LEGISLATIVE ASSEMBLY

Friday 21 September 2001

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

Mr Speaker offered the Prayer.

BUSINESS OF THE HOUSE

Routine of Business: Suspension of Standing and Sessional Orders

Motion by Mr Whelan agreed to:

That standing and sessional orders be suspended to provide for the following routine of business at this sitting:

(1) up to 21 members to make private members' statements from 10.00 am;

(2) the resumption of the debate on the Police Service Amendment (Testing for Gunshot Residue) Bill and the Police Powers (Vehicles) Amendment Bill;

(3) the consideration of committee reports; and

(4) at the conclusion of the consideration of committee reports the House shall adjourn without motion until Tuesday 16 October 2001 at 2.15 p.m.

PRIVATE MEMBERS' STATEMENTS

GREEN SLIPS POSTCODE RATING SYSTEM

Mr HICKEY (Cessnock) [10.01 a.m.]: I draw to the attention of the House the perceived anomalies that have arisen as a result of changes to the determination of city and country zone green slip insurance, based on the use of postcodes. These changes have affected many in the electorate of Cessnock. I cite a recent case that came to my attention of a family from North Rothbury, which is within the local government area of the City of Greater Cessnock. Anyone who has visited the area recently would agree that North Rothbury is definitely rural in its location and temperament. But the postcode for this area is aligned with the Maitland postcode system, which is linked with the city of Newcastle and the Central Coast.

Greta and Branxton, which surround North Rothbury, are all close to Maitland and the major city of Newcastle. Yet, these locations are covered by the Cessnock postcode system which, for green slip purposes, is designated rural. Therefore green slips that are taken out in the Cessnock postcode area are cheaper than those areas that have a Maitland or Newcastle postcode attached. The discrepancy in the case mentioned in Rothbury amounts to the difference between a city rate of $2,138 and a rural rate for the same green slip of $1,772.

In the electorate of Cessnock I am aware that this situation has impacted on other town and village areas in the south-east of my electorate. The Mulbring, Mount Vincent Progress Association contacted my office after its monthly meeting last June. The association, too, is concerned with the unsatisfactory situation of using postcodes to delineate green slip areas. Again, no-one could describe the Mulbring, Mount Vincent areas as being anything that remotely resembles a city or a large town—the descriptions that spring to mind are small, rural villages, or at best small rural towns. Neither of these areas even supports a local hotel, let alone the population or social infrastructure to be the hotbed of car compensation claims.

It concerns me and constituents in my electorate that this arbitrary approach of using postcodes as a benchmark does not operate within any guidelines that could be justified in terms of fairness and equity. This process does not serve the needs of my electorate, and if it does not suit my electorate I am sure that other areas in the State are affected in similar ways. When my office investigated this situation with the Minister's office, I was informed that because the Cessnock electorate and the Cessnock local government area are included in both metropolitan and country zones, little could be done at this stage.

I was also informed by the Minister's office that the review, which took place prior to this situation developing, was based on actual green slip claims data. I ask the Minister to provide further information on the number of green slip claims that have been lodged from the areas I have mentioned. I wonder who was entrusted with the responsibility of obtaining and analysing the raw data, which shows comprehensively that Greta, Branxton, North Rothbury, Belford, Mulbring and Mount Vincent have a higher incidence of green slip claims than have other rural localities that share similar social demographic characteristics.

I believe that the outcome of those investigations, if they take place, will find that the review process was inherently flawed. I am convinced that the review process was convenient but unrealistic, and that the people in rural villages, who are unfortunately attached via a postcode to a city or high-risk area, are charged premiums that do not reflect the risk of claims from that geographic location. I ask this House to recommend that a review of the current situation take place to ensure that people who are living in rural areas have access to rural rates for green slip insurance purposes.

It is inappropriate to divide up the State in the current manner based on postcodes—postcodes that only reflect the needs of Australia Post and its contractors for mail delivery purposes. I believe that the deliberations undertaken by Australia Post never envisaged that its postcode system would be used to set the boundaries for green slip insurance considerations. It is also unfortunate that all areas in the Cessnock electorate with a Maitland postcode are now tied to the Newcastle and Central Coast areas for green slip purposes.

It is quite clear to me that the risk factors affecting green slip premiums between Newcastle and the Central Coast are different from the rural areas in the Cessnock electorate. I understand that insurers take into account different risk factors when calculating premiums, one of which is location. I am sure our Government can work with the insurance industry to develop a fairer and more equitable manner for delineating areas of risk.

WILLOUGHBY PADDOCKS REZONING

Mr COLLINS (Willoughby) [10.06 a.m.]: For several months, until yesterday, it has become part of the mantra of this House that every day, when petitions are read out before question time, a petition proposing the retention of the area known as Willoughby Paddocks as public open space was included. This matter has been placed before the Government for it to make a decision. This matter has not received adequate ministerial attention, and is a matter that I have drawn to the attention of the Minister for Roads time and time again. Surely, if the Labor Party wishes to be taken seriously in relation to the urban environment and the preservation of public open space, a decision should be made for the public space to be retained.

There is no question that the land is valuable. For those members of the House who are unfamiliar with the area known as Willoughby Paddocks, I advise that the area was set aside for the construction of the Warringah Expressway through Castlecrag and Seaforth on the original plans some half a century ago. That plan was laid to rest almost at the time I was elected to this Parliament. The subsequent Kirby report determined that property, which had been resumed, acquired or set aside for the construction of the Warringah Freeway, the right arc of land through Castlecrag and Seaforth, should be disposed of.

Much of the land has been disposed of, and very profitably, by the State Government. There is no question about the sale of homes that belonged to what was previously the Department of Main Roads, now the Roads and Traffic Authority. Those properties have been sold into private hands and a very healthy profit has been returned to the Government. But the question now is: How much of the large tracts of public open space between the playing fields of Sydney Church of England Grammar School, on Sailors Bay Road and Alpha Road, and Eastern Valley Way will be retained for the enjoyment of my constituents, and to provide some local breathing space in an area that is taking more than its share of medium density housing?

When it comes to the implementation of medium density housing policy under the current Government and the previous Government, Willoughby Council has been extremely positive and constructive. Some councils have resisted but Willoughby Council has tried to go along with government policy to a far greater extent than many other councils. I do not believe that the people of Willoughby, represented by the council, should be penalised for going along with medium density housing policy.

Willoughby Council has provided for a substantial population build-up around transport nodes and rail links such as Artarmon, St Leonards and Chatswood, and I think that it has played a very constructive and positive role with the State Government. Now is the time for the Government to return the compliment, the favour and the co-operation by enabling the people of Willoughby to have some public open space. The area

concerned is currently open space. It is largely untouched. It used to be a place where landfill was deposited. It used to be a dump but it is an area that has been enjoyed by families and young people. In a built-up local government area, it has provided a bit of elbow room.

A couple of weeks ago the Government exhibited plans to local residents. One plan—obviously the plan favoured by the Government—will result in approximately 78 dwellings being built on the site, which is too many. That represents overdevelopment of that site. I urge the adoption of the option that proposes approximately 40 dwellings rather than 78. The people of Willoughby have co-operated with the Government. Now is the time for the Government to recognise that and to live up to what this Government says it believes in—the preservation of the urban environment. Let us see Willoughby Paddocks saved!

CHIPPING NORTON LAKES SCHEME BRIDGE

Mr LYNCH (Liverpool) [10.11 a.m.]: I draw to the attention of the House a quite extraordinary proposal with a quite extraordinary history. It is almost a classic of its kind, a bureaucratic determination to press ahead regardless of commonsense, excessive cost and significant community opposition. The proposal to which I refer is the scheme to build a bridge across the Georges River in the Chipping Norton Lakes scheme. It is sometimes described as linking Howard Park in Lansvale in my electorate with Homestead Park in Chipping Norton, in the electorate of Menai. My colleague the honourable member for Menai, Alison Megarrity, also has concerns about the proposed bridge. Certainly she believes there is significant community opposition to the proposal.

The proposed bridge is 14 metres high and approximately 120 metres long. It will be 3.5 metres wide. It is often described as allowing pedestrian and cycle access. However, it is also clear that it will allow maintenance vehicle access. It will also carry recycled sewer water to the Liverpool golf course as part of Sydney Water's recycling program. The alternative, of course, would be a submarine pipeline. There has been some discussion of the cost of the project. Some media estimates have referred to the cost of $500,000. One estimate reached an upper limit of $700,000. In a letter to me dated 3 January 2001, the Chipping Norton Lakes Authority identified a cost of no less than $850,000. I dare say that, with time, those costs will increase.

As a matter of basic principle, such a large amount of public money should not be expended unless there is a clear benefit. I have an objection to the erection of this structure on aesthetic grounds. I do not see the point in erecting structures just for the hell of it, as if to proclaim our dominance over the natural environment. I also think that the structure would be ugly and would damage the scenery of the area. I am the first to admit that this, of course, is a profoundly subjective assessment. What is a lot more objective is that there is considerable community opposition to the proposal. At various times, proponents of the proposal, through what I regard as the highly questionable use of statistics, have tried to minimise the level of objections. Admirable though that may be from a bureaucratic perspective, it has little to do with reality. A resident of the area who approached me wrote:

> The residents in this community love our beautiful peninsula. I personally enjoy walking around it every day ... However, as far as the bridge is concerned, I believe this to be a terrible mistake.

One resident, a constituent who has been vocal in her criticism of the proposal, is Mrs Jo Jones. She wrote a letter to me dated 18 December 2000 in which she pointed out the problems of the cost of the bridge and the inadequate maintenance in parts that surround the areas that lead up to the bridge. Residents have expressed a plethora of concerns. They cover a wide gamut of issues, from potential damage to the nearby wetlands to danger to boats navigating the Georges River and to an increase in vandalism on both sides of the river. There is also a fear that the bridge will be developed into a bigger bridge over time.

Many concerns relate to security and vandalism. Those issues, in turn, stem from the considerable dissatisfaction with current park public space management. Residents have been profoundly suspicious about the process. The Chipping Norton Lakes Authority had a public meeting in December last year. Residents were suspicious that a meeting so close to Christmas was designed to restrict opposition. One leaflet letterboxed in the area by proponents of the scheme had the wrong telephone contact number on it, which did nothing to allay the suspicions of residents. As Jo Jones said to me, she thought the decision had already been made. Residents assumed that the decision had been taken and consultation with them was completely perfunctory and thoroughly tokenistic. I have to say that this local member is beginning to feel the same way.

There is a further problem in all of this—what happens to the bridge when it is built? Who looks after it? The theory seems to be that control of the bridge will be divided equally between Liverpool and Fairfield

councils. My informal soundings are that there is considerable resistance to this course within both councils. I can understand that councils have considerable calls upon their resources and that they would need the extra cost of maintaining the bridge and locking and unlocking gates like a hole in the head. One of the reasons I have spoken with a degree of enthusiasm on this matter is that some of the residents and I get the feeling that proponents of the scheme are obsessed with developing it, regardless of residents' concerns, because the proposal keeps resurfacing. It was originally spoken about as a Federation project, but that did not happen. A year ago it was discussed as being funded by the Chipping Norton Lakes Authority. Thereafter it seemed that the proposal had subsided.

The latest episode, and the event that has prompted me to raise the issue in this House, was a phone message I received about the bridge from a person named Kim McClimont. The proposal now involved funding it from the Georges River Foreshore Improvement Program. I conveyed to Mr McClimont my firm view that the proposal should not proceed. Indeed, I had to tell him that three times, and then had to terminate the conversation. Hopefully he got the point. Of concern is any suggestion that funding should be provided for the bridge from the Georges River foreshore improvement program. In my view that program should be for problems such as erosion and bank destabilisation, not for the building of bridges. Any funding from that program for this bridge in my view would be a scandal and an outrage. I can see no proper public policy in spending $850,000 or more on a bridge that has no overwhelming benefit but has substantial community opposition.

BRUNSWICK VALLEY HIGH SCHOOL

Mr D. L. PAGE (Ballina) [10.16 a.m.]: I draw to the attention of the House my very real concerns about the Carr Government's decision to renege on its promise to build a new high school for the communities of the Brunswick Valley. This is a devastating backflip by this Government and one that lacks any credible explanation. In October 1999, Minister Aquilina gave a written commitment regarding a new high school for the Brunswick Valley. He wrote:

> The Government is committed to the provision of a new secondary school for the Brunswick Valley and the upgrading of facilities at Mullumbimby High School. The new secondary school is the first priority in order to relieve accommodation pressure at Mullumbimby High School.

However, the very same Minister Aquilina has confirmed, again in writing, that an upgrade of Mullumbimby High School will instead cater for secondary school needs in the Brunswick Valley for the next five years. In other words, the new high school has gone from being the Government's "first priority"—the Government's words, not mine—to now being a non-priority for at least another five years. What makes this decision unbelievable is that the Minister says that the upgrade of Mullumbimby High School will enable the school to accommodate 1,000 students. The problem for our Brunswick Valley communities is that there are already 1,038 students at this school! Where is the provision for future student enrolment growth in this area, which has an annual growth rate of three per cent, when the upgrade will end up catering for fewer students than currently attend the school?

Certainly the upgrade of the existing Mullumbimby High School is much needed and most welcome. But that upgrade obviously will not cater for the number of secondary students who will be coming into the public education system in the Brunswick Valley over the next five years and beyond. The Government's backflip is short-sighted and only guarantees a continuation of overcrowding at Mullumbimby High School. In the recent past the Government has identified two sites for a new secondary school for the Brunswick Valley. One site was at Rajah Road, Ocean Shores, but that was abandoned because it was too close to the fruit bat colony, and the other site was at Bayside Brunswick but it had problems with sewerage infrastructure. I recall that several years ago the Carr Government announced the provision of $40,000 to facilitate site selection for a new school, so there was a definite commitment to find a site.

Despite a population growth rate of 3 per cent for Byron shire, which contains the Brunswick Valley area, we are expected to believe that a new high school is not necessary. Worse, we are told that the existing high school at Mullumbimby, albeit with upgraded buildings but with no increased capacity—indeed, less capacity than current enrolments—can meet the secondary education needs for this valley. How absurd! As late as January this year the Department of Education and Training assured me that the proposed new school would go ahead regardless of an upgrade to the existing school at Mullumbimby. I was told that the two projects were unrelated and that both an upgrade at Mullumbimby High School and a new school were needed. How wrong and misleading that information turned out to be. The local parents and citizens association at Mullumbimby

High School is equally amazed at the Government's broken promise. In a letter dated 3 July to the Minister for Education and Training, Mr Aquilina, the association stated:

> It has come to our attention that your government has recanted on its promise to supply a new high school for the Brunswick Valley. We are referring to your answers in the Legislative Assembly on the 30/5/01 to Mr Don Page's questions concerning our new high school.
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> There are a few points in your response that we would like explained.
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> At no time has this school community accepted the upgrading of Mullumbimby high School in lieu of the building of a new school. We have been under the impression that investigations were still underway regarding the purchasing of a new site. What is the government's position on this?

We now know that the Government's position is to renege on its promise. The Minister has tried to give the impression that somehow the school community agrees with the State Government's decision. Nothing could be further from the truth. The community is devastated by the Government's reneging on its written undertaking of October 1999. Therefore, I call on the State Government to rethink its latest short-sighted decision and buy a site for a new high school. Failure to do this will not only guarantee overcrowding at the existing Mullumbimby High School, it will mean secondary students in the Brunswick Valley will have to travel long distances outside Brunswick Valley to access secondary education.

Mr O'Farrell: At a cost to the Department of Transport.

Mr D. L. PAGE: Indeed, at an additional cost to the Department of Transport through the School Students Subsidy Scheme. Commonsense dictates that the Government should continue to look for a suitable site for the school, and having found that site should get on with building the school as soon as possible. This broken promise by the Government can be proved, as the Minister gave a commitment in writing in 1999 that there would be a new school. Then 18 months later he stated in writing that there will not be a new school but that the upgrade of the existing school—an upgrade that will allow for fewer enrolments than at present—will meet secondary education needs for the next five years, despite population growth in that area being 3 per cent per annum. It is a disgrace and the Government should do something about it.

NEWCASTLE SCHOOL FOR CHILDREN WITH AUTISM

Mr MILLS (Wallsend) [10.21 a.m.]: I am pleased to report to the House that on 25 August I presented a cheque in the sum of $1,650, comprising $1,500 plus GST, under the Environmental Trust Grants program to the Newcastle School for Children with Autism as part of the Eco Schools Grants program. The school will use this grant to create a sensory experience garden for students with autism. Although I also presented two environmental trust grants to Glendale East Public School and Bishop Tyrell Anglican College, I was particularly pleased to be able to present the one to the autism school, which is located in the grounds of Shortland Public School. I arranged to present the cheque on a Saturday morning at which time parents were conducting a working bee at the school. Also present on the day were Liz Murray, principal, who spent a long time in special education in the public sector, Steve and Sue Xenos, president and secretary of the parents and friends association, and many helpers.

The school operates using a high proportion of government funding but much of the special teaching depends on fund-raising carried out locally by the Autism Association. The environmental trust grants gave me an opportunity to learn something about autism, because many of us know little about autism. It is common for members of Parliament to say negative things about the media but I was delighted with the positive and sensitive response of the radio and print media in the Hunter region to this presentation. I compliment the Hunter media on its publicity regarding the benefits this garden will create for children with autism.

The garden is high maintenance with a careful selection of plants, because kids with autism like to touch the plants and rub them on their faces. They do not like to stand back and just admire their beauty. They like the physical contact with daisies, vines, bushes and so on. The school wanted the sensory experience garden because prior to building the garden the area was relatively cold and uninspiring for the kids. It was important to involve the students in the planting process so that they were able to enjoy the flora, to touch it, to feel it and to smell it. This has had a positive effect in helping the kids to learn in a more natural setting.

It is worth taking a moment to talk about what it is like to be autistic. To teach autistic students requires a special calling. The school has 25 students and most do not stay long, because the object of the school is to so teach the children and so outreach to other mainstream schools that autistic children are given that little bit extra

so they can go into mainstream schools and be accepted there. These kids are not blind but they do not really understand what they see. They are not deaf but they do not always comprehend what they hear. They are isolated from the world, because they cannot always make sense of it. They are often very afraid. They may not play with other children and may engage in outlandish behaviour. They do not like changes to routine and tend to handle and spin things around obsessively. They love encouragement and positive reinforcement. The walls of the classroom are covered with pictures and many have cloth with velcro and if the children cannot come up with the right words to let the teacher know that they wish to go to the toilet, for example, they can take a picture off the wall and give it to the teacher. This provides wonderful communication and learning for the kids. It is terrific to see the barriers being broken down at the Newcastle School for Children with Autism.

Mr FACE (Charlestown—Minister for Gaming and Racing, and Minister Assisting the Premier on Hunter Development) [10.26 a.m.]: I congratulate the honourable member for Wallsend on bringing to the notice of the House what is being achieved with young people with autism. Many people do not understand autism because, like so many other conditions, if it does not personally affect them they do not come into close contact with it. Nevertheless, the community is better educated than it was 10 years ago. Autistic children like to explore, experience, and sense things. This money will go a long way towards helping them achieve things they could not even have dreamt about 10 years ago.

