraft. Many people in Albury-Wodonga remained loyal to Hazelton for a long time because they appreciated the assistance given to them during the pilots strike. Kendell then began flying to Albury-Wodonga and from Albury to Melbourne. The company was finally taken over by Ansett and then provided services to Sydney and Melbourne.

Ansett has employed numerous people in Albury-Wodonga. A number of Kendell pilots live in Albury and fly from Albury to Sydney and Melbourne. They include cabin staff, airport staff, check-in staff, baggage handlers, caterers who provide the meals on Kendell services, motel proprietors who depend on travellers for much of their custom, and travel agents. Car hire companies have also been affected. I was talking to some of them today and their businesses have been cut in half overnight. Although the ski season is coming to an end many people pass through Albury-Wodonga, stay in motels and spend money on their way to the ski fields. The Ansett problem is having a detrimental effect on the local economy.

On Thursday Ansett employees will march down the main street of Albury to let people know of their plight. I hope something can be done, not only for air services between capital cities but for regional centres. I am especially concerned about regional centres that are served by Ansett and its subsidiaries exclusively, because they have been left high and dry. Fortunately, for some time Albury has had a Qantas service to Sydney. That has been a godsend. However, I am concerned about my constituents who need to go to Melbourne in an emergency because they no longer have an air service. It is time to stop blaming each other and get together as a community and as a nation. We need to ensure that when companies start flying into regional centres they are given support so that they can continue to provide vital services to the people of regional Australia.

Mr HICKEY (Cessnock) [8.38 p.m.]: The collapse of Ansett airlines is obviously having a terrible impact on tourism, which is one of the major industries in my electorate. That impact is felt particularly throughout rural and regional Australia. People from ten regional centres can no longer travel by air. The honourable member for Tamworth referred to the importance of air travel to communities in the more remote areas of New South Wales. The collapse of Ansett has caused the loss of 1,300 regional jobs, which will adversely affect our economy and the 10 regional air services that relied solely on Ansett.

The New South Wales Government has already moved to abolish licence fees, yet the Coalition continually blames us for not solving the current problem. One must point to the Federal Government, which has foremost responsibility in this area but which has done absolutely nothing to address the problem. The closure of Ansett will affect rural and regional economies. For example, honourable members have heard that Broken Hill has lost \$500,000 worth of conferencing, which is a major components of that town's economy. Ansett's collapse has also had an impact on Aeropelican, which dispatched 13 return flights to Sydney every day. It is a wholly owned subsidiary of Ansett Australia and operates out of Belmont Airport in Lake Macquarie. In 2000 Aeropelican carried more than 96,000 passengers and reported a profit of more than \$1 million. It is said to be Ansett's most profitable subsidiary in terms of asset returns.

The grounding of that Aeropelican will have a tremendous impact in the region. It employs 40 people directly and many others, such as taxi drivers, careers, suppliers and maintenance workers depend upon it for their living. The daily service from Belmont to Sydney began in 1971 and it has carried more than two million passengers in the three decades since then. Sadly, many of my constituents have said that, in the absence of this direct air service, it is faster to drive to Sydney than to Newcastle airport at Williamstown and board a flight there. The administrator is considering several options designed to save the service, including partial purchase by an outside investor or the complete sale of Aeropelican.

The city of Lake Macquarie has the largest population of any local government area, with close to 200,000 inhabitants. Belmont is the only airport in the city and Aeropelican is the only service. It also serves Newcastle and, to a lesser extent, some parts of the Central Coast. Driving to Sydney has an adverse impact on the environment and contributes to many traffic problems in the metropolitan area. It is sad that the Federal Coalition Government will not even consider attempting to alleviate some of the pain by acknowledging the hard facts and providing monetary subsidies not just to Aeropelican but to Ansett as a whole. We must consider the cost of running an airline. The Premier referred to the fact that 10 per cent of that cost goes directly to the Federal Government. Therefore, if the New South Wales State Government were to subsidise any part of Ansett 10 per cent of that State subsidy would effectively go straight to the Federal Government. We would never see that money again and the citizens of New South Wales would derive no benefit from it. [*Time expired.*]

Mr McGRANE (Dubbo) [8.43 p.m.]: I endorse the comments made in this debate by various speakers from both sides of the House about the collapse of Ansett. One wonders what is happening in the Commonwealth of Australia. First there was the collapse of HIH Insurance, then One.Tel, the New South Wales Grains Board and now Ansett. We must question the accounting systems that big Australian companies apply as well as the auditing of those companies. Four major corporations have gone down the gurgler in the past six to eight months, which inspires a total lack of confidence in big organisations on the part of general public.

As many honourable members have said, Ansett is an icon of the air industry both in Australia and overseas. The company acquired regional airlines such as Hazelton Airlines and Kendell Airlines. Dubbo was Hazelton's biggest base and the airline was the longest serving in the west. Before I became a member of this House I was the mayor of Dubbo, and the council always favoured managed competition. We fought tooth and nail with both Federal and State governments opposing the current system, which has opened the airways to everyone. The managed competition is exactly what we need in Australia, especially in the airline industry. If there is a monopoly in the airline industry—that is the prospect we face at present—we will receive a reduced service and higher air fares. Nobody wants that.

People in the regions must be able to access not only the cities of New South Wales but also other States and overseas countries. Conversely, experts from interstate and overseas must be able to travel easily to country areas. I have much experience of the airline industry in Dubbo as I was the mayor of that city for eight years and I have been the local member now for two years. In the past four years passenger movements from Dubbo to Sydney have increased by 30,000 annually from about 85,000 to 115,000. That is the result of managed competition, which has allowed the operation of Hazelton and Eastern Airlines, which is tied to Qantas. We need to solve this problem without passing the buck between State and Federal governments, and I believe the Inland Marketing Corporation [IMC] at Parkes has arrived at such a solution.

The IMC comprises councils who support the corporation's endeavours to move freight from inland Australia to countries overseas. The IMC has expressed interest in bidding for control of Hazelton Airlines, which would then be owned by the councils of New South Wales. I believe it is logical that a regional airline should be owned by the people of the regions, and Hazelton would continue to compete with the Qantas subsidiary, Eastern Airlines. We need that competition. The IMC proposal, which was made in the past two days, should be considered seriously and I am glad that the Minister for Local Government, Minister for Regional Development, and Minister for Rural Affairs is in the Chamber to hear my comments. The IMC has the infrastructure necessary to assume control of Hazelton Airlines. That company was purchased only recently by Ansett and so could quickly become a separate identity that serves and is run by the regions of New South Wales. [*Time expired.*]

Mr COLLIER (Miranda) [8.48 p.m.]: The Ansett collapse shows once again that the Federal Government must change the Corporations Law to ensure that all workers' entitlements are held in a secure trust fund and made available immediately for workers if their employers go belly up. We all feel sympathy for Ansett workers but Australian taxpayers should not be footing the bill to pay them what is rightfully theirs. The Ansett collapse affects not just people in regional areas; it affects people in the city—those who live in the Sutherland shire and in my electorate of Miranda. I acknowledge the presence in the gallery of the Mayor of Sutherland Shire Council, Councillor Tracie Sonda, and her husband, Ray. I have spoken to Ansett workers from my shire who have lost their jobs, workers such as Jennifer Enriquez of Kareela—an enthusiastic and committed worker with a young family—who has worked for Ansett for 13 years.

Ansett is like a second family to Jennifer. She recalls vividly the excitement and euphoria of the Sydney Olympic period, and the happy heady days when Ansett workers like her contributed to promoting Sydney and Australia to the rest of the world and producing the greatest Games ever. Last Saturday Jennifer, who leaves home normally at 5.30 a.m., was asked to go in and clean out her locker. The neighbours and her husband, Ray, sat on the lawn waiting for her to return. Jennifer is optimistic. Jennifer and workers like her do not want a golden handshake—all they want is what is rightfully theirs. We all want workers to be paid their just entitlements in full, but these must be paid by the companies and not by the Australian taxpayers. Workers who are sacked because of company failure should at least have the comfort of knowing they will receive their full entitlements. That simply is not happening in the Ansett case.

Ansett workers may receive up to eight weeks redundancy pay, via a levy imposed on air travel, at some uncertain time if they are lucky. Jennifer Enriquez is owed 12 weeks long service leave and two weeks holiday pay, before receiving any redundancy payment entitlement. The Federal Government's proposal takes no account of years of service. The person who has worked for Ansett for 37 years will receive the same as

somebody who has worked there for three years. Jennifer stands to miss out on thousands of dollars like other workers, many of whom have young families and mortgages. But she is not alone in the shire in being affected by the collapse. David and Jennifer Morris of Oyster Bay are a young couple with a young family who booked a holiday with their three children through Ansett. They saved up from the wages of their cleaning jobs for a holiday in October. The kids have never been on a plane and, of course, are really looking forward to it. Jennifer and David, being the people they are, paid cash in advance for their tickets. Guess what? They have been told they have lost their money. They are not going on holidays and their kids are bitterly disappointed.

