LEGISLATIVE ASSEMBLY

Wednesday 24 October 2001

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

Mr Speaker offered the Prayer.

PUBLIC FINANCE AND AUDIT AMENDMENT (AUDITOR-GENERAL) BILL

In Committee

Consideration of the Legislative Council's amendments.

Schedule of the amendments referred to in message of 17 October

No. 1 Page 3, schedule 1 [1], proposed section 27B (3). Insert after line 9:

(a) to promote public accountability in the public administration of the State,

No. 2 Page 3, schedule 1 [1], proposed section 27B (3) (b), lines 13-15. Omit all words on those lines. Insert instead:

(b) to provide any particular audit or audit-related service at the request of either House or both Houses of the Parliament,

No. 3 Page 3, schedule 1 [1], proposed section 27B (3) (c), lines 16 and 17. Omit all words on those lines. Insert instead:

(c) to provide any particular audit or audit-related service to the Treasurer at the request of the Treasurer or to any other Minister at the request of that other Minister,

No. 4 Page 4, schedule 1 [5]. Insert at the end of line 24:

, or

(f) the provision of any information sought by the Public Accounts Committee in the conduct of its functions under section 57.

No. 5 Page 5, schedule 1. Insert after line 24:

[13] Section 38E

Omit the section. Insert instead

38E Tabling etc of reports under sec 38C

(1) The Auditor-General is, as soon as practicable after making a report under section 38C, to present the report to each House of Parliament, if that House is then sitting.

(2) If a House of Parliament is not sitting when the Auditor-General seeks to present a report to it under this section, the Auditor-General is to present the report to the Clerk of the House concerned to be dealt with in accordance with section 63C.

(3) The Auditor-General may include the report in any other report of the Auditor-General to the House of Parliament concerned.

[14] Section 52 Auditor-General's reports

Omit "the Legislative Assembly" from section 52 (1).

Insert instead "Parliament".

No. 6 Page 6, schedule 1. Insert after line 8:

[14] Sections 52A and 52B

Omit the sections. Insert instead:

52A Auditor-General's report to be presented to Parliament

(1) The Auditor-General must, not later than 30 November in the year following that to which the report relates, present the report prepared under section 52 (1) to each House of Parliament, if that House is

then sitting, accompanied by copies of such opinions, if any, as are directed to be annexed or appended to the Auditor-General's report under section 52 (2).

(2) If a House of Parliament is not sitting when the Auditor-General seeks to present a report and any copies of such opinions to it under this section, the Auditor-General is to present the report to the Clerk of the House concerned to be dealt with in accordance with section 63C.

52B Tabling etc of special reports

(1) The Auditor-General is, as soon as practicable after making a special report under section 52 (3), to present the report to each House of Parliament, if that House is then sitting.

(2) If a House of Parliament is not sitting when the Auditor-General seeks to present a report to it under this section, the Auditor-General is to present the report to the Clerk of the House concerned to be dealt with in accordance with section 63C.

No. 7 Page 8, schedule 1 [14], proposed section 52F, lines 2-12. Omit all words on those lines. Insert instead:

(1) The Auditor-General may, if of the opinion that a report on a complaint under this Division should be brought to the attention of Parliament, present the report to each House of Parliament, if that House is then sitting. The Auditor-General may include the report in any other report of the Auditor-General to the House of Parliament concerned.

(2) If a House of Parliament is not sitting when the Auditor-General seeks to present a report to it under this section, the Auditor-General is to present the report to the Clerk of the House concerned to be dealt with in accordance with section 63C.

No. 8 Page 8, schedule 1. Insert after line 12:

[15] Section 63C

Omit the section. Insert instead:

63C Documents presented to Clerk of House of Parliament

A document which is presented to the Clerk of a House of Parliament in accordance with a provision of this Act:

(a) is, on presentation and for all purposes, taken to have been laid before the House, and

(b) is to be printed by authority of the Clerk of the House, and

(c) is, for all purposes, taken to be a document published by order or under the authority of the House, and

(d) is to be recorded:

(i) in the case of the Legislative Council, in the Minutes of the Proceedings of the Legislative Council, and

(ii) in the case of the Legislative Assembly, in the Votes and Proceedings of the Legislative Assembly,

on the first sitting day of the House after receipt of the report by the Clerk.

Mr AQUILINA (Riverstone—Minister for Education and Training) [10.03 a.m.]: I move:

That the Committee disagree to Legislative Council amendment No. 1.

The Government opposes amendment No. 1. The amendment is not acceptable to the Government, for reasons outlined in the second reading debate in this place and in the other place. Honourable members may recall that I made specific remarks during my contribution to the second reading debate on behalf of the Government. It must be emphasised that the Government's bill widens rather than restricts the functions of the Auditor-General. The reason for this legislation is to give legal sanction to a number of powers the Auditor-General had been exercising for a number of years, but which the Crown Solicitor indicated specifically the Auditor-General does not have under the existing legislation.

The Government is happy to widen the powers of the Auditor-General, and this legislation does that, but we disagree with amendment No. 1. The Government's bill will enable the Auditor-General to report on any matter that arises from or relates to the exercise of the audit or other functions of the Auditor-General and that in the opinion of the Auditor-General should be brought to the attention of the Parliament. The Auditor-General promotes public accountability by auditing the financial statements of agencies, public accounts and total State sector accounts.

The Auditor-General also promotes public accountability by conducting performance audits to ensure that authorities are carrying out their activities effectively, economically, efficiently and in compliance with all relevant laws; and so the Auditor-General should. The Auditor-General has specific functions and powers to ensure that he does what the Government, the Parliament and the people of New South Wales rely on him to do, without giving him an unfettered mandate to interfere with vital work of other agencies to promote public accountability.

During the second reading speech I indicated there were a number of other public watchdog bodies that had responsibilities to ensure public accountability in major matters—the Police Integrity Commission, the Ombudsman and the Public Accounts Committee. It is important that the Auditor-General, whilst having powers to look into the accountability of agencies and ensuring that they operate in an effective, economic and efficient way, does not traverse the powers of other public bodies.

The Opposition amendment would effectively give the Auditor-General an unfettered mandate to traverse areas in which audit officers are not expected to have special expertise and are not within the traditional or contemporary roles of the Auditor-General. I repeat, the powers of the Auditor-General are very specific in relation to the economic, efficient and effective operation of various departments and agencies. The Auditor-General and his staff do not have the expertise to go into the various areas which the Opposition amendment allows. Other more appropriate watchdog bodies have accountability responsibilities to carry out those functions.

The Auditor-General and his officers are appointed for their expertise in auditing financial and related matters. They have no particular expertise in other areas of public administration or responsibility. They are not legal, constitutional, management, policy or economic experts. Whilst the powers of the Auditor-General from an economic perspective are there to ensure that departments and agencies exercise their powers in an efficient and effective way, they are not there to question government policy.

The Government determines policy and what activities and actions should be put into place. That is why governments are elected. Therefore, it is inappropriate to amend this legislation to give powers to the Auditor-General, which in effect would give the Auditor-General a policy role, or virtually the role of being a watchdog over the implementation of policy matters. Other powers include the Parliament itself. As I have said, the Ombudsman, ICAC, Police Integrity Commission, and Administrative Decisions Tribunal and many other watchdogs have specific expertise in these areas.

Effective accountability requires defined, clear and preferably non-overlapping mandates. That is another issue. It is important that we are precise in our definition of exactly what powers the Auditor-General has, as indeed we are precise in relation to the specific powers of the Ombudsman, ICAC, Police Integrity Commission, Administrative Decisions Tribunal and other public watchdog bodies. The Auditor-General should have the powers needed to robustly perform the functions of an auditor-general. The role should not be transformed into that of a commentator general, in which the Auditor-General would have free rein on making public statements on the implementation of government policy.

Mr O'DOHERTY (Hornsby) [10.10 a.m.]: What the Minister says is simply not true, and he knows it is not true. Section 27B states:

> (5) Nothing in this Act entitles the Auditor-General to question the merits of policy objectives of the Government …

That is what the same Act and the same schedule of amendments states. That is what the bill states just below the section to which the Minister referred. Much of the Minister's argument was conducted along lines similar to the Treasurer in another place: "We don't want the Auditor-General to be a commentator on Government policy." The Act already states—we do not propose to change it—that the Auditor-General cannot comment on the merits of government policy decision. The bill states that the Auditor-General cannot comment on:

> (a) any policy objective of the Government contained in a record of a policy decision of Cabinet, and
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> (b) a policy direction of the Minister, and
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> (c) a policy statement in any Budget Paper or other document evidencing a policy direction of the Cabinet or a Minister.

The Auditor-General is prohibited from doing that by law. Most of the Government's argument is simply to protect itself from critical comment—one can pass one's own judgment on that. The Government is afraid of scrutiny. Most of the things it holds up as the great bogeyman are prohibited by law. So what is the rest of the

Government's argument? It says that if this amendment is passed, the sky will fall. This Opposition amendment was moved in this House and was defeated by the Government. The same amendment was moved in the Legislative Council, and was agreed to by the Opposition and all crossbench members. It inserts into the Act a general principle for the Auditor-General, namely, that he should promote public accountability in the public administration of the State. The Government's argument is that if this amendment is passed the sky will fall because the Auditor-General will traverse or traduce the functions of other bodies like the Ombudsman, the ICAC, the *Sydney Morning Herald*, the *Daily Telegraph*, and who knows what else.

We need a general statement about what is required of the Auditor-General in a modern democracy. That is all this bill does. This bill does not entitle the Auditor-General to question the merits of government policy, of which the Government is clearly afraid. It entitles the Auditor-General to report to the Parliament about public accountability in New South Wales. The Minister said that the Auditor-General does not have the expertise to do that. However, the Audit Office has plenty of expertise. It is producing expert reports now which members of the public are entitled to rely on to help them understand the way the Government is spending public money. That is why we have an auditor-general. If the Minister does not think the Auditor-General has expertise, he is saying that he has no confidence in the Auditor-General.

Mr Aquilina: I didn't say that at all.

Mr O'DOHERTY: I am sorry but that is the implication of what you said.

Mr Aquilina: It's not the implication either.

Mr O'DOHERTY: I know they are not the words used by the Minister, but that is the implication of what he said. The Minister may want to deny it. Even in another place the Minister's colleague the Treasurer, Mr Egan, said that he had confidence in the Auditor-General. If we have confidence in our Auditor-General, we have confidence that he has the expertise within his office to do this task. Why should we have confidence that the Auditor-General has the expertise to do the task? We should have confidence because the Auditor-General asked for this task. The history of this amendment is that the Government muzzled the Auditor-General. About 12 months ago the Government sought the advice of the Crown Solicitor because it was concerned about something the Auditor had commented on and the Crown Solicitor's opinion limited the powers of the Auditor-General. That is why this bill is before the House.

Mr Aquilina: No, the law limited the powers of the Auditor-General.

Mr O'DOHERTY: The Minister should look at his second reading speech. The Government sought advice about whether the Auditor-General had gone beyond the law. The Crown Solicitor said, "In our opinion he has gone beyond the strict letter of the Public Finance and Audit Act." One can imagine the Treasurer receiving that letter! "You beauty", the Treasurer said. He punched the air, he leapt to his feet, he jumped around. He did a John Fahey leap. He said, "Fantastic! We can muzzle the Auditor-General, which we have been trying to do for six years. Here is the opinion that lets us do it." That is exactly what Mr Egan said.

Mr Aquilina: John Fahey might have done that but not Michael Egan.

Mr O'DOHERTY: The Minister says that John Fahey might leap but not Michael Egan. He might be right about that. The Auditor-General immediately wrote back to the Government saying, "This opinion makes it impossible for me to do my job. It makes it impossible for me to continue to comment on the expenditure of public money in the way that I am required to do by a democracy and by the Parliament." It must be borne in mind that the Auditor-General is an officer of the Parliament; he is not an officer of the Government. He is an officer established by statute to report to the Parliament about the public accounts. The Government does not direct him. He does not have to do what the Government says.

There is every reason that the Auditor-General should not do what the Government says, because he must report independently to parliamentarians so that we can do our job. In many cases that is the only way in which members of Parliament can access reliable, accurate, and frank information about the expenditure of public moneys. Every year we front up to the estimates committees, and it has become an absolute joke under this administration. Members of the lower House cannot go to the estimates committees, so shadow Ministers cannot ask Ministers about the accounts of their departments.

Mr Aquilina: My shadow Minister can.

Mr O'DOHERTY: Your shadow Minister is in the upper House. When I was your shadow Minister I could not ask you directly about your accounts. I remember one occasion when we could ask questions in an estimates committee, and it was good fun. I do not know why the Government did away with the previous estimates committees because they were good fun.

Mr Rozzoli: They are scared.

Mr O'DOHERTY: My friend the honourable member for Hawkesbury says that they are scared, and perhaps he is right. He has been here longer than most of us, and I think he speaks the truth. We have estimates committees in another place. The obfuscation, the refusal to answer questions, has become an art form under the current Government. I refer honourable members to the questions that we placed on notice after the estimates committee hearings this year. For example, the Minister for Small Business, and Minister for Tourism did not answer a single question we put to her. When we asked her about the impact of government taxes, payroll tax and stamp duty on small businesses she said, "Go talk to the Treasurer." That was her answer. How can we hope to have a fully accountable government if that is the kind of deliberate obfuscation we get from Ministers of the Crown when the Parliament asks them questions?

In the end the only way we can ensure accountability is by maintaining a robust and independent Audit Office. The Government, in seeking the Crown Solicitor's advice last year, had the impact of muzzling the Auditor-General. The Auditor wrote to the Treasurer saying that the problem must be fixed immediately. He began what ended up to be 12 months of discussions between the Government and the Auditor-General about what law would need to be changed to enable the Auditor-General to continue to do his job. The Government kept promising that it would change the law and it did not. At the end of the budget session of Parliament earlier this year the Auditor-General finally had to report to the Parliament on those ongoing discussions with the Government because the Government had refused to do what the Auditor-General needed to have his powers confirmed. At that time the Auditor-General was saying that his ability even to report on the true cost of the Olympics was in doubt because the Treasurer's action in seeking a legal opinion muzzled the Auditor-General.

On the last or second last day of the budget session of Parliament the Opposition said if the Government did not amend the Act to fix the problem and to give the Auditor-General back his powers, the Opposition would do it. Indeed, in the first week of the spring session of Parliament I gave notice of a bill that does exactly that. It is still on the notice paper ready for debate. In the meantime the Government had been shamed into presenting its own bill, which is this bill to amend the Public Finance and Audit Act. However, there are significant omissions in the Government's bill, omissions that the Auditor-General had specifically asked for in his ongoing discussions with the Government and in his report to the Parliament earlier this year.

The Auditor-General had gone to the trouble of drafting amendments to the Public Finance and Audit Act that would give him the necessary powers and would take the Audit Office into the twenty-first century. The most important change, left out by the Government, is the one we are debating now. The Auditor-General sought to have inserted into the Act as one of his general functions "to promote public accountability in the public administration of this State". It is the twenty-first century and we have an Audit Office. The Opposition moved it unsuccessfully in this House, because the Government has the numbers, but successfully in the upper House because crossbench members joined with the Coalition. What could be objectionable about that statement?

Mr Aquilina: It is gobbledygook.

Mr O'DOHERTY: The same phrase appears in the Australian Capital Territory Act and is similar to statements that appear in other Acts in other jurisdictions in other parts of the world. There was debate in the upper House about some wording from New Zealand but the Coalition did not proceed with that because the Treasurer suggested there was a legal problem with it. The Opposition did not want anything to take away from the simple fact that by voting against this amendment the Government shows that it does not want an Auditor-General who promotes public accountability. It cannot be more simple. The Opposition is asking the Government to agree to have an Auditor-General who promotes public accountability in the public administration of the State. However, there will be a division. Government members will troop down here and Government backbenchers will vote against the proposition that the Auditor-General of New South Wales, Australia's largest State, should promote public accountability. It is like voting against mother's milk.

It is appalling that Government Ministers have hoodwinked their backbench colleagues into believing that they should vote against this amendment. It might not be this week or this month but next year or the year

after and certainly in March 2003 the people of New South Wales will have a say about the lack of accountability of the Carr Government. We will be able to trot out this vote and say that every Government member, whether in a safe or marginal seat, voted against the proposition that the Auditor-General should promote public accountability. No-one else is in a position to promote accountability with the same teeth. The Government wants to muzzle the Auditor-General, that is the simple and clear-cut statement from the Government's continued rejection of this simple amendment, an amendment written by the Auditor-General himself. The Auditor-General says he needs this amendment to do his job properly but the Government will not let him have this power.

I cannot believe that the Government thinks it can get away with this argument in the public forum and that it believes it will not go the same way as other governments that tried to muzzle the Auditor-General. A famous and popular Premier just south of New South Wales got into all kinds of trouble when he tried to limit the powers of his Auditor-General. Bob Carr will go exactly the same way because he will not allow the Auditor-General to promote public accountability in the public administration of the State. The Minister said that other bodies have these sorts of powers and the Auditor-General would be traversing those powers. That is not true.