The fact that autistic children can now enter the mainstream school system is a dramatic step forward. I have some personal experience because my eldest daughter is a special education teacher. She retrained after having been an art teacher and has done a master in special education at the University of Wollongong. I know the work she has done. She brought the children into Parliament when she worked in the metropolitan area, although she has now returned to the Hunter. Autistic children need a permanent routine that they understand, they need to be encouraged, and a whole host of other things are important to them.

The principal of Shortland Public School, Liz Murray, is to be commended. A school in my electorate, Glendon special school, has been similarly established on a mainstream school site, to ensure that students with special needs are able to explore and experience in the same way as other students. That is very important to the parents of such students, who have to make a lot of sacrifices. I am pleased that the honourable member for Wallsend has brought the matter to the attention of the House today.

GORDON WEST PUBLIC SCHOOL JUBILEE CONCERT

TERRORIST ATTACKS ON THE UNITED STATES OF AMERICA

Mr O'FARRELL (Ku-ring-gai—Deputy Leader of the Opposition) [10.28 a.m.]: Last night I attended the jubilee concert of Gordon West Public School, which celebrated the fiftieth anniversary of the school. It was pleasing to see that every student at the school was involved in one way or another in the concert, which lasted for 2½ hours. It was a magnificent performance, and it is a further demonstration of the benefits and high standard of public education that is strongly supported in my electorate. I place on record my congratulations to all those involved, including the principal, Jim Huckerby, the students themselves, and the parent community, which is very supportive. As I sat watching the concert finale I could not help but think about the bright future these children represent for all of us. Of course, the events of last week then intruded.

Much has been said, and will continue to be said, about the terrorist attacks in New York and Washington. I simply want to reflect on two issues. Much has been said about the so-called religious motivation of those suspected of being behind the attacks. As others have done, I speak out in defence of the good name of Islam and the ideals it preaches. The type of violence and hatred characterised by these events has nothing to do with the teachings of Islam—just as the so-called Taliban regime in Afghanistan is a million miles away from the spirit and teachings of the Koran. Both represent extremist, individualist interpretations of that religion.

Many religions have had extremists—few religions, and certainly not my own religion, can be smug about their own record in this area—and those extremists have done enormous damage and harm in the name of higher ideals. In each case, religious extremism has been defeated by mainstream religious leaders only by speaking out and condemning the heretics. So it must be now. For the sake of the world and the good name of Islam, Muslim leaders must clearly condemn the claims by those responsible for these attacks that, in some perverse way, they are acting in accordance with the teachings of the Koran.

The other motivation ascribed to these attacks has been that they represent a punishment of the United States of America for its strong support of the State of Israel. As I watched the events of last week with my

7½ year-old, at one stage, as he sought to come to grips with what was occurring, he turned to me and said, "Dad, what has the United States done that is bad?" My support for Israel is on the public record, and I am happy to restate it today. Equally, I commend the United States for its ongoing support for Israel. During the Second World War the United States was a beacon for freedom and democracy across the world. In every theatre of war the United States led the allies in turning the tide against tyranny and oppression. We rightly commended its actions—and those of our own soldiers, sailors and air force personnel—at that time. And we should rightly commend the efforts of the United States in support of Israel at this time.

Israel remains a free and democratic island surrounded by a sea of countries that do not enjoy the same freedoms. It possesses the traits of the open and civil society that we freely enjoy in this country. I remind the House that Australians fought, died and were buried in what is now Israel, in pursuit of such ideals. Last May I urged international action to force Chairman Arafat into meaningful peace negotiations. Regrettably, that did not occur, and many innocent lives have been lost in Israel. Last week thousands were added to the toll. They were ordinary people whose lives have now been cut short because extremists are opposed to the State of Israel. I will never forget my feeling of revulsion at last week's events—firstly the images of the planes, but more vividly the scenes of jubilation amongst Palestinians as the news came through. While many in the Arab community have expressed shame for such scenes, they will not be easily erased from our consciousness of the events surrounding last week.

This week Chairman Arafat ordered a ceasefire—something Israeli Prime Minister Sharon has been urging since his election earlier this year. Yet, within a day, two groups upon which Arafat relies rejected the call. So much for the alleged values of the type of regime that is so strongly supported by those extremists. It is time the Arab world squarely faced up to its responsibilities. Those who seek to speak for Arab countries must genuinely demonstrate leadership at this time. Just as I ask the Islamic leaders to speak out against extremists sullying the teachings of Islam, I ask Arab leaders to speak out against the use of terrorism and violence in pursuit of so-called political goals relating to the State of Israel.

Arab leaders must lead, and ensure that all the groups who make up the Palestinian Authority are forced to the negotiating table with Israel so that a lasting peace can be achieved. The events of last week demonstrated the risks to all of us if this type of action is not pursued. It is not a risk that threatens the United States alone; it is a risk to all of us. At last night's concert, in the final performance the students sang *Every Child Can Be a Hero If We Can Live in Harmony*. At this time we need good people of every nationality and religion to speak out in support of those ideals we embrace: democracy, freedom and tolerance. We need a collective effort to try to stamp out the sort of terrorism the United States suffered last week. We must do so for the children of Gordon West and all the other young people in this world.

CENTRAL COAST EDUCATION WEEK PRESENTATIONS

Ms ANDREWS (Peats) [10.33 a.m.]: Education Week provides teachers, volunteers and staff the opportunity to join with school students and their parents in celebrating public education in our State. Public education was established in this State in 1848 and Education Week was first celebrated in 1954. New South Wales has a lot to celebrate when it comes to public education. This was illustrated when certificates of appreciation were presented to more than 160 persons in recognition of their outstanding contribution to public education in the Central Coast district of the Department of Education and Training. The presentation took place at Terrigal High School on Tuesday 11 September—unfortunately, a date we will remember forever.

The welcoming address was delivered by Mr Bill Low, Central Coast District Superintendent of Schools, and Dr Alan Laughlin, Deputy Director-General (Schools), delivered the main address. Prominent among the recipients nominated by the district office of the Department of Education and Training were Frank Potter, principal of Niagara Park Public School; Councillor Chris Holstein, Mayor of Gosford City Council; Anne Dunn; Sharryn Brownlee; Teddy Wise; Mark Dehn; Maggie MacFie; and Meredith Kelly. Among those nominated by the Primary Principals Association was Bruce Donaldson, Principal of Ettalong Public School. The Principal of Woy Woy High School and secretary of the Central Coast Council, Carolyn Carter, was nominated by the Secondary Principals Council. Within the State public education system 52 schools, including 17 high schools, are located on the Central Coast and 16 of those schools are located in the Peats electorate. Those schools have some of the largest enrolments in the district, as well as the smallest enrolment, which is at Spencer.

Time will not permit me to name all the recipients of certificates on the day, but I will name a few. They are Vicki Scott of Gosford High School, Lesley Minter of Umina High School, Janelle Vanderwoude of

Umina Public School, Pam Crain and Caroline Jones of Woy Woy High School, and Lesley Mason, Helen Pilarski and Rae Campbell of Woy Woy Public School. I congratulate all recipients of certificates of appreciation. Congratulations must also be extended to the announcers on the day, namely Cody Dillon, Kate McEvoy and Kristen Henry of Terrigal High School. I also extend my congratulations to all the students who took part in the various performances that interspersed the presentation ceremony.

The Central Coast District Schools Showcase 2001 was held in the Central Coast Leagues Club auditorium on the evening of Thursday 13 September. It was a fine production that showed public education at its best. I congratulate the director, the stage managers, the stage crew and all those who assisted in ensuring that Showcase 2001 was such a resounding success. The performances by the students were incredible. The presentation by students from Henry Kendall High School of *Nothing to Fear* in the first half and second half of the program illustrated the high quality of that school's performing arts.

I should also like to comment on the Sing 2001 Choir, which the Department of Education and Training established in 1998 to promote choral music throughout New South Wales. Many choir members performed at both the opening and closing ceremonies of the Olympic and Paralympic Games and also at the Centenary of Federation celebrations earlier this year. The choir meets at Niagara Park Public School on the Central Coast. The Central Coast Dance 2001 Ensemble also performed. That ensemble is part of a statewide program initiated by the performing arts unit of the Department of Education and Training to promote dance in public schools.

The Central Coast Dance 2001 Ensemble comprises students from both primary and secondary schools throughout the Central Coast. Also of particular note is the Narara Valley High School stage band, which was formed in 2000. Since then it has made a number of public appearances, more recently at the opening of the Narara Community Centre and at the Drug Prevention Expo at Kibble Park, Gosford. The band also has a wonderful vocalist. I congratulate all those who participated in Education Week celebrations on the Central Coast.

KEMPSEY DISTRICT HOSPITAL MENTAL HEALTH FACILITIES

Mr STONER (Oxley) [10.38 a.m.]: This morning I raise the issue of mental health facilities at Kempsey District Hospital. There is a significant mental health problem on the mid North Coast, particularly in the Nambucca and Macleay districts that are serviced by the hospital. There is a large Aboriginal community in the area and the districts are wracked by high levels of poverty, unemployment and drug and alcohol abuse, which manifest themselves in an unacceptably high incidence of mental health problems. For many years the community and the Kempsey Shire Council—one of its councillors, Paul Parkinson, is a qualified mental health nurse at Coffs Harbour and District Hospital—have called for the establishment of a scheduled mental health facility and scheduled beds at Kempsey District Hospital. Despite these calls, the only facility available was a voluntary admission ward situated in the main part of the hospital.

I have received several complaints in the past couple of years about disoriented mental health patients wandering the hospital and upsetting other patients in the general wards. The facility clearly was not satisfactory, but it was better than nothing—that is, until 3 July this year when Eunice Benedek, a voluntary admission patient, was tragically murdered in the mental health ward at Kempsey District Hospital and two nurses were bashed by another voluntary patient from the ward. The ward, which is known as ward 149, was closed immediately following these events—which was appropriate action on the part of the authorities.

However, it is now late September and there has been no attempt to reopen or fix the ward. As a consequence, this part of the mid North Coast—an area of huge need—is totally lacking in mental health facilities. On 5 September in this place I gave notice of my intention to move a motion calling on the Minister for Health to open a properly resourced scheduled mental health ward at Kempsey District Hospital as a matter of urgency. However, it is obvious that my motion will not be debated as Government business frequently overrides private members' business. I have received a letter from the Port Macquarie Division of General Practice Ltd, which states:

> The Division of General Practice is concerned about the effect of the current closure of psychiatric beds in Kempsey District Hospital now and in the long-term.
>
> We are aware that there are new psychiatric units due to open in 2002 in Coffs Harbour and Taree. However while this will meet a need for involuntary beds in the area its does not address the issue of voluntary beds at the local level. The process of finding voluntary beds and transferring a patient, if and when a bed becomes available, is costly, time consuming and distressing to the patient …
>
> From the perspective of the General Practitioner, not having beds available in Kempsey will simply add to the difficulties of treating psychiatric patients. This would compound the difficulty already encountered due to the lack of specialists. At the present time there are only two specialists in Kempsey, a physician and a psychiatrist. The latter is unlikely to be able to continue to practise in the town if there are no beds to which he can admit his patients. Such a situation would further complicate the often difficult relationship between GP and psychiatric patient.

This issue has received coverage in today's edition of the *Macleay Argus*, the local Kempsey newspaper. The article headed "Mental health furore; We're being fobbed off" states:

> A Kempsey health care provider has grave concerns over the future of ward 149, and Kempsey District Hospital in general …
>
> The health professional, who does not want to be named, was one of the key players at Wednesday's meeting in Kempsey when the future of psychiatric care in the town was discussed.
>
> "I feel we are just being fobbed off," the professional said.

The newspaper also carries the story of a carer whose 19-year-old son has bipolar and schizophrenic disorders. The article states:

> Now ward 149 is closed, the nearest unit is at Port Macquarie but according to mental health professionals, that unit is often full.
>
> People who need to be admitted then have to go to either Coffs Harbour or Newcastle.

The area health service is to take action in respect of Kempsey almost four months after the incident, and even that action is uncertain. I call upon the Minister to make an urgent decision to cut through the bureaucracy and red tape. No amount of reports will fix this problem: we require a commitment from the Government that it will provide and resource this public health service, which is absolutely essential to the people of Kempsey.

HIH INSURANCE

Mr McBRIDE (The Entrance) [10.43 p.m.]: On Wednesday 19 September the Minister for Fair Trading organised a briefing for members about the collapse of HIH Insurance, its impact on the building industry and the response of the New South Wales Government and related industry organisations to the problems created by that collapse. The collapse of HIH has had a devastating effect on the building construction industry on the Central Coast. As I discovered on Wednesday night, this is partly because HIH had written a large number of insurance policies on the Central Coast and in the Hunter region—which were apparently impacted most adversely by the collapse of that organisation. Builders and others associated with the construction industry have been forced to renew their insurance premiums in order to continue their work. The devastating effect on the Central Coast has been reflected in the avalanche of letters, calls and inquiries to my office and to those of other Central Coast members. I have some of those inquiries with me today. Margaret Walker of Regal Renovations and Co. Pty Ltd writes:

> We lodged an application with Dexta Corporation Limited (the company which has taken over this type of insurance from HIH Insurance) on the 2nd April 2001. Since that time we have followed up our application on a daily basis.
>
> To date we are still being asked questions, as the latest fax arrived on 18 June requesting further information. When we provide the information, it will normally take 7 to 10 days before any further response is received.
>
> Mr McBride, if we do not obtain a 'cover note' or some form of interim insurance, we will have no alternative but to close our doors and cease trading on Friday 22 June.
>
> This means that 50 people will be looking for new employment from Monday 25 June.

Clive Kennedy of Clive Kennedy Homes writes:

> Contrary to other reports that you may have received, the effects of this indemnity insurance debacle on the building industry are profound …
>
> We demand your immediate action to save our industry. Despite the entry of new insurers into the indemnity market, many builders are still unable to obtain cover in a timely manner and at a realistic premium. Time is rapidly running out before they are forced to the wall.

John Culbertson of Roofing Dynamics writes, in part:

> Up until April or May this year we were unable to keep up with demand for tiled roofs supplied and fixed but an incredible halt occurred noticeably in July and although many jobs are arriving at our office to be quoted hardly any actual work is coming in …
>
> The explanation from builders is that following the collapse of HIH Insurance they are finding it near impossible to renew their Home Warranty Insurance due to the lack of underwriters and the requirement of assets equal to the value of the work they wish to undertake.

Danny Fleetwood of Fleetwood Timbers Pty Ltd has organised a seminar about the problem of securing indemnity insurance, which is to be held at 7.15 p.m. on Thursday 27 September at Ningara Recreation Club on the Central Coast. At Wednesday's briefing it became apparent that this is a complex issue. As often occurs in such cases, the insurance industry had no way of managing the problems resulting from the collapse of HIH.

It annoys me that private companies are quite happy to take all the profits associated with their industries when things are running well, but as soon as there is a failure they turn to the government to somehow socialise their losses and find a solution. HIH, which insured about 30 per cent of builders throughout New South Wales, was not applying the same rigour to the profile of builders that were applied by other companies. Insurance companies say there is a low return in this area of insurance and because of the changed circumstances they are now applying new profiles and indicators for those profiles to determine which people will be eligible for warranty insurance. Unfortunately the process has been delayed and delayed.

The State Government has taken considerable action. It has assisted by actually paying for the wages of people who assist processing applications in relation to both HIH and Dexta, the two major insurers. More recently, because of the backlog, the Government has provided staff from the Department of Fair Trading to assist in the processing of that information. I hope that the situation will improve and that insurance companies will improve their action in this matter for the benefit of the whole of our community, but particularly small builders.

CAMDEN ELECTORATE COMMUTER CAR PARKING FACILITIES

Dr KERNOHAN (Camden) [10.48 a.m.]: Yesterday, I spoke about the concerns of commuters with respect to the cleanliness of Macarthur railway station, including the car park and walkway. Today I will speak about another factor that prevents my constituents, or rather deters them, from using the best method to get to the city, that is, public railways. My constituents who use Macarthur, Campbelltown or Leumeah railway stations drive there from Camden or further afield from rural areas such as Cobbitty, Orangeville, Werombi or The Oaks. They park their car and catch the train to Sydney. First of all there are not enough car park spaces, particularly at Leumeah, and people grab a spot wherever they can. More importantly there is no guarantee whatsoever that their cars will still be there when they return in the evening. There is no security whatsoever for cars parked at these stations. Campbelltown police are stretched to their absolute limit and there is no way they can routinely patrol these areas.

The average number of cars stolen each month in the Campbelltown patrol area, which includes those three stations, since October 1999 is 129, and in the past month 138 cars were stolen. They were not necessarily all stolen from railway stations but my guess is that at least one third of them were. When cars are parked at the stations there is no guarantee that their contents are safe. Stealing from cars in the past few months has averaged 142 per month but last month it was 207. The crime figures are increasing. I believe that our commuters would be willing to pay a fee on top of their weekly train ticket to ensure that their vehicles are still at the stations when they return of an evening. I understand that in Queensland some car parks have fences around them and they are open during certain hours of the morning and then locked until they are opened at the end of the working day. Something has to be done to provide secure parking because that would be a lot cheaper for my constituents than having to run a second car as most of them do at present. They use a cheap car because they are scared that a good car will be stolen. We try to get people to use public transport but this is not the way to do it.

Similarly, this Government is not helping people who want to use buses instead of their cars to get to the railway station. Buses are only available in certain areas in my electorate. In this Chamber I have complained bitterly about the traffic conditions on Narellan Road and the need for something to be done. If I were to catch an express bus from my home to Campbelltown railway station it would take half an hour. If it was not an express bus it would take three-quarters of an hour. Because of the traffic conditions that could be improved by the installation of traffic lights, it takes all traffic at least another 10 minutes in peak hour to get through that area. The Carr Government is ignoring the plight of commuters of Macarthur, particularly in Camden. It just does not give a damn about them. I wish the Government would wake up and see our problems, and please do something about it.

DEATH OF PATRICIA NASH

Mr MARKHAM (Wollongong—Parliamentary Secretary) [10.53 a.m.]: I bring to the attention of the Parliament the death of a very dear friend of mine, Patricia Nash, who was the secretary of the Bulli Miners Cottage Management Committee. Pat was 66 years of age when she died on 21 August and her funeral took place at Bulli cemetery on Wednesday 29 August. Patricia and her husband, Herb, were instrumental in establishing the miners cottage and memorial wall and rose garden at Bulli quite a number of years ago. Pat was an incredible woman and during the service she received accolades from various sections of our society. I was closely involved with Pat when she was secretary of the Bulli Miners Cottage memorial, which was dear to her

heart, and to the hearts of many coalminers and their families in the Illawarra. On 23 March 1887 there was a major mine disaster in the Illawarra and each year a commemoration takes place—I have been attending it for the past 11 years since I have been the local member.