Returning to the employees, Ansett employee entitlements are likely to run into millions of dollars. The Federal Government's proposal for a levy on airline tickets means that sacked employees will receive only a fraction of what they are entitled to. The proposed \$10 levy on air travellers is yet another knee-jerk reaction by the Federal Government. The existing Federal scheme, which was introduced after the collapse of National Textiles, has been a complete failure in anyone's language. Even before the collapse of One.Tel and Ansett the Federal Government put the loss of employee entitlements around the nation at \$110 million per annum. In its first year the scheme paid workers only 3 per cent of the loss entitlement. The scheme is a failure.

The Federal Government has not learnt any lessons from the collapse of HIH and One.Tel. With the collapse of Ansett we now have the biggest mass sacking in Australia's history, yet still the Federal Government does nothing more to fully protect workers' entitlements. It has the constitutional power to amend the Corporations Law and others laws to introduce a national scheme that will ensure that workers' entitlements are held in trust. The Federal Government has the power to ensure that workers receive their full entitlements and that Australian taxpayers do not foot the bill for corporate failure. In this House in June I raised the need to introduce such a scheme following the One.Tel crisis. It is time our local Federal representatives in the shire took the bit between their teeth and advocated a comprehensive scheme that fully protects the entitlements of all workers.

Mr FRASER (Coffs Harbour) [8.53 p.m.]: It is hypocritical of the honourable member for Clarence, the Minister for Local Government, Minister for Regional Development, and Minister for Rural Affairs, to move a motion calling on the Federal Government to restore 17,000 jobs in a private industry. The Minister should tell us about the jobs that were lost from his electorate when the electricity supply for the area was privatised and became NorthPower. He should tell us about the jobs in his electorate that disappeared down the drain because he has been absolutely silent on that. Ansett is a private company; NorthPower was a government-funded institution that took jobs out of his electorate and he said nothing. Ansett is a private company that has duded us. I draw the House's attention to a cartoon by Emerson in today's *Coffs Harbour Advocate* under the heading "Trans Tasman jumbo" and point out that it contains a picture of a white pointer shark.

Air New Zealand was less than honest with the Australian Government; it did not fulfil its obligations to the Australian people. I believe it bled Ansett of its assets in order to prop up its own company and then ran down the regional airlines to the nth degree. I know Kendell and Hazelton airlines well. Those stand-alone companies will be picked up by a commercial investor and will operate again into regional and rural New South Wales. Ansett deserves nothing more than castigation for what it did in Coffs Harbour. Prior to the collapse of Ansett the local agent was sacked because, according to Ansett, it would save \$50,000 a year. I believe that by collusive tendering Ansett replaced that agent with someone from Tasmania. We lost local jobs well and truly prior to last week's collapse. The local operator and some of those people within Ansett deserve what they got after the shoddy deal they gave to Dennis Martin and his staff. The only bright side was that at least staff obligations were met by Dennis Martin. The majority of those people now have a future in jobs in different sections of the industry within Coffs Harbour.

We cannot expect a Federal government to pick up the liability for any international company that comes into Australia, duds the Government, goes belly up. If this State Government were serious, it would instigate a scheme similar to that in Queensland, South Australia and Western Australia that gives assistance to remote and regional areas. Because of their remoteness, those areas receive subsidies from their State governments. On several occasions today the Premier said he would not entertain nor accept a scheme along those lines. Yet the Minister for Regional Development has the hide to ask the Federal Government to cover the entitlements of 17,000 jobs. The Federal Government has already given a solid indication to the Australian people that it will pick up the liabilities belonging to the Ansett employees—that is, long service leave, holiday pay, sick leave, et cetera.

We know the collapse of Ansett has had a devastating effect on regional and rural New South Wales, not just through the loss of passenger services but also through businesses that rely on those airline services to

supply local jobs. The people who assist passengers on and off planes, those who provide the food, beverages, fuel, et cetera, will suffer long-term effects through the collapse of Ansett. Yet this Government stands by and promotes a political motion because it may be advantageous for it at the upcoming Federal election to win on the numbers. We see through the Minister's hypocrisy; we know he has done nothing for regional New South Wales. The people of his electorate know what he did regarding the change to NorthPower. He is a hypocrite and a liar.

Mr NEWELL (Tweed) [8.58 p.m.]: Members from both sides of the House have agreed that towns and regions across country New South Wales have been affected by the collapse and withdrawal from trading of Ansett and its related companies. Members from both sides of the House have quite rightly illustrated how people have lost their jobs as a result of this collapse and withdrawal from trading. The collapse of Ansett and its related companies calls for action, but the debate is where such action should come from. It is not only New South Wales that has been affected. When a major part of our national infrastructure goes out of business, national action is required. The Minister for Regional Development is quite correct to call on the Federal Government to take immediate action to restore regional air services and protect the 17,000 jobs that have been lost.

As all honourable members know, many of the 17,000 jobs are in regional New South Wales and other parts of regional Australia. Just as we are able to give illustrations of the effect on our regions, members in other States are able to do the same thing. It is part of the umbrella organisation of the national Government that is responsible and therefore it is the Federal Government that should act. I understand that 7,000 direct and indirect jobs have been lost across New South Wales and that 1,300 jobs have been affected across regional New South Wales. In any parlance it is a national catastrophe when that amount of income and effort are withdrawn. In my electorate in the Northern Rivers there has been a total shutdown of Ansett airlines and related airport activities, which has resulted in the loss of 60 flights per week—30 in and 30 out.

The latest count is that the shutdown has directly affected 75 employees, about one-quarter of whom are residents of the Tweed. Obviously, the majority of those affected live on the Gold Coast. Although the flights carry a substantial number of people, many of whom are tourists and destined for the Gold Coast market, a significant but indeterminate proportion travel into New South Wales. Gift shops, catering services, bar services and other associated services have been closed down at the Gold Coast airport. The administrators have brought in security services to build a fence around the Ansett terminal. It has been cordoned off. It is no longer functioning. Those who worked there are now at home wondering where their futures lie.

An earlier speaker referred to workers entitlements. This catastrophe illustrates the need to take action at a national level to protect workers entitlements. Allowing companies to retain long service, holiday pay and other entitlements is not on. It might be good enough for John Howard to use the taxpayer to bail out his brother's company but it is not good enough for him to go to ground and do nothing in this situation. The collapse of Ansett airlines and its associated companies should be addressed at a national level in another forum so that workers entitlements are protected. The motion moved by the Minister for Regional Development deserves support. I certainly oppose the amendment moved by the honourable member for Lachlan.

Mr SLACK-SMITH (Barwon) [9.03 p.m.]: Currently 11 regional routes in New South Wales are without a very important lifeline. The lifeline is not only economic, it is not only social—it is medical and a range of other things. It is communication between the major city of New South Wales and regional areas of New South Wales. Butler Air Transport ran a DC 3 in my electorate from Coolah to Burren Junction, Tooraweenah and Goodooga. In 1956 Reg Ansett very aggressively took over Butler Air Transport, and services to the north-west were no longer existent. On its final flight over Goodooga the DC 3 took off with two passengers. As a farewell it looped the loop over the town. It is amazing that no-one reported it to the Civil Aviation Authority. We know that Air New Zealand has pulled out of Ansett. Its legacy is a fleet of, let us face it, worn-out aeroplanes that cost millions of dollars per year to maintain. In its wisdom Air New Zealand decided not pursue maintenance or replacement of those craft.

Australia does not make aeroplanes: they are made in either the United States or Europe. With our dollar at US50¢ the cost of fuel and parts for all aircraft from the Cessna 172 all the way up to the Airbus is very expensive. Had we lost the Bledisloe Cup, Air New Zealand might be slightly more tolerant towards Australia than it is at the moment. The honourable member for Tamworth interjects, but he would, in a way, agree with me about the anti-Australian feeling. Air New Zealand scuttled Ansett. The biggest problem is that employees of Ansett are left with very little future, despite the assurance from the administrators. But if we can get regional services operational quite a few of Ansett's employees will maintain their employment.

Last year 1,400,000 passengers came to Sydney from regional New South Wales. So far as we are concerned it is very important to maintain those routes because my understanding is that Hazelton and the other subsidiaries of Ansett were operating at a profit in regional New South Wales. The administrator was very quick to act when he decided to close down regional airline services together with the rest of Ansett. Everyone is laying the blame on everyone else. The South Australian Government and the Queensland Government—led by Peter Beattie, who has been proactive in this matter during the past two or three years—have underwritten flights to regional towns in Queensland and South Australia. I fail to see why the New South Wales Government cannot do the same. It is obvious to me that the Premier has decided to pass the buck.