The perfect example of that is a comment that the Auditor-General made in one of his latest reports to Parliament about the web site posted by the Department of Arts. The web site contained party political material, which is a misuse of public resources. The use of public resources and money were not involved, but someone was putting Labor Party political material on a government department web site, which clearly contravenes the doctrine that public resources should not be used for party political purposes. That is not the kind of matter that can easily be referred to the Ombudsman or ICAC. The Auditor-General was able to undertake a quick investigation and quickly report to Parliament. He had to go back twice to the Director-General of the Cabinet Office to get the material taken off the web site.

The Government and the public servants, who serve the public not the political party in power, refused to remove the material until the Auditor-General, under the public disclosure provisions, said that they would be exposed for what they were doing. That is what happened and the material was removed. That is not something that the Ombudsman, ICAC or the other bodies envisaged by the Minister would be easily able to do, nor would they see it as within their purview. It may not even be within the purview of the Auditor-General now but it will be if the amendment is allowed. That is why the Government does not agree to the amendment. The Auditor-General would then be able to comment on the abuses of power conducted by the Labor Party in government. That is a simple example.

The Auditor-General already co-operates with other agencies. He already refers corruption or maladministration matters he discovers on audit to ICAC or the Ombudsman. He has the ability to share resources with other agencies and statutory authorities. He also has the ability to second officers and I would imagine that other agencies have the ability to second officers from him. This adds to the arsenal of protection for the citizens of New South Wales. An Auditor-General with good powers, together with ICAC and an Ombudsman with proper powers, provides a good arsenal of protection for our democracy. However, the Government wants one leg of the three-legged stool to fall over by continuing to limit the power of the Auditor-General.

The Government's argument that the Auditor-General does not have the teeth boils down to a lack of confidence in the Auditor-General himself. I know that the Minister denies that, however, he must accept that the whole proposition falls over. If he has confidence in the Auditor-General he must have confidence in his ability to do the job that he has asked the Parliament to give him power to do—to promote public accountability. The Minister cannot say he does not have the expertise and say that he retains the Minister's confidence. Both cannot be true at the same time. If he retains the Minister's confidence he has the expertise, and if he retains that confidence he should be given the power that he has asked for. This was not invented on my word processor. It came from the Auditor-General's own reports to the Parliament and, as a member of Parliament, I am giving the Parliament the opportunity to vote on it.

The Minister is completely wrong in suggesting that the Auditor-General would be traversing government policy. Section 5 states that he cannot do that because it is unlawful for him to do so. The Opposition does not seek to amend that, so the Minister’s second argument is specious. The Minister's third suggestion that he would be cutting across other authorities is also specious and fallacious because the Auditor-General already co-operates with other agencies. The Auditor-General has a different role in commenting upon accountability to that of other agencies because their brief is different, it is maladministration or corruption.

This gives us a strong third leg to the three-leg stool of public accountability, which the Carr Government would hide from, but which is a hallmark of Coalition policy going forward to 2003. If the Government votes against this amendment, it votes against public accountability over its own administration. By voting against this amendment, Bob Carr is voting against accountability for himself. He is self-interested and self-protective and will bring himself down when he continues to try to muzzle the Auditor-General of this State.

Mr ROZZOLI (Hawkesbury) [10.29 a.m.]: I support the comments made by the honourable member for Hornsby on the absolute necessity to give the Auditor-General the necessary powers to comment on any matters that he believes are pertinent to the financial management of the State. The role of Auditors-General has advanced over the past 50 or 60 years from auditing and commenting on whether line items in a budget match amounts that have been expended against that line item to a much broader range of accountability in the expenditure of moneys.

Recently I had the pleasure and interesting experience of attending a conference in Victoria entitled "Meeting Public Expectations", which was organised by the Parliamentary Studies Unit of Monash University in conjunction with the Victorian Parliament to examine the role and efficacy of Parliament to examine the public perception of the function and role of Parliament. Papers were presented not only from the Coalition side of politics but indeed by such luminaries as Barry Jones, Dr Carmen Lawrence and others, Paul Kelly, who is the national editor of the *Australian*, and the Hon. Art Donohue, who is the Secretary-General of the Commonwealth Parliamentary Association. It was a very broad-ranging group of people and all were condemnatory of the role that parliaments are currently able to play because of the restrictions placed on them by an overpowering and dominant Executive.

In Australia we have not so much parliaments that reflect the will of the people but parliaments that are dominated by the Executive. Universally the comments made at the conference about the ways and means by which parliaments may be made more effective, thereby regaining the respect of the community for being effective forums for carrying through the will of the people—after all, the fundamental purpose of electing people to parliaments, particularly under Australia's constitutional structure, is to reflect the will of the people and safeguard their interests through individual representation—were that the role of what may be termed public accountability officers should be strengthened, and the bond between Parliament and those public accountability officers should be strengthened.

As the honourable member for Hornsby said, former Victorian State Premier Jeff Kennett paid a very heavy price for his attacks on the office of the Auditor-General and his attempts to restrict the type of comment that the Auditor-General felt he should be able to make about the administration of the finances of the State. As I have written in many papers on this subject, I consider the management of finance to be one of the most important functions of the Parliament. As I see it, the first function of the Parliament is to provide a voice for the people through individual representation. The second role, after an election, is of course to form a government and an Executive that will take over the running of the State or nation as the case may be. Following logically, the third function is the provision of finances for the running of the State. Having established a management board, so to speak, the board has to be given the money it needs to run the State. This is a prime function of the Parliament.

The Parliament meets each year and debates the appropriation bills, allocates finances and determines the way in which finances are raised—and there is a very strong nexus between raising finances and spending them. In that regard the Parliament, by implication and, even beyond that, by statutory obligation, has a very strong role in overseeing the budget it passes each year. The finances of the State are very complicated and it would be impossible for individual members of Parliament, perhaps because of lack of time, lack of training or lack of simple capacity, to undertake audits at the necessary level required of the Parliament by statute.

Therefore, because today we live in a much more complex society than before, the Parliament logically relies on the functions of its public accountability officers, namely, the Auditor-General, to advise it not only as I said earlier on matching line items with funding but on the manner in which that funding is expended. There is now a much greater number of elements of government; I instance how the number of portfolio responsibilities has expanded over the years. New areas of responsibility emerge that were not even thought of one hundred years ago.

The requirement for financial audits at both the government and the private level has become exceedingly complex. Major failures in the private sector have underscored the need for vigilance in auditing,

and that should have great primacy in both sectors. To give auditing that primacy in the government sector, we have to turn to the function of the Auditor-General. I believe it behoves this Parliament, in the relationship it should have with the Auditor-General in carrying out the primary function of managing the finances of the State, to pay great heed to the requests of the Auditor-General to clarify his statutory functions and roles so that he can do his job properly. I say "he", but of course we may have a female Auditor-General. It is important that the person who holds the office of Auditor-General has the full capacity to carry out what today is regarded as a modern audit function.

I believe that the Government is failing to recognise the fact that governments have to be more accountable and have to more readily accept the possibility of criticism for things they do not do correctly. I draw the Government's attention to the period between 1991 and 1995 when there was a minority government and the Parliament was not dominated by the Executive or the Government. The capacity to scrutinise government administration was much stronger because the Parliament had the right to call for the examination of matters that it now normally does not have the right to call for because the Parliament, dominated by the Executive, does not agree to those demands.

Strangely, I believe that worked very well. Because the government of the day knew it might be called to account on almost any matter, it was forced—I use that term reservedly—to be much more careful and responsible than it might otherwise have been. That was a good outcome—there should be more of them. During that period the Government was called upon many times to permit minute examination of the administration of Parliament, tendering processes and numerous other areas of public expenditure. However, very little of significance was uncovered—if anything at all—to embarrass the Government. If the Government is doing its job properly it has nothing to fear.

Yet there is a culture within senior ranks of the public service and governments of all political persuasions that somehow or other they are better off if they can retain control of their affairs and keep out of sight the things they may consider to be embarrassing. That is a characteristic of poor, unrepresentative government. Parliamentarians must begin to grapple with the reality that parliaments not only are relatively ineffective at managing the State—which is their primary charter—but are considered by the public to be ineffective. We must begin to grapple with mechanisms designed to increase the effectiveness of Parliament and return to it through its public accountability officers—that is just one avenue—the capacity to be effective and to provide both criticism of and support for the Government of the day, with a strong measure of accountability.

Although people will continue to strongly support the basic principles of democracy, they will soon realise that there may be ways of following those principles other than through the parliamentary process. I believe that would be a tragedy as I am a great believer that the parliamentary process is the correct and only way of delivering proper, participatory democracy. However, there is a clear, strong trend world wide—as Paul Kelly pointed out at the Victorian conference—for communities to take direct democratic action to assume functions that should be the fundamental functions of Parliament.

I plead with the Government not to persist with this narrow, unresponsive and unrepresentative attitude and to accede to the requests of the Auditor-General. If the Auditor-General oversteps the mark there are ways of deliberating and making changes if necessary. However, I believe that the Auditor-General is seeking to assume perfectly right and proper functions. I urge the Government to accept the amendments and to allow the Auditor-General to fulfil his proper statutory functions.

Mr RICHARDSON (The Hills) [10.43 a.m.]: I support the comments of the honourable member for Hornsby and the honourable member for Hawkesbury about the Public Finance and Audit Amendment (Auditor-General) Bill. I think it is extraordinarily important for Parliament to move appropriate amendments to this legislation—particularly in view of the reasons outlined by the honourable member for Hornsby and the honourable member for Hawkesbury. The honourable member for Hawkesbury was absolutely correct when he said there is a tendency around the world for communities to bypass their parliaments precisely because they believe Parliament does not reflect them accurately and the government of the day is not accountable to the people. That is what the amendment under consideration and this legislation are all about: the Government's accountability to the people of New South Wales.

For the life of me I cannot understand why the Government would object to that proposition. It is unquestionably the case that the secrecy and furtiveness that might have characterised governments not so much in the latter part of last century but certainly in the 19th century is totally unacceptable in the twenty-first century. This Government is attempting to turn back the clock more than 100 years and be as secretive and as furtive as possible.

The issue that gave rise to this amendment is a matter I raised with the Auditor-General earlier this year regarding material that had been placed on the Ministry for the Arts web site and was totally inappropriate for an official government web site. However, when Mr Sendt wrote to the Treasurer last September alerting him to the problem, the Government did not exactly fall over itself doing something about it. Mr Sendt then wrote to the Director-General of the Cabinet Office, Roger Wilkins, but got nowhere. Mr Wilkins effectively brushed him off: he acknowledged that the material was on the web site but said that he was not prepared to do anything about it. Action was not taken until Mr Sendt sent a letter to the Premier. The question is: What will happen in the future? I will refresh honourable members' memories about the material on that web site. Under the heading "Cultural Development Policy", there appeared the statement:

> The days of a narrow, Sydney-based, Liberal arts policy are over. The Carr Government has introduced creative programs across every sector of the arts, responding to the needs of small rural communities as well as those in Sydney and larger regional centres.
>
> The Fox studios at the former Showground, brought to fruition by the Carr Labor Government after years of Liberal-National Party dithering, are state-of-the-art studios equal to the best in the world.

Those comments are not only blatantly party political but also inaccurate. Mr Sendt recognised that fact and appropriately raised the matter with the Director-General of the Cabinet Office, who was also the Director of the Ministry for the Arts. The material was eventually removed after three attempts. Coalition members believe it is not appropriate for any government to exceed its authority in such an arrogant fashion. I ask the Minister for Education and Training to confirm in his response whether the Government's proposed amendments to the bill will permit the Auditor-General to investigate and report on such matters. If they will not, I honestly believe that the Government is not only exceeding its authority but returning to the secrecy and furtiveness of governments of more than a century ago.

The Government does not interpret the Auditor-General's role in the terms expressed by the honourable member for Hawkesbury. It does not believe that the Auditor-General is a watchdog. It has been stated many times that he is an officer of the Parliament. I am very concerned about the Treasurer's comments in another place about this legislation because they tend to bear out the views expressed today by Opposition members. The Government is not fair dinkum about accountability. The Government does not want to have an independent watchdog. In fact, the Government is fearful of having an independent watchdog because of what he might uncover in the Government's dealings. The Treasurer said:

> This Parliament should not give any one person the right to unchecked power. The Parliament should not allow any independent watchdog to write its own powers unchecked by careful parliamentary scrutiny.

The Treasurer was saying that he does not actually believe in parliamentary scrutiny. Parliamentary scrutiny is something you should delegate to a previous time. In the brave new world of the Carr Labor Government, parliamentary scrutiny is something that is to be abhorred and deplored. The fact that the Treasurer spoke against the amendment to promote public accountability in the public administration of the State and voted against it—the Labor Party in the upper House voted against the amendment—is proof positive that the Government is not in any way fair dinkum about its role and its accountability to the people of New South Wales.

I wonder whether the Minister for Education and Training could provide some sort of guarantees about this issue. When matters such as the one I raised with Mr Sendt come to the attention of the Opposition, or indeed to someone else who may want to refer it to a member of Parliament, does the Minister believe that under the legislation proposed by the Government the Auditor-General would be able to investigate those matters and take action? Or does he think, as the honourable member for Hornsby suggests, that perhaps those matters should be referred to the Ombudsman or to ICAC? I cannot see that it would qualify as corrupt conduct so, therefore, ICAC would appropriately decline to investigate the matter.

If the matter were referred to the Ombudsman—I have been a member of the Ombudsman's committee—I do not believe the Ombudsman would choose to investigate. The Ombudsman would regard it as being too minor a matter. So, where do people go with these concerns? Are we going to see a proliferation of the kinds of things we saw on the arts ministry web site not only across government web sites but in material paid for by the taxpayer and delivered to the people of New South Wales?

These are genuine concerns and I believe they would be shared by a majority of members of this Parliament, if not a majority of members of this House. Appropriately, all members of this House should share those concerns. I refuse to believe that even on the Government side there are not honourable members—I stress

the word "honourable"—who would believe that promotional public accountability in the public administration of the State is not a worthy goal, is not something we should aim for, and is not something we should aspire to. Quite obviously the way that can be done is to provide for the Auditor-General of New South Wales, an officer of the Parliament, to investigate those matters, rather than simply act as a sort of glorified private sector auditor. Mr Sendt was most particular about that when, in his 2001 report, volume three, he wrote:

> If auditor-generals are expected to do no more than private sector auditors that interpretation may be acceptable. But departments and the public have come to expect much more from public sector auditing. Commentary on major changes in public sector agencies' functions, on significant developments affecting their operations, on compliance with laws and regulations and other issues of probity and efficiency are some of the additional roles expected of public sector auditors.
>
> On my understanding of the Crown Solicitor's opinion, much of what has traditionally been included in Auditor-General's Reports to Parliament, at least since 1983—

that is over the past 18 years—

> when the Act in its current form was passed, could now be deemed outside my legislative mandate.

What has changed? Under this legislation the Auditor-General would be able to report on any matter that arises from or relates to the exercise of the Auditor-General's functions. Does that include the matter the honourable member for Hornsby and I have raised? With the bill in its current form, would he be able to appropriately investigate and deal with a matter such as this material placed on the arts web site? Does the power that would be provided—this power to report on any matter that arises from or relates to the exercise of the Auditor-General's functions—include his ability to investigate these sorts of matters? Or are we simply looking at him continuing to be able to look only at matters that arise from audit?

The Government says that the bill significantly increases the powers of the Auditor-General. Against that we have the Government's opposition to the amendments to promote public accountability in the public administration of the State, amendments that have not been plucked out of thin air. That provision is included in the Australian Capital Territory Act and there are similar provisions in Auditor-General's Acts around the world—but the Government does not believe that it ought to be included in the New South Wales Auditor-General's legislation. Clearly the Government wants to curb the Auditor-General's powers. The Treasurer believes that Parliament should not give any one person the right to unchecked power and that Parliament should not allow any independent watchdog to write its own powers unchecked by careful parliamentary scrutiny. Of course, that is a nonsense because section 27B (5) states:

> Nothing in this Act entitles the Auditor-General to question the merits of policy objectives of the Government, including:
>
> (a) any policy objective of the Government contained in a record of a policy decision of Cabinet, and
>
> (b) a policy direction of a Minister, and
>
> (c) a policy statement in any Budget Paper or other document evidencing a policy direction of the Cabinet or a Minister.

What is the Government scared of? What is it frightened of? If the Government is a modern government, a twenty-first century government, it would be an accountable government. It would not run scared of appropriate inquiry, investigation and audit by the Auditor-General. I am sure the Auditor-General has the support of all members of this House. He is trying to do his job in an appropriate way, in a way that that job is conducted by auditors-general around the world, and he is doing a fine job. That is what the Opposition's amendment is all about: to promote public accountability in the public administration of the State. I urge all honourable members to support it.

Progress reported from Committee and leave granted to sit again.

BUSINESS OF THE HOUSE

Private Members' Statements: Suspension of Standing and Sessional Orders

Motion by Mr Aquilina agreed to:

That standing and sessional orders be suspended to permit up to 12 members to make private members' statements forthwith.

PRIVATE MEMBERS' STATEMENTS

BEROWRA PUBLIC SCHOOL HALL

Mr O'DOHERTY (Hornsby) [10.59 a.m.]: As the Minister for Education and Training is present in the Chamber, I take the opportunity to acknowledge a good decision that came out of a meeting which took place recently at Berowra Public School. For some time I and the school community have asked the Department of Education and Training to commence planning for the construction of a school hall at Berowra Public School. The Minister would be aware that I have written to him about this matter on many occasions. As a result of my representations to the Minister, a meeting took place last Monday morning which was attended by departmental officers; school staff, including Helen Vincent, Assistant Principal; and significant members of the parent community, including Gary Brown, who as the former Parent and Citizens Association President has worked towards this aim for a very long time, Carol Robinson, Tony Prescott, Geoff Thompson and David Bleasdale.