On 23 March 2001 it was 114 years since that tragic accident at Bulli colliery, which was a sad day for the Illawarra. Historically, it is claimed to be the worst mining disaster in the world. Not only were 81 men and boys killed in the Bulli mine disaster but 150 children were orphaned and 50 women became widows in the wake of the explosion. The enormity of the situation is realised when it is understood that mining communities in those days, such as Bulli, were very close-knit. Following the devastation and destruction caused to these families, and without the provision of the dole or any social security, many were left out in the cold. It was left to the community to make sure that the families, widows and children of the mineworkers were looked after.

Many names of miners—more than 600—who have been killed in the southern district mines have been embossed on a memorial wall. In fact, the name of my great-grandfather appears on the wall. He died in a mining accident at Mt Keira on 31 August 1908, three years after my mother was born in 1905. When I first came to this place in 1988 I reserved that day, 31 August, to make my inaugural speech in recognition of and in dedication to my mother, my great-grandfather, and my father, who died on my mother's birthday.

Pat Nash was named Citizen of Wollongong in 1998 because of her support for children under the care of the Department of Community Services and her voluntary work at the Bulli Miners' Cottage. Pat supported hundreds of young people through her foster care of State wards, and provided training and supervision at Unanderra's Periodic Detention Centre. She also did volunteer work with numerous sporting associations. She was involved in things too numerous to mention. She always relied on the support of her husband, Herb, and together they worked tirelessly for the betterment of the community. Being the man he is, Herb will now take on the role previously held by Pat. I cannot speak highly enough of Pat—she was passionate about everything in which she was involved. She was a volunteer who lived for what she believed in. She will be sadly missed by all the people of the Illawarra. I pass on my deepest condolences to Herb, his children and his family. Pat Nash was an incredible person, one of the people we refer to as the salt of the earth. I thought it was appropriate for the Parliament to know of the work that very dear and loving woman has done. I am saddened by her passing.

TERRORIST ATTACKS ON THE UNITED STATES OF AMERICA

Mr GEORGE (Lismore) [10.58 a.m.]: I am proud to be an Australian-born son of Lebanese migrants who migrated to Casino, a town in the Lismore electorate. My parents, like all Lebanese people in my electorate, together with Lebanese people throughout Australia, have been devastated by the recent tragedy in America. Recently I spoke to Joe Arida, the Secretary-General of the World Lebanese Cultural Union, which represents the Australian Lebanese Association of New South Wales, the Australian Lebanese Christian Federation, the Lebanese Kataeb Party, the National Lebanese Liberal Party, the Lebanese Forces and the United Australian Lebanese Movement. Those organisations also are deeply saddened by what happened. On behalf of the Lebanese people I offer the American people our heartfelt condolences for this tragic and most horrific incident. We totally condemn and deplore these cowardly actions and hope that the civilised world will find an immediate mechanism to trace and punish the terrorists who masterminded and implemented this tragic attack.

We condemn any attack on democracy and freedom by extremists, regardless of where they come from. We join in prayer with the families, friends and loved ones of those killed and injured. We also offer our condolences to the Australian families who have lost their loved ones in this most tragic event. There is no doubt that this atrocity will be an indentation in human history. Whilst we feel that Australia should be compassionate and considerate towards the refugee issue, we support the Government's stand in protecting and preserving Australian sovereignty and the right to choose who comes here. To support those sentiments, last night I had the honour, in company with the honourable member for Epping, Andrew Tink, to attend a concelebrated mass organised by the Christian Maronite Order at Our Lady of Lebanon Church at Harris Park, led by Archbishop Hette. James McCarthy had the honour of representing the Consulate General of the United States of America to accept the sentiments, sympathy and prayers of the Lebanese community, which I also forward on behalf of the Lebanese community of Lismore and Australia.

Ms MEAGHER (Cabramatta—Parliamentary Secretary) [11.03 a.m.]: I congratulate the honourable member for Lismore on the sentiments he has conveyed to the House on behalf of Joe Arida and other prominent members of the Lebanese community in New South Wales and Australia. The events of 11 September certainly have rocked Australia's sense of self. One of the most important issues we as community

leaders must grapple with at this point in time is dealing with community calm so that we can prevent any retaliatory action from somewhat small-minded or nasty-minded people in the community. Recently I attended the Bonnyrigg Mosque, but only minutes before my arrival people had been cleared from the premises after a bomb threat had been received. No community should have to endure that unacceptable circumstance.

Australia prides itself on being a peaceful and harmonious community. Despite the numerous temptations to play out international events on domestic soil, our multicultural communities have refrained and have demonstrated their maturity as participants within this great community. We must all remember that we certainly do not settle any disputes or scores by turning on our neighbours; we really must work together to stand in solidarity against barbarous acts of terrorism. The sentiments from the Lebanese community would be most welcome to people of American descent and those who have lost loved ones in this great tragedy.

ACME MERCHANDISING

Mr CAMPBELL (Keira) [11.05 a.m.]: I congratulate Acme Merchandising on the establishment of its new manufacturing complex in Wollongong. Last week I had the pleasure of opening the new factory and congratulating Tony Blain, the owner of the company, Sue Ellen Macintosh, the general manager, and the staff. This 100 per cent Australian-owned company specialises in screen printing, and the design and sale of licensed apparel and headwear, specifically T-shirts, caps and bandannas that feature entertainers, cartoons, movies, television programs, sport and corporate trademarks, such as Harley-Davidson and Jack Daniels; and children's wear that features Bob the Builder, Bananas in Pyjamas, Loony Tunes and other lifestyle brands. The company has invested $2 million in the new complex. It now employs 24 staff from the Illawarra region and a number who commute from the southern suburbs of Sydney. The business previously was located in Rockdale.

Acme's target markets are gift and specialty stores, department and chain stores, sports stores and duty-free shops. Acme specialises in touring and event merchandise, and was a core licensee for the Sydney 2000 Olympic Games. The Montague Street site was purchased and renovated at a cost of $2 million and there are plans to add a retail outlet. Tony Blain is a keen collector of Harley-Davidson motorcycles and he plans to open a museum on the site. This will add to Wollongong's tourism structure and will also prove popular with many local residents. As the site is quite large, there are plans to develop other manufacturing warehouse workshops. The company and Wollongong City Council have been involved in pre-lodgment meetings, and it has recently lodged a development application to further expand the site.

Acme Merchandising recently purchased Motto Trading, an Adelaide-based company that specialises in the same sort of merchandise as Acme Merchandising. The integration of those businesses on the Fairy Meadow site has seen a further growth in the business. That will add to the employment base of the Illawarra. I am pleased to say that Acme Merchandising was assisted by the New South Wales Government, through the New South Wales Department of State and Regional Development, particularly under the Illawarra Advantage Fund. Quite clearly, the Illawarra Advantage Fund is meeting its aims by encouraging investment not only in the traditional manufacturing business and industry in the region but in the new areas of technology.

The New South Wales Government, of course, is committed to attracting new investment and new jobs to the Illawarra region and, under the Illawarra Advantage Fund, plans to win some 2,000 new jobs by the end of 2003. Since July 1999 the Department of State and Regional Development has processed 28 projects through the Illawarra Advantage Fund, resulting in approximately 1,680 jobs and attracting some $156 million in new investment. Of course, the city council is very much involved in and supportive of people who are proposing to relocate businesses to the region. Location there of companies such as Acme Merchandising will help the region as it seeks to promote itself nationally and to potential investors in the Sydney metropolitan area.

I acknowledge Rhonda Lawrie and Warwick McMillan from the Department of State and Regional Development for their work on this project. I acknowledge also some former colleagues on the Wollongong City Council, Matt Waugh, Nadine Luckman and Pierre Panozzo, all of whom worked extremely hard with Tony Blain and Sue Ellen Mackintosh to ensure that, within a period of about nine months from go to whoa, the decision was taken that the company would move. It bought a site that had been vacant for some time and redeveloped it at a cost of $2 million. A spirit of teamwork of State and local government and private enterprise has seen the establishment of this great manufacturing opportunity in the Illawarra. As I have said, that adds to the region's employment base. Last week, on opening the plant, I congratulated Tony Blain on his initiative. Equally, I wish him well and continuing success in his business. I look forward to hearing of its ongoing success as part of the economic infrastructure of Wollongong.

SOUTHERN HIGHLANDS FRUIT CROPS PROTECTION

Ms SEATON (Southern Highlands) [11.08 a.m.]: One of the very important agricultural products of the Wollondilly shire, within the Southern Highlands electorate, is pome and stone fruit, which has been grown in the area for more than a century. Orchard families including the Bicknells, the Biels, the Gapes, the Fergussons, and families such as the Silms, from Estonia, who escaped tyranny in World War II and made Australia their home, made our region famous for high-quality orchard produce to feed the demands of Sydney. These families formed the social and volunteer backbone of our region—they are the Rural Fire Brigade, the Probus Club, the Estonian Choir and the New South Wales Farmers horticultural group. These families have battled winds, drought and bushfire, but their major challenge at the present time is the brick wall they are facing in the form of the Carr Government's policies and apparent disinterest in this essential agricultural industry. Unlike their grower colleagues in central New South Wales, eastern seaboard growers are in the same habitat zone as the grey-headed flying fox.

In May 2001 the Scientific Committee listed the grey-headed flying fox as vulnerable. Growers and conservationists agree the major cause of the destructive effects of bat numbers on fruit crops is loss of habitat, and resultant feeding pressures for bat populations. Orchards provide food in a crisis for these animals which have lost natural food sources through all sorts of development, not just agriculture. The listing has placed an enormous financial burden on my local fruit growers, who are required in the next three years to abandon traditional licensed control methods for aversion and other methods which ban even minimal culling. For four years orchardists have been pushing the State Government to invest in research into aversion methods. Growers do not want to have to shoot at bats. They want to find other methods, but this needs investment in research—perhaps only a few hundred thousand dollars. The Carr Government has not taken up calls to help pursue research in Queensland into hydrogen sulphide gas—bad egg gas—aversion, and it rejected Coalition policy proposals at the last election to support research into humane, effective, practical, workable, aversion methods.

When I asked a question of the Minister for Agriculture this year about the research he proposed to sponsor, he said that farmers should use nets—which we know is expensive and causes fungal problems—and that he supported research into roosting sites and bat numbers, but he had not a single idea to offer about practical methods for growers to use to meet the obligations forced upon them. Growers do not want to be made into criminals because the Government has forced them into a corner with absolutely no practical alternatives. And they cannot afford to do all this research themselves, forcing them to have to raise their prices to cover research costs, and then become completely uncompetitive with inland and Victorian growers, who are not being asked to bear this burden. Eastern seaboard growers cannot recover these imposed research costs because they are price takers—they either take the price they are offered or their fruit rots and is valueless.

What is even more ironic is that it was not long ago that the National Parks and Wildlife Service [NPWS] presided over a research experiment gone wrong in a northern national park, in which thousands of horseshoe bats died when they were blocked in a cave and could not escape—they died of stress. No wonder fair-minded growers look with some cynicism at the advice being given to them by the NPWS and the big sticks and legal threats being waved in their direction. If the NPWS and the Carr Government are determined to stop farmers protecting their crops, but not provide them with any help to find workable alternatives, perhaps they will instead give a detailed explanation of the compensation they propose to give farmers who must simply walk away from their orchards. It seems to me that spending a relatively small amount on research is a lot cheaper than compensating hundreds of fruitgrowers each year, for losses due to flying fox feeding on their crops each season.

The Minister for the Environment might like to dip into his $17 million budget for his glossy environment television advertising campaign to get this research under way. Orchardists want to participate in conservation. They want to make an honest living and produce a great product. They do not want to shoot bats. At the moment this debate is one sided, and the burdens rest on the growers, and the NPWS and the Department of Agriculture are providing all the threats and none of the solutions. I urge the Minister for Agriculture and the Minister for the Environment to get out of their ivory towers, get in touch with growers, and work with them to find an answer that will preserve jobs and wildlife. Before coming into the Chamber this morning to make the statement I advised the Minister for Land and Water Conservation and the Minister for the Environment that I intended to speak about this subject today. I had hoped to get a response from both Ministers, or at least one of them, on this issue. I am disappointed that neither Minister is in the Chamber today. I will send them a copy of this statement in the hope that they will provide detailed answers and ideas on how the Government proposes to help growers with research into aversion methods.

PORT STEPHENS ELECTORATE STEEL PLANT

Mr BARTLETT (Port Stephens) [11.13 a.m.]: I bring some good news to the House today. It relates to the Austeel announcement yesterday that $1 billion in local construction work will go to local companies under an unannounced $2.5 billion contract for the Italian steelmaker Danieli to construct a steel plant, which looks like it will be in my electorate. In February this year the Austeel project received a boost when the Premier announced that New South Wales was putting in something like $240 million to bring this $5 billion project in Western Australia and New South Wales to fruition. The preferred sites for the plant would appear to be in the electorate of Port Stephens, either at Kooragang or Tomago. Recently I visited the United States of America. As an aside, might I mention that the honourable member for Wagga Wagga and I went up the towers of the World Trade Center some one month before the events of last week. While there I took a diversionary trip to Toledo, Ohio, where an area of about the same distance from Raymond Terrace or Mayfield to Tomago had been rezoned some three years ago.

The reason for my trip was that, as a boy who grew up in Stockton and Mayfield, the paradigm for me of a steelworks plant was what was on the river banks of the Hunter Valley foreshore and belching smokestacks. That, to many people in Australia, particularly those in Newcastle and the Hunter, is what those plants look like. I visited the Ohio plant with Danieli's assistance. The company kindly supplied a member of staff to accompany me. I spent five hours at the steel plant. I wanted to assess for myself the environmental impacts of such a plant on my electorate. When we arrived at the entrance to the plant I asked whether the plant was working. There was not a smokestack in sight. In winter, apparently, steeler's steam is visible off the roof.

The whole plant is encased inside a large steel building. There was certainly a large release of dust and swelling clouds of smoke during some parts of the afterburner's process, but it was all enclosed, it was all piped through vents to a bag and scrubber plant from which no emissions were noticeable. The plant, which will be the model for what is constructed in the Hunter, produces steel 24 hours a day. A continuous slab of steel, about 1.5 metres wide and 10 centimetres thick, rolls continuously. By the time the slab leaves the plant it is rolled and ready for car panels, fridge panels and the like, depending on the order. The plant in Ohio produces 1.65 million tonnes of steel per year on a staff-preferred roster of two 12-hour shifts. The plant in the Hunter will produce 3.85 million tonnes of steel per year and will be worth $2.5 billion annually.

I have displayed pictures of the plant in my office, and I welcome any viewing of them from any former BHP workers, their families and the Hunter community. As a boy I was raised looking at smokestacks, but not a smokestack is in sight. It is state-of-the-art steel production. If the plant proceeds it will generate 10,000 jobs during construction over a two-year period, and 1,400 permanent jobs on completion. It is proposed to start construction next June. The plant will be in a building envelope one kilometre by one kilometre to encase pollution. This state-of-the-art technology could secure an industrial base for the Hunter that will be the envy of every other region in Australia. There is no guarantee that the plant will go ahead. The project, which will cause no pollution problems, has my full support. Environmental problems caused by accessing the site may be a longer-term problem.

SPECIAL CONSTABLES

Mr ARMSTRONG (Lachlan) [11.18 a.m.]: The abolition of the office of special constable is of concern to my electorate. As honourable members would appreciate, it is a very old office in this country, as it is in the British policing system. I am informed by some local police and local special constables that draft legislation, if passed by this House, would result in the abolition of the office of special constable by January 2002. I have spoken to a number of special constables who are often employed as security officers, as well as a number of senior police officers in my electorate about the relevance, importance and effectiveness of maintaining the role of special constable in modern times. Everyone I have spoken to tells me that the office of special constable is beneficial and of great assistance to professional police, particularly when they are under stress and understaffed, and called to major events to deal with crowd problems, holding prisoners after a street brawl, or directing traffic after an accident.

Police officers tell me that special constables are both a necessary and important part of the strategic management of community and crowd control in policing. There is no performance management or complaints system for special constables. There is no way to detect or address inappropriate behaviour. Although that is a matter that could be examined, I would urge the Government to consider the role of special constables. Everyone in the community would agree, and I suspect that the Government also agrees, that policing in this State is in dire circumstances due to lack of personnel. Confidence in New South Wales policing in either the

suburbs or country towns is probably at an all-time low. I hope that the Minister for Police and Cabinet will take note of my comments. On balance, the office of special constable continues to serve an important function in assisting the management of policing in New South Wales. I ask that it be preserved.

DERELICT VEHICLES

Mr DEBNAM (Vaucluse) [11.21 a.m.]: I again bring to the House concerns in my electorate about community safety, specifically as it relates to derelict vehicles. On a number of occasions I have addressed this House on a scheme called "Donate It, Don't Dump It" that operates in my electorate and surrounding electorates to try to get people to remove derelict vehicles from suburban streets. The scheme, which has been in place for six months, has had early successes. The scheme will undergo a six-month review in the next few weeks, and I will report to the House on its progress. One aspect I would like to raise specifically is the concept of a central impounding yard. I raised this in a speech in this House on 12 April this year. It was also raised in February and May this year in questions on notice 1520 and 1772 addressed to the Minister for Local Government. The Minister's response made it clear that from the department's point of view local councils have enough power to remove derelict vehicles from the streets.

I would like to dwell on that, because it has become an issue of community safety. Currently my electorate and surrounding areas are experiencing a rash of dumped vehicles. One of the big concerns is that many vehicles are dumped in shopping centres. Given the international situation and the need for vigilance regarding security measures, I ask the House and the Government to consider how we can rid ourselves of the number of vehicles dumped in shopping centres and residential areas of various suburbs. On Wednesday night this week I talked about security and referred to the lack of police resources in my electorate. Yesterday the Premier addressed the House with a brief summary of counterterrorist measures in New South Wales. However, we need a great deal more detail about what action the Government has taken across the State, and certainly in every electorate. I am mindful of the lack of police resources and the lack of a visible police presence in my electorate. Dumped vehicles must now be viewed as a safety risk.

If the Government believes that councils currently have the power to remove such vehicles forthwith, I ask the Government as a matter of urgency to liaise with the Police Service, the Department of Local Government and local councils to reinforce the instruction that local councils remove those vehicles from the street. I am sure that those discussions will focus on the need for a central impounding yard. Although it is clear that in recent years it was the Government's intention to use suburban streets as the impounding yard, we are now in a completely different environment. Security is a first-order issue. The Government must quickly review the policy of using suburban streets as impounding yards, create a central impounding yard in major centres across New South Wales, especially in Sydney, and get councils to remove vehicles from the streets as a matter of urgency.

It is of extreme concern that currently we are seeing a rash of dumped vehicles. It may well be that a number of backpackers in Australia have decided to head home as result of international tension and, as result, have dumped vehicles in a number of places. This dumping of vehicles at shopping centres is a matter of great concern. Does the Government believe that councils have the power to remove these vehicles if they are a public safety issue? I stress again that it is clear to me that it is an issue of public safety. The police, the Department of Local Government, councils, and the Local Government Association should, as a matter of urgency, clarify the guidelines and ensure that action is taken immediately to remove any derelict vehicles from residential streets and shopping centres.