[Interruption]

It is all very well to blame the Federal Government every time this Government passes the buck.
[Time expired.]

Mr LYNCH (Liverpool) [9.08 p.m.]: I support the motion moved by the Minister for Regional Development and oppose the amendment moved by the honourable member for Lachlan. Whilst, for obvious reasons, the debate has thus far featured many more country members of Parliament than city members, the issues covered in the motion are clearly of great significance to both city members and regional members of Parliament. That is particularly the case in relation to former Ansett workers and their entitlements. I understand that there were 17,000 employees of what was Ansett Australia and that approximately 4,000 of those are resident in New South Wales. A significant proportion of them obviously reside within metropolitan areas. In addition to that there is obviously a whole series of other people who work for enterprises that are dependent indirectly upon Ansett and whose employment will be in some jeopardy as a result of what has happened.

The consequences that flow from the Ansett collapse in my view clearly underline the completely unsatisfactory approach adopted by the Federal Government for some time to workers entitlements. The Federal Government's attitude towards workers entitlements is an absolute disgrace! It is a matter that honourable members have addressed before in this House. Certainly I have spoken previously about Renite Furniture, STP and Dome Engineering. They are clearly matters of great significance to my constituents. For example, many of my constituents were involved in the Maintrain dispute. The primary principle, of course, is that the entitlements of workers ought to be paid by their employer. The money that accrues to those workers is their money; it is not money that is owned by employers. For employers to take that money and use it for their purposes, rather than reserve it for employees, is, as a matter of principle and morality, theft. It is not the bosses' money; it is the workers' money.

The argument to the contrary of that, of course, is that if you take the money out of the firm and set it aside to keep it for the workers, as you ought, somehow or other the company is not going to be able to function and that is seen to be a very bad thing. The problem with that argument is that it assumes that the money that should have been set aside for workers' entitlements in fact belongs to the bosses rather than the workers. That is the problem with that argument and it is the only argument ever trotted out in any sense to justify the position that is usually adopted. Resolution of this issue obviously requires a national response. It cannot be done on a State-by-State basis. Regrettably, the Federal Government has failed calamitously in trying to do anything at all to deal with the issue of workers entitlements.

The only time the Federal Government responds is when there is immense pressure—when the Prime Minister's brother was involved the Federal Government came up with the money. When there is a massive disaster such as the collapse of Ansett it comes up with some political quick fix. It is all well and good for workers entitlements to be met in the way they are going to be met. It is good that those entitlements are to be covered. The method that is being used is wrong as a matter of principle, for two reasons. First, the public is expected to pay for this by way of an additional tax on airline tickets. That is wrong. It is wrong because that money should have come from the employers. If the money had been reserved as it ought to have been we would not be in the position where, once again, the public or the taxpayer is subsidising workers entitlements.

The theme that runs through all of these examples is that managements of various sorts are delighted to privatise the gains, but only too keen to socialise the losses. When they make a profit, they want to hang on to it. When they go belly up and cannot pay the workers all of the entitlements that they ought to pay, they start looking for others to pay. In the case of National Textiles it came from the taxpayers. In this case it is coming from members of the public. One of the issues is that this is a thoroughly cynical approach on the part of the Federal Government. If it is a politically significant enough issue—that is, if it is the Prime Minister's brother's company or Ansett, 17,000 people are involved and we are a few weeks away from a Federal election—the

Federal Government will run around to try to find a solution. It will not do that for a host of other companies, apart from the dodgy and inadequate scheme that it has dreamed up whereby only a small proportion of workers entitlements are paid for. It is yet another example of the Federal Government's refusal to deal properly with the issue of workers' entitlements; of being only too delighted to let companies privatise their gains and socialise their losses. When the companies go belly up and make a loss, the public has to pay. That is not what they want when they make a profit.

Mr TORBAY (Northern Tablelands) [9.13 p.m.]: I join with previous speakers who have expressed concern about the devastation that has occurred as a result of the collapse of Ansett. I think the editorial in today's *Daily Telegraph* sums it up pretty well. The headline reads, "Sorry mess born out of ineptitude". I also share the concerns expressed by honourable members about the flow-on effect, not only to the staff members and their families but to all of the contractors. The flow-on effects from a collapse such as this are devastating and will continue to be so. In fact, we are only seeing the start of the very negative flow-on effects from this company collapse. I agree with the editorial headline in the *Daily Telegraph*, particularly the word "ineptitude", because it cannot be said with any credibility that this was not being set up to happen. It had been known for some time that Ansett was in trouble. There is no doubt about that.

If honourable members look at the business paper for this House, they will see notice upon notice relating to this issue. There is one listed in my name, dating back to May, expressing concern about the loss of services being faced by regional communities. I took it upon myself to write to the Deputy Prime Minister to express my concern on behalf of the communities of Inverell and Glen Innes, who had an immediate reduction in services when reduced competition issues were announced—that is, when Impulse Airlines was taken over by Qantas Air Link and Hazelton by Ansett Australia. I am pleased to say I received a response two months later, not from the Deputy Prime Minister but from Senator Ron Boswell, the Parliamentary Secretary to the Minister for Transport.

The content of the letter is of concern because it highlights the Federal Government's blind pursuit of deregulation. When disasters like this happen not enough people cast their minds back to the framework and policy making that was going on at that time. I want to quote from the third paragraph of the letter I received. I have the letter here. If honourable members suggest I am being selective, I am. I will read the third paragraph of the letter but I am happy to make the letter available to any honourable member who asks for it. It states:

The viability of air services is a matter for the airlines. In the final analysis it is up to the local communities to support these services for them to remain viable.

What the letter is really saying is, "Do not bother us with this. It is a private sector situation. If people in the country are not going to use the services, we will not worry about it. It is not our problem." That is the most disgraceful and misleading comment that could be made by anyone, particularly the Parliamentary Secretary representing the Deputy Prime Minister and Minister for Transport. The electorate of Northern Tablelands had good air services to Inverell, Glen Innes and Armidale. We were on a trial in Glen Innes and Inverell and about to lose that service because we went down to one airline, Qantas Air Link. That company instigated a trial. I congratulate Qantas Air Link on going into those other ports, but I fear what having one airline will do in the longer term. Let me quote the figures from the trial. In March, when we had a service provided by Impulse Airlines, before the loss of competition, there were 1,230 traffic movements for the month. In April there were 1,084 traffic movements and in May there were 1,065. When Qantas took over the figures were 724 in June, 522 in July and 343 in August.

If the service is put on at a bad time, prices are raised, and there is no competition, the result will be what a single operator wants: figures showing that the service is no longer viable. I fear for the future of country airlines. I also fear the attitude that is coming out in the correspondence that I am happy to make available. I agree with the sentiments of the former Leader of the National Party that the State should do more. Other States have got onto the front foot in this regard. But I share the concerns about one government subsidising other governments and vice versa. Let us get the government charges out of the airline industry altogether. The Federal Government has to come to the party in that regard and the State Government, if all costs are taken out, should consider other methods of compensation to ensure that competition and good services exist in regional communities for the future.

Mr MILLS (Wallsend) [9.18 p.m.]: This motion is about seeing what ideas may emerge from this Parliament for restoring services for non-metropolitan air service consumers who have been so sadly affected by the Ansett collapse. It is particularly important in relation to rural areas because in the metropolitan areas at least Qantas has been able to take up the slack. But that has not been happening in non-metropolitan Australia.

Therefore, we seek to debate the matter to see whether there are better ways of doing things. Up to 1,300 direct jobs are at risk in non-metropolitan New South Wales. Many more indirect jobs are at risk in tourism and other industries that cater to overseas visitors.

In my area of the Hunter Aeropelican suddenly went out of business and 44 staff lost their jobs. It had been a very profitable part of Ansett's operations for quite a few years. Like many of the non-metropolitan air services other than the Qantas system, Aeropelican started as a private venture to create a local service and merged with other organisations. Hazelton comes into that category. I expect that Kendell would have been the same. There have been others. Changes in modern economic rationalist times have resulted in mergers that have left people outside metropolitan areas vulnerable. Tremendous ideas are coming from the staff of Aeropelican. A staff buy-out has been proposed. The staff have called on the administrator to accept their offer.

Keith Black, one of the pilots at Aeropelican, is the leader of the staff. They hope that if no higher offer is made to the administrator their offer, which is on the table, will be accepted by the administrator if he is interested in restoring services. The buy-out is modelled on a similar employee purchase of United Airlines in America. A decade or so ago that proved to be an extremely successful response and the airline was able to resume flying after a similar collapse caused by bad management. Like many other members of Parliament, I have used non-metropolitan air services. I have often flown with Hazelton to Armidale to attend business at the University of New England, where I serve on the council. This motion gives members an opportunity to offer their ideas on how to answer important questions in regional New South Wales.