We discussed the history of Berowra Public School, which is over 100 years old and one of the earliest schools in this State. The Berowra community is very proud of the school. At a certain point the school's facilities stopped growing. Like many schools in established areas, a decline in the standard of facilities is not a new problem. The facilities at the school are now below code compared with schools built today. The school community has identified a high need and desire for, amongst other things, a school hall. Other needs include a food service unit. The current unit is a temporary facility which was rushed in from another part of the State to replace a previous temporary building which burnt down in 1993. The roof leaks, which creates a potential food hazard and affects the floor coverings. This is the only space where students can sit undercover for assembly, apart from the covered outdoor learning area—a joint-funded initiative constructed a few years ago.

Over the years the school community has also identified the need to upgrade the library and administration area. I am very pleased to say that after the Minister's predecessor Virginia Chadwick visited the school with me in 1993, not long after I was elected, the then Minister was able to approve a library and administration upgrade. That was the last significant capital works project done at the school. The community was pleased that Virginia Chadwick and I were able to organise that funding at that time. The provision of a school hall, which has been identified as the school's top need, has a sad history. Prior to 1972 the school was identified for the construction of a hall and a bini shell, which is one of those old circular dome buildings. One can still see such a building resplendent at Ku-ring-gai High School. A bini shell was being constructed at Berowra Public School when the building collapsed and was demolished.

After that the department discontinued its bini shell building program, which required a fairly controversial construction method. The school was never given a replacement for that bini shell, which was being constructed in the 1970s. The school has been waiting a very long time for such a facility. As a result of the Minister organising the meeting last Monday with departmental officials, the department has agreed to begin a master plan for the school's development. Parents have put to me over a number of years the need for such a plan. As the parents have raised money to improve their school, they want to know the eventual shape of the school and the department's plans for the construction and enhancement of the school facilities. They want certainty about the process so that they can put their money towards amenities that will last.

The department has now agreed to commence a master planning process for the school. I am grateful to departmental officers for agreeing to that. The plan will identify areas of need to enhance classrooms, which are now below code, and include the provision of facilities such as a school hall. The next stage is that we will ask the Government to provide financing in a future budget for that master plan to proceed. It is the wish of the school community that the hall be stage one of that master plan. The school has been prepared to look at alternative options to finance a hall. Although the options do not seem viable for particular local reasons, discussions continue with the department. One option is the possibility of sales of surplus assets. This school is disadvantaged without a hall. The other public school and both private schools in Berowra have halls. The school's education curriculum includes a fantastic performing arts and dance program that is the envy of many. A hall would be a proper educational enhancement. I thank the Minister for arranging the meeting and I give him notice that we will seek funding at a future date.

Mr AQUILINA (Riverstone—Minister for Education and Training) [11.04 a.m.]: I thank the honourable member for Hornsby for his comments. I was pleased to arrange for departmental officers to go out and meet with the school community and the local member about the preparation of a master plan for the

development of Berowra Public School. The plan will include the construction of a school hall. I have set aside funding of $50,000 to enable the master plan to be undertaken. That money is part of the budgetary process that I have allocated to get the process under way. I am sympathetic to Berowra Public School and admire the commitment of parents at that school, and of parents around the State, who have put great faith in public education and our teachers. Whilst the Government has allocated a record $1.1 billion for capital works over the next four years, including an allocation of $274 million for capital works this year, I regret to say that even with three or four times that amount I could still find plenty of work to be done.

New South Wales has the third-largest public education system in the world and we have massive needs, particularly in capital works. For the reasons the honourable member pointed out, at the time that Berowra Public School was built, schools were adequate and conformed to the code and educational expectations at that time. But we have moved on and we have new expectations, new codes and new requirements. We are faced with a great problem not only to cater for all the new growth areas of the State but also to bring some of the older schools up to our current code. I assure the honourable member that we have Berowra Public School very much in our sights. I am delighted that the master plan is now proceeding. We will look forward to the provision of future funding to put the plan into place.

TWEED HEADS GATEWAY DEVELOPMENT PROJECT

Mr NEWELL (Tweed) [11.06 a.m.]: I draw to the attention of the House the exciting Gateway Development Project, which is being developed in the Tweed electorate under the auspices of the Tweed Economic Development Corporation [TEDC] in conjunction with other stakeholders, such as Tweed Shire Council and the Business Corporation of Tweed Heads. The Tweed Economic Development Corporation is considering a proposal to establish a Tweed Heads central business district redevelopment corporation to promote and oversee the redevelopment of the Tweed Heads CBD. Before establishing the organisation, the TEDC will seek the support and involvement of the council, State Government and other stakeholders. The concept focuses on people and the re-creation of pedestrian and vehicle traffic links with Coolangatta in Queensland, Tweed Mall, Jack Evans Boat Harbour, Point Danger and Greenmount, a well-known tourist area in Queensland.

The project is about reinventing the central business district as a place for people to gather. It is about a vision for the future with the Tweed as the entry statement to New South Wales. The concept was presented publicly on the morning of 11 September at a business breakfast hosted by the TEDC, which I attended. Apart from being a broad-based vision for the redevelopment of the CBD, the plan also takes into consideration many other activities that are happening within the electorate of Tweed at present. It is a good starting point for discussions about the future of that area. I wish to outline to the House some of the activities that are occurring and the reasons why I support this proposal.

The gateway for the Tweed and New South Wales fits in with projects that are under way. It fits in with the Yelgun to Chinderah motorway, which is currently under construction and due for completion by the end of 2002. The motorway will provide safe driving conditions for people travelling from Brisbane for weekends or holidaymakers generally to destinations such as the Tweed, the Byron and Ballina regions, and even further south. The Tweed Shire Council and Gold Coast City Council have proposed transit centres both at Coolangatta and at Bay Street, Tweed Heads. Whichever location gets the nod, the transit centres will fit in with future proposals for the extension of the rail from Robina to Coolangatta. The proposal is to locate a terminus within the airport, which will add to the transport hub in that area.

The Main Street Redevelopment program has already considerably improved the Tweed central business district. Recently, the Gold Coast City Council invested substantial amounts of money into redeveloping Coolangatta, which died approximately 10 years ago. Coolangatta has been reinvented and the town is thriving. Similarly, we need to reinvent the Tweed CBD to ensure that the area is used to its maximum advantage. Various businesses and industries, such as clubs that form a substantial part of the CBD—Twin Towns and the Tweed Heads Bowls Club—are already functioning very well. Stage three, the extension of the Tweed Heads Hospital, will come on line next year. The campus of the Tweed Heads University will be ready to roll early next year. We can also look forward to the redevelopment of Jack Evans Boat Harbour, which has been on hold for a number of years. I fully support the proposal to set up an authority to oversee the rejuvenation of Tweed Heads.

ORANGE BASE HOSPITAL FUNDRAISERS

Mr R. W. TURNER (Orange) [11.11 a.m.]: I congratulate volunteers and service clubs on their efforts to continually raise money for our hospitals, and I refer specifically to Orange Base Hospital. The United Hospital Auxiliary, which provides volunteers who work in the hospital canteen seven days a week, continually

raises in excess of $100,000 a year to provide equipment for the hospital. Recently, the Premi Babes Association handed over two new magnificent humidicribs. Many years ago Apex House was built as a rehabilitation centre. At the time I was a member of Apex, and I remember holding a big fundraiser, Cots for Tots, in the street. Incredibly, we replaced the old cane cots with more modern, hygienic plastic cots. Recently, Rotary submitted an application to Orange City Council to build six short-stay units within the hospital grounds at a total cost of $130,000 odd. It is a huge commitment by a service club.

Last week we witnessed nurses protesting outside Parliament House and all over the State to highlight the shortage of nurses, their meagre pay and their poor working conditions. At the same time that nurses were protesting to the State Government they found the time in Orange to commit themselves to raising funds to buy 12 mattress overlays to prevent patients from developing bedsores. They also committed themselves to raising in excess of $10,000 to buy a monitor to track respiration, blood pressure, heart rate and oxygen intake. They are enormous commitments from a small band of nurses who are already working very hard and enduring excessive overtime. All too often they go home absolutely exhausted, but they have to come back to work within five or six hours to work another shift. Last week we acknowledged the enormous contribution our nurses make to hospitals and patients within those hospitals.

Unfortunately, nurses have been forced to take on fundraising because inappropriate funding by the State Government does not stretch far enough to provide adequate modern equipment for our hospitals. Much of the equipment that is purchased by service clubs and our nurses replaces archaic equipment that was good in its day but has been superseded by more modern equipment. In the past year it is estimated that some $30 million was raised by service clubs, committees and our nurses to provide equipment for our hospitals. Communities have always raised funds for their hospitals, but generally those funds were used to provide little things that made the quality of life in our hospitals a little better. It may have been toys for our children, it may have been some flowers, it may have been an extra chair in a room, or it may have been curtains.

The hospital system was not expected to supply those little things. But there is now more and more pressure on service clubs, committees and our nurses to purchase major equipment. But equipment like humidity cribs and heart monitors, which the State Government traditionally supplied to our hospitals, should continue to be supplied by the State Government. Unfortunately, that is no longer the case and the community is trying to squeeze that extra charity dollar from wherever it can. More and more pressure is applied to extract that extra dollar through raffles, Saturday morning performances down the street, or whatever it might take to supply equipment to those who are less fortunate than us.

ALBION PARK RAIL TRAFFIC ARRANGEMENTS

Mr BROWN (Kiama) [11.16 a.m.]: I bring to the attention of the House the necessity to retain the pedestrian crossing with traffic lights at its current location on Tongarra Road at the entrance of Albion Park Rail Public School. Yesterday I tabled a petition in this House, circulated predominantly by the Albion Park Rail Public School Parents and Citizens Association as well as a number of teachers from Albion Park Rail Public School. The response to the petition indicates the need to retain the crossing on Tongarra Road. Further housing development will result in this very busy road becoming even busier.

The traffic lights and crossing were erected at their current location approximately 11 years ago as the direct result of fatal injuries sustained by a student of Albion Park Rail Public School while crossing Tongarra Road. I would hate to subject any students or their parents to the trauma of further injuries that may occur if the traffic lights and crossing were removed. On Monday 24 September I attended a public meeting with the parents and citizens association in the school library. The school principal, Mr Paul Greer, chaired the meeting. It was a most constructive meeting. I was particularly pleased that my representative on the council traffic committee, David Hamilton, was able to attend. A number of councillors from Shellharbour City Council also attended. Incidentally, only the Labor members of the council attended the meeting that night.

The concerns of the parents raised that night were many and varied. It was suggested that children under the age of 10 years do not have the peripheral vision to gauge the distance between themselves and an oncoming car, which can be very dangerous for a child trying to cross a busy road. It was also brought to my attention that some parents do not heed safety precautions when crossing the road with their child and would be unlikely to walk the extra distance in order to cross safely if the traffic lights were moved to another location. Concern was also expressed that a number of motorists were not adhering to the 40-kilometre-per-hour speed limit, and that the speed limit of 40 kilometres per hour was rarely enforced by police patrols. The staff of the school deserve to much credit. Against directions from the Teachers Federation, they give up their time to make sure that children are properly supervised when crossing the road.

The Albion Park Rail Public School recently completed the Roads and Traffic Authority [RTA] Safer Routes to School program. The results of the study of traffic and pedestrian movements were alarming and I would like to inform the House of some of them. The statistics revealed that 53 per cent of children did not practise the "stop, look, listen, think" rule before crossing the road at the signalised pedestrian crossing; 42 per cent of children under 10 years of age were not supervised by an adult; 50 per cent of parents or parents did not act as good role models for their children with regard to how to cross the road; 39 per cent of drivers on Tongarra Road exceeded 45 kilometres per hour during the afternoon when a lidar camera was used to observe their movements; and 76 per cent of drivers did not indicate their intended movements as and when required when moving around that section of the road.

I have spoken to my colleague the honourable member for Illawarra, Marianne Saliba, whose electorate abuts Albion Park Rail. The children of a number of her constituents also attend that school. Since that public meeting both she and I had a meeting with Mr Arthur Webster of Shellharbour City Council to discuss the retention of the traffic lights in question. We have also had meetings with the RTA and with our respective representatives on Shellharbour City Council Traffic Committee. Marianne and I are dedicated to ensuring that the traffic lights are maintained in their present location. We look forward to continuing to work with the Parents and Citizens Association, and its President, Beth Tierney, to achieve that aim. The Parents and Citizens Association also deserves credit for bringing this matter to the attention of the media. The issue received coverage in the *Lake Times*, the *Advertiser* and the *Illawarra Mercury*. Nothing is more important than protecting the lives of our children. The signalled crossing needs to stay.

QUOTA CLUBS

Dr KERNOHAN (Camden) [11.21 a.m.]: I wish to bring to the attention of those members of this House who unfortunately do not have a Quota Club in their electorates two examples of the great work carried out by New South Wales Quotarians. Honourable members who have attended a Quota Club meeting will know that Quota International Incorporated was founded in the United States of America by Wanda Frey Joiner 82 years ago as a classified service club for business and professional women. Originally similar in form to Rotary International, membership is now open to any man or woman, as are most service clubs.

One of the longest running and most successful Quota projects was the Vial of Life project. It started in New South Wales with Camden Quotarian Nan Cottle as 35th District Chairman in 1979 as a facility for the elderly or those living alone, but quickly extended to everyone, particularly car drivers. The simple filled-in printed form listing all those general personal details required after an accident or a fire—including a list of allergies and persons to notify—was sealed in a used 35 millimetre film canister with a "Vial of Life" sticker on the outside. The vial was placed in the home refrigerator or car glovebox, on the door of which would be placed the "Vial of Life" sticker. Police officers, and fire brigades and ambulance personnel were trained to look for these vials. It was recommended that a passport photograph be included, if available. Later, small resealable plastic bags were provided for placement in wallets.

However, the Vial of Life project was wound up this year on legal advice, because of the litigious nature of society today, which could legally challenge Quota if the information on the form was used and proved to be incorrect. The project had $10,574.62 in its account. As the major project for Quota International is "Service to the Speech and Hearing Impaired" Quotarians decided to donate the funds to the Infant Hearing Diagnostic Unit at Liverpool Hospital. There Kirsty Gardner-Berry is taking a proactive approach to lower the age at which congenital hearing loss is diagnosed in New South Wales. Kirsty studied this problem while on an educational overseas tour as a Quota scholarship winner.

On 13 August at Liverpool Hospital Governor June Young of the 35th district, as the official representative of Quota International, presided at a handing-over ceremony of two cheques, one of $10,574.62 from New South Wales and Australian Capital Territory Quotarians and the other for $6,000 raised solely by her own club at Liverpool. Also in attendance were Lieutenant Governor Del Funnell, and past Vial of Life committee chairman Vera Wilson, both from the Camden club, together with Vial of Life committee member and past governor Margaret Spender of the Port Kembla club, District Secretary-Treasurer Pam Graham from the Liverpool club, and Thelma Hopkinson representing Ingleburn club.

This money raised by Quotarians and the generosity of the supply company in reducing its price by $10,000 enable the purchase of a brain stem auditory evoked response system, which can test the response of a baby's brain to sound. This determines the degree of a baby's hearing loss and evaluates whether it can hear some sounds—that is, frequencies—better than others. This advice is critical for both parents and professionals

as it helps them choose the best hearing aid fitting early, if that is the option parents choose. It also assists in informing parents about the best type of intervention for the child, for example, using sign language communication, listening and spoken communication, or a combination of both. There are three more items on the "wish list" for the unit and the 35th District has adopted the unit as its district project this year, while Liverpool Quota has submitted grant applications to the Community Development Support Expenditure [CDSE] scheme in an effort to obtain these items as soon as possible. I congratulate Quotarians on this activity. I hope that the Liverpool unit will have its extra equipment in the very new future.

BATHURST BASE HOSPITAL CAT SCANNER

Mr MARTIN (Bathurst) [11.26 a.m.]: I support the call for a computerised axial tomography [CAT] scanner for Bathurst Base Hospital. Bathurst Health Watch is actively campaigning for this necessary piece of equipment. The only CAT scanner in Bathurst is located in a private medical practice. That is the result of a decision by the Coalition when last in office. The former Coalition Government thought it would be better to place that facility in private hands instead of in a public hospital. That action has been to the detriment of health care in Bathurst. I quote now from a submission by Health Watch, a community group in Bathurst that regularly monitors these matters. I have had meetings with the group. The submission was prepared by June Darke, president of the group, and Ray Bant, secretary. The submission states:

> The only C.A.T. scanner in use is housed in a private x-ray service 1.5 kilometres from the Base Hospital. This necessitates the use of an ambulance to and from the private rooms. Also, unfortunately, there are no emergency services available.
>
> The present cost of this service seems to be approximately $1,000 per service plus the ambulance fees. A rough estimate of hospital expenditure on this service alone is approximately $18,000 per week.
>
> There have been overtures to MidWest Area Health Service Board to install this service on the base hospital site. Previous suggestions were refused until a recent offer of a second-hand unit which would probably not have been capable of accommodating all patients requiring C.a.T. examination.
>
> It is the firm conviction of this Committee that Bathurst Base Hospital should now be provided with a brand new Spiral MultiSection Unit, not some second-hand reject which may not be adequate for the demands ahead in the projected new hospital.
>
> It is obvious the savings to the hospital on in-house operation would pay for the machine—Siemens new machine approximately $1.4 million—relatively quickly let alone that the service to patients on site, 24 hours per day, seven days per week would be life saving, fast and more comfortable.
>
> There is room, with scant adjustments, to accommodate this unit in the existing hospital prior to more adequate installation in a new facility.