Miss NATACHA EVANS LEUKAEMIA QUEST

Miss BURTON (Kogarah) [11.26 a.m.]: I wish to tell the House about Natacha Evans, a special student who is 10 years of age and attends Carlton Public School. Natacha joined the leukaemia quest in January 1999 after seeing an advertisement on television about leukaemia. Natacha has been responsible for organising many fund-raising events. For the past two years she has been the highest fundraiser for the Leukaemia Foundation in New South Wales, which is quite an achievement. It is amazing, when we take into account Natacha's achievements, that a girl so young has such commitment to a cause. She must be commended for organising all these wonderful events for such a worthy cause.

Some of the fund-raising events which Natacha has organised or participated in include: the world's greatest shave for a cure, which was held in March 2000 at Westfield, Hurstville—an annual event organised by the Leukaemia Foundation—multiple garage sales; and lunch for leukaemia in June 2000 with special guest

Glenn A. Baker, the rock music journalist. Natacha has sold lots of merchandise from the Leukaemia Foundation, such as bear pins and teddy bears. In July 2000 Natacha had to go through a judging panel and she was awarded the title Junior Ambassador for the most money raised in her age category. She was also awarded the title of Fundraising Ambassador for being the highest fundraiser in all New South Wales. Natacha was also the second highest fundraiser in all Australia.

After just six months the total amount of money raised by Natacha was $35,516. As ambassador, Natacha continued to raise money and organised for the Leukaemia Foundation to give Christmas presents to her special friend Robbie Lelliot after having met him and finding out that he had leukaemia. Natacha, who was then determined to keep raising funds, decided to rejoin the leukaemia quest and educate people about this debilitating disease. Robbie Lelliot, who is three years old, got his final clearance in August. He is one of the few children with this dreaded disease to have survived for a fairly long period. Other fund-raising events that Natacha has organised include: swim for a cure at Bexley pool; shave for a cure at Westfield, Hurstville; a dinner auction at Arncliffe Scots Baseball Club; and a Latin dance at Bexley Returned Services Leagues Club.

The most exciting event that Natacha organised was the walk to Wollongong. On that walk she was joined by her parents, her brother and one of her schoolteachers. Even the New South Wales Leukaemia Foundation administrator got into the act and joined Natacha in her walk to Wollongong. Natacha was delighted as she not only raised money; she made the community aware of this disease and she received quite a bit of media coverage as a result. Natacha has had a lot of support from people like her parents and schools in the St George area. The principal at Carlton Public School, Gavin Patterson, went under the clippers two years in a row and other students and teachers also participated.

Bob Ramsey, the principal at Hurstville Boys High School—the school attended by Natacha's brother—also went under the clippers for two years running. Teachers at Arncliffe Public School and St Gabriels Public School also participated in that event. Leukaemia is one of the most common forms of childhood cancer, but there is still much to learn from this disease. Each year about 6,640 Australian adults and children are diagnosed with leukaemia or related blood disorders. About three in 10 adults who are diagnosed with leukaemia will go on to live a normal life, while seven out of 10, pre-puberty, will survive the disease.

NORTHERN SYDNEY AREA HEALTH SERVICE FUNDING

Mr BARR (Manly) [11.31 a.m.]: I have spoken in this House before about the urgent need for an injection of capital funding into hospitals in the northern beaches area. I have spoken about crumbling buildings, out-of-date infrastructure and the problems being faced by staff who are trying to perform modern medicine in antique surroundings. I could paint a picture of the neglect and underfunding of these hospitals, but I have figures that demonstrate much more clearly exactly what has been happening to health care in my area. My analysis of New South Wales budget figures over the past 12 years reveals that the Northern Sydney Area Health Service is the most grossly underfunded health service in the Sydney metropolitan area.

The northern Sydney area, which has about 16 per cent of the population in the Sydney metropolitan area, ranks first in population size amongst the area health services. It is followed closely by South Eastern Sydney Area Health Service and South Western Sydney Area Health Service. However, it ranks a shocking last in relation to funding. The 16 per cent of Sydneysiders who live in the northern sector received only 2.6 per cent of health capital funding over the past 12 years. In contrast, the comparable number of people who live in the south-eastern sector received more than seven times as much. That is a scandal. Over the past 12 years northern Sydney has had no major hospital upgrade, apart from the relatively minor refurbishment of Royal North Shore Hospital.

In contrast, all other areas have either had, or they are scheduled for, major capital construction projects. Let me list some of the big ticket items. Central Sydney has had a new hospital at Canterbury at an estimated cost of more than $80 million. South-east Sydney has had over $600 million spent on various upgrades of hospitals and the construction of the Royal Hospital for Women. Wentworth area has had a major upgrade of Nepean Hospital at a cost of $58 million. South-western Sydney has seen the redevelopment of Liverpool Hospital, at a cost of more than $180 million; the redevelopment of Bankstown Hospital at $67 million; and the redevelopment of Sutherland Hospital at $80 million. Western Sydney has had a $90 million upgrade at Mount Druitt and Bankstown hospitals.

The Hunter area will receive $234,000 over seven years for the major construction and redevelopment of Belmont hospital and the Mater hospital. The Illawarra area received $62 million for its redevelopment

strategy, $28 million for Shoalhaven hospital and $20 million to upgrade Wollongong Hospital. The central west, which had previously been the most neglected area after Northern Sydney, was recently allocated $190 million for the redevelopment of both Gosford and Wyong hospitals. Yet north Sydney over a whole 12-year period has had a total of less than $80 million spent on capital works. That is a pattern of neglect by governments of all political persuasions.

I am calling for a fair go. It is our turn for funding right now. Over the past 18 months the Northern Sydney Area Health Services has been undertaking extensive community consultation as that is the most appropriate way forward. In the southern part of the peninsula, which accounts for over 75 per cent of northern beaches residents, there is support for a new facility at the demographic centre. At the Pittwater end of the peninsula there has been a strong push for Mona Vale to be the new centralised facility. Recently, with some fanfare, an offshoot of the Save Mona Vale Hospital Group unveiled three options, all of which centred around Mona Vale Hospital being upgraded to serve as a central facility, with Manly hospital playing second fiddle.

That is not a reasonable or tenable way to go. A new acute facility should be provided where the largest number of people are, not where a vocal minority find it convenient. Health planning must be based on facts, not emotions and misrepresentations. A recent report, which sets out the future of health care planning, points clearly to the solution on the northern beaches. The report of the Greater Metropolitan Services Implementation Group, which is universally endorsed by medical professionals and health planners, states that the future is "a smaller number of centres for super-specialised services with high levels of experience, expertise, patient throughput and resources", combined with, "delivering continuing care in more places close to where people live". That is exactly the model proposed by Better and Equitable Access to Community and Hospital Services [BEACHES], a non-party political group that was formed to call for a sensible solution for health care on the northern beaches.

We support a single new acute centralised hospital near the demographic centre of the peninsula. That would be supplemented by community care and support services at the two existing hospitals—Manly and Mona Vale. Some people have dismissed this as a dream, but the reality is that this is the best way forward. Logic and necessity demand it. It is time for all the parties involved in the future of health care in the northern beaches area to pull together to get the funding to which they are entitled. BEACHES is doing its part. Over the next few weeks 40,000 flyers will be distributed as well as many bumper stickers, and a banner will be placed over the Ethel Street overpass. I call upon my colleagues in this House to support this push. I call on the Minister to commit to providing the health care funding that northern Sydney so desperately needs. If everyone in the northern beaches area pulls together we will all be winners.

HOPETOWN RESIDENTIAL CARE SCHOOL

Mr HARTCHER (Gosford) [11.36 p.m.]: I bring to the attention of the House the plight of HopeTown, a residential care school at Wyong just outside my electorate on the Central Coast. A number of parents in my electorate have children who attend this school. They have met with me and have brought the needs of the school to my attention. HopeTown is a school for students with special needs. The children who attend HopeTown have a range of disabilities. Some have severe autism, others have developmental difficulties, and others have other moderate intellectual disabilities.

HopeTown started in 1987 and is run by the HopeTown Wyong Limited charity. It has been recognised internationally as a model in special-needs education. All of the children at HopeTown behave in a very challenging, often difficult manner, making normal home life almost impossible. Because of this, HopeTown functions as a live-in school. Students are provided with the best possible care, and parents have a caring, professional support structure around them and around their child. The aim of the residential care program is one of transition: staff members work with the students and their families over a six-month to 18-month period. They bring each child to a point where they can return to live with their family, their community, and even to participate in mainstream educational programs.

HopeTown has had many success stories. Let me tell you about just two of them. Alex is a 14-year-old boy with autism and attention deficit hyperactivity disorder [ADHD]. His mother said his behaviour was "fraught with rage, aggression and depression, which in turn brought about confusion, bullying and isolation". Since enrolling in HopeTown School and its residential care program, Alex has developed significant social skills and independence. He can now ride a two-wheeler bike. He has also discovered that he is gifted in the language of music, and he now sings, plays guitar and writes his own music to express his feelings.

Phillip, another 14-year-old, has multiple disabilities, including Tourette's Syndrome and pervasive development disorder. At home he physically and verbally abused his parents. His obsession with being with

other children often led him to wander away from his home and once he was knocked down by a car. He has also jumped from a moving vehicle. HopeTown has assisted Phillip in many ways. His father states that in a short space of time Phillip has become less aggressive and more able to be reasoned with. He writes:

> Whereas family life was previously completely intolerable, Phillip now has progressed to the point where family life for the first time is becoming enjoyable.

In fact, a number of past students are living fulfilling, successful lives. One is now a qualified farrier. Another, Kathy, owns a hairdressing salon. Andrew is a Paralympian, Neville is a jewellery designer and Michelle won a disabled apprenticeship award and is now a fully qualified chef. Each of these students and their families have a story to tell. They sing the praises of the HopeTown program long and loud. Unfortunately, the New South Wales Department of Community Services does not seem to be listening.

Because the residential care facility has more than five children, a carer and dormitory-style accommodation, the department considers it to be an institution. If HopeTown goes, what alternatives remain for these students? The Department of Community Services has offered no alternative solutions that even begin to match what the parents feel their children receive from the live-in care at Wyong. Indeed, I have been informed that the Department of Community Services has placed several children with challenging behaviours in the program. I was told that they placed three children there this year, as recently as June. HopeTown is a good facility, which has received acclaim from many sectors of the community.

HopeTown is seeking $200,000 for next year to prevent the residential care program from closing. This funding is required to meet the shortfall for 2002, but the centre also requires ongoing recurrent funding. At approximately $15,000 per child per year, it is a cost-effective way to meet the needs of disabled children, when one considers that family placement costs the department almost $2,000 per week. The Department of Education and Training funds the educational aspect of the school. However, the real value of the program lies in the live-in care and support the children receive. In the words of one parent who wrote to me:

> We are not asking for a free handout; we are asking for the Government to meet the needs of the disabled and their families.

At the moment departments are shifting the responsibility for such funding on to others. While various reviews by government departments in recent years—the Premier's Department and the departments of Community Services and Health—have concluded that the program is valuable and should be funded by the Government, no department has claimed responsibility for such funding. The Department of Education and Training is saying that residential care does not fall under it. The Department of Community Services say that it is an institutional-type facility and should therefore be phased out.

HopeTown is not an institution. It is a place of hope, of education and of care. The many success stories of past students attest to that. Unless it receives an immediate injection of funding, HopeTown will be forced to close its residential care facility. I urge the Minister for Community Services to reconsider the funding options available for this program, to give as many people as possible with intellectual and behavioural disabilities the opportunity for the best training for their adult life in our community.

WATTLE GROVE PRIMARY SCHOOL

Ms MEGARRITY (Menai) [11.41 a.m.]: On the morning of Thursday 13 September I attended the official opening by the Minister for Education and Training of Wattle Grove Primary School. The new $5.2 million primary school at Wattle Grove has indeed delivered a multimillion-dollar educational boost for students in the electorate of Menai. Wattle Grove Primary School in Cressbrook Drive, Wattle Grove, actually took its first students at the beginning of the year. The new school includes 14 classrooms, library, hall, canteen, covered outdoor learning area, a games court, administration, student and staff facilities and a bus lay-by.

The new school has been built to the most modern design and accommodates the latest technology and equipment. Every classroom is connected to the Internet, allowing students to communicate electronically within the school and across the globe. The school brings the latest teaching and learning opportunities for local families in my electorate. It is also good news that the entire community, including that outside of the school, will be able to use the hall for concerts, fetes, meetings, seminars, indoor sports and dances. The official opening of the school is the realisation of one of the major 1999 election commitments by the Carr Government.

The planned purpose of the school was to accommodate the large number of families that had moved into the new suburb of Wattle Grove in the previous five to seven years. It is important to reiterate the original

purpose of the school, because history, as it relates to the school, has been rewritten to some extent in recent times. When I was the candidate for the new seat of Menai the nearby Moorebank Public School was facing a dilemma. The Federal Government had announced its intention to sell Yulong Fields, the grounds on which Moorebank Public School was located.

Mr Knowles: Excellent former local member, I might add.

Ms MEGARRITY: Indeed. I know that the Minister for Health, the former member for Moorebank, assisted the community to try to come to terms with this dilemma of whether to stay and fight to retain their beloved Moorebank Public School, or make a decision about where to accommodate their students with the least amount of stress upon them. I undertook to support the school in whatever decision it made. The school believed it ultimately would not win the fight because the Federal Government was determined to sell the land to the highest bidder.

I approached the Minister for Education and Training, John Aquilina, and said that we needed to support the students and assist them. To his credit, he pledged his complete support and made arrangements to accommodate students and staff at the new Wattle Grove Public School. I pay tribute to the school because, once that decision was made, the staff, students and parents made every effort to put their very best foot forward and make the new school their home. It was a big deal for them. There was a larger number of students and a very new environment to deal with. As I said, they really did put every possible effort into it.

At the time when these arrangements were taking place and the packing-up was under way at Moorebank Public School, the new Wattle Grove school was taking shape. I made many visits to the site, together with the Minister for Education and Training, and the Minister for Public Works, to watch the new school taking shape. The final presentation night at Moorebank Public School was a sad event. The students sang the song *So long, farewell* from the musical *The Sound of Music*. It really reflected not only the sadness with which the students were saying goodbye to Moorebank Public School, but also their sense of resignation. Just as the children in the musical were finally resigned to the fact that they had to go to bed, the students accepted that Moorebank Public School was coming to an end and that they had to move on.

The Principal, Alan Hamblen, Deputy Principal, Nick Ciraldo, staff, students and parents really deserve the credit because they came together with new students, those who were coming into the new Wattle Grove school, and they had some challenges to face. Neither the hall nor the canteen were ready when the students moved in at the beginning of the year, and the turf had only been laid the week before. That presented challenges in respect of where the children would play. They worked through all those issues and the culmination was what we witnessed last Thursday morning, a magnificent opening of a magnificent school.

On the morning of 13 September the students gave a performance and sang songs that had been sung at the Olympics. To be honest, less than 48 hours after the tragic events in New York and Washington it was very uplifting to hear some of the joy that had been part of the Olympic Games, only one year earlier. However, the students made sure that they paid tribute to those who died in the American tragedy. There were very mixed feelings on the day. We had a brand new school and all the benefits that that brought, the sadness of what had happened in the previous 48 hours, and the fact that Moorebank Public School had ceased to exist. It is, however, incorporated on the school logo and is very much a part of the history of Wattle Grove Public School.

Private members' statements noted.

BUSINESS OF THE HOUSE

Bills: Suspension of Standing and Sessional Orders

Motion by Mr Knowles agreed to:

That standing and sessional orders be suspended to allow the introduction and progress up to and including the Minister's second reading speech of the Human Reproductive Cloning and Trans-Species Fertilisation Bill and the Gene Technology (New South Wales) Bill forthwith.

GENE TECHNOLOGY (NEW SOUTH WALES) BILL

Bill introduced and read a first time.

Second Reading

Mr KNOWLES (Macquarie Fields—Minister for Health) [11.48 a.m.]: I move:

That this bill be now read a second time.

Gene technology is a powerful new technology which is developing at a rapid rate. Gene technology involves the modification of living organisms by incorporating or deleting one or more genes to introduce or modify specific characteristics of the organism. Potential benefits from the use of the technology may include improved health, a safer and more secure food supply and a more sustainable environment. However, the ability to introduce genes from one species to a difference species can raise concerns about unintended effects on human health and safety and the environment. There are also broad ethical concerns about manipulating genes, the building blocks of life.

While the development and use of some genetically modified organisms and genetically modified products have been regulated by a variety of Commonwealth, State and Territory laws and administrative bodies, there have been gaps in the regulatory scheme. The Genetic Manipulation Advisory Committee and the interim gene technology regulator set up by the Commonwealth has previously considered proposals for such a development involving gene technology. However, because of weaknesses and gaps in these arrangements, the States, Territories and the Commonwealth have been working together over a number of years to establish a co-operative and nationally consistent regulatory scheme for gene technology that is not already regulated.

The new regulatory scheme is a national scheme, not a Commonwealth scheme. It involves the adoption and application of the Commonwealth gene technology laws by the States and the Territories. The Commonwealth Gene Technology Act 2000 and the Gene Technology (Licence Charges) Act 2000 commenced on 21 June this year. The bill before the House provides the New South Wales component of the new nationally consistent regulatory scheme. It applies the Commonwealth gene technology laws as laws of New South Wales but with a singular exception that I will later come to. The passage of the bill will ensure that the national regulator of gene technology established by the Commonwealth Gene Technology Act 2000 has the power to act in the State wherever gene technology is used.

The new regulatory scheme is designed to protect the public health and safety of people and to protect the environment from risks associated with gene technology. It also takes into account ethics considerations. It provides a clear path to market for producers of those types of gene technology products that fall outside the mandate of existing regulators. The scheme provides for independent, legally enforceable auditing and monitoring of compliance, and provides for community consultation and transparency in decision-making.

The Gene Technology Ministerial Council will be established. It will consist of Ministers from the Commonwealth and each participating State and Territory. The council will oversee the operation of the gene technology regulator and issue policy principles, policy guidelines and codes of practice. Policy principles may be issued by the ministerial council to deal with ethical issues, to recognise areas for genetically modified crops or non-genetically modified crops being areas designated under State laws for marketing purposes, and for other purposes that may be specified by regulation.

The legislation uses a range of regulatory tools to control activities with genetically modified organisms based on the level of risk posed by the proposed activity. All activity with genetically modified organisms are prohibited unless the activity is an exempt dealing, a notifiable low-risk dealing, licensed by the regulator, or entered on the register of genetically modified organisms. The Commonwealth gene technology laws provide for the establishment of the Gene Technology Regulator. This is a statutory position, the holder of which reports directly to Commonwealth Parliament. The Gene Technology Regulator is an independent decision maker on licence applications. Nevertheless, the Gene Technology Regulator may not issue a genetically modified organism licence where this would be inconsistent with a policy principle issued by the ministerial council.

In considering licence applications, the Gene Technology Regulator will undertake scientific risk assessment and consultation with the statutory advisory committees, governments and the public. All applications for genetically modified organisms to be released into the environment will be made available to

anyone who wishes to see them. They will also be forwarded to each State and Territory government for advice. The regulator may also undertake or commission research on risks posed by genetically modified organisms. The Gene Technology Regulator is also responsible for monitoring activities involving genetically modified organisms. The regulator is responsible for enforcement activities involving genetically modified organisms. The regulator has a broad range of enforcement powers, including the ability to issue directions, cancel or suspend licences and seek injunctions. Stringent penalties are provided for breaches of the legislation.