In the Hunter 28 children from two high schools had arranged a cultural exchange with Italy. I have intimate knowledge of the issue because I was involved with fundraising for a student from the Wallsend electorate. She raised enough money for the trip, because her parents could not afford to send her away. Because the students went to the wrong branch of a Traveland agency—one wholly owned by Ansett rather than a franchise—they have lost their tickets and there is some doubt about whether the insurance system will be good enough and quick enough to recover the money in time for the kids to travel next Saturday. I hope that some solution can be put together fairly quickly so that those students will be able to undertake their cultural exchange to Italy.

In looking at the collapse of Ansett we need to ask where all the money went. According to the weekend newspapers, last year the Murdochs walked away with about \$580 million of it. Obviously, they did not miss out. But where has all the rest of the money gone? I was not born a capitalist but I wonder how the free marketeers can sleep in their beds at night when the markets have put 17,000 highly skilled people out of jobs, destroyed a business operating over 40 per cent of Australia's air services, and so severely damaged Australian tourism. Where are the rescue operations in the free market? I am wondering why the free marketeers of the Liberal and National parties are insisting that somehow it is up to the State Labor Government to rescue the various Ansett operations. I refer to the Treasurer's press release of yesterday showing what the State Government has already done in approaching the administrator to get something done in New South Wales.

Ms HODGKINSON (Burrinjuck) [9.23 p.m.]: At the outset I add my sorrow and sympathy for all those who have been involved in the tragedy in the United States. I also convey my absolute outrage at the atrocities that have occurred there. Last week I wrote to the United States Ambassador expressing on behalf of all the people of Burrinjuck our sympathy. Our hearts go out to you. I have just had dinner this evening with some Americans. The stories they told have left me in no doubt about what people in the United States are experiencing. It is nothing short of extraordinary. I support the amendment moved by the honourable member for Lachlan on behalf of the Coalition. It reads:

That the motion be amended by leaving out all words after "That" and insert instead:

This House calls on the New South Wales Government to follow the Western Australian, Queensland and South Australian governments in offering payroll tax concessions and other assistance, such as direct subsidy, to assist in restoring air services to regional communities throughout rural New South Wales.

I also congratulate the honourable member for Lachlan, who today celebrates 20 years in this place. He has done an outstanding job. No matter what portfolios or positions of responsibility he has held he has always been a very effective and good local member. He can teach us all many things. Coming back to the subject before the House, I have listened with interest to the Carr Labor Government trying to absolve itself of all responsibility in relation to regional transport in this State. It has claimed that the Federal Government is using taxpayers money to get people out of trouble in relation to statutory entitlements.

I assure people that the Federal Government will do whatever it can to make sure that Air New Zealand and Ansett in the first instance try to meet the statutory entitlements before going that extra mile. The Federal Government has been responsible and will ensure that unpaid wages, annual leave, long service leave and redundancy payments will be met in the long term. I also draw the attention of members to the polls that have come out today that show 60 per cent of people are now leaning towards the Federal Coalition Government. That is good news indeed, because that Government is fiscally responsible.

The Federal Minister for Transport today mentioned that 34 of the routes that were served exclusively by Ansett or its subsidiaries have been restored. All but six have been restored. The Government is still working on those six, and at this stage there are two for which it has not been able to find a full solution. That shows the speed with which the Federal Government is addressing these concerns. It is only a week since the disaster was brought to the attention of the public and already 34 routes are back in operation. That shows how good the Deputy Prime Minister and Minister for Transport truly is. Even though I do not have a regional airline within my electorate, Wagga Wagga airport services constituents from a large part of my electorate living in places such as Batlow, Tumut, Adelong and Gundagai who travel to Wagga Wagga.

Almost 200 people are employed by Kendell Airlines and those jobs are threatened, and some constituents in my electorate work with Kendell. There is now no direct service between Melbourne and Wagga Wagga. Tumut lost its regional air services about eight years ago. I made representations to the Minister for Transport and Regional Services on behalf of Tumut Shire Council, but I am yet to receive a reply. So Tumut relies very heavily on Wagga Wagga for air services. Transport in the electorate of Burrinjuck is in chaos. The roads desperately need upgrading and there is no public transport.

On many occasions I have spoken in this House about the condition of roads on the south-western slopes. Following the airline crisis more pressure is put on the people in my electorate to do their best to get around. I have referred to the status of roads in the south-west slopes many times by petition, by private member's statement and by notice of motion; it is a true crisis. At 11 o'clock last Thursday night on the Gocup Road, just outside Gundagai, I was run off the road by a B-double semi-trailer. I am lucky to be here today. If it takes a by-election to fix the roads in the south-west slopes, maybe that is what the Minister wants. But I certainly hope it does not come to that. [*Time expired.*]

Miss BURTON (Kogarah) [9.28 p.m.]: I begin by clarifying a few things. First, every week, day after day, when this House sits and the Federal Government abrogates its responsibility, it is obvious that the State Opposition has no say with the Federal Coalition. The State Opposition says that certain matters are a State responsibility. But we have a Constitution; we have a separation between State and Federal responsibilities. Aviation is a Federal responsibility. I draw the attention of the House to something of great importance to my electorate, and that is workers entitlements. I will explain that at great length, because those who believe they were born to rule, those on the other side of the House, do not understand the history or what workers entitlements are.

It is quite simple: Over the years unions negotiated pay rises for workers to take into account the consumer price index or the rising cost of living. Certain things were negotiated in lieu of pay increases, including long service leave, sick pay, superannuation and, something that was not negotiated by the unions, membership of a health fund. We are talking about payments that are earned on a weekly basis by employees. Every day workers earn money, their take-home pay. That take-home pay includes certain entitlements that are supposed to be, in good faith, put aside by the employer. The employer is supposed to be responsible. Members opposite are always going on about how great employers are, but they never stop kicking to death the trade union movement or the workers.

Tonight members opposite have spoken rubbish about what the State Government is doing. This is all about a Federal responsibility, and it is about time Opposition members woke up to themselves so that we may take them seriously. The reason so few of them are present is that no-one in New South Wales takes them seriously. The rubbish they have spoken in this debate is testament to the feeling of the electorate. Some people who live in my electorate have worked for Ansett for 10, 15, 20 or 25 years. They have worked loyally and faithfully for a company that was supposed to be putting away money earned by those workers. The Federal Government says that there is a national scheme of workers entitlements. But how ridiculous is this? The Federal Government is telling people that they earn money every week and the company is supposed to put that money away for them. That is their entitlements; money earned in lieu of a pay rise.

That money was meant to be put aside for the workers, for later on—for long service and superannuation, for sick pay, the things that are part of their pay packet and that they have already earned. The

Federal Government is saying that if the company goes bust because the management is useless, the taxpayer should prop up the company. Jodee Rich can run off with all the money he likes, do whatever he wants, and transfer all his assets into his brothers' or sisters' names, and taxpayers are expected to come along and find money that they have already earned. How ridiculous is that!

Members on the other side of the House have absolutely no idea. They are supposed to be experienced, but I have listened to the debate all night and cannot believe that they would say that the State Government should pick up the point. This is a Federal Government issue, but it has, once again, abrogated its responsibility. Since I was elected to this Parliament the Federal Government has done nothing but abrogate its responsibilities. Every time that has been drawn to the attention of members opposite they whinge and say that the State Government should do something. The Opposition is actually asking the State Government to pay the airlines, to pay taxes that have been imposed by the Federal Government. They want to rob Peter to pay Paul. But the reality is that the workers deserve their entitlements. [*Time expired.*]

Mr PICCOLI (Murrumbidgee) [9.33 p.m.]: What an extraordinary speech! I know that the honourable member for Kogarah has had a great deal of involvement with the union movement, but let us remember, when she blames the current Federal Government for the difficulties that Ansett and its workers are facing, that when Labor was in government and the current Minister for Local Government was a member of that Government, it did not do a single thing to protect workers entitlements. Bob Hawke, a former Prime Minister and former leader of the Australian Council of Trade Unions, did not do a single thing. Now the State Government is critical of the Federal Coalition Government for not doing anything for workers entitlements. Labor had 13 years to do something, yet it talks about the Opposition doing nothing.

The gods of the Labor Party, Bob Hawke and Paul Keating, did not do a single thing. But I will tell honourable members what they did for the airline industry. What did they do about the pilots strike? They totally ignored it. How many pilots lost their jobs during the pilots strike? If we want to talk about industrial relations in this country, let us talk about the pilots strike and Bob Hawke's attitude towards pilots during that strike. If honourable members choose to take the high moral ground on this issue, they must take the moral responsibility that goes with it. I have heard some extraordinary speeches, and that of the honourable member for Kogarah was certainly one of them. I return to the situation with Ansett. No member of this Chamber would deny that the collapse of Ansett is having significant repercussions throughout the State. Ansett owns Hazelton Airlines, which is the only airline company that services my electorate of Murrumbidgee.