The Mid Western Area Health Service has responded to that submission, which I passed on to it on behalf of Health Watch, guaranteeing support and undertaking to submit a business plan to New South Wales Health. Acting Chief Executive Officer Dr Khoo wrote:

> The Area is as concerned as the Committee is in relation to the maximum utilisation of Area resources. With regard to the matter of the purchase of a CAT Scanner for Bathurst Base, the Area is gathering information prior to submitting a business case to the Department.

I welcome that action by the Mid Western Area Health Service. I have also made submissions directly to the Minister's office. I am heartened that the new CEO, Dr George Bearham, is showing great willingness to talk with community organisations. The Mid Western Area Health Service is also currently preparing a strategic plan for the area and we were able to secure half a million dollars in this year's budget for that. The highest priority in the strategic plan is obviously a new or redeveloped base hospital for Bathurst. Health Watch, Bathurst City Council and 12 other organisations worked together for over a year to prepare a submission to the Minister, which was presented many months ago. They have highlighted the need for redevelopment of Bathurst Base Hospital or the construction of a new greenfields site facility.

I caution the Mid Western Area Health Service that the planning process should not be taken as a reason to defer any decision on a CAT scanner for the present hospital. The evaluation should go ahead. There is an overwhelming case for provision of the CAT scanner. The new scanner could be transferred to the new facility. Given the advances in technology, CAT scanners may be more easily moved to a new facility. Of course, they are not portable enough to be put in the back of an ambulance to be transported and used. The Mid Western Area Health Service should submit its business plan as quickly as possible so that the people of Bathurst can have the facility. As a result of the flawed decision of a previous Government to put the facility in private hands public health in Bathurst has been denied the use of a CAT scanner.

DELIBERATELY LIT BUSHFIRES

Mr STONER (Oxley) [11.31 a.m.]: I draw to the attention of the House the increasingly serious problem of deliberately lit bushfires. Honourable members would be aware that the electorate of Oxley has vast areas of bushland and every year there is a serious bushfire problem, particularly at this time of year. The mid North Coast is gripped by drought and the area could become a tinderbox. Sadly, many of the fires that devastate areas of bushland, threaten homes and risk the lives of firefighters are deliberately lit. Last year a large and deliberately lit fire near my home town of Wauchope potentially threatened properties. Similarly, a deliberately lit large fire in the Maria River area between Crescent Head and Port Macquarie devastated bushland and wildlife and put lives at risk. Recently there was a threat to homes near Bonny Hills. A number of cowboys, reckless criminal individuals, are lighting these fires. I recently received correspondence from Mr John Jeayes, who is involved with the Crescent Head Ratepayers Association and also the Goolawah dune care group. He has come up with suggestions to respond to this increasingly serious problem. He wrote:

> 1. Fire ban period should be announced, not flagged ...
>
> 2. There needs to be active surveillance going on—police on bikes out in the bush, undercover police and volunteer observers on dirt roads. Police doorknocks in bush property areas actively chasing up arson ...
>
> 3. Police helicopter in the sky. It is probable that the arsonists are using bbq firelighters and a delay mechanism so they can be away from immediate area when the smoke plume goes up but observers in a helicopter can see for miles.
>
> 4. What about satellites? The cold war technology probably would provide excellent surveillance down to small detail. Expensive, but like the police options above need not be every day. Just before fire ban and hot windy days ...
>
> 5. Once the local volunteers are called out the firebugs light more fires in other areas so that they cannot handle everything. This would also be a prime time for surveillance.
>
> 6. Volunteers have their very strong suspicions but are wary of being sued or making a mistake and causing bad feeling in small communities. I don't know how it could be handled but anyone seen in the area could be asked by the police for a chat.
>
> 7. Media campaign showing distress to homeowners threatened by the danger, burnt and dying wildlife etc to remove this cowboy attitude towards burning, scientific data showing damage e.g. around Hobart I believe they found the more an area is burnt the more you get fire tolerant species with higher oil content which burn quickly.

I congratulate caring community members such as Mr Jeayes on putting suggestions to me as a representative of the area so that I can bring them to the attention of the House. I hope that the Minister for Emergency Services will pursue these suggestions and others to deal with the major problem of deliberately lit bushfires. The people responsible are putting lives at risk. Not only people in residential areas are threatened. Homes and properties are in danger and the lives of volunteer bushfire fighters is put at risk. Sadly there have been a number of tragedies in that regard in this State. These acts are not only reckless; they are criminal. The Government must do all it can to address this increasingly serious problem.

AUDITOR Mr JOHN BUTTLE

Mr E. T. PAGE (Coogee) [11.36 a.m.]: John Buttle, the Arthur Andersen audit partner who signed the October 2000 HIH audit, will no doubt rue the day that he did not do a better job of signalling to shareholders and creditors what was evidently seriously wrong at HIH for many months, and possibly up to two years before its collapse. Buttle's audit enabled the company to buy time, but it ended up crashing spectacularly anyway a few months later. Buttle signed the audit report showing HIH had net assets of about $1 billion. Shortly thereafter it was $4 billion in the red—a $5 billion difference. One has to ask whether he can add up.

Buttle featured in an earlier report at NRMA. He was called in to act as an independent referee, this time by its chairman Nick Whitlam and former chief executive Eric Dodd. If he had done his job properly then the NRMA Insurance demutualisation would not have occurred as both these men would have been found responsible for NRMA losing $70 million of members' money. The money was lost in a $155 million share transaction when the execution of a board decision to sell the share parcels occurred 14 months later in a falling market. Buttle's conduct means that he can now be held partly responsible for the hike in insurance premiums we are seeing with the NRMA. The royal commission into the HIH collapse should also focus on the insurance industry, the process to demutualise NRMA and what has happened to premiums since. Buttle, Whitlam and Dodd have all been responsible in deceiving the NRMA board and then compounding that deceit with a cover-up plan. They collectively participated in questionable conduct over an extended period.

This is what happened. In June 1998 the NRMA board unanimously resolved to establish a task force comprising Whitlam, Dodd and Buttle to investigate matters brought to the board's attention by director Ian

Yates and to report back to the board as soon as practicable. Why it took 14 months to sell shares, in the process losing $70 million, was the issue that ignited the Whitlam board faction into lengthy and acrimonious debate involving innuendo and corrupt behaviour. Yates' submission raised five questions, primarily focused on the management of the sale process, but Buttle, Whitlam and Dodd created a sham report in which only one question that Yates asked was given in the brief to Buttle. Buttle knew of the five questions and the board resolution and should have removed himself from the task force when given the narrow brief by Whitlam and Dodd. Buttle was compromised as his firm, KPMG, had recently won the million dollar audit contract and had the prospect to be a major beneficiary when the $130 million was handed out in the demutualisation process.

An independent adjudicator, Simon Longstaff, hired by the NRMA, found the task force to be improperly constituted because of a number of conflicts of interest. None were declared. In fact, the task force was investigating its own behaviour—that is, the behaviour of Whitlam and Dodd—in the share sale. Longstaff also recommended an independent inquiry. In July 1998 Yates met Buttle and Buttle admitted to the narrowness of the brief. He also admitted then and later that he had not interviewed the three identified sources of information in the Yates report. This was despite two of the sources alleging the possible impropriety of the sale.

Yates followed up by sending two letters to Buttle asking more questions. He also decided to review the board minutes. They had been changed. The board minutes reflected the narrow brief to Buttle rather than what the board had resolved. Yates had the minutes amended and then rang Buttle to have him expand his report as the board had resolved. Buttle said to do this he needed written direction from Dodd or Whitlam. Graeme Blackett, a member of the secretariat, confirmed that Whitlam created the minutes for that meeting, as Whitlam asked all management to leave the boardroom because the issue involved a senior member of the executive.

The next decisions by Buttle, Whitlam and Dodd underwrite their dishonesty and their absolute abuse of power in their own interests. Yates sent a fax to Dodd and all NRMA directors on 3 August saying that Buttle's brief was narrow and, therefore, deficient. Yates requested Dodd to inform Buttle of the inadequacy of his report and that it needed to reflect the five questions raised by Yates and resolved by the board. Neither Dodd nor Whitlam did anything and Buttle delivered his report to Whitlam, unchanged. If Buttle, Dodd and Whitlam were innocent they could have remedied the situation there and then. But they did nothing, because any independent investigation would show they were negligent. The result would end the road to riches from demutualising the NRMA.

Whitlam presented Buttle at the 27 August board meeting and Buttle was embarrassed by questions. Whitlam and Dodd stoutly defended his integrity. Efforts to kill off any further share sale investigation were left to Whitlam's acolytes and involved repeated vilification and even defamation. Yates commissioned Greenwood and Challoner to review his and the KPMG reports and related papers. Their conclusions supported him but with Yates being diagnosed with cancer, calls for explanation from Buttle ceased, that is, until Buttle's role in the HIH disaster became public. It is obvious that the investigation into HIH should be extended into the history of reports carried out by Buttle for other bodies.

BAULKHAM HILLS HIGH SCHOOL SEWAGE OVERFLOWS

Mr MERTON (Baulkham Hills) [11.41 a.m.]: On 1 July 1999 my constituents Judith and John Toh of 43 Christopher Street, Baulkham Hills, wrote to me to draw to my attention problems with sewage and stormwater overflows from Baulkham Hills High School. Mr and Mrs Toh have lived in Christopher Street for more than nine years and throughout that time they have tolerated their backyard, garage, storeroom and driveway being flooded every time the obviously overstressed and inadequate sewerage pipes within the school precincts become blocked. The Tohs are also forced to bear the foul-smelling stench from sewage overflows each time that their property is flooded, not to mention the health risks posed by the contaminated water. The neighbouring property, 45 Christopher Street, is also affected by the overflows.

Mr and Mrs Toh have done all they can to divert the subsurface and surface water to the side of their house. They have spent a substantial sum in building a retaining wall under their house to prevent erosion affecting the foundations. Their driveway has started to develop cracks as a result of erosion. The Tohs have been inconvenienced many times since they moved into Christopher Street. On one occasion Mrs Toh was called home from work by her 77-year-old mother-in-law to raise furniture in the garage onto bricks while she swept sewage out of the garage and storeroom. The blockage on that occasion was so bad that sewage was gushing out from the pit in the school ground.

After becoming aware of their plight in July 1999 I made urgent representations on their behalf to the Minister for Education and Training and asked him to give immediate attention to the problems faced by Mr and Mrs Toh. I received a response from the Minister's office on 23 August 1999 advising that a preliminary

investigation had found that minor cracking to the pipes caused by root invasion could have been affecting the sewerage system. The Minister said that a more extensive assessment would be carried out by a maintenance contractor and that a detailed report, including recommendations for remedial action, would be provided to the Department of Education and Training. The Minister also advised that officers in the department's Properties School Service Unit, Sydney North, would consult directly with the school principal and Mr and Mrs Toh following the investigation.

Honourable members can imagine my dismay on 7 October this year when I received another letter from Mr and Mrs Toh advising that nothing permanent appeared to have been done about the problem, because their property was still being flooded by sewage overflows. The most recent occurrence was on the Saturday of the October long weekend when another blockage to the sewerage system once again caused sewage to flood the Tohs' backyard. The flow, which was similar to that of a running tap, continued throughout the three-day weekend. Mr and Mrs Toh were forced to dig a trench at the side of their house so that the sewage could drain onto a concrete strip and down the driveway, thus preventing sewage from flooding their living area.

The Tohs telephoned the education security emergency line to inform the principal, but no action was taken to rectify the problem until Tuesday 2 October after a second call was made. The plumber who cleared the blockage informed the Tohs that the repairs were only temporary and that further blockages would definitely occur. He said that the whole sewerage system needed to be redesigned, because the current system was not coping. The school's deputy principal, who accompanied the plumber to the Tohs, said that the school had no funds to permanently correct the problem. Once again, I made urgent representations to the Minister's office via fax on 2 October, and now, some three weeks later, I still have not received an adequate response.

The Carr Government's inaction has a distinctly bad smell about it. I find it absolutely appalling that residents should have to put up with a backyard flooded with foul-smelling sewage caused by an inadequate sewerage system that not only inconveniences the residents but also places their health at risk. The sewage overflows also cause untold damage to their property. I call on the Minister to take immediate steps to ensure that the properties of Mr and Mrs Toh and the other residents in Christopher Street are not turned into a cesspool every time a blockage of the inadequate sewerage system occurs. Baulkham Hills High School is an outstanding selective school in my electorate, and I am proud of it. Clearly, the school must suffer from the problems caused by its inadequate sewerage system. The school and the adjacent residents, including Mr and Mrs Toh, want this problem rectified. I ask the Minister to look into this situation urgently.

CIVICS AND CITIZENSHIP COURSES

Mr ASHTON (East Hills) [11.46 a.m.]: Last Saturday, 20 October, I had the pleasure to be the keynote speaker at the History Teachers Association of New South Wales Professional Development Day held at the Australian Catholic University at Strathfield. The topic I was asked to address was one that should be close and dear to the hearts and minds of all elected members of both Houses of this Parliament—that is, the implementation of the civics and citizenship course that has been made mandatory in the curriculum for New South Wales schools. I acknowledge the role of the History Teachers Association in helping to keep history teachers across the State well-informed about curriculum issues for history teaching and in continuing to provide excellent resources for history teachers. In an excellent paper prepared for honourable members by Mr Graham Spindler, Manager, Education and Community Relations, entitled "Civics and Citizenship: What's Happening in Schools?", he referred to what he called a civic deficit: a recognition that Australians generally do not know enough about our systems of government and politics.

In Australia we have been able to take democracy for granted, and many electors feel that voting in elections is a burden rather than a privilege. That is most unfortunate. It is incumbent on honourable members to support actively the education of the wider community, particularly schoolchildren, on civics and citizenship. I know that honourable members already do as much as they can by visiting schools to address assemblies, present awards, invest prefects, attend a speech nights and the like. A couple of weeks ago I ran a trivia night to raise funds for a government primary school in my electorate. When students from schools in our electorates visit this place we talk to them, if possible, about this Chamber and about our role as members of Parliament. We offer work experience for students, we write references for many whom we have taught, and most members, such as myself, become patrons of school parents and citizens associations when invited to do so.

In effect, we are civic experts and we can play a great role in teaching civics and citizenship in our communities. The history syllabus emphasises some excellent examples of major topics that highlight significant civic and citizenship issues in our nation's history. Students can look at the creation of Federation,

which took place 100 years ago; our voting rights; the white Australia policy, the first policy passed by the Federal Parliament in 1901; the conscription debate during World War I; the Home Front debate during World War II, which placed restrictions on what people at home could do during the war; the immigration debate, which was prevalent throughout our history and probably still is; Aboriginal citizenship issues; the 1967 referendum; the changing role of women in our community; reconciliation; multiculturalism; the republic; and possibly even the flag.

Students can be informed about these issues as a result of good teaching. I call upon the media to play a role in trying to make our community more aware of what happens in democratic institutions. I ask also that the media put aside the trivial matters that they like to emphasise about the role of members of Parliament and to try to better understand the difficult nature of being a truly good representative for the community. Australia's larrikin and cynical traditions provide a great degree of protection for politicians to take themselves too seriously, but I would prefer the electorate to be a little more informed on what we really do. Many constituents think that even though I am a member of Parliament I still teach when Parliament is not sitting. They think we go on holidays when Parliament is not sitting and they do not realise that we work in electoral offices assisting constituents on a wide range of matters.

The History Teachers Association has held five professional development days this year. Teachers give up their time on Saturdays to attend those development days. I acknowledge Kate Cameron, Pam Panczyk and a former teaching colleague and friend, Mr Albert Marchetto, for the invitation to address the History Teachers Association. I also place on record my enthusiasm for the civics course being taught in our schools. It is further proof of the commitment of the Premier, the Minister for Education and Training, and the Carr Government to the teaching of history, civics and citizenship to young people in our schools.

NATIONAL ROAD TRAIN CONFERENCE

Mr McGRANE (Dubbo) [11.51 a.m.]: I bring to the attention of the House the sixth Annual National Road Train Association Conference, which was held last weekend in the city of Dubbo. The conference was attended by the operators of transport other than road trains. Indeed, operators representing 16 forms of transport attended the conference. The theme of the conference was "The Road Industry Carries Australia's Economic Future". I have attended the national conference on six occasions, four as the mayor of Dubbo and two as the local member. Dubbo is known as the hub of the West so it is appropriate for the national transport conference to be held there, particularly as all roads lead through the Dubbo electorate. Dubbo is the most eastern city to which road trains travel on their way to Sydney and the eastern coastline. Road trains travel to Darwin and Perth, and each week at least 20 road trains travel between Dubbo and Perth.