The regulator maintains a GMO record for the assistance of the public. This is a centralised database recording all licences of genetically modified organisms and genetically modified products approved in Australia. The regulator also reports annually to Federal Parliament, with copies of reports provided to the States and Territories for reporting to their parliaments. The gene technology legislation establishes three tree advisory groups to assist the ministerial council on gene technology and the regulator. The principal functions of these committees are as follows. The Gene Technology Technical Advisory Committee will provide scientific and technical advice to the Gene Technology Regulator on each licence application. The Gene Technology Community Consultative Committee will provide community views. The Gene Technology Ethics Committee will provide advice on the ethics of gene technology, appropriate ethics guidelines and many necessary prohibitions.

When the Commonwealth bill was introduced in Federal Parliament in June 2000 it included no provisions relating to human cloning or to human animal cell experimentation. However, the Commonwealth legislation includes bans on the cloning of human beings and certain human animal cell experimentation. These prohibitions were included as a result of amendments made in the Senate to the Commonwealth Gene Technology Act. The Commonwealth Government has clarified that these prohibitions were included as an interim measure until all States and Territories have nationally consistent legislation in place to comprehensively ban the cloning of human beings. The provisions relating to human cloning and human animal cell experimentation in the Commonwealth Gene Technology Act 2000, namely, sections 192B to 192D, are not adopted in this bill as the New South Wales Government will be introducing separate legislation on these issues immediately after the cessation of this second reading speech.

Tasmania has already passed legislation for its participation in the national scheme. Western Australia and Victoria recently introduced some legislation. The Government believes that the proposed national scheme has significant advantages over each State and Territory establishing its own regulatory system. The New South Wales bill will ensure that New South Wales is a part of the co-operative and national regulatory scheme. It will provide greater consistency in decision-making across Australia, resulting in increased protection of public health and safety and the environment. I commend the bill to the House.

Debate adjourned on motion by Mrs Skinner.

HUMAN REPRODUCTIVE CLONING AND TRANS-SPECIES FERTILISATION BILL

Bill introduced and read a first time.

Second Reading

Mr KNOWLES (Macquarie Fields—Minister for Health) [11.59 a.m.]: I move:

That this bill be now read a second time.

The Human Reproductive Cloning and Trans-Species Fertilisation Bill prohibits two unethical and unacceptable practices in the field of reproductive technologies. The first is cloning of a whole human being. The second is the creation of animal-human hybrids. Reproductive cloning involves the creation of a living human being who is a copy of another living human being or a previously living human being. It is a practice which the community generally considers to be unacceptable and contrary to human dignity. Until relatively recently cloning of human beings was considered a remote possibility. However, the development of recent cloning technologies in animals has brought home the prospect of cloning human beings in the future.

A number of eminent Australian and international bodies have condemned human reproductive cloning. The United Nations Educational, Scientific and Cultural Organisation Universal Declaration on the Human Genome and Human Rights describes reproductive cloning as being contrary to human dignity. The Fiftieth World Health Assembly adopted a resolution affirming that the use of cloning for the replication of human beings is ethically unacceptable and contrary to human integrity and morality. In Australia, the National

Health and Medical Research Council's Ethical Guidelines on Assisted Reproductive Technology describe reproductive cloning as a prohibited and unacceptable practice. Similarly, the Fertility Society of Australia lists cloning of human beings as unacceptable in its code of practice for accredited members. The Australian Academy of Science, in its position statement on human cloning, has stated that reproductive cloning is unethical and unsafe and should be prohibited.

Honourable members may be aware that Australian health Ministers have agreed that States and Territories should pursue a ban on human reproductive cloning in their own jurisdictions. Commonwealth, State and Territory representatives have met to discuss the best way of implementing such a ban. This bill implements the health Ministers agreement in New South Wales. The House of Representatives Standing Committee on Legal and Constitutional Affairs, known as the Andrews committee, recently handed down its report on human cloning. It also recommended that human reproductive cloning be banned.

Although many jurisdictions have recognised the need to ban human reproductive cloning, difficulties have arisen in adequately defining that term to ensure that all cloning technologies are covered. There has been a great deal of debate in legal and scientific circles as to whether existing State and Commonwealth legislation which purports to ban human cloning extends to the technology which was used to create Dolly the sheep. This debate arises because existing Australian prohibitions only outlaw the creation of genetically identical clones. The technology used to create Dolly the sheep, known as somatic cell nuclear transfer, results in an offspring which has the same genome as the original, but which is not exactly genetically identical to the original.

This bill has been drafted to cover cloning undertaken by different technologies, including the technology used to create Dolly the sheep. The bill renders it an offence to create a cloned human who is a genetic copy of another human. The definitions make it clear that the clone does not have to be an identical copy. It is sufficient that the genes found in the nucleus of the original person's cells have been copied to create the offspring. The bill also prohibits attempts to create cloned humans, even if those attempts fail. The bill prohibits the intentional gestation of cloned embryos in the body of a human or an animal. These provisions ensure that individuals cannot escape prosecution simply because their attempts at cloning did not succeed.

The bill does not prohibit embryonic stem cell research or so-called therapeutic cloning. These are technologies which involve research on embryos, but do not involve the creation of whole human beings. The issue of embryo research and the extraction of embryonic stem cells is a complex one which requires further debate and consideration by our community. New South Wales is participating in discussions with other States and Territories and the Commonwealth in relation to nationally consistent approaches for the regulation of assisted reproductive technologies, including stem cell research and therapeutic cloning. The recent recommendations of the Andrews committee in relation to these issues will be considered in this context.

In New South Wales, the Department of Health has been conducting a review of the Human Tissue Act in relation to assisted reproductive technologies. The review involved the production of a discussion paper, together with a call for public submissions. The department received a large number of submissions, and conducted extensive consultation. The New South Wales review will be informed by the Commonwealth-State discussions. Any recommendations for legislation in New South Wales arising from the review will be subject to appropriate community debate and consideration as to the regulatory requirements which should be put in place.

This bill also prohibits the creation of embryos which are hybrids of a human and an animal, also known as trans-species fertilisation. The creation of an organism which is the offspring of both an animal and a human is completely unacceptable. This prohibition prevents the creation of any embryos which would be the starting point for the development of any such offspring. The creation of hybrid embryos is currently listed as an unacceptable and prohibited practice by National Health and Medical Research Council guidelines. The report of the Andrews committee also noted that the creation of hybrid embryos should be prohibited.

The bill prohibits the creation of hybrid embryos, not only by the mixing of animal and human gametes but also through the technology of somatic cell nuclear transfer. The prohibition extends to any hybrid embryo which has the potential to develop, even through the early stages of cell division. Attempts to create hybrid embryos are also prohibited. It does not matter that the hybrid embryo did not, or could not, survive. The bill also prohibits the gestation of a hybrid embryo. This ensures that a person cannot bring a hybrid embryo created in another jurisdiction into New South Wales and cause it to be gestated in the body of a human or an animal.

Members will be aware that I have introduced the New South Wales Gene Technology Bill 2001. That bill applies the Commonwealth's Gene Technology Act as a law of New South Wales. The gene technology

legislation is the basis of a national scheme for regulating genetically modified organisms. The Commonwealth's Gene Technology Act contains provisions regarding human cloning and the mixing of animal and human cells. These provisions are the result of amendments made to the Commonwealth bill during its passage through the Senate. They are not part of the agreed scheme to regulate genetically modified organisms. The Commonwealth has made it clear that they are intended to be a stop-gap measure until all States and Territories have their own legislation in place to ban cloning of human beings. Once this occurs, these provisions of the Commonwealth's Gene Technology Act will be repealed. The passage of this bill will result in New South Wales having its own provisions which ban human cloning and trans-species fertilisation.

The penalties for reproductive cloning and trans-species fertilisation in this bill mirror the penalties in the Commonwealth Gene Technology Act. The maximum penalty is 10 years imprisonment. By virtue of the Crimes (Sentencing Procedure) Act, a fine can also be imposed instead of any sentence of imprisonment. The maximum fine that may be imposed is, at present, $110,000 for an individual, and $220,000 for a corporation. It is important that New South Wales has legislation which prohibits the creation of human clones and animal-human hybrids. This bill contains an effective and comprehensive ban for New South Wales and I commend it to the House.

Debate adjourned on motion by Mrs Skinner.

POLICE SERVICE AMENDMENT (TESTING FOR GUNSHOT RESIDUE) BILL

Second Reading

Debate resumed from 18 September.

Mr TINK (Epping) [12.08 p.m.]: The object of the bill is to amend the Police Service Act to enable the testing of police officers for gunshot residue following the discharge or suspected discharge of a firearm by a police officer. I note in particular that the bill is designed to deal with the current common law position whereby police are tested as volunteers without specific legislative basis. The provisions of the Crimes (Forensic Procedures) Act as they now stand would enable the police to refuse testing as volunteers, which could lead to their being tested as suspects when they do not deserve that tag. The bill regularises the common law situation, which currently is less than satisfactory. I understand from speaking with Peter Remfrey of the Police Association that front-line police support the bill, as does the Opposition.

Mr BARTLETT (Port Stephens) [12.09 p.m.]: I support the Police Service Amendment (Testing for Gunshot Residue) Bill. Police officers face many challenges in their day-to-day work. Irrational individual behaviour can bring life-threatening situations when least expected. At Crescent Head there is a memorial to two police officers who were attending a domestic violence dispute and who died in the course of their duty. So we need to balance threats and responses with professional skills and training to provide the correct response to life-threatening situations for police in terms of using their weapons when necessary. However, one hopes that their professional skills and training, as much as possible, will lead them to handle a life-threatening situation in other ways. When a situation is life threatening it causes an enormous amount of stress.

This bill amends the Police Service Act 1990 to enable the testing of police officers for gunshot residue following the discharge, or suspected discharge, of a firearm. At present police officers are tested for gunshot residue following the discharge of a firearm on a voluntary basis. This bill will give legislative power to procedures already being undertaken. As has been said, police officers who do not volunteer to take part in these procedures must be treated like a suspect. The Police Association fully supports this bill to bring the legislative requirements in line with what is currently happening. As someone who wore a military uniform for 16 years, I will give every support to measures that increase the security, or decrease the stress, of the work environment of police officers. Therefore the bill has my support.

Mr GAUDRY (Newcastle—Parliamentary Secretary), on behalf of Mr Whelan [12.11 p.m.], in reply: I thank the honourable member for Epping and the honourable member for Port Stephens for their contributions to the debate and their recognition of the importance of this bill in terms of ensuring that police are tested for gunshot residue following the discharge of a firearm in an appropriate timeframe and manner. As has been said, the bill introduces legislative provisions that continue the operation of current Police Service policy in relation to gunshot residue testing. It is important that the testing of police for gunshot residue is undertaken appropriately as provided for by this bill so that the Police Service, affected police officers and the community generally know what has happened in the event of the discharge of a firearm by a police officer. I commend the bill to the House.

Motion agreed to.

Bill read a second time and passed through remaining stages.

POLICE POWERS (VEHICLES) AMENDMENT BILL

Second Reading

Debate resumed from 18 September.

Mr TINK (Epping) [12.13 p.m.]: The Opposition supports the Police Powers (Vehicles) Amendment Bill, the objects of which are significant and wide-ranging in terms of providing police with the power to ask questions of people in motor vehicles suspected of being used in or in connection with the commission of indictable offences, amongst other things. Specifically, the objects of the bill are:

(a) to make it clear that the same identity particulars (that is, name or residential address, or both) may be required of both drivers and passengers of vehicles suspected of being used in or in connection with the commission of indictable offences, and

(b) to make it clear that police powers relating to obtaining information about the identity of drivers of, or passengers in or on, vehicles suspected of being used in the commission of indictable offences also extend to vehicles suspected of being used in connection with the commission of such offences, and

(c) to require passengers in or on vehicles suspected of being used in or in connection with the commission of indictable offences to disclose their identity or the identity of the driver or any other passengers, and

(d) to give police officers power to request drivers of, or passengers in or on, vehicles who are required to disclose their identity to provide proof of that identity, and

(e) to remove the requirement for a police officers to obtain the authorisation of a senior police officer before exercising vehicle search and stop powers (other than road block powers).

In considering this bill, it is important to mention a number of matters. First, the principal legislation, the Police Powers (Vehicles) Act, was reviewed by the Ombudsman, who had responsibility for monitoring its the first year of operation and to report thereafter. That report was made, and a number of matters highlighted by the Ombudsman have subsequently been reviewed by the police ministry. A number of procedural and technical issues have arisen as a result of how the courts have interpreted the principal Act. Narrow interpretations of the powers provided in the original legislation have caused practical problems for police in the field.

Some court decisions—although by no means all court decisions—have read down the original intent; therefore, the Ombudsman acknowledged the necessity to amend the principal Act, and hence the bill before the House. One example mentioned by the Minister in his second reading speech—and I think it is a fundamentally important example—is the case of *Police v Vivienne Mason*. In the decision on 23 June last year it appears that the Local Court somehow or other read down the position of the vehicle to be one which activated the provisions of the principal Act only when the vehicle was used, in this case, in a ram-raid or to run over a person.

The amendment now before the House will permit police to obtain information when they suspect that a vehicle has been used in the commission of indictable offences, and extends that to vehicles suspected of being used in connection with the commission of such offences. That is distinct from police being required to show that a vehicle was used in the commission of such an offence, which is very much an after-the-fact test in terms of proactive policing. By definition, it is almost impossible to implement that test when police are trying to move actively based on a reasonable suspicion rather than after the event, which seems to be the practical impact of the decision in *Police v Vivienne Mason*.

There are a number of other provisions along similar lines, all of which have been highlighted as solutions to problems identified by the Ombudsman. There are always concerns about this type of legislation extending police powers to enable them to question what will in some cases be citizens lawfully going about their business without being seen to be involved in criminal activity, the subject of any charges or anything else. Such concerns must be kept in perspective, and it must be remembered that under current motor vehicle legislation police have the power to demand names, addresses and other particulars in relation to fairly minor motor traffic offences. It does not seem to be a big thing to extend the general powers of police through to what we are talking about in this bill, that is, indictable offences.

People who are concerned about that aspect should remember the power that police have in demanding particulars from people who are involved in minor traffic matters. People should be aware that increased police powers provided in this legislation apply to gang-related activity and indictable offences. Another issue that is often raised is the obtaining of authorisation from a senior officer before exercising vehicle search-and-stop powers. Recently in this House concerns were raised about the required level of authorisation for covert police operations in the post-Wood royal commission environment.

To my mind, speed is often of the essence when police on patrol need to exercise those powers. When police and people under suspicion are on the move, split-second decisions have to be made. The reality is that the authorisation of senior officers is often difficult to obtain within a realistic time frame. Indeed, that process can result in total paralysis of decision making on what otherwise might be a very important motor vehicle search during the investigation of a serious crime. It is to be hoped that the legislation will make clear the rights and responsibilities of police officers in exercising their powers; that it will help the community understand that police officers, by definition, always have to make most difficult choices; and that after the fact, when people are kicking over the traces of the exercise to determine whether an officer did the right thing, they take time to reflect on what they would do if they were in the same position and had to make a value judgment on the run while under a considerable degree of stress and strain.

After all, one hopes that the training of police is such that they are best able to tackle that type of decision-making quickly, using discretion. A requirement to contact a senior police officer, perhaps by mobile phone from the patrol car, is difficult, and should not be regarded as a systemic impediment to using police powers effectively. For those reasons it is appropriate to remove the requirement for a police officer to have to obtain that type of authorisation. Obviously, police powers should be subjected to ongoing monitoring by the Ombudsman. It is important for police to have the powers, as identified by the Ombudsman, to carry out their duties, and that is provided in the Police Powers (Vehicles) Amendment Bill. The Opposition supports the bill.

Mr BARTLETT (Port Stephens) [12.22 p.m.]: I welcome the Opposition's support of the Police Powers (Vehicles) Amendment Bill. Its purpose is to amend the Police Powers (Vehicles) Act 1998 in response to the recommendations of the ministerial review of that Act and concerns about gang-related crime. The 1998 Act came about as a result of the drive-by shooting at the Lakemba police station. Some time ago a shooting occurred at the police station at Raymond Terrace, in my electorate. I recently visited that police station to inspect the $250,000 worth of screening and various protection devices for police, and obviously I have followed up the provision of police security. The Police Powers (Vehicles) Act 1998 required the owner of a vehicle that was reasonably suspected of having been used in the commission of an indictable offence to identify the driver and passengers of that vehicle at or about the time the offence was committed or may have been committed.

The Act provided for police to stop and search a vehicle in similar circumstances. The Ombudsman's report stated that after 12 months of operation that provision should be reviewed, and that the review should be carried out by ministerial staff. I am pleased that the Opposition supports the legislation. The Police Powers (Vehicles) Amendment Bill gives police the power to require passengers of relevant vehicles to provide information as to their identity and the identity of other occupants of the vehicle. That is part of the Government's anti-gang legislation to make it easier for police to question not only the driver of a suspected vehicle but also the passengers.

The bill will give police the power to require the owners, drivers and passengers of relevant vehicles to provide proof of their identity. It will clear up some anomalies and give police the power to inspect vehicles that, as stated in the bill, are suspected of being involved in crime, and gang-related crime, as opposed to the new wording "were suspected". It is very difficult to prove that something was used in the past, or is suspected of having been used. The wording has been changed to reflect that difference, and cleans up the anomaly. The provisions of the current bill will be reviewed by the Ombudsman and ministerial staff. I look forward to the review process as I believe that that is how Parliament can keep an eye on personal freedom and civil liberty.

Mr WEST (Campbelltown) [12.26 p.m.]: This legislation is an important part of the police toolkit for fighting and preventing crime. Under current legislation police can ask a driver for identification but cannot ask passengers for identification. Often the passengers may be of more interest to the police. Currently a person who is the subject of an outstanding warrant for drugs can be chauffeured around, and provided the driver is in the clear, the drug dealer can sit in the car without any worries. Similarly, a person who has committed a robbery can sit in a car that has a driver, and so long as the driver is clean, the police have no power to stop and search the vehicle, so the robber can get away.

This bill will give police the power to require passengers of relevant vehicles to provide information on their identity. Police will be able to request that identification, such as a driver's licence or a credit card, be produced so that it can be verified. Police can enter that information in the new mobile data terminals, which, in effect, make each police vehicle a mobile police station. I am pleased that those terminals have been included in Campbelltown's patrol cars as part of the $7 million budget program. Police can check the terminals for outstanding warrants against the passengers. No longer can criminals hide behind the driver of a car. Police can take appropriate action to search a vehicle, and that increases enormously the effectiveness of police powers.