The honourable member for Murray-Darling is present in the House and I certainly understand the problems that face the people of his electorate. Many people in his electorate and those from Hay, Balranald and the rapidly growing area of Hillston, depend on airline services from Griffith. I have no doubt that the honourable member for Murray-Darling is totally committed to the future growth areas in the south-west of his electorate. The loss of Ansett and Hazelton services will, unfortunately, stifle some of that growth. I would like to see something positive happen. I note that the Federal Government—John Anderson in particular—is working on all possible options to have Hazelton back in the air as soon as possible, servicing those regional routes, including those to Narrandera and Griffith, in my electorate.

The demise of Ansett has repercussions not only for industry but for hospitals, medical services and the like. The politicising of this issue is particularly distasteful. The Minister for Regional Development takes every opportunity in this House to constantly deflect debate to what the Federal Government should be doing. It would be interesting to know what Labor would do in the unlikely event that it won the next Federal election. Perhaps the Minister might address that question in his reply. The honourable member for Kogarah referred to the number of Labor seats in this Parliament. That is because Labor lied at the last election and the previous election. Labor said it would remove the tolls in western Sydney and increase police numbers, but those promises have been broken. There was a swing against Labor at the Auburn by-election and there will be another swing against Labor at the next State election because Labor's lies will not be tolerated by the people of New South Wales. I hope airline services will be restored to regional New South Wales as soon as possible for the benefit of everyone in this State.

Mr THOMPSON (Rockdale) [9.38 p.m.]: The House has just witnessed one of the most outrageous examples of ratbag ravings from the honourable member for Murrumbidgee that I have ever seen. I shall bring this debate back to how this Ansett tragedy has affected ordinary people. I want to read a letter I received from a

constituent, Mr Grant Brown, who lives in Rockdale. The letter is dated 11 September, so it predates by some days the ultimate demise of Ansett. Mr Brown stated:

I write with grave concern for my employment future with Ansett Australia and formally request your help to make this known in Federal Government.

I interpose that in his own way Mr Brown felt that I might have some influence in Federal Government. It is obvious that I do not have very much influence with either John Howard or Mr Anderson. He further stated:

I left my unfinished home locked up only on the Sunshine Coast Queensland after a long period—four years—of very little employment to move to Sydney to get a job and have now been employed continuously for 38 months with Ansett Australia. If my employment situation changes for the worst due to the high cost of rent and living in Sydney I will be forced to return to my home, go on unemployment benefits and seek what little work is available in an area of very high unemployment. At 47 years of age with no trade qualifications I am deeply concerned.

Yours sincerely,
Grant Brown.

That letter gives a poignant perspective to the Ansett issue. The northern boundary of my electorate is the Cooks River, and on the other side of the Cooks River is Sydney (Kingsford Smith) Airport. A large number of people in my electorate work at Sydney airport, for individual airline companies, the Sydney Airport Authority, or retailers within the various complexes. They work as cleaners, mechanics, flight attendants, pilots and shop assistants. Ansett is a major employer in the district and many of its employees live in my electorate. Sue Johnson, another employee, said:

I have been a proud Ansett employee for 15 years ... We are a company of dedicated and loyal employees, who over the years have been asked when difficult times have been on our company, to dig deep, work harder, work better, work faster, work smarter. And I believe we have done that when it was needed!

But at the end of the day they have been terribly let down. She continued:

Ansett employees at the front line! I'm talking flight attendants; pilots; reservations agents; sales agents; check-in staff, baggage handlers; aircraft cleaners.

We can make Ansett a great airline again! What we need is ownership. People who have management skills to take care of the money and are able to manage a great business!

This is a tragedy for working people, particularly those who live in my electorate. [*Time expired.*]

Mr KERR (Cronulla) [9.43 p.m.]: I wish to take up the sentiments of the honourable member for Kogarah, who mentioned abdication by the Federal Government as if it were some king hit. Let me deal first with the action that the Federal Government has taken, the history of aviation and the former Labor Government. When it became known what was happening with Ansett, and the administrators said that the cupboard was bare and that it was going to ground all flights, the Government took action at the earliest possible opportunity. Those measures included Qantas undertaking to fly stranded Ansett passengers free of charge on the return leg of their journey and the Government establishing a support program for stranded passengers to cover their reasonable travel costs back home and short-term accommodation until they could arrange travel.

Qantas and Virgin offered greatly discounted fares to Ansett passengers holding tickets they could not use. The Government immediately commenced action to compel Air New Zealand to meet its obligations in regard to the entitlement of Ansett employees. The Government arranged for a special number of Ansett employees to register immediately for the Employee Entitlements Support Scheme and provided immediate access to job-matching services through the job network.

Qantas established a register of Ansett staff and gave a commitment to former Ansett workers for preferential consideration for new positions. At its first Cabinet meeting the Government announced expansion of the Employee Entitlements Support Scheme. Qantas quickly offered an undertaking to do whatever it could to provide services to the 34 regional destinations previously served only by Ansett or its subsidiaries. The Federal member for Cook, Bruce Baird, and I met with a number of Ansett employees on Saturday morning at Lilli Pilli and Cronulla. In marked contrast to the previous Federal Labor Government, Mr Baird undertook to take action to see what could be done to alleviate the plight of Ansett employees.

Government members might recall the saga of Compass, which was totally abandoned by the Labor Party. Its employees were human beings: if you pricked them they bled; if you tickled them they laughed.

However, their treatment at the hands of a Labor Government contrasts starkly with the series of measures—by no means exhaustive and comprehensive—that I have outlined tonight. Every honourable member is sympathetic to the plight of Ansett employees. That is why Bruce Baird spoke to them and will take further actions on their behalf.

Mr Black: And did nothing.

Mr KERR: That is not true. The honourable member for Murray-Darling should not judge everyone by his own standards. He is a member of a government that has done precisely zero, unlike his Labor colleagues in Queensland and Western Australia. At least they have provided concessions to ensure that the disaster is mitigated to some extent. The honourable member for Murray-Darling is a member of a Government that has walked away. In the immortal words of the honourable member for Kogarah, it has abdicated its responsibilities in this area.

Mr Black: You did not have a 17½ rail trip.

Mr KERR: No, I did not, but I am sure it is a great consolation to Ansett employees to learn that the honourable member for Murray-Darling did. This motion is political payback to the Federal Government. Instead of working together, this Government has seized the opportunity to criticise the Federal Government.

Mr Merton: The cupboard is bare.

Mr KERR: Yet the Carr Government's cupboard is bare, in the words of the honourable member for Baulkham Hills, when it comes to providing any assistance. We must work together. I am happy to work with my Federal colleagues and to continue to push the Carr Government to do what its Labor colleagues have done. What did the Minister for Local Government, Minister for Regional Development, and Minister for Rural Affairs, who is at the table, do for Compass employees when he was in Canberra? What assistance did he provide? [*Time expired.*]

Mr STONER (Oxley) [9.48 p.m.]: There is no doubt that regional air services are of the highest priority to this State. However, the motion moved by the Minister for Local Government, Minister for Regional Development, and Minister for Rural Affairs is a total cop-out by the Carr Labor Government and an abrogation of its responsibilities as the Government of not only metropolitan but regional New South Wales. It is appropriate for Parliament to debate this problem and, more importantly, to develop some constructive solutions to it. This issue is about fundamental equity of access by country people, not only to transport but to economic development through tourism and other industries and to specialist medical and other professional services.

This issue did not arise suddenly with the collapse of Ansett and its subsidiaries, Kendell Airlines, Hazelton Airlines and Aeropelican. It came to the fore as a result of the increased competition in Australian air services represented by Impulse and Virgin Blue and the squeezing of margins within the industry. This commercial pressure caused Eastern Airlines and/or Qantas to pull out of Kempsey, leaving only Impulse in that market. When Qantas purchased Impulse it decided to use the former Impulse planes on other regional routes, leaving Kempsey without any air services whatsoever. The airport nearest Kempsey is at Port Macquarie, some 45 minutes away.

Mr Black: Try Broken Hill.

Mr STONER: We are talking about the east coast. Before the collapse of Ansett I wrote to all State Government Ministers asking them to instruct their staff to use the Impulse service direct to Kempsey and thus ensure its viability. Government staff were flying with Eastern Airlines, a Qantas subsidiary, to Port Macquarie and then driving to Kempsey. As a result the demand figures for Kempsey flights were understated. I received many and varied responses from Ministers. Some, like this motion, were a flick pass to the Federal Government and others were a flick pass to other Ministers. In some instances I received no reply. Very few Ministers addressed the issue of ensuring the viability of the air service out of Kempsey.