The road transport industry carries one-third of Australia's freight and plays a major role in the development of regional Australia. Indeed, 80 per cent of Australia's exports emanate from regional Australia, which is largely served by local trucking operations. One of the biggest problems facing the road transport industry is the price of fuel. Fuel excise was the second major topic to be discussed at the conference. Trucks weighing over four tonnes receive an 18.5¢ a litre rebate from the Federal Government. The agreement relating to that rebate was due to expire on 30 June 2001 but has now been extended to 2002. There is very strong support for the rebate to remain because fuel excise is a major component in setting the price of exported goods.

The fuel excise tax disadvantages those who must travel long distances to seaports, that is, those from regional Australia, the engine room of Australia's export industry. The truck industry believes that all of the funds generated by the fuel tax paid by all road users should be put back into roads instead of 20 per cent, as is the case at present. Indeed, both sides of the political spectrum agree that the fuel excise is another form of tax that disadvantages regional Australia. The conference was successful and the road train industry and the transport industry's multiple operators are united in the view that an approach should be made to the Federal Government and Opposition to develop a powerful lobby to address the matters I have raised.

Private members' statements noted.

PARLIAMENTARY REMUNERATION AMENDMENT BILL

Bill introduced and read a first time.

Second Reading

Mr WATKINS (Ryde—Minister for Fair Trading, Minister for Corrective Services, and Minister for Sport and Recreation), on behalf of Mr Carr [11.57 a.m.]: I move:

That this bill be now read a second time.

The object of the bill is to amend the Parliamentary Remuneration Act 1989 so as to clarify that the traditional arrangements regarding the use and nature of the electoral allowances continue to apply. Further, the bill provides for the Parliamentary Remuneration Tribunal to have regard to the advice of the Secretary of the Treasury as to the financial implications of its determinations. The Parliamentary Remuneration Act was amended in 1998 to provide for the tribunal to make binding determinations on a wide range of members' entitlements. The amendments included a definition of parliamentary duties and also provided that prior to making a report of a determination the tribunal was required to obtain a statement from the Secretary of the Treasury as to the financial implications of the determination. This statement is required to be published as an annexure to the determination.

Members will be aware of the history of this matter. The tribunal made its report and initial determination on members' additional entitlements, the first since the Act was amended, in December 1999. It was to take effect from 1 January 2000. That determination made a number of significant changes to the way members' additional entitlements had been treated. Principal among them was the requirement that members were required to repay the unspent portions of their electoral allowances to the Consolidated Fund at the end of each financial year. Because of the significant number of changes required to be made by the Legislature to accommodate the new aspects of the determination, the tribunal agreed to defer the implementation of the determination.

Concerns were also expressed by parliamentary staff and members about the nature of the changes and the resultant administrative burden that would be placed on the Legislature and members themselves as a result of the initial determination. In particular, the requirement to reimburse the unspent portion of the electoral allowance would have required detailed accounting to keep track of every single item of expenditure. It would have required an increase in staffing in the Legislature to administer the new scheme, including checking each item of expenditure for every member. Furthermore, the proposed new treatment of electoral allowances would have seen it subject to fringe benefits tax for the first time. This cost would have had to be met by the Legislature.

The tribunal proceeded to consult widely in respect of the concerns raised by members and others. The review coincided with the 2000 annual review of members' entitlements. This consultation process involved writing to members and their parliamentary parties, ICAC, Treasury, the Crown Solicitor and the Premier's Department. The review included an examination of a range of complex legal issues and whether the legislation in fact required unspent portions of entitlements to be reimbursed. Following completion of those hearings, the tribunal issued a report and draft determination for comment. Following the receipt of comments, the tribunal issued its report and determination in December 2000. The 2000 determination made a number of changes to provide members with greater flexibility in the use and management of their entitlements. Most significantly, it reversed the earlier decision to require members to reimburse the unspent portion of their electoral allowances. In doing so it chose to make no interpretation of the legislation as it presently stands. The reason for the reversal on this matter is in the tribunal's report. At page 26 the tribunal states:

> The Crown Solicitor has made clear that the obligations which arise with respect to Members' use of electoral allowances derive directly from the Act, without any requirement or particular need for the Tribunal to regulate the question by determination.

The tribunal further states:

> … any obligations as to the repayment of the unspent portions of allowances falling on Members will be confined to those specifically deriving from the statute. The Tribunal did not intend in its initial determination, and will now avoid by this approach, any superimposed (and additional) obligations arising out of any determination made by the Tribunal over those created by statute (which may have the potential of creating unintended adverse consequences).

By removing the requirement to repay the unspent portions of electoral allowances, the tribunal has restored the traditional arrangements in respect of this allowance. This Government will address the issues raised by the Crown Solicitor by legislating to retain the historical practice in respect of the electoral allowance—a practice common throughout all jurisdictions in Australia. This bill will make clear the intention of Parliament. It will overcome the present uncertainty as to what is required to happen to the unspent portions of electoral allowances. The bill provides that the tribunal will determine the quantum of the allowance. The bill makes a separate provision for electoral allowances and states explicitly that electoral allowances will be paid as compensation in respect of all incidents of the performance of parliamentary duties. In other words, it is intended to compensate all aspects of a member's responsibilities in his or her electorate and not merely matters within the narrow definition of expense reimbursement.

This amendment does nothing more than provide greater certainty that members may continue to receive their electoral allowances as they have since their introduction in 1956. The bill articulates in a clearer way the fact that members are entitled to retain their electoral allowances. Members will continue to acquit the unspent portions of the allowance with the taxation commissioner, as has historically been the case. It treats electoral allowances no differently from what occurs in Federal and other State and Territory jurisdictions. Electoral allowances will not count for superannuation purposes. The bill also provides a transitional provision to ensure the clarifying amendments apply to the electoral allowances payable under the current determination.

The bill also replaces section 13 (5) of the Act with a new section 12A to provide for the tribunal to have regard to the financial implications of its determinations. The new section will require the tribunal to seek the views of the Secretary of the Treasury and to take those views into account before making its determinations. The bill provides that the secretary's submission will be published as an annexure to the determination. This is a minor change made at the request of the tribunal. The legislation as it is currently worded requires the tribunal to make its determination, seek a statement from the Secretary of the Treasury as to its financial implications, and then append the statement as an annexure to the determination.

The tribunal fully appreciates the need for its determinations to be fiscally responsible given the impact they would have on the State's finances. It has not sought to deny the Secretary of the Treasury the opportunity to comment on the financial implications of its determinations but said that it should receive and consider this advice before making its determinations. This advice would continue to be published as an annexure to the determination, thus maintaining the existing transparency and accountability arrangements. The Government believes that this bill will provide the certainty in respect of electoral allowances that members have been seeking and will make the minor changes sought by the tribunal regarding the receipt of financial advice from the Secretary of the Treasury, without compromising the existing accountability arrangements. I commend the bill to the House.

Debate adjourned on motion by Mr Fraser.

PUBLIC FINANCE AND AUDIT AMENDMENT (AUDITOR-GENERAL) BILL

In Committee

Consideration of the Legislative Council's amendments resumed.

Mr AQUILINA (Riverstone—Minister for Education and Training) [12.05 p.m.], by leave: I withdraw my earlier motion and move instead:

That the Committee disagree to the Legislative Council's amendments Nos 1, 2 and 4.

I have spoken already at some length about the reasons why the Government disagrees with amendment No. 1. The honourable member for Hornsby, the honourable member for Hawkesbury and the honourable member for The Hills have spoken about that amendment on behalf of the Opposition and I shall respond briefly to several matters raised during that discussion. The honourable member for Hornsby asked whether the Government has confidence in the Auditor-General. I make it plain that the Government has every confidence in the Auditor-General to do the job he should be doing. That is spelt out specifically and appropriately in this legislation. However, the issue before us is not whether the Auditor-General should have wide-ranging powers to comment on matters of government policy and to intrude in many ways upon the jurisdictions of other public accountability bodies such as ICAC, the Public Accounts Committee, the Ombudsman, the Administrative Decisions Tribunal and the Police Integrity Commission.

The honourable member for The Hills referred to a matter he had raised with the Director-General of the Cabinet Office regarding material that was placed upon the Ministry for the Arts web site. He said he had complained to the Auditor-General, who raised the matter with the department, which did not accede to his requests. I point out that existing bodies, such as ICAC, have the power to deal with the improper or inappropriate use of public funds. The honourable member for Hornsby said it was not appropriate to refer the matter to ICAC as it did not involve corruption. However, ICAC's powers extend beyond corruption issues: it is empowered to consider the inappropriate use of funds. In fact, Ministers deal regularly with matters involving the possible inappropriate use of public funds, which are referred to ICAC for comment.

The Public Accounts Committee, which was set up to look at these matters, comprises Government and Opposition members. Many members in this Chamber have had roles on the Public Accounts Committee. I was

chairman of the Public Accounts Committee, as were the Treasurer, the Premier and the Speaker. As chairman of the Public Accounts Committee we exercised our powers to investigate the appropriate or inappropriate use of public funds by various government departments and government bodies. We brought down reports that in some cases were critical of the government of the day. I was one of those—as was the Treasurer, I recall—who brought down strong reports critical of the government of the day. I still have the words of some Ministers ringing in my ears because I had brought down critical reports against their departments. They are the appropriate bodies to deal with these issues. In his specific and appropriate role the Auditor-General can refer matters to the Public Accounts Committee to deal with as is appropriate. As to amendment No. 1, which the Government opposes, section 27B (3) (a) of the legislation states:

> The Auditor-General's functions include the following:
>
> (a) to audit the Public Accounts, the Total State Sector Accounts and any other accounts that the Auditor-General is required or authorised to audit by law.

That is an appropriate definition of the powers of the Auditor General. It specifically spells out, plainly and precisely, the powers of the Auditor General. The Opposition wants to replace that section with an amendment that states:

> (a) to promote public accountability in the public administration of the State.

What on earth does that mean? Is that not carte blanche for the Auditor-General to virtually question any matter the Government is dealing with? Is that not a blank cheque for the Auditor-General to bring every issue of public administration and government policy into question? It is far too open-ended and leaves a wide interpretation that could easily traverse the powers of other public accountability bodies. It is meaningless because for years the Auditor-General has exercised powers that, as the Crown Solicitor has appropriately stated, were beyond the letter of the law. Again I question some of the matters raised by the honourable member for Hornsby. He claimed that the Government, by introducing this legislation, is muzzling or limiting the powers of the Auditor-General. I dispute that claim. With the introduction of this legislation we are legally widening the powers of the Auditor-General and giving legal credibility and relevance to powers he has appropriately and without the sanction of the law been exercising for many years.

Again I make the point that this legislation is all about widening the powers of the Auditor-General. It is all about giving the Auditor-General powers he has not had to date. It is not about giving the Auditor-General a blank cheque to make whatever comment he or she wishes to make about any aspect of public administration and government policy. It would be inappropriate for that to occur. I want to respond to some of the issues raised by Opposition members. I say again that there are proper watchdog bodies to comment on the inappropriate use of public funds by government departments or agencies. The issue here relates to financial matters, not policy matters. In no way is this legislation an attack on the Auditor-General's Office or his powers. We are giving legal sanction to widening his powers and reinforcing the specific confidence that the Government has in the way in which the Auditor General does or should be doing his job.

The Government opposed amendments Nos 2 and 4. Amendment No. 2, which relates to proposed section 27B (3) (b), seeks to replace the words "to provide any particular audit or audit-related service to Parliament at the joint request of both Houses of Parliament" with the words "to provide any particular audit or audit related service at the request of the Legislative Assembly, the Legislative Council or a Parliamentary committee." The issue is whether it is appropriate that the Auditor General conduct an audit if the Parliament requires him to do so or if only one House or a committee requires him to do so. The Auditor General's role will become politicised and devalued if, without any discretion on his part, he is forced to become involved in political disputes that arise from time to time between the two Houses of Parliament. I make the point that the Parliament comprises both Houses, not just one House.

The Government's bill allows the Auditor General to accede to requests from either House where such requests are within in his functions. The amendment, however, would remove the Auditor General's discretion. The amendment would drag the Auditor General into the political fray, obliging him to conduct all sorts of inquiries that may or may not have anything to do with his core functions and which he may not otherwise choose to conduct. Again I make the point that this is an issue about the powers of the Parliament and about the Auditor General being responsible to the Parliament, not merely to one House of Parliament. The amendment would severely restrict the Auditor General's independence and capacity to direct and prioritise the resources of his office.

Amendment No. 4 seeks to add the subsection "the provision of any information sought by the Public Accounts Committee in the conduct of its functions under section 57." This amendment would enable the

Auditor General to ignore the secrecy provisions in the Act and hand over any information sought by the Public Accounts Committee. The Government does not support this amendment. The Auditor General is given extensive powers to gain access to accounts, records, documents and papers, as he should. But many of those documents, accounts and papers could be commercially sensitive or contain matters of extreme sensitivity about the way in which the Government negotiates and conducts its financial affairs.

The Auditor General is not, however, entitled to have access to Cabinet documents or to documents that are subject to legal professional privilege. In its discretion the Government permits the Auditor General to have access to such documents if requested. Again, appropriately, it is for the Government to make those decisions; it is for both Houses of Parliament to make that decision together as the Parliament.

The Government recognises the importance of ensuring that the Auditor General has the information he needs to conduct audits that help to ensure the public accountability of the Government. If this amendment is accepted and the Auditor General is obliged to provide all information sought by the Public Accounts Committee, the Government will no longer be able to provide these Cabinet and other documents to the Auditor General. The Auditor General makes the greatest contribution to public accountability by conducting and reporting on audits based on law and free access to information. If the secrecy provisions are weakened, the Auditor General will be given less information and public accountability will be the loser.

If, via the Auditor-General through to the Public Accounts Committee, virtually any document the Government provides to the Auditor-General becomes a public document, the Government will think very carefully, perhaps much more carefully, about whether a particular document should be made available to the Auditor-General. That is not in the interests of public accountability, and nor is it what the Government intends.

Currently, the Government is able to make available to the Auditor-General some documents that are quite sensitive and others that contain legal privilege, secure in the knowledge that the Auditor-General will look at and deal with those documents, and that they will remain within the domain of the Auditor-General and the Government. But if the Auditor-General is forced, through this amendment, to automatically hand over whatever documentation he may have to the Public Accounts Committee, it becomes a different issue altogether.

Legally privileged documents or commercially sensitive documents could end up in public hands, to the detriment of both the Government and the taxpayers of this State. It is difficult to understand why the Public Accounts Committee might need access to information obtained by the Auditor-General to perform its functions. Generally, other jurisdictions do not allow their Public Accounts Committees unfettered access to documents held by the Auditors-General. As part of the Westminster system and certainly for several decades in this State, the Public Accounts Committee has operated as a support mechanism for the Auditor-General, a public body with public accountability, to further research matters of public accountability, quite often at the request of the Auditor-General or by reference from the Auditor-General.

Any desire the Public Accounts Committee might have to obtain such information should not outweigh the overriding concern to ensure that the Auditor-General has full and free access to information. To maintain the Auditor-General's wide-ranging access to Government documentation, it is important to safeguard the documentation being demanded by other bodies, such as the Public Accounts Committee, where the Auditor-General would have no say about handing over such documents, even though the Auditor-General may feel it would be detrimental to hand over such documentation or information to the Public Accounts Committee at that stage.

Mr O'DOHERTY (Hornsby) [12.22 p.m.]: I cannot believe that the Government is persisting with its opposition to these simple principles. The Government is now headed for a direct confrontation not just with the Opposition but with the Legislative Council, the Auditor-General and the people of New South Wales. By embarking on this course the Government will trigger a public debate about accountability in New South Wales. We on this side stand up for accountability, but they on that side do not. I cannot believe that the Government thinks it can win this argument.

The Government's arrogance and chauvinism in insisting on its rights as Executive Government and not being bothered by the accountability of a modern Audit Office is astounding. It will not wash with the people of New South Wales. It will not wash with the upper House. Make no mistake: the Government is headed for direct confrontation not only with the Opposition, which is insisting on these amendments, but with the Auditor-General, who asked for them in the first place, and the upper House.

The Government will have both houses of Parliament deadlocked on this issue. If the Government wants to pursue it all the way, right down to joint sittings and referenda, so be it. Let us do that. Let us go to the

people and ask them what they want of the Audit Office. Let us ask them if they want an Auditor-General who is responsible for and promotes public accountability. That is what we want and that is what the Government is about to vote against. I cannot believe that the Government will do that.

What is at stake is the high principle and aspirations of this Parliament for a modern Audit Office. The Coalition's aspiration is for an Auditor-General who promotes public accountability. The Government wants to stop it. Let us see what happens when we take that idea to the people. I have spoken at some length about amendment No. 1, and I will not go into that any further. I will now refer to amendments Nos 2 and 4, which the Minister just addressed and which form part of this new motion that amendments Nos 1, 2 and 4 be disagreed with.

The Minister said that amendment No. 2 politicises and devalues the role of the Auditor-General. As the Labor Government sees it, both Houses of Parliament together would have to refer the matter to the Auditor-General before this Parliament were able to ask him to conduct a specific audit. It might be, and inevitably would be, something very complex. I was a member of the Select Committee into HomeFund. One of my colleagues at the time, the member for Gordon, calculated that we sat for 600 hours on that one committee. It had to undertake an exceptionally complex piece of investigative work, and it was a most difficult and exacting task. The Minister, as a former chairman of the Public Accounts Committee, would know just how exacting these things can be. In the current political climate, in a matter such as HomeFund or Graincorp, one or both Houses ought to be able to say to the Auditor-General, "We would like your expert advice on this matter."