The bill will also clarify the law allowing police to detain drivers and owners of vehicles reasonably suspected of having been used in the commission of an indictable offence. Some judges have said that the vehicle must have an element relevant to the offence, such as being the ram-raid instrument, or the car that ran over a person. This bill makes it clear that all indictable offences will be covered. Police will be able to stop and search a get-away vehicle and request information from its passengers. Vehicles that are used for the transport of stolen goods, or in connection with other indictable offences, are covered by this legislation. The ability to take all offences into consideration is important. The local superintendent in my electorate, Ben Feszczuk, told me that some criminals will drive up to a parked car and throw a brick or some other object through its window and wait until the last possible minute to get out of their car and steal goods from the parked car; they no longer simply walk into a car park. This legislation will give police the power to search a car that is suspected of being involved in a crime, and that will help reduce theft from parked cars.

Earlier the honourable member for Camden spoke about car parking security in the Campbelltown area. I am a commuter—I catch trains—and I know how important it is to be able to park your car near the railway station and have nothing happen to it. But, unlike the honourable member for Camden, who offered no hope, just doom and gloom, and simply said that something had to be done, I actually have been out in the community, working with local police—Superintendent Ben Feszczuk, Superintendent Glen Harrison, and Acting Superintendent Greg Peters. We have visited the Minister for Police and have spoken to the Minister for Transport. We are working towards a design solution for car parking to alleviate the problems at Campbelltown. We are drawing up costings based on those plans for increased camera surveillance and for fences.

It is proposed that the cameras will link into the existing security facilities at Campbelltown. The police tell me that camera surveillance has been used to capture the activities of criminals on tape and subsequently in charging them with offences. As a result of this bill, police officers will be able to search cars that have been the subject of an offence. But, more importantly, instead of saying in this Chamber, as the honourable member for Camden said, "We have a problem, we have a problem, the sky is falling in!" I have been out in the community working with local police. Together we have been working hard in conjunction with the Minister for Police and we have come up with a real solution instead of just talking about one. I look forward to the implementation of those design solutions.

Another important change is that this bill will give all police offices the power to stop and search. No longer will authorisation by a senior police officer be required, unless a roadblock is used. Of course, the use of a roadblock has serious safety implications for traffic, which is why authorisation by a senior officer is required. In all other instances, the stop and search process will become faster and clearer, thus increasing powers for all police officers and making crime prevention easier. The Government is serious about giving the police powers to prevent crime and make our communities safer. I welcome this bill as part of that commitment.

Mr STONER (Oxley) [12.31 p.m.]: The Police Powers (Vehicles) Amendment Bill is a positive piece of legislation. As the shadow Minister for Police, the honourable member for Epping, has indicated, the Opposition supports the bill. It will enable police officers to obtain the identification particulars of drivers and passengers of vehicles that are suspected of being used in, or in connection with, the commission of an indictable offence; and it will make clear that those particulars can be obtained from people in vehicles suspected of being used in the commission of indictable offences.

Police offices will be able to require passengers in such vehicles to disclose their identity or the identity of other occupants. The bill provides that police officers may ask for proof of identity and it removes the requirement for a police officer to obtain the authorisation of a senior police officer before exercising vehicle stop and search powers. All those measures are quite reasonable and, in my view, will meet community expectations of the types of powers that police should be able to exercise to clear up crime. Hopefully, police officers having such powers will act as a deterrent to those who may consider committing offences.

I understand that the bill forms part of the Government's anti-gang package and that it is in line with issues identified by the Ombudsman, who is responsible for monitoring the operation of the Police Powers (Vehicles) Act 2000, following the first year of that Act's operation. The message I have received from the community, particularly in my electorate and more broadly in the media, is that it has had more than enough of crime. Many people do not feel safe in their homes or on the streets. They want more police officers to be on the streets and they want police to have sufficient powers to bring offenders to justice. In part this bill addresses the latter expectation of police being given sufficient powers rather than being hamstrung by red tape and complexity.

I am sure that the majority of the community strongly supports the measures provided for in the bill. So-called civil libertarians may have a problem with the extension of police powers, but I believe that the great

majority of people in the community—certainly that is the case with my constituents—have no problems accepting the improvement in clarification of police powers. It is of course necessary to have sufficient numbers of police officers to enable them to take an active role in the community and in patrolling the streets. While legislation of this type is very good, it must be backed up by action through the recruitment of police officers and, importantly, the assignment of police officers to the right type of duties to ensure that they are active in the community in apprehending offenders.

In short, the Opposition also supports the bill because its provisions are designed to address problems that have arisen as a result of judicial interpretation of the principal Act and because it follows through with recommendations arising from the Ombudsman's review of the Act. Moreover, it is considered to be necessary in the public interest.

Mr COLLIER (Miranda) [12.35 p.m.]: I am pleased to participate in the debate on the Police Powers (Vehicles) Amendment Bill. The community is concerned, and rightly so, about offenders committing offences in company or, as it is commonly referred to, gang-related crime. This bill is part of the Government's program of cracking down on crime and dealing with offences that are alleged to have been committed in company.

The bill amends the Police Powers (Vehicles) Act 1998, which created police powers to require drivers or owners of vehicles, reasonably suspected of having been used in the commission of an indictable offence, to obtain identification particulars of the driver and passengers. The Act requires the drivers or the owners to identify themselves and passengers in vehicles at or about the time an offence has been committed. The Act also gives police the power to stop and search a vehicle when an officer reasonably believes that the vehicle or a similar type of vehicle may have been used in the commission of an indictable offence.

This bill extends police powers to require passengers of relevant vehicles to provide information about their identity and the identity of other occupants of a vehicle. The bill also provides a penalty for failure to do that without reasonable excuse, and that offence attracts a maximum penalty of 50 penalty units, which is $5,500, or 12 months imprisonment, or both. The bill also gives police the power to require owners, drivers and passengers of relevant vehicles to provide proof of their identity. The bill clarifies that "identity" means a person's name and address and that the term has the same meaning for drivers, passengers and owners. The bill also makes it clear that police may use their powers to request identity information when the use of the vehicle is not itself an element of an offence, for example, when the vehicle is used to flee the scene of the crime, as is often the case.

This bill not only applies to vehicles that are used in the commission of an offence but also extends police powers in relation to vehicles which may have been used in connection with the commission of an offence. The early detection, early identification and early apprehension of offenders is extremely important in the crackdown on crime that is gang-related, or other crime. By extending police powers, this bill takes a positive lead in improving early detection, early identification and early apprehension of offenders, particularly offenders who are apprehended at or near the scene of the commission of a crime.

The bill allows police to use mobile data terminals in their cars to retrieve information to speedily determine whether identified drivers or passengers have outstanding warrants or are suspected, as a result of police intelligence, of committing other offences. This means that police will be able to bring offenders to justice much more quickly. As I said earlier, this bill is part of the Government's program to crack down on gang-related crime. It is an important step forward in the early detection, early identification and early apprehension of offenders. I know that hardworking police of the Sutherland and Miranda local area commands will welcome this legislation and I commend it to the House.

Mr GAUDRY (Newcastle—Parliamentary Secretary), on behalf of Mr Whelan [12.40 p.m.], in reply: I thank the honourable member for Epping, the honourable member for Port Stephens, the honourable member for Campbelltown, the honourable member for Oxley and the honourable member for Miranda for their support for the bill. In particular, I thank the Opposition for its absolute support. The bill will greatly assist police by authorising them to stop and search vehicles and to take the names of the occupants. I note that the Opposition agrees to the Ombudsman overseeing the bill. That has been the Government's approach to all legislation that extends police powers and it is an integral part of this bill.

The Police Powers (Vehicles) Amendment Bill responds to the review of the Ombudsman and the ministerial report into the Police Powers (Vehicles) Act 1988. It will increase the powers of police officers to stop and search vehicles suspected of being connected with indictable offences and will enable police to

determine the identity of the occupants of those vehicles. The honourable member for Epping outlined the importance of police training. In response to the Ombudsman's recommendation, the police academy has developed modules on legislation for a highway education program and the constables education programs Policing and Road Safety and Society, Law and Practice.

In line with the review's recommendations, real life case studies are now used to reinforce the training that is given. The police handbook, which is available to all police officers, including on the intranet, has sections on legislation, and further improvements to police training are under way, particularly in the development of videos showing how to correctly execute search powers. This form of training is important because it is visual. It is also flexible in that it can be used at any time. Training tools will be updated in light of the bill. The computer operated police system has also been updated to better support the operation of the legislation. With those comments I commend bill.

Motion agreed to.

Bill read a second time and passed through remaining stages.

COMMITTEE ON THE INDEPENDENT COMMISSION AGAINST CORRUPTION

Report: General Meeting with the Commissioner of the ICAC

Mr PRICE (Maitland) [12.43 p.m.]: The committee's general meeting with Commissioner Moss, held on 27 November 2000, marked the end of the first year of Irene Moss's first term as Commissioner of the Independent Commission Against Corruption. Ms Moss was accompanied at the public hearing by her new senior management team—Mr Michael Woodhouse, Director of Investigations, who has now been replaced by Assistant Police Commissioner Mal Brammer; Mr Grant Poulton, Director, Corruption Prevention and Education; and Ms Lynne Chester, Director, Corporate Services.

The commissioner reported on a number of initiatives taken at the commission since her appointment. One of the most important of these, in my opinion, is the redrafting of the commission's performance indicators. This committee's recent report on accountability criticised the previous performance measures as being inappropriate and since then the commission has focused on its performance reporting. This current report notes that, pending the finalisation of the new performance measures, the commission has improved its reporting of the commission's performance in the annual report. I can advise that the ICAC has now completed its new key performance indicators [KPIs] and that they are a vast improvement on the previous KPIs. The KPIs accurately reflect the functions and objectives of the ICAC and have realistic means of measuring and reporting on desired outcomes.

A related topic discussed at the general meeting was the commission's procedures for formal management of individual officers. The committee noted that the commission's senior managers were awarded performance bonuses prior to the end of Commissioner O'Keefe's term, and raised concerns about the apparent failure of the commission to document a formal performance evaluation prior to granting the bonuses. The lack of documentation meant that the committee was unable to conclude whether the bonuses were paid in accordance with the Premier's guidelines, which required a full performance review to be conducted to ascertain whether a manager's performance merited the payment of a bonus.

As the report notes, a formal performance review process would be valuable at the commission and the commissioner indicated that an internal review of the ICAC's performance management system is under way. The committee has recommended that the commissioner regularly report to the committee on progress made in implementing an improved performance management system. Corruption prevention has consistently been an area of strength for the Independent Commission Against Corruption. The committee's report details the high-quality corruption prevention work that has been undertaken by the commission in the past year or so.

These include corruption resistance reviews, which involve thorough assessments of an agency's systems and its resistance to corruption. The committee also noted that Commissioner Moss has instituted multidisciplinary teams whereby corruption prevention, legal and investigations staff collaborate in preliminary inquiries to ensure that there is a focus on both evidentiary and policy reform matters. The committee intends seeking further information about the success of these initiatives in future meetings

It was of interest to the committee to observe that the commission had adopted changes to its investigation reports, as recommended by the committee in its previous general meeting report. In particular, the

latest ICAC investigation reports now provide more detailed information about the commission's decision making relating to investigations, use of powers and the investigative course. This is valuable as it enables the committee and the public to gain an understanding of the reasoning behind the exercise of the commissioner's discretionary powers.

As detailed in the report, Commissioner Moss has enhanced the ICAC's emphasis on investigative outcomes. Evidence collection procedures have been altered to ensure a focus on collecting admissible evidence to be used in subsequent prosecutions and disciplinary action, with ICAC staff receiving training to increase awareness of evidentiary issues. The commission also advised that it will be monitoring the impact of investigations on agencies and their adoption of systemic reform recommendations.

Two key matters are discussed in the report that relate to the commission's budget. The commissioner raised concerns, which the committee shares, that salary increases already agreed to by the Government cannot be met by the commission unless substantial savings are made. With only a limited potential for savings from non-salaried budget items, the commissioner noted that the savings would have to be found from salaries. The committee intends to monitor the situation and agrees with the commissioner that any reductions in staff should not negatively impact upon the commission's investigative capacity or effectiveness.

Travel by the commissioner and commissioned officers, and the benefits arising from such travel, is also discussed in the report. The committee noted that travel by the commissioner and staff is important to the overall functioning and development of the ICAC. However, the committee is concerned that it has been unable to obtain formal reports relating to travel undertaken by the previous commissioner or details of information obtained overseas by Commissioner O'Keefe and other staff during 1999-2000.

On this matter, the committee has expressed its opinion that there should be value for the organisation as a whole arising from any overseas trip, and that it would be appropriate for formal reports and briefings to be prepared following overseas travel. This would enable the knowledge gained to be conveyed throughout the commission. The committee notes that Commissioner Moss has required formal briefings following travel by commission staff.

The committee has reported that the implementation of the Protected Disclosures Act remains a source of concern. ICAC research has indicated ongoing problems with the understanding and application of the Act by agencies and councils, notwithstanding progress arising from initiatives of the Protected Disclosures Steering Committee, of which the ICAC is a member. As indicated in the report, the commission will undertake further work, focusing on the needs identified through its research, surveys and complaints. The committee will follow up on this issue at the next general meeting.

The commission's own procedures for dealing with protected disclosures is also discussed in the report. Commissioner Moss has acknowledged that procedures for dealing with protected disclosures from commission staff have been deficient. The internal reporting system at the ICAC is now under internal review. The committee welcomes the review and notes that, as one of the key agencies with a responsibility for investigating protected disclosures, the ICAC's internal reporting procedures should be transparent, faultless and understood by all staff. Clearly this has not been the case in the past, but the committee notes that Commissioner Moss has undertaken to engender greater trust in the commission's internal reporting system.

I would like to thank Commissioner Moss and her staff at the ICAC for their co-operative approach to the meeting. A great deal of valuable information was placed on the public record, and the committee was provided with a constructive opportunity to question the commissioner and senior managers about the policies and direction of the Independent Commission Against Corruption. I also wish to thank the committee members for their participation in the public meeting, as well as the members of the secretariat for assisting to organise the meeting and for their diligence, as always, in undertaking the reporting task.

Report noted.

JOINT STANDING COMMITTEE UPON ROAD SAFETY

Report: On Strategic Planning for Road Safety in the United Kingdom and Hungary

Report noted.

COMMITTEE ON THE HEALTH CARE COMPLAINTS COMMISSION

Report: Study of International Jurisdictions

Report noted.

PUBLIC ACCOUNTS COMMITTEE

Report: Inquiry into the Funding of Capital Projects by the New South Wales Government Parramatta Rail Link Pre-tender Procurement—A Case Study

Mr TRIPODI (Fairfield) [12.55 p.m.]: The Parramatta rail link is a current project of the New South Wales Government involving participation from the private sector. The Public Accounts Committee embarked on an inquiry into the rail link as part of its wider work on capital funding. The committee's report draws lessons from this project to improve future infrastructure transactions for both the New South Wales Government and private sector participants.

It should be noted that recently the Government announced that the Parramatta to Chatswood rail link would be done in two stages. Media reports state that the first stage of the link includes an upgrade of Parramatta station plus construction of a track between Epping and Chatswood. Construction is scheduled to commence next year and to conclude in 2008. The Government also announced that the construction of stage two of the project, linking the rail line to Parramatta, would look to optimise private sector involvement in the project. The committee's report is therefore timely. The committee heard evidence from representatives of the Audit Office, the Department of Public Works and Services, Treasury, the Premier's Department, the Department of Transport and the Parramatta rail link project team. The Australian Council of Infrastructure Development Ltd and private firms also made submissions.

Previous work of the Public Accounts Committee has led to significant changes in the management and financing of infrastructure. Processes have been improved. For example, the Government now publishes contract summaries of major projects. However, the committee believes that further improvements in infrastructure planning and procurement are possible. The committee initiated the inquiry following private sector concern that the process proposed by the Department of Transport would be too restrictive in scope, funding options, and construction and design specifications. Concerns were expressed that these provisions could limit the capacity of the private sector to find new and innovative solutions.

In July 1998 the Government announced in-principle approval for the construction of a new commuter rail link from Parramatta to Chatswood via Epping. The Department of Transport was made responsible for the project management through to the completion of the environmental assessment process. The environmental impact statement [EIS] evaluated 12 alternatives and concluded that heavy rail between Parramatta, Epping and Chatswood was the best option to meet the project's objectives. While the EIS was under way, the Government continued developing the procurement and contracting strategy.

A private company has been established as a vehicle for co-ordinating the agencies involved in the project. The agencies are the Rail Access Corporation, the State Rail Authority and the Department of Transport. With the establishment of the company, public tenders were called for legal, technical and contracting strategy advisers. In order to establish the contracting strategy, in March 2000 a workshop was held with the immediate stakeholders and independent advisers. This strategy was to be based on the Government's objectives and restrictions and was independently reviewed by a team of private sector experts.

In April 2000 the Government issued the document entitled "Invitation for Registration of Interest and Alternative Proposals". The document sought expressions of interest for conforming contract packages and also permitted alternatives to be offered. It is expected that a small number of parties will be selected to submit detailed tenders. The committee considered a number of pre-tender planning issues, an example being outcomes-based tendering. The Government requests proponents to submit ideas that meet the broad objectives of a project before defining it in any detail. This allows for the private sector to offer a range of alternatives for infrastructure projects and help ensure that the best value for money is achieved.

However, there are a number of difficulties with outcomes-based tendering. For example, the environmental impact statement can impose conditions on a project that could impact on options suggested by private sector proponents. Furthermore, the obligations under the Environmental Planning and Assessment Act have implications for the way in which the Government seeks to establish value-for-money benchmarks through the competitive tendering process.

The EIS process is currently generating considerable debate about the role of strategic planning and what the Government should be doing. The Government's green paper on infrastructure, released in November 2000, argues that the greatest level of private sector design and construction innovation will be encouraged if the environmental approval phases occur after detailed bids have been received. The green paper recommends that the timing of the environmental impact statement be managed on a project-by-project basis to allow private sector proponents ample time to submit ideas, and to enable the Government a degree of certainty of outcome in terms of both price and quality.

The committee was also concerned about the lack of protection afforded to intellectual property. Proponents may be reluctant to propose ideas because their competitors could incorporate them into their own proposals. The committee supports protecting intellectual property where competitive tendering is used, and believes that it will be an extra incentive to innovation. The committee recommends that when proponents of infrastructure proposals offer intellectual property the Government should manage the tender so that it can capture the intellectual property without disadvantaging its owner.

When this cannot occur, the Government should consider purchasing the intellectual property for use by all the parties involved in the tender. During hearings, Treasury argued that private sector proponents usually do not want to sell their ideas to the Government. Rather, they want the benefit of direct negotiation compared with a competitive process. Treasury argues that in terms of innovative ideas a cost-benefit analysis would be required as evidence that the purchase of the ideas by the Government will actually result in the end product obtaining better value for money.

The committee also considered the costing of the Parramatta rail link. Evidence was given that the project had increased from $400 million in 1994 to $1.4 billion in 1998 and that further increases were expected. The committee concluded that this increase was partly due to escalation in Sydney's construction costs. However, considerable changes in the scope of the project have also affected the cost of the project. These changes demonstrate the need for continual evaluation of whether a project should proceed. Governments should be hesitant to publish projected costs for a project until the project's final form is known definitely.