I then arranged a petition indicating support from the people of the Macleay district for an air service out of Kempsey in the hope that we could negotiate flights with Hazelton. Hazelton had shown some interest in starting a service from Kempsey to Port Macquarie to Sydney, and the entire population of the Macleay was hopeful that that service would be introduced. Unfortunately, the collapse of Ansett has extinguished that hope as well as jobs at the Port Macquarie airport. My constituents employed at that airport had their jobs saved by the takeover of Impulse by Qantas, only to lose them a second time with the Ansett collapse.

What has the State Government done about this situation? It has cut State licence fees for regional air services to the tune of \$50,000 per annum across the entire industry, although some early statements suggested that that reduction might apply to each operator. That is only 0.2 of 1 per cent of regional air service costs. Yesterday afternoon it was reported that the Government is considering underwriting part of Ansett's regional fleet, as the South Australian Government has done. I urge the Government to continue to pursue that and other options and to factor Kempsey into its deliberations. We need constructive action such as payroll tax exemptions for regional airlines, which is only fair given the massive subsidisation of public transport in metropolitan New South Wales. The Government must pursue measures such as that rather than the transparently political point scoring, which the wording of this motion sets out to achieve. The State Government must work with the Federal Government instead of cynically attempting to score political points for Federal Labor in this election year.

Mr RICHARDSON (The Hills) [9.53 p.m.]: I did not plan to speak in this debate, but when I heard the honourable member for Kogarah ranting and raving I felt compelled to spring to my feet and say a few words in response. The motion before the House is almost entirely about regional air services. It is about immediate action to restore air services. There are some differences regarding the way in which that should be achieved, but I think all honourable members understand the importance, especially to the tourist industry, of reinstating regional air services to country New South Wales. The honourable member for Kogarah seems to think this debate is about worker entitlements, the unions and benefits for the workers. I do not see anything in this motion about that.

Ensuring the entitlements of workers made redundant by the collapse of Ansett Australia is important. Important though it may be, it is not the central issue that we are debating tonight. Indeed, the Federal Government has taken very timely action to ensure that most of those entitlements are met. Tonight I heard on the news that the original \$300 million that was promised after the news of the collapse of Ansett had been increased to \$400 million. I understand that will cover holiday pay, long service leave and up to eight weeks redundancy pay for each worker. Anyone listening to the honourable member for Kogarah would not have understood that the Federal Government had done that. One would have thought that the Federal Government had done as much for Ansett employees as the Hawke Labor Government did for Compass employees more than 10 years ago. That is not the case. There is a clear understanding from the Federal Government that those workers will be looked after if Air New Zealand cannot do so.

How stupid is the union movement? It wants the entitlements to be paid to its members. One can understand that, but if the money is to come from anywhere, first it will come from Air New Zealand. Air New Zealand is on the ropes; it is nearly broke. What did the union threaten to do? The union threatened to stop Air New Zealand from flying in Australia. That would cut its profit and knock millions of dollars out of the company, yet the union believes that would help the workers get their entitlements. Even the Labour Prime Minister of New Zealand had something to say about that. She did not think it was too bright.

The union movement was not content with that. It then forced the resignation of the airline's administrator. That has also put back the workers' cause potentially by months. That is the sheer bloody-minded intransigence of the union movement that the honourable member for Kogarah was championing. Who was she trying to look after? Was she trying to look after the Ansett employees who live in her electorate, or was she just fulminating and foaming at the mouth because she does not know any better? This motion talks clearly about the restoration of regional air services and the protection of jobs, and notes the devastating effects this collapse will have on country communities and businesses. That is a given.

If the Government and its members, such as the honourable member for Kogarah, are fair dinkum about doing something about that, they will put their money where their mouth is. They will bring forward the payroll tax cuts. They will bring forward temporary subsidies for routes to get planes back into the air again. They will not froth at the mouth, like the honourable member for Kogarah, about workers entitlements. They will understand that the best thing for those workers is to get planes flying, to get passengers on board and to get some revenue coming into whatever replaces Ansett. I regret to say that Ansett will not fly again in its previous form.

Mr WOODS (Clarence—Minister for Local Government, Minister for Regional Development, and Minister for Rural Affairs) [9.58 p.m.], in reply: When the Federal Howard Government first came to office a Minister in that Government made its position clear. He said there is no role for the Federal Government in regional development. Time and again members of the Opposition in this House have told us that there is no role for the Federal Government in the issue before us. Even if there is no role for the Federal Government in

regional development, it still has a responsibility in relation to this issue: the responsibility for trade and commerce among the States. The motion relates to the aviation industry and, therefore, under section 51 of the Constitution there is a role for the Federal Government.

Time and again members opposite have said that this Government has had the hide to politicise this debate by claiming that the Federal Government should be doing something about the collapse of Ansett. There was a wake-up call and there has been ample time for the Federal Government to respond. In June this year a communique went out from the regional airlines summit. The State Government and the Independents were represented at that summit. New South Wales Farmers, the New South Wales Local Government and Shires Associations and the Tourism task force were also represented. A widely representative group of people came together to try, in a bipartisan way to reach a consensus—and a consensus was reached. That meeting called on local, State and Federal governments to jointly examine ways in which they could forgo a proportionate amount of income. Mr St Clair, the Federal member for New England, represented the Federal Minister for Transport and Regional Services. The Federal Government knew about it and there has been absolutely no response.

The State Government has responded. The State Minister for Transport took off the licence fees—that is the only direct charge the State Government had—but there has no response at all from the Federal Government. Worse than that, the Federal Government stood by and allowed Ansett to swallow up Hazelton and Kendell, which were at that time financially viable. It allowed Ansett to be swallowed up by Air New Zealand. It stood by and watched a number of regional communities lose a number of air services, and for some months it has watched Australia's second airline go under.

Time and again members opposite have said we should not have a shot at the Federal Government. If nobody has a shot at it, nothing will happen. It is clear from the statements of the Deputy Prime Minister that he will not help Ansett. The honourable member for Coffs Harbour, who is a great example of mediocrity at its best, said the same thing. The Deputy Prime Minister said he would not help Ansett "because it runs a little counter to everything we sought to do in aviation, which is to recognise that the private sector does a better job than the public sector". Representing the Deputy Prime Minister, Senator Ron Boswell said:

The viability of air services is a matter for the airlines and it is up to local communities to support them.

The Federal Government has let the Australian people down completely on this issue. It is no wonder that Terry McCrann said this of the Deputy Prime Minister in the *Daily Telegraph* last week:

... the man who must be the most incompetent transport minister we've ever had ...

If John Anderson is the most incompetent transport Minister we have had, the honourable member for Coffs Harbour is the most incompetent member this House has ever had.

Question—That the words stand—put.

The House divided.

Ayes, 49

Ms Allan	Mrs Grusovin	Mr Newell
Mr Amery	Mr Hickey	Ms Nori
Ms Andrews	Mr Hunter	Mrs Perry
Mr Aquilina	Mr Iemma	Mr Price
Mr Ashton	Mr Knowles	Ms Saliba
Mr Barr	Mrs Lo Po'	Mr Scully
Mr Bartlett	Mr Lynch	Mr W. D. Smith
Ms Beamer	Mr Markham	Mr Tripodi
Mr Black	Mr Martin	Mr Watkins
Mr Brown	Mr McBride	Mr West
Miss Burton	Mr McGrane	Mr Whelan
Mr Campbell	Mr McManus	Mr Woods
Mr Collier	Ms Meagher	Mr Yeadon
Mr Crittenden	Ms Megarrity	
Mr Face	Mr Mills	<i>Tellers,</i>
Mr Gaudry	Ms Moore	Mr Stewart
Mr Greene	Mr Moss	Mr Thompson

Noes, 33

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

Question resolved in the affirmative.

Amendment negatived.

Motion agreed to.

DISTINGUISHED VISITOR

Mr SPEAKER: I draw the attention of the House to the presence in the Speaker's Gallery of Olympic gold medallist Duncan Armstrong.

BUSINESS OF THE HOUSE**Matter of Public Importance: Suspension of Standing and Sessional Orders**

Motion by Mr Whelan agreed to:

That standing and sessional orders be suspended to postpone consideration of the matter of public importance until Wednesday 19 September 2001.

PUBLIC FINANCE AND AUDIT AMENDMENT (AUDITOR-GENERAL) BILL**Second Reading**

Debate resumed from 4 September.

Mr O'DOHERTY (Hornsby) [10.19 p.m.]: I lead for the Opposition in this debate. The Opposition will be agreeing to the bill as introduced by the Government. However, before the bill leaves this Chamber the Opposition will do everything it can to ensure that the Auditor-General of New South Wales is given the powers he wants to enable him to do his job properly. The Opposition in another place will move amendments and, with the support of the crossbench, ensure that the Parliament makes a clear statement to the Carr Government that it will not allow the Government to muzzle the Auditor-General in the way the Government has been seeking to do, first by subterfuge and now by amending the Public Finance and Audit Act. Those amendments do not go far enough.