Why would the Government not want either House to be able to refer a matter to the Auditor-General? The Minister said it is because it would politicise or devalue the role of the Auditor-General, the same Auditor-General in whom, he said a minute ago, he had confidence. I presume that the Minister also has confidence in the parliamentary process. However, the Minister having made such a statement, we would have to question his commitment to the parliamentary process.

The Constitution of New South Wales stipulates that we have a bicameral Parliament: we have two Chambers. Clearly, the Government may have a majority in the lower House, but it cannot assume to have a majority in both Houses, or that it speaks for the entire Parliament. If the Government's view prevails, the Carr Government will always have the right to veto the Parliament asking the Auditor-General to conduct a specific investigation because the Government has the numbers. It is as simple as that. If our view prevails, either House would be able to act independently, and that is as it should be.

The Government does not have the numbers in the upper House, which is establishing a very robust tradition of questioning government policy in a responsible way. Has the upper House exercised that tradition irresponsibly? Is that something the upper House has done irresponsibly? The Minister has no answer. He has nothing to say. When the Labor Party Opposition in the upper House was able to get the Greiner and Fahey governments to table papers and answer to the accountability of the other House, it believed in accountability. Today, in government, it does not. The Labor Party wants to stop the upper House from acting as an independent Chamber and scrutinising what the Government does. Any government that muzzles an Auditor-General, an upper House or the democratic processes in fulfilling the wishes of the people to hold government accountable will pay the price. That is the price the Government will pay in 2003.

The provision is sensible and, once again, one the Auditor-General has asked for. It is not something that was invented by word processors upstairs. This is something the Auditor-General has asked for. Each of the amendments we are moving, and the Government is opposing, were sought by the Auditor-General. We have confidence in the Auditor-General. At the beginning of his comments the Minister said he had confidence in the Auditor-General. If that is so, the Government should give the Auditor-General the powers he says he needs; it is very simple. But the Government is thwarting the will of the Auditor-General in doing his job properly by not voting for these amendments today. In a modern parliament it would be very sensible to allow either House or both Houses to ask the Auditor-General to provide a specific audit or audit-related service.

Matters that come before Parliament for our decision are sometimes very complex. Members of Parliament are members of the community who have stepped out of that community by virtue of having been elected by their peers to sit—as members of that community—in a Parliament that holds the Executive Government accountable. That is how our democratic process works. The honourable member for Hawkesbury expressed it very well earlier when he said we are not elected to Parliament because we have particular credentials, although many members bring with them credentials from the private or public sector and from community life. They bring those credentials as part of their make-up or arsenal of skills.

We are not elected as experts; we are elected as members of the community. When we forget that, we are not serving our democracy well. As members of the community we are asked to sit in Parliament to make decisions about the expenditure of public money and approve the Government's budget—probably the most important thing that we do—and thereafter keep the Government accountable for properly expending its finances. As we do that job we do not always have the necessary skills that increasingly are required in a modern and complex environment.

In those circumstances an individual House of Parliament ought to be able to ask the Auditor-General to provide advice. In doing our job as parliamentarians we ought to be able to call on the advice of an expert auditor when we are debating HomeFund or the collapse of the New South Wales Grains Board—what a scandal that was, under the administration of the current Government. Millions upon millions of dollars of taxpayers' money disappeared into the ether. The Opposition wants to know how and why that happened and we want to keep people accountable for it. That is why either House of Parliament should be able to refer a matter to the Auditor-General.

Like other members of Parliament, I sit on the boards of various community organisations. Even in the practice of community organisations, as in commercial organisations, these days auditors do more than just tick off on the accounts. Auditors are often asked to make comment upon the accounts and whether the way in which they have been constructed, or the way in which the finances of an organisation have been used, is appropriate to achieve the aims of that organisation. The practice of a modern auditor goes well beyond what the Government thinks.

The Government wants the Auditor-General to simply be an accountant who says, "Yes, the sums in this column add up"—tick; "Yes, the sums in that column add up"—tick. Modern auditors do not work that way in either the commercial world or the community sector. Nor do they work that way in the public sector. The honourable member for Hawkesbury said that in other jurisdictions around the world this same debate is taking place, with this difference: In other jurisdictions governments are realising that the auditor has a much broader function to provide advice, rather than just ticking off on the accounts. Clearly, the Government does not want that to happen. Either House of Parliament must be able to refer a matter. That is why the Opposition is insisting on amendment No. 2.

Amendment No. 4, which the Opposition will also insist upon, goes to the question of the Public Accounts Committee. The Minister was not telling the whole story when he spoke about the reason why this amendment was necessary. Indeed, in respect of the very matter I mentioned, the investigation into the collapse of the Grains Board, this power has been identified as being necessary. The Auditor-General has access to documents that might otherwise be regarded as commercial in-confidence documents. If the Public Accounts Committee is investigating the matter and that level of documentation is also sought, that committee needs to be able to confer with the Auditor-General and the Auditor-General needs to be able to provide frank and full information based on what he has discovered.

If the Auditor-General has obtained information using his powers under section 57 to receive that kind of commercial in-confidence information, he needs to be able to fully and frankly explain to the Public Accounts Committee what it is that he has discovered. There is a legal impediment to him doing so and that is impeding the role of the Public Accounts Committee. Earlier in the debate the Minister said the reason the Government does not want the Auditor-General to have wide powers is that the Public Accounts Committee has wide powers. Honourable members will recall that he told us how he was a former chairman of the Public Accounts Committee, and that the Premier and the Treasurer were also former chairmen of that committee.

If the Government has confidence in the Public Accounts Committee, if it is on that committee that the Government wants to bestow wide powers instead of on the Auditor-General, the Government should not oppose amendment 4 which will give the Public Accounts Committee wider powers to investigate matters. The Government cannot have it both ways, which is what the Government wants. It is trying to muzzle the Auditor-General and prevent the Public Accounts Committee from doing its job properly. The Government is muzzling the Auditor-General on the basis that the Public Accounts Committee has wide powers but at the same time it is muzzling that committee's powers as well.

Only one conclusion can be drawn from that, that is, the Government does not like accountability. It is simple. The Government does not want the Auditor-General to do his job properly and it does not want the Public Accounts Committee to do its job properly. The conclusion is that the Government does not like public accountability. I am afraid the Minister has contradicted himself—

Mr Aquilina: Not at all.

Mr O'DOHERTY: You have contradicted yourself entirely in regard to that matter. The Opposition will insist upon these amendments, and in the end the issue is a very simple one. The bells summoning members to this House will ring in a few minutes. Those members who want a modern Auditor-General who is able to promote accountability on behalf of the people of New South Wales will sit with the Coalition. Those members who want to muzzle the Auditor-General in order to stop him from doing the job that auditors do in other jurisdictions, those who do not want the Government to be accountable, will sit with the Executive—with Bob Carr and his Cabinet.

We will see how the people of New South Wales judge their actions in voting against an auditor who promotes public accountability. Honourable members should make no mistake, they are headed for a direct confrontation, not only with the Coalition—because we are insisting upon this principle—but also with the Legislative Assembly, and ultimately with the people of New South Wales. We will wait to see how they judge the Government's actions in denying true accountability of government.

Mr RICHARDSON (The Hills) [12.35 p.m.]: I listened with interest to what the Minister had to say in response to my earlier contribution. For the benefit of the House I will make some observations about his suggestion that matters, such as the one I referred to the Auditor-General relating to inappropriate material appearing on the Government's Arts Ministry web site, should be referred to either the Independent Commission Against Corruption or the Public Accounts Committee. I asked him where one would refer these sorts of matters if the Auditor-General cannot examine them. He said, "Send them to ICAC. Often material like this is referred to ICAC—or you can send it to the PAC." The Minister referred to the great Westminster tradition and the relationship between the Public Accounts Committee [PAC] and the Auditor-General. I have a copy of the Independent Commission Against Corruption Act 1988 in front of me. Part 4 of that Act sets out the principal functions of the Commission as follows:

> (a) to investigate any allegation or complaint that, or any circumstances which in the commission's opinion imply that:
>
> (i) corrupt conduct, or
>
> (ii) conduct liable to allow, encourage or cause the occurrence of corrupt conduct, or
>
> (iii) conduct connected with corrupt conduct, may have occurred, may be occurring or may be about to occur,

The commission has some other functions, but that is its principal function. None of the commission's other functions, I might add, would allow it to investigate such a matter as I referred to the Auditor-General. I will not read the definition of corrupt conduct, but, certainly on the basis of Part 3 of the Independent Commission Against Corruption Act, the placing of inappropriate material on a Government web site does not constitute corrupt conduct and, therefore, in my view, the Independent Commission Against Corruption would decline to investigate the matter.

I am happy to test this theory. I intend to write to Irene Moss, the ICAC Commissioner, to ask whether she believes that the placing on a Government web site of the material I referred to the Auditor-General would in any way constitute corrupt conduct. It is an interesting test because, if what the Minister says is correct, the action of the Minister for Arts and the Director-General of the Cabinet Office in allowing that material to be placed on the Government web site constitutes corrupt conduct. That is what the Minister is saying, because that is what ICAC is supposed to be investigating. It is supposed to investigate corrupt conduct.

We will see whether the Minister is right about that aspect. Either way the Minister cannot win. Either this activity constitutes a corrupt act on the part of an official of the Government—and ICAC would clearly take a particularly dim view of that—or, alternatively, what the Minister said is an absolute nonsense. Fortunately for the Government, I suspect that the latter is the case, that what he said is an absolute nonsense. He also suggested that the alternative to referring this sort of matter to the Auditor-General was to refer it the Public Accounts Committee, of which he was once chairman.

As I said previously, he spoke about the Westminster tradition of the relationship between public accounts committees and the Auditor-General. There is a major difference between the PAC of the New South Wales Parliament and the PAC of the British Parliament. Mr Temporary-Chairman, I am sure you would be aware of it, having been to the Houses of Westminster and having had discussions with British members of parliament. Often the chairman of the British PAC is not a Government member. The British PAC operates in a far more independent fashion than the PAC of this Parliament.

The Minister has suggested that a matter that goes to the accountability of the Government—it might be suggested that it is fairly minor but it is a matter of concern not only to members of the Opposition but also to crossbenchers and many members of the general public—should be referred to the government of the day, when the Government has a majority on the PAC, for investigation. This is as bizarre as the suggestion that the referral should be made to ICAC. Does the Minister actually understand the role of the PAC, the way it functions in this Parliament? Does he understand the role of ICAC and what ICAC does?

Mr Aquilina: Better than you do.

Mr RICHARDSON: We will see from the response from the commissioner to my letter to her asking whether the appearance of this material on the Government's arts ministry web site is an appropriate matter for her to investigate and therefore constitutes corrupt conduct. The Minister had better hope that he got it wrong, that the suggestions that he made are as stupid as I think they are.

Mr AQUILINA (Riverstone—Minister for Education and Training) [12.42 p.m.]: I will respond briefly to the issues that have been raised by the honourable member for Hornsby and the honourable member for The Hills. The matter that has occupied so much of the time of the honourable member for The Hills in recent days is the so-called inappropriate comment on the web page of the arts ministry site and his grave concern that this important matter of public principle and government policy could not be investigated by the Auditor-General because the Auditor-General did not have the appropriate powers. He has taken umbrage at my saying that if there is an allegation of improper or inappropriate use of public funds there are powers for those allegations to be investigated by a number of bodies.

I am not making any inference or comment in relation to what decision will be made by those bodies, but there are wide powers to investigate the alleged inappropriate or improper use of public funds. I take it that was the basis of his wanting the Auditor-General to look at these matters. It may well be that the ICAC will determine that it is not an issue within its domain. But the matter could also be referred to the Public Accounts Committee. The honourable members said that the Public Accounts Committee should not deal with this because the chairman of the Public Accounts Committee is a Government member and therefore would dismiss such things out of hand. He failed to acknowledge that the Public Accounts Committee, as a regular part of its operations, looks into the appropriateness of government operations and government expenditure—or perhaps the inappropriateness of government expenditure. Quite often the committee makes recommendations in its reports that severely temper the operations of government agencies and departments.

At times the committee is critical of the way in which government departments operate. The committee has members from both sides of the House. From time to time members of the Opposition have been known to produce dissenting reports if they do not agree with the majority report. If my memory serves me correctly, the former Leader of the Opposition did that. So much for the claims by the honourable member for The Hills and his wishing to put other constructs upon my statements that allegations of improper or inappropriate use of public funds may be referred to the ICAC or the Public Accounts Committee for a full, reasonable and responsible determination of those matters.

I turn to the comments by the honourable member for Hornsby. He contended that it should be within the powers of the Auditor-General to have matters referred to him by either House of the Parliament. We have a Westminster bicameral system of government. Two Houses constitute the Parliament, not one. Until such time as there is only one House of Parliament in this State matters of government will be decided by both Houses of Parliament. That is a fundamental principle that I uphold. The honourable member for Hornsby also referred to the collapse of the Grains Board. He had the audacity, the outright boldness, to blame the Government for all of that. I know that the honourable member for Coffs Harbour and the honourable member for Murrumbidgee will agree with me when I say that the Grains Board became a cot case because of legislation of the Coalition Government under the administration of the honourable member for Lachlan. The honourable member for Hornsby had better watch it or I will unleash the Minister for Agriculture, and then he will know all about it. It has taken this Government to make the hard decisions in relation to the Grains Board.

Finally, I refer to the comments of the honourable member for Hornsby in relation to the powers of the Public Accounts Committee. I again make the point that the Public Accounts Committee has wide powers in relation to the investigation of appropriate and inappropriate use of funds. Those powers are often exercised upon the recommendation of the Auditor-General. Sometimes the committee makes its own decision to investigate matters without outside reference. So it should: it has that power. More and more matters of government—particularly in the commercial field—are dealt with in confidence and more and more issues of

legal privilege need to be taken into account. It is nonsense that the Public Accounts Committee, which has absolutely no restrictions upon its powers to make things public, should be able to demand virtually any document referred to the Auditor-General by the Government. For these reasons the Government opposes amendments Nos 1, 2 and 4 agreed to by the Legislative Council.

Question—That Legislative Council amendments Nos 1, 2 and 4 be disagreed to—put.

The Committee divided.

Ayes, 47

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

Noes, 36

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

Question resolved in the affirmative.

Motion agreed to.

Legislative Council amendments Nos 1, 2 and 4 disagreed to.

Legislative Council amendments Nos 3, 5, 6, 7 and 8 agreed to on motion by Mr Aquilina.

Resolutions reported from Committee.

Adoption of Report

Mr AQUILINA (Riverstone—Minister for Education and Training) [12.57 p.m.]: I move:

That the report be adopted.

The House divided.

Ayes, 48

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

Noes, 36

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

Question resolved in the affirmative.

Motion agreed to.

Report adopted.

Message sent to the Legislative Council advising it of the resolutions.

CEMETERIES LEGISLATION AMENDMENT (UNUSED BURIAL RIGHTS) BILL

Bill introduced and read a first time.

Second Reading

Mr AMERY (Mount Druitt—Minister for Agriculture, and Minister for Land and Water Conservation) [1.03 p.m.]: I move:

That this bill be now read a second time.

Lands have been set aside for cemeteries in New South Wales under four broad forms of management. Crown land cemeteries under the administration of my portfolio as Minister for Land and Water Conservation, Crown cemeteries under the administration of local government councils, church cemeteries and private cemeteries. Cemeteries on reserved Crown or dedicated lands are managed by trusts appointed by me as the Minister under the Crown Lands Act 1989. Many other cemeteries across New South Wales also on reserved Crown or dedicated lands are under the administration of my colleague the Minister for Local Government as the management of these cemeteries has been vested in the respective local council as trustee.

Church cemeteries are located within church grounds and are under the control of various religious denominations. They are generally of limited capacity and are, therefore, of little consequence in the context of the needs of metropolitan Sydney and the Newcastle populations. There are seven large private cemeteries in Sydney, Newcastle and Wollongong. Four provide a full range of cemetery services while three operate exclusively as lawn cemeteries. Other private cemeteries comprise family burial grounds and isolated graves on freehold properties across the State. It is out of significant concern that I bring this bill before the Parliament.

Burial capacity in Crown cemeteries in Sydney and Newcastle that comes under my control is reaching the critical stage. The pressures of an ever-increasing population and the lack of available, suitable Crown land to service the metropolitan populations will mean that some existing Crown cemeteries, such as the Rookwood Necropolis, will be generally exhausted in 20 to 30 years. Another consideration that cemetery trusts must now take into account is the Threatened Species Conservation Act. The importance of this Act is undeniable. However, lands that were set aside for further burial sites must now satisfy the provisions of this legislation.

As honourable members may appreciate, many cemeteries across the State have native vegetation in near pristine condition that provides habitat for native fauna. In this regard the Rookwood Anglican Cemetery has advised that most of the remaining land available to that trust for burials will not be able to be cleared. This means that the estimated burial capacity of trusts reserves has been reduced by an estimated 13 years with none available after 2017. Several years ago it became apparent that pressures being imposed in the medium to longer term on these Crown cemeteries had to be addressed. As a consequence, a discussion paper entitled "Revocation and Reallocation of Rights of Burial to Unused Gravesites", April 1998, was placed on public exhibition for two months from May 1998 for consideration and comment. Copies were also forwarded to key interest groups, all members of Parliament, the funeral industry, relevant government authorities, and key interest groups including the National Trust and the Public Trustee.