The Department of Transport has advised the committee that the Parramatta rail link project continues to provide an economic benefit to the community because the benefits have increased commensurately with the costs. Private firms approached the committee concerned that the document entitled "Invitation for Registration of Interest and Alternative Proposals" for the Parramatta rail link was structured in favour of separate contract packages, rather than encouraging proposals for one contractor to supervise the whole project. However, the committee is not convinced that the process unduly restricted either the number or substance of alternative submissions.

The committee considers that there is a healthy balance between the individual packages and alternatives for all or part of the rail link. In fact, the committee concluded that the invitation sought alternatives in the broadest terms within the outcome parameters established by the environmental impact statement and government policy. From evidence, the committee concluded that the Government faces a dilemma regarding whether to provide guidance on its preferred outcome. In the first instance, parties may feel discouraged from offering solutions that potentially provide the best value for money. The alternative, however, may leave the private sector wondering what the Government is seeking.

The committee recommends that the "Invitations for Registrations of Interest and Alternative Proposals" document should define the project in terms of outcome and performance, subject to government policy and processes. For large projects it should be structured as a dual invitation, first, for conforming packages and, second, for alternative proposals. This will strike a balance between providing detail on the project and allowing parties to submit alternatives that meet the fundamental objectives and constraints. The committee considered whether the budget funding period was too long, given the construction period. It was argued to the committee that budget restrictions would require the project to be spread over a six-year construction period. However, if the construction period were reduced to four years there might be a saving of $234 million.

The committee considers that, in theory, the existing budget process should already provide for the cash flow associated with the lowest net cost option. However, the committee is of the view that there is sufficient evidence that budget funding restrictions have caused suboptimal project construction periods. The committee recommends that Treasury commission an independent review of the extent and cost of suboptimal construction periods resulting from restrictions in budget allocations and make recommendations to prevent this from

occurring in the future. The budget process is causing the mismatch between the funding period and optimal construction period, not the tender. The committee considered changes that the Parramatta Rail Link Company had made to the registration of interest document. The committee found that good management requires that parties be updated about key information and that they have sufficient time to digest that information. The committee also recommended that any changes be kept to a minimum.

The committee considered the role of Treasury in recommending approval for funding and advice for structuring projects, and the fact that it advises the Treasurer whether the project is in the State's economic interests. We determined that Treasury has a possible conflict of interest in this area as it has a role in both functions. The committee expressed in its report the concern that agencies would not be forthcoming in providing the evidence and information necessary for Treasury to make a profit assessment. Therefore, we have advised that the two functions be separated in those circumstances and that Treasury no longer play that role. That completes my summary of portions of the report, which I commend to the House.

[*Mr Acting-Speaker (Mr Lynch) left the chair at 1.03 p.m. The House resumed at 2.15 p.m.*]

Mr TORBAY (Northern Tablelands) [2.15 p.m.]: As noted by the chairman, the committee's inquiry into the Parramatta rail link project formed part of its work on capital funding. The committee has been examining the funding of capital projects by the New South Wales Government. This has involved considering the impact of legislative requirements, budgeting practices, private sector funding practices, and whether improvements are possible to the funding arrangements for large capital projects. The Parramatta rail link project provided the committee with an opportunity to consider government procurement processes and enabled the committee to identify ways to improve infrastructure transactions for both the New South Wales Government and private sector participants.

The Government recently announced the rail link would be done in two stages. Media reports suggest the Government is looking to optimise private sector involvement in the project for stage two. Consideration of the committee's findings and recommendations would be beneficial for all parties involved, both private and public. Currently in New South Wales infrastructure planning is conducted by individual government agencies which plan for individual infrastructure sectors as part of their overall service delivery strategies. Agencies prepare capital investment strategic plans which show a detailed five-year program and a broad strategy spanning at least 10 years. Those plans are submitted by the responsible Minister to Treasury as part of the budget cycle.

For those infrastructure projects which are considering involving the private sector either in project management of construction or financing, there are two substantive criteria which should be met. Under the guidelines for private sector participation in the provision of public infrastructure a project must fulfil a community need and private financial involvement must provide a net benefit to the taxpayer compared with public funding. In November 2000 the Government released a green paper on infrastructure provision which proposes a broadening of opportunities for private involvement in public infrastructure. However, the two substantive criteria remain. The committee will keep a watching brief on developments in private-public partnerships and will be commenting on the proposals in a submission to the green paper.

Infrastructure projects must also comply with any legislative requirements. The main requirements specific to infrastructure provision are contained within the Public Works Act and the Environmental Planning and Assessment Act. They support the planning process. General requirements are also contained in the Public Finance and Audit Act and the Public Authorities (Financial Arrangements) Act. From the committee's assessment of the Parramatta rail link project it would appear that the Government's strategic planning framework was followed. However, the committee believes that the current procurement process could be improved. For example, the committee found that risk transfer was a difficult concept to evaluate when there is private financial involvement in infrastructure. The Government's green paper on infrastructure notes that, in recent projects, the private sector has demonstrated a willingness to share risks that can be identified and priced. As such, the green paper argues that there is a need for openness and transparency in the negotiations and a clear understanding of who is accepting what risk.

The green paper also proposes that detailed tender bids include the model used to price the tender. However, the committee feels that even with access to the financial models of the proponents, the inherent difficulty in evaluating and contracting for risk transfer lends weight to the need for a solid skill base in the public sector. In addition, the committee believes that the public sector's existing contract negotiation expertise needs improving and augmenting. The committee also heard arguments that the existing skill base may be

insufficient if there is an expansion of private involvement in infrastructure. It was put to the committee that as private involvement in infrastructure is fairly sporadic and infrequent the public sector will not gain the required skills. This would require the Government to contract in those skills for each particular project. However, difficulties may arise if most of the firms the Government might wish to approach are themselves involved with the parties bidding for the project. This would leave two possible options: a central body with the expertise to get involved in these projects or in-house expertise.

For those agencies which prefer to use public sector skills there are currently two options: Treasury and the Department of Public Works and Services. It would appear that agencies on many occasions have been in conflict with Treasury over budget funding issues on projects and that this has caused agencies to evade and possibly even mislead Treasury on the detail of large infrastructure transactions. This agency reaction has prevented Treasury from applying its expert scrutiny to a proposal. Without this scrutiny, the State may enter into agreements where it leaves itself open to unanticipated liabilities. As such, the committee is of the view that Treasury can no longer play the role of recommending to the budget committee of cabinet while also being the adviser to the agency on how to structure these kinds of transactions.

Mr COLLIER (Miranda) [2.20 p.m.]: I speak on the Parramatta rail link report as a member of the Public Accounts Committee of the House. As part of its inquiry into capital funding the Public Accounts Committee conducted a case study focusing on issues relating to the Parramatta rail link. As already noted, lessons from this project have been highlighted to improve future infrastructure transactions for the Government and private sector participants. Whilst much work has been done in this area, it is still unclear whether the private sector understands the relevant Government processes and the possibilities for its involvement. This inquiry was initiated following concerns by the private sector that the path and processes proposed by the Department of Transport would be too restrictive in scope, funding options, and construction and design specifications. Concerns also emerged that such restrictions could preclude the capacity of the private sector to innovate and gain maximum value for money from the transaction.

As noted by other members of the committee, media reports state the Government has announced the Parramatta to Chatswood rail link project will be completed in two stages. Stage one involves the construction of a rail track between Chatswood and Epping, and stage two will complete the track to Parramatta. Stage two may involve private sector proponents in the project. Nevertheless, the lessons drawn out during the committee's inquiry into the Parramatta rail link project will greatly improve future public infrastructure transactions involving the private sector.

Overall, the Public Accounts Committee believes that the Government's processes of planning and eliciting proposals for the rail link have been consistent with achieving value for money on behalf of the citizens of New South Wales. The rail link has been planned to assist in meeting Sydney's overall transport needs, and the private sector has had ample opportunity to contribute its ideas for the construction and financing of the project. One of the concerns raised during the inquiry is the lack of protection afforded to intellectual property. Proponents can be reluctant to propose ideas in competitive tenders, because their competitors may adopt them as their own. In exceptional circumstances, the budget committee of Cabinet can decide that the intellectual property is of such significance and benefit to the public interest that market testing is not warranted.

The Public Accounts Committee believes that, when proponents of infrastructure proposals offer intellectual property involving innovative ideas, the Government should attempt to manage the tender so that it can capture the intellectual property concerned without disadvantaging its owner. The committee recommends that when this cannot occur, the Government could consider purchasing the intellectual property for use by all the parties involved in the tender. Treasury argued that it is often difficult to specify what is intellectual property and that private sector proponents may propose ideas in an attempt to get a one-on-one negotiation. However, in such cases Treasury argued that a cost-benefit analysis is required. It must be demonstrated that by purchasing an idea the Government will end up getting better value for money.

A concern was brought to the Committee's attention that the "Invitation for Registrations of Interest and Alternative Proposals" was structured in favour of separate contract packages, rather than encouraging proposals from one contractor to supervise the whole project. However, the invitation document sought alternatives in the broadest terms, within the parameters established by the environmental impact statement and government policy. The committee is of the view that the invitation did not unduly restrict firms against proposing a single project. The committee found that once the policy and environmental parameters were established for a project, there is a tension in whether to specify the tender between providing guidance on the preferred outcome or not to provide such guidance. In the first instance, a party may feel discouraged from offering solutions which potentially provide the best value for money. Secondly, they may be left wondering what the Government is seeking.

For future invitations, the committee recommended that the project be defined by outcome and performance, subject to government policy and processes. Further, that invitations for large projects be structured as a dual invitation for conforming packages and alternative proposals. The committee also considered that the restrictions on budget funding might have resulted in suboptimal project construction periods. It was put to the committee that budget restrictions would require the project to be spread over a six-year construction period. However, if the construction period were reduced to four years, there would be a saving of $234 million. The Department of Public Works and Services argued that Treasury may have different priorities to the agency proposing the project. In addition, agencies' different requirements may not lead to optimisation of time and costs.

The committee is of the view that there is sufficient evidence to suggest that budget restrictions can lead to suboptimal project construction periods. It recommends that Treasury commission an independent review of the extent and cost implications of suboptimal project construction periods resulting from restrictions in budget allocations. The Public Accounts Committee inquiry also suggests improvements to infrastructure transactions in New South Wales for both the government and private sector proponents.

Report noted.

Report: Submission to the Green Paper: "Working with Government—Private Financing of Infrastructure and Certain Government Services in NSW"

Mr TRIPODI (Fairfield) [2.26 p.m.]: In November 2000 the Government released a green paper on the private financing of infrastructure and certain government services in New South Wales. The Public Accounts Committee has provided two responses to the Government. It initially forwarded a copy of the committee's prior report on the Parramatta rail link. It then provided a specific submission to the Government. The Government is reviewing the current arrangements in this area. It wishes to improve value for money in government service provision and to optimise risk allocation. The Government states it is not pursuing private financing to relieve the budgetary and balance sheet constraints on government agencies. The Government has set up a special task force to develop the new policy and guidelines.

The Government sought public comment on three main topics: protecting the public sector, deciding which projects are suitable for private sector financing, and improving the process. The first point the committee raised in its submission concerns the public sector skill base. The Auditor-General has already noted the lack of necessary skills in the public sector. There are a number of comments to be made. Firstly, the public sector has often lacked the appropriate skills to handle private sector financing, especially in contract negotiation. Secondly, most agencies deal with these complex arrangements infrequently. They do not have the opportunity to develop the necessary skills. Finally, contracting in the required skills may be difficult. The firms the Government could approach may already be involved with one of the parties bidding for the project.

The Government could solve this skills problem by creating a centre of advice and expertise within government. There are two options: the Department of Public Works and Services and Treasury. The committee recommended Public Works, for several reasons. First, Treasury already has the role of determining agencies' budgets. Therefore, agencies are reluctant to approach Treasury for advice as the information it receives can be used against the agency. Second, Public Works already treats other agencies as clients. By necessity, Treasury has a stricter relationship with agencies. Third, advising on private financing arrangements is an extension of Public Works' role in managing tenders under the State Contracts Control Board. Initial feedback from the task force is Treasury will undertake this key advisory role. I appreciate Treasury's concerns about the cost implications of these projects, especially considering they are still new. Agencies have not come clean with Treasury during the process of preparing contract specifications and have often left Treasury with little or no time to properly examine the detail, or at least this has been Treasury's explanation for such catastrophic failures as the airport rail link.

Whether the concern of agencies about Treasury's discretion is justified or not, apprehension generally amongst many agencies about the role and reaction of Treasury to proposals means the strategic interplays and horsing around that occurs renders Treasury ineffectual for any advisory capacity. Treasury probably has substantial expertise in this area. However, while agencies will not go to it willingly seeking advice, preferring to spend millions purchasing it outside, the advisory function must be separated from the budgetary one. Agencies should know what their budget constraint is for a proposal, structure it in a way that brings the activity in on budget using the advice and guidance of an expert agency, and then submit it to Treasury for an independent costing and assessment of risks.

The current Treasury team advising on these matters needs to be separated and placed somewhere independent of the rest of Treasury. This could be Public Works, which has substantial expertise in costing major capital and service projects, complementing the financial edge of the Treasury team, but it need not necessarily be Public Works. It simply needs to be separate from Treasury. We should note once private financing becomes established and routine, the advisory role will probably revert to a line agency such as Public Works anyhow. In its submission, the committee discussed the sorts of projects that might be suitable for private financing. To date New South Wales has generally used private financing for network infrastructure such as roads and rail. These projects generate a ready cash stream. However, networks tend to be natural monopolies and have limited scope for competition.

Competition forces the private sector to be efficient and deliver the best results for society. This lack of competition means networks are less suitable for private financing than site developments. The committee discussed a number of other factors. These include: How sensitive is profitability to other actions of government? To what extent is the service used to redistribute income? How important are externalities such as public health and the environment? These criteria need not be regarded as absolute. They are best used as indicators of where private sector financing is more likely to be of benefit. The recently completed airport rail link illustrates some of these points. First, the consortium had a monopoly on rail travel to the airport and faced no competition in this market. It set high prices to use the service. However, the consortium faced unexpectedly stiff competition from the airport bus and taxis. And, second, the service was sensitive to the other actions of the Government. The operators sued the Government over trains that ran late and because they did not include luggage space. The construction of the Eastern Distributor may have also reduced the link's profitability.

The feedback and discussion from the Government's task force has centred on whether past projects were not as successful as they could have been because they involved economic infrastructure. The task force has discussed whether the private financing of social infrastructure and services would give a better result. The success of the United Kingdom in this area has been cited in the task force's consultations. It has been suggested that, because the United Kingdom first started using private finance in social projects, this increased its chances of success. This social rationale has been used to support the Government's proposal to use private financing for schools. However, I would suggest the reported success of private finance in social projects is because they are not networks like road or rail. Similarly, economic projects that are not networks such as filtration plants and power generation have a better chance of success.

I believe New South Wales stands to gain from suitably controlled private sector involvement in public services and infrastructure. The public service tends to encourage its staff to follow precedent. New ideas can be hard to come by. However, the private sector, with its greater flexibility and more responsive system of rewards, can break up this inertia and give New South Wales new and innovative proposals. Recent press reports suggest the Government will release its policy on the private financing of government infrastructure and services by September. I look forward to the Government announcing a new system that harnesses the ideas in the private sector while protecting taxpayers' money.

Mr TORBAY (Northern Tablelands) [2.32 p.m.]: I would like to follow on from the chairman's comments and look at some of the other issues involved with the green paper on the private financing of government infrastructure and services. The green paper proposes to regularly publish a list of possible opportunities for private financing. The aim of these plans is to assist the private sector in targeting its resources and generating proposals. The green paper has noted that there is a degree of uncertainty in any long-term plan. It would remain subject to changes as circumstances change. The committee has expressed its concern about these plans. In the past, some agencies' capital plans have neither been substantially implemented nor kept current. This has limited their value to the private sector. In addition, governments have had to account to the general public about why particular projects were not implemented. The community is entitled to feel aggrieved if the Government decides not to build previously announced facilities such as roads, schools and hospitals.

I believe the Government should be up-front with the private sector about upcoming projects. It should say that flexibility is one of its priorities. It should limit the number of future plans in the public arena, but ensure the projects which have been announced will definitely go ahead. A shorter but more definite list will be of more value to both the community and the private sector. The green paper also requests comment on what lessons can be drawn from past projects. A key point from the committee's submission is that the Government should be focussed on outcomes. There is a sense of balance here. The Government needs to give the private sector a reasonable indication of what it is seeking. However, it also needs to allow the private sector the flexibility to offer innovative solutions, which could potentially give the best value for money. The results of some projects suggest the private sector provider is determining some outcomes. The evidence for this is the substantial movement in the agreed price of a project, compared with the winning tendered price. Obviously, the public sector, which is the purchaser, should be driving all the outcomes.

There may be a number of reasons why the private sector has driven the outcomes. First, the project outcomes may not have been defined adequately. Second, the public sector may not have been focussed on securing the required outcomes and it may have been attracted to "add-ons". And, third, agencies may not have negotiated effectively on behalf of the Government. In addition, the public sector sometimes focuses on delivering the deal rather than the outcomes. A government may wish to secure a project but in doing so it may give the private sector the upper hand in negotiations. This can result in certain key outcomes, in particular financial ones, not meeting originally established benchmarks. Another key issue in the green paper is how a proponent's intellectual property might be better protected in a competitive bidding process.

In the past there have been assertions that intellectual property has been claimed by the private sector as its own. There have also been assertions that intellectual property has been passed to other private sector parties. On the other hand, many proponents have used intellectual property to justify direct negotiations, rather than allow their ideas to be used in a tender. In special cases, the committee would support the Government purchasing the intellectual property to allow all tendering parties to use it. However, risks regarding intellectual property can also occur during the pre-tender phase. The committee considered whether an intellectual property register might be established, but concluded it would not be workable. It could also expose the Government to litigation. For example, the Government would have to decide whether the age of the idea affects its value. New ideas brought to government 15 years before a project commences may have less value than ideas that are acted upon within six months. Intellectual property developed within government would also have to be protected.

The private sector should not be able to recycle government ideas and claim the intellectual property for its own. An appropriate management framework would need to address a number of matters, including how to record intellectual property brought to government and developed within government, how to assess the value of intellectual property recorded, how to monitor any legitimate transfer of such intellectual property, how to determine when such intellectual property no longer has value and when it should no longer be recorded, and how to improve procedures during the bidding process. Handling intellectual property can be a delicate issue. However, I would encourage attempts to improve co-operation with the private sector in this area.

Mr O'FARRELL (Ku-ring-gai—Deputy Leader of the Opposition) [2.37 p.m.]: I welcome the presentation of this report to the New South Wales Parliament as it gives us an opportunity, albeit limited, to debate its contents. I congratulate the honourable member for Fairfield, who is the Chairman of the Public Accounts Committee, for his contribution to and his leadership shown in the production of this report. I note that this is the first time that any member of the Carr Government, albeit a backbencher who is Chairman of the Public Accounts Committee, has raised the issue of private financing initiatives [PFI] or public-private partnerships [PPP] in this House since the last election.