The matter has a sad history. When commenting on the New South Wales accounts, the Auditor-General, in the course of his business, made comments about the Government's financial performance. That is what the Auditor-General should do, that is what the Parliament expects him to do, and it is what the people of New South Wales want him to do. In volume one of his report to Parliament in 2000 the Auditor-General commented on the Government's performance under the General Government Debt Elimination Act 1995. He said:

Another [principle]—that Net Cost of Services and budget outlays not grow in real terms—

that is, a principle of the Act introduced by the Government in 1995—

was clearly not met, either in 1998-99 or over the period of the Act to date.

It is doubtful that the principle requiring the level of taxes to be restrained "to the maximum extent possible" has been met. Taxes increased by 7.0% in real per capita terms in 1998-99.

It is also unclear if the 1998-99 result complied with the principle requiring achievement of the Act's short-term fiscal target ("a sustainable surplus budget"). Both the forecast surplus in the 1998-99 Budget and the actual surplus for the year included extremely buoyant taxation revenues.

If revenues cannot be maintained at this level, then the 1998-99 surplus is overstated in a sustainable sense.

The Auditor-General is doing his job. Remember that he is an officer of the Parliament, not an officer of the Government. In volume one of his report to Parliament in 2000 the Auditor-General was warning members of Parliament that the Government was making claims that may not be sustained—claims about the budget, the accounts of New South Wales, the central document that guarantees the New South Wales Government's stability and, therefore, the economic wellbeing of our State—about a surplus that might not be sustainable. He also commented—the Opposition has made the same claim consistently since the Government began dramatically increasing taxes in 1995—that the Government is doing exactly that; the Government is increasing the taxation burden on the citizens of New South Wales.

What was the response of the Government, which claimed, in the second reading speech on this bill, that it was not seeking to "muzzle the Auditor-General"? The Government used those words when it introduced this bill. What was the Government's response to the Auditor's critical comments in 2000? The Treasurer's response was to write to the Crown Solicitor asking him to investigate whether the Auditor-General had stepped beyond his powers. Indeed, on 1 April 2000 the Treasurer wrote to the Auditor-General saying that much of the information contained in the report related to possible future events.

The Treasurer gave as an example that the Auditor-General had noted that if revenues could not be maintained at current levels the surplus would be overstated in a sustainable sense. That implied an underlying deficit but, of course, the Government was not admitting to an underlying deficit. So the Government sought the Crown Solicitor's advice to try to limit the Auditor-General's powers. In the course of events the Crown Solicitor provided that advice to the Treasurer later in 2000. The effect of the Crown Solicitor's advice was so alarming to the Auditor-General that in volume three of his report to the Parliament in 2001, which was tabled in the previous session, he said:

On my understanding of the Crown Solicitor's opinion, much of what has traditionally been included in Auditor-General's Reports to Parliament, at least since 1983 when the Act in its current form was passed, could now be deemed outside my legislative mandate.

The New South Wales Auditor-General, who is responsible to the Parliament and therefore to the people of New South Wales for accounting for government spending in New South Wales, was saying that the Government's procurement of the Crown Solicitor's advice so severely limited his powers that he doubted whether he could do anything that the Parliament wanted him to do since his establishment in 1983. One would think that was a serious warning bell to a government that laid claim to caring about our democracy. And the Government clearly continues to lay that claim because, as I said, in the second reading speech introducing this bill the Minister said, "We have never sought to muzzle the Auditor-General."

In the volume three report to Parliament in 2001 the Auditor-General gives the lie to the Government's claim. He clearly said that the Crown Solicitor's advice, which the Treasurer deliberately sought in order to muzzle the Auditor, had the effect of stopping the Auditor from doing his job. The first time the Auditor-General raised this matter was not in volume three of his report to Parliament in 2000; he raised it first in a letter to the New South Wales Treasurer in September 2000. The Auditor-General wrote to the Treasurer on 8 and 14 September, and he wrote to Treasury in more detail on 29 September. So on three occasions in September 2000 the Auditor-General laid his very real concerns for the process of accountability in New South Wales at the feet of the Treasurer and of Treasury. All the officers concerned, who are public officials, should have taken the Auditor-General's comments and concerns seriously.

How seriously did those officers take the Auditor-General's concerns? Basically, they completely ignored him. The New South Wales Auditor-General, who is an officer of the Parliament, raised with the Treasurer and Treasury serious concerns about his ability to do his job, and the response was nothing. It seemed as if the Government simply did not care. In his report to the Parliament the Auditor-General said:

In these letters I raised my concerns at the wider implications of that opinion on my ability to report comprehensively to Parliament. I also took the opportunity to raise a number of other concerns with the current wording of the legislation which, while less urgent, were important to the efficient and effective operation of the Audit Office.

On 17 October 2000 the Auditor-General met with the Treasurer and Treasury officials to discuss the issues. He said:

Having received in-principle acknowledgement at the time that legislative changes were appropriate, but could not proceed in that parliamentary session—

that is, in the latter parliamentary session last year—

I wrote to the Treasurer on 18 January 2001 ... further detailing the changes that I considered necessary ...

Did the legislative amendments come forward in this year's budget session?

Mr O'Farrell: Surprise us!

Mr O'DOHERTY: I will surprise the Deputy Leader of the Opposition when I say that they did not. So after what one would consider an extraordinary degree of patience on the part of the Auditor-General, he finally made all his concerns public. Honourable members should bear in mind that none of this was public information until the 2001 budget session when, in volume three of the report to Parliament, the Auditor-General outlined the entire sorry saga.

When the Auditor-General made that report to Parliament the Opposition immediately said that we cannot have an auditor without the ability to do his job properly. The auditor is still and was working on his full costing for the Olympic Games. The auditor said that even the work he was doing on the full costing for the Olympic Games was in jeopardy because of the Government's actions. An auditor cannot operate on that basis in a modern democracy like New South Wales. Immediately upon receipt of this report the Opposition decided to act legislatively to ensure the powers of the Auditor-General. Finally, the Government was flushed out to say something public. The Premier, Mr Carr, made some sort of mealy-mouthed attempt to say that the Government would act, but it was not able to act straight away. We would have to wait until the spring session of 2001.

Here we are. We are in the spring session of 2001. Finally, 12 months after the auditor raised his serious concerns with the Treasurer we have a bill that will amend the Public Finance and Audit Act. Does the bill do what the Auditor-General wants? Does the bill pick up all of the concerns raised by the Auditor-General in his many communications with the Government? The Opposition is the first to admit that the bill picks up some, but by no means all, of the concerns expressed by the Auditor-General. Two weeks ago I gave notice that I would introduce a bill prepared by the Opposition to give expression to all of the matters raised by the Auditor-General. If the Government does not agree to our amendments in this House and in another place that bill is ready to proceed.

The Government's bill does some things with which we agree. It inserts the power to report on any matter that arises from or relates to the exercise of the auditor's functions rather than, as is currently the case, his having to comment on matters arising from audit only. Part of the debate is how wide the Auditor-General's powers are and it is part of the concern about the Crown Solicitor's opinion. The auditor wants the ability to comment and report on matters that arise from the exercise of his functions and later he refers to audit-related services. Both those improvements were sought by the Auditor-General. The bill inserts those powers in the Act and the Opposition agrees with them. The bill validates reports retrospectively. This Chamber has a very long tradition of not approving retrospective legislation as a matter of principle, but this is one occasion on which that principle works in the public interest. The auditor has been doing work in good faith, broadly commenting on the accounts of New South Wales in reports such as the report on the Olympics, which is yet to see the light of day, and his volume four report to the Parliament, which was tabled this week.

It is very important that the Parliament validate the work of the Auditor-General. Therefore the bill says that the amendments to the Act will apply as if it had been in force during a period in which the auditor was carrying out such work. We agree with that principle on this occasion. The bill provides that the Auditor-General can carry out audit-related services at the request of the Treasurer or at the request of both Houses of Parliament. I will return to that point shortly because it is one of the points about which we have a significant difference with the Government. The bill facilitates performance audits, which are renamed from special audits under the Public Finance and Audit Act, across more than one authority. We agree with that improvement, which was sought by the auditor and contained in the Government's bill.