While cemetery trusts have the legislative power to buy back unwanted rights of burial from owners, they do not have the legislative power to revoke and reallocate rights of burial where the owner is deceased and there are no heirs or assignees to claim the right of burial. As one might expect, there was strong support from the respondents for the revocation and reallocation of unused gravesites which were granted more than 50 years ago. Issues which attracted most attention and were considered to be most contentious in this discussion paper were the methodology to be used in an attempt to locate owners of unused grave plots sold more than 50 years ago, the level of compensation to be paid to owners should a plot be revoked and whether plots can be resold on a "pre-need" basis.

There was strong support for the revocation and reallocation of unused grave sites which were granted more than 50 years ago. Earlier this year the Returned Soldiers League and Legacy argued that the period should extend further to take account of the interests of the families of all war veterans. The period has been extended to 60 years to accommodate these needs. The representations resulted in the development of the methodology for inclusion in the subordinate legislation as well as the provision of limited compensation. It was decided that prior to revocation it was up to the cemetery trust and the owner of a burial right to enter private negotiations for a voluntary buyback of the right.

It is only after much careful and considered deliberation that the Cemeteries Legislation Amendment (Unused Burial Rights) Bill comes before us today. Before I detail the content of the bill I would like to highlight the most significant features of the proposal, bearing in mind the facts that I have already outlined in relation to the undeniable pressures on available burial land within the Crown cemeteries estate. These are: this proposal will provide for increased burial capacity in the short to medium term for Crown cemeteries within the Sydney-Newcastle areas that come under my administration; this bill seeks the amendment of relevant legislation to authorise trusts responsible for these Crown cemeteries to revoke exclusive rights of burial for grave sites that have never been used and were generated more than 60 years ago; the provision of uniform and comprehensive search requirements across all relevant cemeteries by the respective trusts to give the same opportunity for all "rightful owners" to advise of their continued interest in the sites; and the provision of a uniform and adequate level of compensation across all relevant cemeteries should a claim be made by an "owner" once the exclusive burial rights of a site have been revoked.

There are up to 30,000 unused gravesites in Sydney Crown cemeteries that were sold prior to use more than 60 years ago. At Sandgate Cemetery, Newcastle, this figure is in excess of 2,000. Over the next few years these figures are anticipated to increase. As an example, Botany Cemetery advised that in 1993 there were 3,500 unused sites pre-sold more than 50 years ago. This figure is now 4,500. At Rookwood, the Joint Committee of Necropolis Trustees' statistics show cremations were 29 per cent of interments in 1941 with a steady increase until 1963, when they were approximately 50 per cent compared to burials. This trend may indicate an increase in the number of graves reserved and not used as cremation was becoming more popular.

Collectively, the cemetery trusts estimate that the revocation and reallocation of unused burial rights could generally extend the operation life of the existing Crown cemeteries by approximately five to 10 years by increasing stocks of grave sites by 15 to 20 per cent. In more detail, the purpose of this bill is to make amendments to the Necropolis Act 1901 so as to allow the body of trustees for a cemetery at Rookwood to revoke burial rights. The trustees' power will operate in relation to burial rights granted by a trust that have never been used and remain unused for more than 60 years. The bill also provides for the compensation of holders of burial rights revoked by the trustees in those circumstances.

The bill also amends the Crown Lands (General Reserves) By-law so as to allow the reserve trust for any other public cemetery to revoke burial rights it has granted if they remain unused for more than 60 years, and to provide for the compensation of holders of burial rights revoked by the trust in those circumstances. The bill also makes minor, consequential and ancillary amendments to the Crown Lands Act 1989 and the Land Acquisition (Just Terms Compensation Act) 1991.

The bill amends the Crown Lands (General Reserves) By-law so that a cemetery trust at Rookwood or other cemeteries regulated by the by-law are able to ascertain whether there are lawful claimants to the burial right before revoking that right. The process for calling for rightful owners to come forward to claim unused burial rights will be set out in the subordinate legislation. It will reflect a comprehensive process and will involve two rounds of advertising in newspapers and at the cemetery itself over a period of about eight months. The cemetery trust must undertake the following actions before revocation action can take place.

First, a notice is to be sent to the address as shown in the register of burial places to the recorded owner by registered mail. Twenty-eight days later, notification is posted at the cemetery and in newspapers. This notification will include posting of notices at the cemetery office, and all entrances to the cemetery, and at the grave site. It will advise that the exclusive unused burial rights granted more than 60 years ago will be revoked and resold unless the current owner comes forward. Notices will also be advertised in a local and national newspaper calling for the rightful owner to contact the cemetery trust.

After six months have elapsed, follow-up notices will reappear in those newspapers advising that the burial rights will be revoked after 28 days and resold unless an owner advises the cemetery trust of their claim for a particular site. If no claim is made as to ownership of the site, the cemetery trust may then revoke the burial right and this will be formalised in the *Government Gazette*. This allows the trust to then resell the burial plot to another person. Should a rightful owner come forward after the revocation period, the compensation provisions will apply to that claimant.

The period during which a post-revocation claim can be made will be limited to six years from the date of the revocation to reflect the normal limitation periods for civil claims. The period is considered to be more than adequate time to allow rightful owners of the interest to advise their continued interest in the burial right. The process cannot be commenced until 60 years after the right was first granted where that right remains unused. The bill provides for similar procedures to be made generally in relation to by-laws that can be made under the Crown Lands Act 1989.

As stated, the bill provides a mechanism for compensating the owner of a burial right should that right be revoked by a cemetery trust. A party who was formerly entitled to the benefit of the now- revoked burial rights may claim compensation from the appropriate trust that has revoked that right. Compensation may take either one of two forms. Firstly, either the claimant is paid a monetary compensation equivalent to 50 per cent of the fee of a replacement site at today's rates or, secondly, the claimant may be offered the provision of a replacement site. The form of compensation offered to any particular claimant will be at the discretion of each individual cemetery trust, as the opportunity to offer a claimant a replacement site may in fact be limited by the availability of land and may vary from trust area to trust area.

This approach will provide more flexibility for trusts in planning for the future of their cemeteries. In 1900 exclusive rights of burial were purchased for an equivalent of approximately $1.70 and in the 1970s and early 1980s for around $105. Now prices can range to over $2,000. However, it is only in recent times that the figure has included a perpetual care component, opening of graves sold either prior to planned use or headstone contribution. Also, prices differ from cemetery to cemetery for a variety of reasons. Given these facts, reimbursement at an amount of 50 per cent instead of 100 per cent of the value is considered reasonable and equitable. In addition, it is necessary to recognise that there are considerable advertising and other administrative costs associated with the search by a trust for the rightful claimant before revocation of the right can take place.

Concerns have also been raised that burial plots should not be treated as real estate, whereby unscrupulous heirs or assignees may come forward after a plot has been resold to claim current value. Hence the decision to limit the level of compensation at 50 per cent of the market value. In terms of the legal nature of a burial right, the general position in Australia is that a right of burial is not an absolute right of property, but a privilege or licence to be enjoyed so long as the place continues to be used as burial ground and legally revocable whenever the public necessity requires. It is a right of limited use for the purpose of interment, which gives no title to the land. There is no right of appeal from the compensation decision made by a trust and no right for compensation under the Land Acquisition (Just Terms Compensation) Act 1991 as the provision for compensation under the bill is adequate in the circumstances.

As I mentioned in opening, the need to provide a power to revoke unused burial rights is a practical response to the increasing pressure for burial land at cemeteries in New South Wales administered by the Crown, mainly in the Sydney and Newcastle area. I reiterate that it is estimated that all available capacity will be exhausted within 20 to 30 years. In the case of individual cemetery trusts' area, the time frame is much shorter. For some, available space is currently at a premium. It is therefore crucial that the Government provide a practical short to medium term solution to the pressures for available cemetery land. This bill gives cemetery trusts the power to reacquire, through revocation, unused burial sites and reallocate them as needed, but only in relation to burial rights that remain unused for 60 years. This long period was chosen to take account of the rights of the families of returned soldiers.

It is estimated that there are up to 30,000 unused burial sites on the affected lands. The bill also recognises the rights of owners of burial rights and provides a methodology for adequately compensating them should they come forward after revocation has occurred. It is expected that this bill will have the effect of extending the efficient use of individual trusts' cemetery land by between five and 10 years on average. The by-law will provide a comprehensive process for advertising so that the rightful owners will be able to claim their inheritance. At the same time, by providing an end date to such claims through that process, the trusts are able to gauge with certainty the available space within their cemetery and plan for future operations.

Changing demographics in New South Wales means that land at existing cemeteries is at a premium. The Government must assist cemetery trusts to operate viable cemeteries for local communities. By enabling trusts to free up abandoned and unused burial sites, the Government can support the trusts in provision of these services to meet community needs. Trusts will have greater certainty as to the availability of burial plots for the medium term and this in turn will ensure that trust records are accurate for accounting and financial purposes. The new powers will enable trusts to implement strategic plans for the future of their cemeteries and provide adequate compensation for those that may be affected by the revocation. I commend the bill to the House.

Debate adjourned on motion by Mr Fraser.

[*Mr Acting-Speaker (Mr Lynch) left the chair at 1.20 p.m. The House resumed at 2.15 p.m.*]

DISTINGUISHED VISITORS

Mr SPEAKER: I draw the attention of the House to the presence in the gallery of Mr Harry Schellengberg, MP, from the Manitoba Legislative Assembly, Canada.

BUSINESS OF THE HOUSE

Routine of Business

[*During notices of motions*]

Mr SPEAKER: Order! The notice of motion given by the honourable member for North Shore is lengthy. I will refer it to the Clerks at the table.

PETITIONS

Centennial Park and Moore Park Commercial Use

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

Centennial Park Dogs Off-leash Area

Petition requesting that Federation Valley, Centennial Park, be reinstated as an off-leash area for dogs, received from **Ms Moore**.

North Head Quarantine Station

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

Willoughby Paddocks Rezoning

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

Beat Policing

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

Cronulla Police Station Upgrading

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

Surry Hills Policing

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

Inner East Sydney Policing

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

Eastern Suburbs Police and Community Youth Club Closure

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

Inner East Sydney Police Resources

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

Inner East Sydney Police Local Area Commands

Petition praying that the amalgamation of local police commands in the inner east be opposed, that Redfern, Kings Cross, Surry Hills and Paddington police stations be upgraded, and that an effective police recruitment drive be developed to properly resource community policing, including uniformed foot patrols, received from **Ms Moore**.

Redfern, Darlington and Chippendale Policing

Petition praying for increased police presence in the Redfern, Darlington and Chippendale areas, received from **Ms Moore**.

Gordon Policing

Petition praying that Gordon Police Station be upgraded and that the number of police operating out of the station be increased, received from **Mr O'Farrell**.

Dapto Policing

Petition praying that Dapto Police Station be manned for 24 hours each day, received from **Ms Saliba**.

Malabar Policing

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

Randwick Police Station Downgrading

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

Nurses Salaries

Petition praying that the Government grant New South Wales nurses an increase in salary to help overcome the shortage of nurses, received from **Mr Gaudry**.

Mona Vale Hospital

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

Paramedic Rescue Units

Petition requesting the retention and expansion of paramedic rescue units, received from **Dr Kernohan**.

Genetically Engineered Food

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

Chatswood High School

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

Figtree High School Hall

Petition requesting funding for a school hall at Figtree High School, received from **Ms Saliba**.

Fairy Meadow Demonstration School Pedestrian Arrangements

Petition requesting the installation of a crossing in Balgownie Road outside Fairy Meadow Demonstration School, the installation of a crossing at the northern end of Cambridge Avenue adjacent to the Princes Highway, and the introduction of a 40-kilometre school zone on the Princes Highway, received from **Mr Campbell**.

Tumut Regional Roads Upgrade

Petition praying that regional roads in the Tumut area be upgraded and that a regional roads summit be conducted, received from **Ms Hodgkinson**.

Main Road 241

Petition praying for an increase in funding to local government authorities to allow them to properly maintain Main Road 241, received from **Ms Hodgkinson**.

Moore Park Passive Recreation

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

Eastern Distributor Tunnel Ventilation

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

Children in Institutions

Petition praying that the House undertake an inquiry into the treatment of all children in institutional care in New South Wales as recommended by the Federal Parliament's August 2001 report into child migration, entitled "Lost Innocents: Righting the Record", received from **Mr Watkins**.

Queenscliff Geographical Names Board Classification

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

Manly Lagoon Remediation

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

John Fisher Park

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

Hawkesbury-Nepean Catchment Management Trust

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

Wilderness Access

Petition praying that the Government allow continued access to public lands, abandon plans to declare the south-east wilderness study area wilderness, and repeal the Wilderness Act 1987, received from **Mr Webb**.

White City Site Rezoning Proposal

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

BUSINESS OF THE HOUSE

Reordering of General Business

Mrs SKINNER (North Shore) [2.32 p.m.]: I move:

> That the General Business Notice of Motion (General Notice) given by me this day [Hospital Waiting Lists] have precedence on Thursday 25 October 2001.

The House should have no trouble supporting this motion because the motion of which I have given notice asks every member of this House to unanimously endorse comments made by the Premier. Every single member of the Government should feel free to support this motion. If they do not support it they will betray their leader.

Mr SPEAKER: Order! The notice of motion may have been amended to delete reference to the Premier's comments.

Mrs SKINNER: The motion seeks to give the motion of which I have given notice priority over 524 other motions that the Government has not had the guts to allow us to debate. My motion should go right to the top of the list because Mr Beazley is wandering around the country suggesting that health care is not the responsibility of the State Government. Even the Premier says that the State Government is responsible for health care. The motion should give the honourable member for South Coast the opportunity to say, "Yes, I think it is shocking. All these grandmothers to whom the Premier has referred who are waiting for hip replacements should be the responsibility of the State Government." The honourable member for South Coast should support the motion.

The honourable member for Tweed knows that the Tweed Valley Hospital has huge waiting lists for orthopaedic surgery. The grandmothers who have been referred to would want him to support the motion. The honourable member for Bega is shouting. I know he will support the motion because 28 of the 154 orthopaedic patients in his local hospital have been waiting for more than 12 months for surgery. They are the ones who want him to say, "Yes, the Premier is right, the State Government is responsible for running our public hospitals."

I know that every one of the members on the other side of the House will want to support the Premier. I know that the Premier will vote with us to confirm his comments that the State Government will do the right thing by kiddies and grannies. The Premier got it right back in 1995 when he was the Leader of the Opposition and, of course, Mr Beazley has it wrong. We support the Premier on this occasion. We expect all members of the Government to support him as well. I know that other members will, and I can guarantee that everyone behind me will support him. It is important to vote on this motion now. Mr Beazley is not telling the truth about who is responsible for health and the motion gives all of us an opportunity to set it right.

Mr KNOWLES (Macquarie Fields—Minister for Health) [2.34 p.m.]: A lot of people from Goulburn are in the House today. The honourable member for North Shore should ask them whether they have a general practitioner who bulk bills They do not, and that it is responsibility of John Howard.

Mrs Skinner: Point of order: The Minister for Health knows that this motion is about public hospitals. If he does not know that general practitioners are not funded by the—

Mr KNOWLES: The good people of Goulburn will have learned a valuable lesson from that point of order. If you are poor, or if you are an elderly person the only place you can go is a public hospital.

Mr SPEAKER: Order! The Chair has exercised a degree of latitude to this stage. The honourable member for North Shore is always entertaining and we always welcome her performance. However, some members are taking a little advantage of the latitude extended by the Chair. The House will now be subject to the normal procedures.

Mr J. H. Turner: Point of order: The Minister for Health has shown gross rudeness to the Chair by, first, deliberately turning his back on you at all times during this debate and, second, addressing the gallery, which is totally against the standing orders.

Mr SPEAKER: Order! The Minister for Health has the call.

Mr KNOWLES: If you are poor and you cannot afford a non bulk billing general practitioner the only place you can go is a public hospital. If you are an old person and you cannot get a nursing home bed because nursing homes are closing, the only place you end up is the local hospital. The community is a wake-up to that fact, and it is John Howard's fault.

Question—That the motion be agreed to—put.

The House divided.

Ayes, 37

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

Noes, 54

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

Question resolved in the negative.

Motion negatived.

QUESTIONS WITHOUT NOTICE

TEACHER SHORTAGE

Mrs CHIKAROVSKI: I direct my question to the Minister for Education and Training. With our public schools facing a serious shortage of qualified teachers, why is the Minister unable to stop the flood of experienced teachers leaving the system, with his own confidential figures revealing that 1,029 teachers resigned last year and another 780 left in the first six months of this year?

Mr AQUILINA: Obviously the Leader of the Opposition knows very little about the staffing operations in the Department of Education and Training in New South Wales. I will table the exact figures for the honourable member, but each year more than 3,000 teachers retire or resign and we employ just as many again.

Mr SPEAKER: Order! I call the honourable member of Davidson to order.

MOTOR TRADES INDUSTRY REVIEW

Miss BURTON: My question without notice is to the Minister for Fair Trading. What is the latest information on the review of the New South Wales motor trades industry?

Mr WATKINS: The honourable member for Kogarah has contributed a great deal to the review of the motor trades industry and I appreciate the many good suggestions she has made about how that industry can be improved.