Therein lies the problem with the Government in this whole area. No leadership is shown by Ministers, the Treasurer or the Premier about the great benefit this State could enjoy through the introduction of a comprehensive public-private partnership policy and its benefits, not just in relation to public infrastructure but, more importantly, as the honourable member for Northern Tablelands said, in relation to outcomes and services that can be offered to the people of this State. Having made those preliminary remarks, I will make a couple of specific points. I have some disagreement with the conclusions drawn by the Public Accounts Committee. The process should be driven at Treasury level. My concern, which is based on a private visit to Britain earlier this year, is that if we leave it to agencies, even one like Public Works, to drive this process we will not get the same motivation or force behind it, nor will other departments or agencies come to the line.

The process should be driven out of Treasury as a whole-of-government exercise. By all means, we should ensure that it is a special Treasury unit, not subject to the normal vagaries of public servants in the central bureaucracy. That is why I am so disappointed that Treasurer Egan has so far failed to provide any release on this issue. That is why I fear what may be the answer contained in the response to the Government's green paper. It is well known across this city that the Secretary of Treasury, Mr Pierce, has gone soft on this issue. As might be expected, I also have some differences to the Chairman of the Public Accounts Committee in terms of some of the lessons drawn from past public-private partnership projects in this State. We have a reasonable record in this area. We are seeking to bring this together as a single policy that is driven for the benefit of the citizens of this State.

For instance, those who backed the M4 and put money into it went through a very lean period in the first few years after it was constructed. Therein lies the best possible test as to whether the public interest has been protected. Clearly, public-private partnerships, private financing is all about the managing of risk, the sharing of risk and the appropriate allocation of risk. With something like the M4 East the early backers went

through difficult times which, in my view, is an indication of the deal having been struck correctly. It seems to me that public-private partnerships, private financing initiatives, are all about providing incentives to public service. Clearly, the public sector does many things well and clearly the private sector does many things well. Both sectors also do something really badly and that is why public interest has to be protected. My concern is that unless you embark on a co-ordinated approach down this path you will not get the benefits of the private sector into the public sector.

For example, a couple of years ago the Minister for Transport announced the upgrading of a number of railway stations under CityRail's Easy Access program. Two years on those projects have been delayed by up to two years. Two years on, the total cost of those projects has blown out by $8 million. That is not the approach you would get under a public-private partnership deal. That is certainly not the approach you see every day on those sorts of deals in this city. The M5 East is about to open early because the private sector has a better track record in delivering projects on time and on budget. That will be especially the case if this program is driven essentially out of Treasury. That is why I differ from the Chairman of the Public Accounts Committee.

Currently a representation report has been released in relation to Parramatta rail. That representation report announces a major change in the route in relation to Roseville and Lindfield. I express my concern on behalf of residents in my electorate and the electorate of Davidson. But under the formal process those newly affected by the change in route have no formal process in the stages left. They have no entitlement to feedback. I wrote to the Minister for Urban Affairs and Planning on the day the project was announced. I asked him to give a commitment and an assurance that the people affected would have the opportunity to say something, but so far he has delayed. [*Time expired.*]

Report noted.

Report: Inquiry into the Collapse of the New South Wales Grains Board

Mr TRIPODI (Fairfield) [2.44 p.m.]: I refer to the Public Accounts Committee's landmark report on the collapse of the New South Wales Grains Board. The Grains Board lost $90 million in 1999-2000. This collapse created great uncertainty in rural New South Wales. The committee saw its inquiry as fulfilling its important functions as the watchdog over financial accountability in government. It was also a means to inform the general public about the reasons for the collapse of the Grains Board, which was a meltdown in corporate governance. The committee found that many factors contributed to the financial collapse. In the first instance there was an expansion in the volumes of grain traded over recent years, which was out of the control of the board and management. The Grains Board was established to trade conservatively. However, with the threat of deregulation and the National Competition Policy review, the Grains Board significantly increased the volume of grain it traded. The motive for growth was simple, but improper. Higher than market prices were paid to New South Wales farmers to ensure the popularity of the Grains Board. Being popular was its strategy against deregulation.

The committee is of the view the Grains Board should not have been competing with other buyers, but taking the role of buyer of last resort. This would have allowed the market to operate with minimal intervention. Apart from not controlling the growth of the organisation, the managing director was also deficient in a number of his other responsibilities. He sought to avoid responsibility for the collapse by claiming that the board of directors was responsible and that he relied on experts beneath him and the auditors. Board members were also deficient in their responsibilities. They failed to exercise reasonable care and diligence in exercising their functions. The board relied too much on executive management, internal control systems and the auditors' reports. In fact, it was suggested that board meetings were only a formality, rubber-stamping management's decisions. Board papers were poorly presented and distributed shortly before meetings, allowing little time for consideration. Simply accepting staff reports did not fulfil their responsibilities.

The committee also found that the information systems at the Grains Board were inadequate. Information provided to the board was inadequate and often incomplete. The organisation did not know how much stock it had or who owed it money. One of the board members stated in evidence that due to the structure of the information systems, for many months accounts were often incomplete and inaccurate. Members of the board and management must take prime responsibility for these failures. The inquiry also found that the composition of the board was flawed. It had a predominance of growers at the expense of commercial expertise. The committee found that the New South Wales Farmers Association dominated the selection process of the members. It used the Grains Board to dominate the industry and other grower groups. The committee has recommended that the Government review all legislation that creates organisations with commercial activities whose objectives have potential conflicts and create significant business risks.

The inquiry found that a number of other parties also failed to fulfil their responsibilities. The consultative committee and audit committee of the Grains Board did not fulfil their obligations. The role of the consultative committee is to investigate and form recommendations to the board about the Grains Board's operations generally. However, it appears that the consultative committee did not fulfil this duty and merely relied on the work of others, such as the auditors. Under best practice, it is the responsibility of the audit committee to support internal audits by checking how management reacts to the recommendations. The committee concluded that the audit committee did not carry out best practice in managing the internal audit. It did not appear to take an active role in the audits, allowing the internal auditors to drive the procedure and allowing management to avoid implementing recommendations.

The committee also considered the role of those required to monitor the activities of the Grains Board. The Director-General of New South Wales Agriculture is required by the Grain Marketing Act to assess reports from the Grains Board, provide advice to the Minister and conduct management audits. The committee found that the director-general did not carry out his duties effectively. For example, the Grains Board achieved an operating profit at 31 August 1999 of $2.45 million by imposing an administrative charge on the pool accounts of $2.7 million. The size of this charge, which put the Grains Board into profit, should have been investigated. Treasury failed to actively monitor the performance of the Grains Board. Treasury advised the committee that it had no active interest in the Grains Board as it did not represent the Crown and it had no direct relationship with the State's finances. However, the committee believes that the Grains Board has a relationship with the State's finances. The Government, for example, is funding up to $13 million to meet grower pool payments in 1999-2000. Treasury, as the Government's financial experts, should have applied some scrutiny to the Grains Board's operations.

The Grains Board banks also appeared to conduct limited due-diligence reviews. Evidence presented to the committee indicated that the banks placed undue reliance on the fact that the Grains Board was a statutory authority, even though this clearly meant no government guarantee was involved. The banks relied on unqualified audit opinions from the Auditor-General without undertaking sufficient monitoring of its own. Furthermore, the growth in funding by the banks appeared to occur without reference to the Grains Board's thin capital base.

Turning to external audits, one of the central questions in the inquiry was whether the Audit Office's independent audit reports on the Grains Board's financial statements were accurate. On the evidence presented, the committee found that the independent audits were conducted properly. However, the committee was prevented from accessing audit working papers and it cannot eliminate the possibility that the auditing standards were not complied with. The committee has recommended that the Public Finance and Audit Act be amended to enable the committee to access documents from the Auditor-General to ensure that it is not prevented from obtaining such documents in future.

The Audit Office can also improve its reporting of repeat issues and risk management. The Audit Office failed to adequately explain significant issues and their financial implications. The committee is of the view that the Audit Office needs to take its audience into account in preparing its reports to Parliament. The Audit Office also failed to label long-standing problems as repeat and unresolved findings in its statutory audit reports or management letters. The Audit Office reports to Parliament provided another avenue to disclose this information, but this opportunity was not taken.

With regard to risk management of agencies, the Auditor-General's statutory reports and reports to Parliament should explicitly detail significant changes in an agency's risk profile from that of the previous year. The committee has made a number of recommendations to safeguard against future similar collapses. The Government should review all legislation that creates organisations with commercial activities whose objectives have potential conflicts. The committee also wishes to ensure that there is sufficient expertise on boards and a suitable cross-section on consultative committees.

Treasury should examine the possible exposures to the State's finances from the operations of trading authorities not under regular review. Furthermore, the Audit Office is currently conducting a performance audit into risk management. It should examine how to improve risk management disclosures in annual reports, including whether an opinion should be expressed on them. The collapse of the Grains Board is a wake-up call to the Government to improve the corporate governance and monitoring of its agencies and organisations with commercial activities.

Mr TORBAY (Northern Tablelands) [2.52 p.m.]: The committee's inquiry into the financial collapse of the New South Wales Grains Board was an unusual inquiry, in that it was considering issues in the past rather

than looking into the future. Nevertheless, the committee made a number of recommendations to safeguard against future similar collapses. I will be refer to a number of parties who did not properly fulfil their responsibilities. While the Grain Marketing Act limits the exposure of the Government to the Grains Board's financial losses, its collapse has resulted in the loss of equity that was accumulated since its inception with the support of New South Wales grain growers.

It was apparent to the committee that the outcome reflected poorly on a number of stakeholders with responsibilities for the Grains Board. The committee concluded that the Director-General of the Department of Agriculture failed in his statutory responsibilities. Under the legislation, the director-general is empowered to independently assess the activities of the Grains Board. Those responsibilities include assessing reports from the Grains Board, providing advice to the Minister and conducting management audits.

The Act recognises that the Government, and especially the Minister, have significant responsibilities to the community for the Grains Board's operations. As such, the legislation established a mechanism for the director-general to actively monitor those activities. The committee found that the director-general did not carry out his duties effectively. For example, the Grains Board achieved an operating profit at 31 August 1999 of $2.45 million by imposing an administrative charge on the pool accounts of $2.7 million. The size of this charge, which took the Grains Board's financial position from the red into the black, should have been investigated.

The committee also found that Treasury did not monitor the activities of the Grains Board. In a submission to the committee, Treasury officials advised that they did not monitor the Grains Board as the Government has no ownership interest in the assets of the Grains Board and does not guarantee the board's operations. Treasury officials also advised that they did not monitor the activities of the Grains Board as it did not have a direct relationship to the State's finances. However, the committee believes that Treasury officials, as the Government's financial experts, should have applied some scrutiny to the operations of the Grains Board. That is particularly so considering Treasury's objectives to improve public accountability and the prominence of the Grains Board in one of the State's major industries.

The committee has recommended that Treasury examine the possible exposures to the State's finances from the operations of statutory authorities not under regular review. Treasury should also actively monitor the higher-risk statutory authorities. It would also appear that the Grains Board's banks did not conduct the necessary due-diligence reviews. In early 2000 the Grains Board's bankers approved an increase in its loan facility up to $350 million, despite a thin capital base. The Commonwealth Bank placed undue reliance on the fact that the Grains Board was a statutory authority, even though it clearly meant that no government guarantee was involved. That reliance was raised in evidence. An officer of the bank stated:

> We have provided such facilities to the Grains Board since 1995 and have relied upon its role as a statutory authority that the Minister appoints the members of the board, that the Board is overseen by the Director-General and is audited by the Auditor-General.

The committee also found that the banks relied on unqualified audit opinions from the Auditor-General without undertaking a sufficient degree of its own monitoring. Banks heavily scrutinise individuals when they apply for a $100,000 home loan. However, they banks appeared to be eager to increase the facility of the Grains Board to $350 million. From the Grains Board's performance in 1999-2000, it appears that the banks did not properly investigate its financial status before increasing the loans.

The board was more than likely poorly informed by management and there were deficiencies in the way that the auditors reported their work. By relying on systems that had weaknesses, and not recognising those weaknesses, the banks made poor decisions. It will be the Grains Board's bankers who will bear the greater part of the losses. As the chair of the committee said earlier, the collapse of the Grains Board is a wake-up call to the Government to improve the monitoring of its agencies and organisations with commercial activities.

Mr COLLIER (Miranda) [2.56 p.m.]: The comprehensiveness of the collapse of the Grains Board reflects poorly on those, internal and external, who failed to exercise their responsibilities. I would like to refer to some of those internal failures. The managing director is traditionally responsible for the day-to-day running of an organisation, which complements the board's role in providing strategic direction and oversight. At the hearings conducted by the Public Accounts Committee, the managing director of the Grains Board admitted to varying levels of responsibility. To some extent that is representative of his pivotal position in the organisation.

The managing director was evasive in his evidence and clearly sought to deflect responsibility for problems with accounting systems and reporting to the board and the auditors. This evasion, together with

conflicts in the evidence, led the committee to the conclusion that the managing director had failed to properly perform his functions and responsibilities. The committee also found other internal difficulties. The Grains Board operated with inadequate and inappropriate systems and procedures. For example, the accounting and stock control systems had a history of inadequacy. This included stock records being inaccurate, incomplete, and supporting poor control practices; trade debtors not being reconciled and trading in excess of limits; and accounting treatments that distorted the financial position of the board. The poor quality of information from these systems limited the effectiveness of the board.

The committee also heard that until March 2000 the Grains Board lacked an effective risk management committee to monitor trading operations. Most of the Grains Board's competitors have risk committees. This is further evidence of the lack of internal control over the activities of the Grains Board. The committee concluded that the compartmentalised structure within the Grains Board and the poorly integrated management systems contributed to the lack of co-ordination and control of trading operations. The lack of compliance with procedures and the inadequacy of systems was raised on a number of occasions with management and the board. However, action was rarely, if ever, taken. If action was taken it was usually insufficient.

Another internal failure was the lack of control over the expansion of the organisation. The Public Accounts Committee found that neither the board nor management were in control of the growth in trading volumes. Evidence presented to the committee indicated that the Grains Board was, in late 1999, trading in volumes significantly in excess of its budget. However, the poor information systems meant that the board was unaware, until it was too late, that it was over budget. The expansion dramatically increased financial and operational risks. However, the Grains Board did not have a strategy to deal with these increased risks.

The Grains Board was in an inherently risky business and compounded those risks through aggressive growth. Risk management should have been a priority for the Grains Board and an integrated part of the growth strategy. However, the board did not appear to scrutinise how it managed its risks. An instance of the board's approach to risk management was the Audit Office's review of the Grains Board's treasury operations. That review found that Grains Board staff did not comply with important procedures, and that risks of error and fraud remained. The committee heard that, until the creation of the risk management committee in March 2000, the board did not give proper weight to risk management. As such, the committee concluded that much of the responsibility for the Grains Board's performance rests with members of the board, who failed to adequately monitor the activities of the organisation.

Report noted.

STANDING COMMITTEE ON PUBLIC WORKS

Report: Inquiry into Infrastructure Delivery and Maintenance: Volume Two—Report on Land Fleet Management

Mr BROWN (Kiama) [3.00 p.m.]: This report on land fleet management is the second in a series being undertaken by the committee in its general inquiry into infrastructure delivery and maintenance. The inquiry was established with a reference from the Minister for Public Works and Services in 1999. The Minister's reference provides the committee with the opportunity to explore a variety of infrastructure management issues. To manage the scope of the Minister's reference, the committee has divided the inquiry into discrete tasks and is tabling a series of separate reports. The committee tabled volume one of this series, the Report on Office Accommodation Management, in July 2000.

In this current report the committee sought to examine plant and equipment management in the public sector. The report focuses on a particular segment of plant and equipment called "land fleet", which includes items such as bulldozers, trucks, graders, tractors and other items associated with roadwork and earthmoving. The bulk of this kind of land fleet is held by three agencies—the National Parks and Wildlife Service, the Department of Land and Water Conservation, and State Forests of New South Wales. In addition, the Roads and Traffic Authority also has some involvement in land fleet management. Collectively, these three agencies manage more than 10 per cent of the State's land. They also own around $120 million in land fleet replacement values.

Although these agencies are responsible for a variety of services and facilities, they share common elements in their operations, such as the management of access roads and earthworks. This in turn requires similar plant and equipment, and associated workshop infrastructure located around the State. The committee

has examined the efficiency of these existing arrangements. State Forests, the Department of Land and Water Conservation, and the Roads and Traffic Authority have their fleet and workshop management structured as business units. These units compete for work from their own agencies, other agencies, and the private sector.

There is relatively little cross-usage of workshop facilities or sharing of equipment between the agencies. At the same time there is also a growing trend in the use by these agencies of private contractors. It was revealed to the committee that work on co-operative land fleet management between agencies had been explored in a 1997 consultant's report commissioned by the agencies. It was also revealed that a draft memorandum of understanding that formalised co-ordination of land fleet management between these agencies and the Roads and Traffic Authority was prepared in early 2000. However, implementation of the consultant's report or activation of this draft memorandum has not taken place. This failure in progress was a key concern to the committee.

The committee has looked closely at the merits of co-ordinating land fleet management and believes that gains can be made through the implementation of the draft memorandum of understanding. In particular, the memorandum will encourage agencies to reduce costs and improve management of core business. This in turn will free up extra money for the real work that these agencies are meant to be doing. In evidence to the committee, the key agencies supported this argument, with the exception of the Department of Land and Water Conservation. The Department of Land and Water Conservation argued that it was reluctant to proceed with the memorandum because of ongoing internal restructuring. However, the committee was not convinced that this reason justified deferring implementation of the memorandum.

If a memorandum of understanding is signed by different agencies, it is their responsibility to manage whatever changes are necessary within the agencies to ensure that that memorandum of understanding is put into effect. The committee concluded that the draft memorandum was a sound proposal and recommended that it should be implemented without further delay. The committee also recommended a number of other measures to strengthen land fleet management, including reconciliation of land fleet information systems across the relevant agencies, investigation of a co-ordinated land fleet purchasing program oversighted by the memorandum co-ordination group, and an additional reporting provision in the memorandum to make the relevant agencies more accountable within the Government's infrastructure management regime.

The committee is pleased to note that all the key agencies, as well as the Premier's Department and Treasury, support the report, and action is now under way to implement its recommendations. I thank the chairman and my colleagues on the committee, and particularly the staff of the committee. Listening to the debate today is Carolynne James. This is the first report she has written since she jointed the committee. She has been assisted by the newest member of the committee, Jason Reodique, and they have all been steered in the right direction by the director of the committee, Ian Thackeray. Thank you very much to the staff for their efforts in preparing this report.

Report noted.

COMMITTEE ON CHILDREN AND YOUNG PEOPLE

Report: The First Steps—Review of the First Annual Report of the Commission for Children and Young People, for the 1999-2000 Financial Year

Report noted.

Report: The Global Agenda for Children—What Role is There for Us?

Report noted.

Report: The Development of Wellbeing in Children—Some Aspects of Research and Comment on Child and Adolescent Development

Report noted.

House adjourned at 3.07 p.m. until Tuesday 16 October 2001 at 2.15 p.m.