The bill speeds up reporting time for performance audits, which is 28 days, provided the agency has been given the opportunity to make its response. If the agency declined to respond, the bill enables the auditor to

report before the 28 days are up. If he were doing a special reference of particular urgency that provision is appropriate and we agree with it. The bill creates a new division of the Act to deal specifically with protected disclosures. Currently, protected disclosures are dealt with almost in passing, and they must be dealt with as a special audit or what will now be called a performance audit. If the amendments in the bill are successful, and we will support them, a whole new division of the Act will be created to deal more sensibly with protected disclosures. The protected disclosures legislation and things that flow from it have been an important improvement in New South Wales in recent years.

[Interruption]

Another achievement of the Greiner Government, as the honourable member for Bligh reminds me. The bill extends the secrecy provisions that allow the Auditor-General to disclose confidential information for any due diligence proposal that arises out of the sale of a government undertaking. I take it that the honourable member for Bligh would also agree with that. It is important for due diligence in any potential Government divestment of services that if the auditor has secret information that is part of the due diligence process, that information can be revealed to those carrying out the investigation. All these things are in the bill and they are things with which we agree. They were at the request of the Auditor-General. However, the bill falls short in a number of significant ways.

First, it fails to give the Auditor-General a generalist function in law. It fails to give a general description of what he does in legislation so that for all time the Parliament will be able to hold him accountable for producing an outcome rather than simply providing a service. The auditor wrote about this in his report to members of Parliament, and I commend it to honourable members. These days it is important that audit officers in modern parliamentary democracies are able to be judged as providing an outcome, not just providing the service. By outcome the Auditor-General has in mind phrases like, "to promote public accountability in the public administration of New South Wales". There is no general statement like that in the Public Finance and Audit Act as one of the functions of the Auditor-General. Nor is there any statement like that in the Government's amendments to the Act.

The Auditor-General specifically asked for that general statement to be included in the Act. The auditor did not make it up from his considerable expertise and resources—he is quoting from the jurisdiction of the Australian Capital Territory. It is exactly what section 10 of the ACT Auditor-General's Act requires of its Auditor-General. Under "Functions", function A says exactly that: to promote public accountability in the public administration of the territory. There are similar, slightly different worded models in other jurisdictions, not only in Australia but around the world. This goes to the most important of our amendments. In moving an amendment to insert those words as one of the functions of the Auditor-General the Opposition is making a statement, and any member in this House or in another place who agrees with us is making a statement that the Parliament of New South Wales sees a modern democracy as requiring a broad outcome of public accountability from the operations of its Audit Office.

We do not want a narrow and technically defined audit process. We want the auditor to be a leading figure as a voice for public accountability and openness in government administration in this State. It is time, in 2001, that New South Wales has that in the Act that governs the operation of the Auditor-General. We will move that amendment during the Committee stage. The second way in which the Government has fallen short of what the Auditor-General wants is that the Government's amendments narrowly define those who can request the Auditor-General to conduct a performance audit.

I have already mentioned that the Government's proposal says that the Treasurer or both Houses of Parliament may make referrals. But that falls short of what the Auditor-General has suggested, and what this Parliament will demand—which is that either House or a parliamentary committee ought to be able to make a reference to the Auditor-General. The Government will not be happy with that. Indeed, I know from my discussions during a briefing provided by the Government that it is not happy with the proposal that either a House or a committee may refer matters to the Auditor-General.

The Government's stated argument is that there are other officers or other officials who have that role, such as officers of the Independent Commission Against Corruption [ICAC] or the Ombudsman. But there are lots of matters that do not fall within the province of either ICAC or the Ombudsman which this Parliament may want to have referred to an official such as the Auditor-General for comment. I am able to provide the House with a brief example. I know that the honourable member for The Hills will discuss this matter in greater depth at a later stage. The honourable member for The Hills is the chairman of the esteemed waste watch committee,

which is an outstanding organisation, of the New South Wales Coalition. By letter he referred the Auditor-General to the official Government web site of the Ministry for the Arts and to party-political material from the Australian Labor Party. That was in clear breach of the guidelines which govern us all and which doubly govern Ministers of the Crown and agencies of the Government—namely, that public resources should not be used for private political purposes, that is, the private political purposes of the Australian Labor Party in this instance.

Mr O'Farrell: Who was the Minister?

Mr O'DOHERTY: The Minister was Bob Carr, the Premier. And who was the head of the Ministry for the Arts at the time? It was the director of the Cabinet Office, Roger Wilkins. The strange fact is that when the Auditor-General drew Mr Wilkins' notice to the fact that party-political material was on a Government ministry's web site, Mr Wilkins thumbed his nose at the Auditor-General. A pattern is emerging of the Government thumbing its nose at the auditing agency which wants its powers restored after the Government has tried to muzzle it. The Auditor-General then raised that important matter of public probity with the Director-General of the Cabinet Office, who said, "Go away!" Again the Auditor-General raised the matter with the director-general. Eventually agreement was reached and the material was removed. How much public money was involved? In fact, very little. The establishment of web sites is a relatively inexpensive operation, but the principle is very important.

The principle underlying the matter is that a public resource was being used for party-political purposes. That was wrong, and the Auditor-General knew it was wrong. This is not a matter that probably would be raised or investigated by the Independent Commission Against Corruption or the Ombudsman, but it was properly a matter to be raised. As a member of Parliament, the honourable member for The Hills should have been able to raise the matter with the Auditor-General. In relation to all matters of public probity, broad powers ought to be vested in the Auditor-General to enable that officer to look across the public sector and monitor public accountability, but we also need to have both Houses as well as committees of the Parliament being able to refer matters to the Auditor-General, not just both Houses, as the Government contends.

The Government's interpretation of the term "both Houses", according to the briefing I received, is that both Houses would independently have to pass a referral in exactly similar terms to the Auditor-General requesting that a certain matter be investigated before the Auditor-General would be empowered to do so. That simply does not work. That stipulation is clearly designed to allow a government, which generally speaking has a majority in the lower House—and more particularly that is the case in New South Wales—to veto the Auditor-General to prevent that officer from looking into any matter which non-government members of Parliament may think is important. In this century the upper House in New South Wales is taking on renewed importance. Many committees of the upper House are carrying out important work by keeping public scrutiny up to the Government. It is very important that upper House committees are able to secure the expertise of an officer such as the Auditor-General for those committees to be able to do their job.

The Coalition's amendment deals with broader scrutiny by upper House committees by providing that either House as well as any of the committees of Parliament will be able to refer a matter to the Auditor-General. The amendment will also enable Ministers to refer matters to the Auditor-General, not just the Treasurer. At the moment, under the Government's proposal, requests made to the Auditor-General go through the funnel of the Treasurer's office. As all honourable members know, the current Treasurer is the man who wrote to the Crown Solicitor to muzzle the Auditor-General.

Ms Moore: He doesn't like the Auditor-General.

Mr O'DOHERTY: As the honourable member for Bligh says, the Treasurer does not like the Auditor-General, so the Coalition does not have any confidence that the Treasurer is willing to refer matters arising in public discourse to the Auditor-General. The Coalition wants to provide a broad range of people with the opportunity to raise issues with the Auditor-General because the Auditor-General is an officer of this Parliament, not a servant of the government of the day. The Coalition's other amendment will allow the Auditor-General to disclose confidential information to the Public Accounts Committee, which is also at the front line—or should be, although I have my doubts under its current chairman but that is another story—of holding the Government accountable in New South Wales. If the Public Accounts Committee were to carry out investigation into a serious matter—it may concern the Grains Board or some other matter—members of that committee ought also to be able to work with the Auditor-General. They do so, but in the course of the work of members of the committee the Auditor-General ought to be empowered to release to the Public Accounts Committee secret information that he has come across during the course of his investigations. At the moment the Auditor-General cannot do so. He should be able to do so and the Coalition's amendments also deal with that issue.

I could continue at great length, but I sense that other honourable members wish to participate in this debate, including the honourable member for The Hills. It is important for the Parliament to deal with this matter quickly so that the upper House may also deal with it. I will summarise the Coalition's position by stating that the Coalition will work in this Chamber and also in another place, the upper House, to restore accountability in New South Wales through reviving the powers of the Auditor-General. But more than that, the Coalition will act to ensure that the Auditor-General in this State is able to do his job properly by providing accountability in the public affairs of New South Wales. The Coalition will give the Auditor-General broad powers. We will allow either House to report matters to him for investigation. We will open up the processes of accountability through the re-establishment of a modern audit office which reflects in this State what is already happening in other jurisdictions. The Coalition will stand against the attempts of the Carr Labor Government to muzzle and limit the role of the Auditor-General, because at the end of the day the Coalition has always—and will always—stand for openness and accountability in government, and will not adopt the style of a very closed and secretive government that we are currently experiencing under the Labor Party.

Debate adjourned on motion by Mr Knowles.

SPECIAL ADJOURNMENT

Motion by Mr Whelan agreed to:

That this House at its rising this day do adjourn until Wednesday 19 September 2001 at 10.00 a.m.

House adjourned at 10.47 p.m.