Mr SPEAKER: Order! I call the honourable member for Bega to order. The honourable member for Wakehurst will remain silent.

Mr WATKINS: Buying a car is usually the second largest purchase that any family will make. It involves large sums of money and the consumer often feels at a significant disadvantage.

Mr Hartcher: Point of order: I draw your attention to Government Business notice of motion No. 6, which refers to a bill to be introduced by the Minister. As you are aware, under the standing orders members are not entitled to ask a question that anticipates debate. While you have taken a generous view of that restriction on budget matters, you have always upheld that rule in relation to other legislation.

Mr SPEAKER: Order! I ask the honourable member for Kogarah to repeat her question.

Miss BURTON: What is the latest information on the review of the New South Wales motor trades industry?

Mr SPEAKER: Order! There is no point of order. I call the honourable member for Pittwater to order .

Mr WATKINS: In the transaction of buying a car it is very important to get the balance right between consumer protection and creating an environment in which the thousands of people who draw a living from working in the industry have their rights protected. We need to make sure that the industry can get on with the job. The Government's reforms represent a win-win situation in which both families and New South Wales businesses benefit tremendously. The Motor Dealers Act came into force in 1974. The Motor Vehicle Repairers Act was passed in 1980. The results of the review therefore represent the first major overhaul, the first dramatic updating, of the regulation of these industries for more than a quarter of a century. The motor vehicle sale and repair industries in this State are now very large: more than 4,000 car dealers and more than 11,500 vehicle repairers across New South Wales employ more than 80,000 workers.

The reforms encompass three major areas: enhanced consumer protection, better crime prevention, and red tape reduction for business. The reforms are broad but I will mention three specifics. Firstly, on consumer protection measures, members would be aware of stories of consumers feeling pressured into buying a car that they could not really afford or signing up for a finance deal that they realised later was against their best interests. That is why the reforms include for the first time in New South Wales a cooling-off period, which will be for one day, and when a car is purchased on linked credit from a motor dealer. In this situation the dealer sells the car and also arranges the credit. A waiver will be available but it must be in the form prescribed by the Department of Fair Trading. The impact of the cooling-off period will be closely monitored over the next 12 months by the Motor Trades Advisory Council. Should additional measures be required after that time, the Government will bring them forward.

Secondly, members will recall that the Premier recently announced a series of measures designed to help police in their fight against car theft and vehicle rebirthing. Those measures will be contained in the legislation revamping the motor vehicle industry. In addition, new offences and penalties will be introduced to crack down on unlicensed dealers, backyard operators, because they are taking business away from the legitimate car dealers and car repairers in this State. When the new laws are introduced Fair Trading inspectors, armed with a new $110,000 penalty, will be tracking down those shonks. Thirdly, the legislation will contain a significant number of measures designed to help motor businesses by cutting through red tape and reducing unnecessary regulation. For instance, licensing requirements will be streamlined and updated.

Dealers or repairers have to have particular tools or equipment in their workshop and the repair equipment requirements will be updated so that they are more transparent and accessible, providing better information for repairers and also consumers. Perhaps the most important change in this regard is the abolition of the Motor Vehicle Repair Industry Council and his replacement with a new authority. This will see an outdated regulatory model replaced with a more accountable and responsive agency that is more in keeping with modern administrative structures.

In closing, I thank those people involved in bringing these important and broad-ranging reforms to fruition. I thank the chairman of the Motor Trades Advisory Council, John Whelan, and the other members of that council. I also thank the current members of the Motor Vehicle Repair Industry Council for their worthy public service and significant contribution to the review. I particularly thank the head of the Motor Traders Association, Mr Jim Gibbons, for his co-operation and professional advice. He has personally assisted me greatly in coming to grips with this most important industry. I look forward to introducing the legislation and improving the regulatory framework for both car buyers and car dealers in New South Wales.

MATHEMATICS TEACHERS

Mr SOURIS: My question is directed to the Minister for Education and Training. With New South Wales public schools starting next year with more than 200 vacancies for mathematics teachers, how does the Minister respond to the executive officer of the Australian Mathematical Society who says the scheme to retrain mathematics teachers in just six months is a "sham", resulting in "inadequately prepared teachers" being posted to schools in isolated rural areas?

Mr AQUILINA: I do not know what sort of crystal ball the Leader of the National Party has that enables him to predict exactly how many vacancies will exist next year. Certainly staffing operations of the department are under way and continue to the start of school and indeed beyond the start of school. The department is introducing a number of special projects to ensure an adequate supply of mathematics, science and technology and applied studies teachers. Earlier this year I announced a scholarship program that many people have already taken up. We will pay the last year of the Higher Education Contribution Scheme [HECS] for students in their final undergraduate or postgraduate year providing they undertake to teach for a minimum period of three years in a school to which we appoint them.

The scholarship applies specifically for maths, science and technology and applied studies teachers. It is worth around $4,000. On top of paying for the last year of HECS we also provide an additional $1,000 for incidental expenses. It has proved to be a very popular program. We have also adopted a number of other programs whereby we encourage people from other trades and industries to come into teaching. I refer specifically to the program we introduced in Newcastle in association with the University of Newcastle. On the closure of BHP Newcastle a number of people who worked in the BHP laboratories or who had engineering degrees were recruited and retrained as teachers, many becoming school science and maths teachers.

Mrs Chikarovski: They are inadequately prepared for the schoolroom.

Mr AQUILINA: Appropriately prepared. The course was worked out by the University of Newcastle. Out of the initial 30 applicants 20 graduated with distinctions or high distinctions. They are now very valued teachers in our classrooms. The program was so popular that we have extended it and 180 people are now training with the University of Wollongong to come into classrooms as maths, science and technology and applied studies teachers. In relation to staffing various schools in remote locations in New South Wales, areas that the Leader of the National Party should take great interest in, I remind the Opposition of recent initiatives the Government introduced; for example, the $10,000 recruitment incentive for a limited number of positions that cannot be filled by conventional means. The initiative is aimed specifically at making sure that we attract teachers to areas difficult to staff. That $10,000 is over and above the teachers' normal salary to attract them to the nominated schools that are normally difficult to staff.

Mr Souris: How many payments have you made?

Mr AQUILINA: It starts next year, you dill. On top of that, there is a $5,000 retention payment for teachers who undertake to stay beyond the minimum period at those difficult-to-staff, remotely located schools. For a maximum of five years, if teachers stay beyond their two-year or three-year nominal period, they will attract an additional salary of $5,000 each year. The Government is introducing many initiatives to ensure that we have an adequate supply of appropriately trained maths, science and technology and applied studies teachers. We want to ensure that they are located in areas where they are needed, notably in some of the most remote rural locations in New South Wales.

AUSTRALIAN ALCOHOL GUIDELINES

Mr W. D. SMITH: My question without notice is to the Minister for Health. What is the Government's response to the new Australian alcohol guidelines and related matters?

Mr KNOWLES: I acknowledge the longstanding interest of the honourable member for South Coast in this policy area. I am sure that all honourable members would have taken a keen interest in the 1992 National Health and Medical Research Council [NHMRC] guidelines outlining drinking levels. Those guidelines focused on the volume of alcohol consumed and recommended safe drinking practices. In a move welcomed by the New South Wales Government, and all governments around Australia, new national guidelines have been issued by the NHMRC. The guidelines focus not only on the volume of alcohol consumed but also place new emphasis on patterns of consumption, the context in which people drink and the relative risks those pose for the drinker.

The new guidelines make it clear that to minimise risk—I am sure that there are members who are interested in these figures—men should drink no more than 28 standard drinks in a week, and women should restrict their intake to 14 standard drinks in a week. That is a change from the daily average consumption recommendations in the 1992 guidelines. The new guidelines have regard to the fact that most people do not regularly drink the same amounts every day, seven days a week, 365 days a year. For most people the pattern and context is more likely to be a Friday night social drink, or a weekend barbecue.

The new guidelines make it clear that men should drink no more than six standard drinks and women four standard drinks at any one time. The guidelines also remind us that young people need to be supervised. Any drinking should be kept to a minimum and, to become a responsible adult drinker, over time a gradual supervised introduction is recommended. Many research projects demonstrate that the consumption of low levels of alcohol has a health benefit for some people, particularly in contributing to reducing the risk of heart disease from middle-age onwards. Anyone who enjoys a glass of red wine, which contained antioxidants, understands the blood-thinning capacity of red wine. In moderation it can be a health benefit. However, some people react differently—

Mr SPEAKER: Order! The Leader of the National Party will remain silent.

Mr KNOWLES: Alcohol consumption has the potential to cause an enormous amount of harm, second only to tobacco as a cause of drug-related deaths and hospitalisations. Alcohol caused almost 3,300 deaths and 50,000 hospital episodes in Australia in 1997. It might interest honourable members to know that nationally the cost of alcohol-related problems, including the cost of medical services associated with road trauma, lost productivity, et cetera, was estimated at almost $4.5 billion in 1992. That is about 2½ times the cost of illicit drugs. The avoidable costs of alcohol, for example things that could be impacted on by social policy initiatives, legislation and campaigns, such as improving productivity, improving road safety, health care and treatment for dependence, amounted to about $3.8 billion.

There is a potential saving of more than $3.8 billion on the 1992 figures if people can adopt more responsible practices in their consumption of alcohol. In the New South Wales health system that means an extra policing cost of more than $1.5 billion each year. Those costs do not take into account the tremendous impact of gambling and relationship breakdown.

Mr SPEAKER: Order! The Leader of the Opposition will resume her seat.

Mr KNOWLES: A dad who comes home full as a boot because he had too much to drink at the pub, and had spent the week's wages, causes a lot of stress and strain on families, not to mention the associated mental illnesses inevitably caused by excessive alcohol abuse. Sadly there are too many examples of binge drinking and excessive alcohol consumption for us not to take action. Today I will focus on young people, particularly as we are approaching schoolies week, that part of the year that is becoming a traditional time of celebration for school leavers as they complete their Higher School Certificate [HSC].

The activities of many young people can get way out of hand. In years gone by we have seen everything from hangovers to unwanted pregnancies, car accidents, car deaths, road trauma, damage to public and private property and, most usually, a direct causal link to excessive alcohol consumption. The Government, as part of its response to schoolies week, is funding a program that will target the culture of binge drinking. The program will focus on secondary sales of alcohol to minors and unsafe sex associated with the misuse of alcohol. We will target liquor outlets and conduct public health promotions among school leavers, warning them of the risks they face. The program is typical of a number of programs under the New South Wales Youth Alcohol Action Plan.

The plan, which extends until 2005, aims at reducing alcohol consumption and the frequency of intoxication in the young people. It will seek to reduce alcohol-related crime, violence and under-age drinking. It will seek to develop support networks for young people and ensure government services are able to respond to the needs of young people. Initially we will immediately allocate $460,000 to develop specific projects aimed at reducing the dangerous consumption of alcohol. The schoolies week program will commence on the Central Coast. I am sure that honourable members from that area will appreciate those efforts.

Mr Hartcher: We don't appreciate you at all.

Mr KNOWLES: Chris, you are on record.

Mr Hartcher: You do very little.

Mr KNOWLES: Christopher, you are on record, and I can dig it out.

Mr Hartcher: Where is the security at Mandala, where psychiatric patients get killed? I praised you once, Craig, I will not praise you again. Go on, you show pony.

Mr KNOWLES: In debate on the last budget, the honourable member for Gosford is on record, on radio and in print, as praising the Government for its expenditure, particularly on health.

Mr SPEAKER: Order! The honourable member for Gosford has made his point. He will allow the Minister to respond.

Mr KNOWLES: We have to give credit where credit is due, especially in the areas of mental health. The member for Gosford complains about nothing happening on the Central Coast, but other Central Coast members appreciate that $190 million has been allocated to rebuild Gosford hospital and double the size of Wyong hospital, not to mention the recent opening of the Lake Haven Community Centre or the Long Jetty Community Centre. I do not think the comments he just made are a patch on his comments when commending the Government's allocation from the last budget of the $190 million to rebuild those grand hospitals up on the Central Coast. In addition, a further $50,000 will be spent on the Central Coast to focus on trying to stop young children bingeing on alcohol as they take the pressure valve off studying for the Higher School Certificate and making sure we do what we can to assist them in their new-found freedom to understand that overindulging in alcohol can have very bad consequences.

Further, $50,000 has been allocated to the Good Sports project in the southern part of our State and on the South Coast to assist local sporting teams and encourage them to design their own policy for the responsible use of alcohol. Almost every elite sports team these days has a code of practice and conduct, and drilling that into local sports teams is part of the plan. The Young Women and Alcohol project has also received $50,000. In places like Penrith, Blue Mountains and Kemps Creek this project is designed to provide educational material on the connection between alcohol misuse, violence and unwanted sex.

Funding of $50,000 has also been provided for a Peer Education program on the effects of alcohol abuse for the Central West of our State, including Bathurst, Lithgow and Orange, run by the National Association for Loss and Grief. These are the first projects in a series. The Youth Alcohol Action Plan will extend over the next five years. It is critical that we continue to foster the sensible use of alcohol, particularly among our young people. The new national guidelines and our new alcohol initiatives are an important step in achieving that overall objective.

STUDENT VIOLENCE MINISTERIAL STATEMENT

Mr MERTON: My question is directed to the Minister for Education and Training. Can the Minister explain how much taxpayers' money he has spent seeking a Crown Solicitor's opinion to block investigations by the Privacy Commissioner into his handling of claims that a Cecil Hills schoolboy had access to a gun that was to be used to commit a massacre, and why will the Minister not co-operate?

Mr AQUILINA: The Crown Solicitor exists to give advice to the Government.

FAMILIES FIRST INITIATIVE

Mr BARTLETT: My question without notice is to the Minister for Community Services. What is the latest information on the Families First initiative?

Mrs LO PO': I am pleased to say that currently Families First programs are benefiting more than 1,000 children, from newborns to eight-year-olds, across New South Wales. Young families in New South Wales are giving their children a better start in life with the help of 94 new parenting support programs established in 47 communities across the State. Families First is a statewide initiative that reflects this Government's commitment to supporting families and strengthening communities throughout the State. It is based on research that shows that prevention and early intervention services can have a sustained effect on improving a child's start in life. Families First is now halfway into its four-year roll-out, and services are already up and running in the far and mid North Coast of New South Wales, the Orana Far West, the Hunter and Sydney's south-west.

There is now a team of 400 volunteer home visitors across New South Wales. They have been recruited to provide emotional and parenting support to families that are finding it hard to cope. A further 180 families requiring more intensive support are visited at home by 33 family workers who specialise in early childhood development. They include specialists in Aboriginal, ethnic and disability issues. More than 200 families are now attending 22 special playgroups designed to help build parents' confidence and to connect them with other

people and services in communities. Many playgroups receive visits from early childhood nurses who run baby checks, and guest speakers are invited to talk about topics such as health and nutrition, childhood development and learning.

Parenting is one of the toughest jobs in the world. It can be stressful and isolating. Families First aims to help communities by lending a hand to parents and acting as an extended family. Many young families do not have the same support that their parents had. Our communities have changed and now many new parents need additional support because friends and families are not nearby to lend a hand. It is good for parents to know that help is available and that they are not alone with the problems and pressures they face. For example, Deeba, the mother of 18-year-old Yasmin, is visited once a week by Karitane volunteer Emma, a 70-year-old grandmother. Deeba said Emma first started supporting her family when the baby was six months old. The help she gave was very practical. Deeba stated:

> At the time I was scared to feed Yasmin solids but Emma taught me how to make a broth for her. Emma's continued support has been wonderful. Emma has boosted my confidence as a mother and answered the many questions I wanted to ask of an older person, someone who has been through motherhood before.
>
> Emma has also boosted me emotionally; I was very lonely with the new baby but Emma has been there to talk to, to comfort and support me.

Emma is a grandmother of three and says volunteer home visiting gives her the opportunity to help others. Emma stated:

> When I learned Karitane was looking for volunteers to support families I thought the opportunity was a Godsend. When you get to my age you want to be wanted and you want to be able to do something productive. Helping support Deeba and Yasmin has given me that chance. It fills my heart to see Yasmin—I'd recommend this to anyone.

Research continues to show that a child's environment can greatly impact on their emotional, physical and intellectual development, particularly between the ages of birth to three years. This Government's $54.2 million investment in Families First aims to strengthen families who feel the impact of social isolation, poor parenting skills, low self-esteem, unrealistic expectations and a lack of support. With research showing that for every $1 spent on early intervention and prevention programs, $7 can be saved further down the track on child prevention and juvenile justice, this is a significant investment in the future of our children. Many families across New South Wales are under pressure to cope with the demands of raising children. This Government's Families First initiatives, whether they are co-ordinated by the Department of Community Services or the health, education or housing departments, are helping to support New South Wales families on a daily basis.

SPROATS LOCAL GOVERNMENT INQUIRY

Ms MOORE: My question is to the Minister for Local Government. What is the outcome of the Sproats inquiry into inner-city local councils and when will the community be informed?

Mr WOODS: The councils involved in the Sproats inquiry had until 4 June to respond, and their responses are being considered as part of a full response to the Sproats inquiry. That response will go through the Cabinet process, as the Premier has indicated, and it will be announced in due course.

EAST TIMOR EDUCATION FUND

Mr LYNCH: My question is to the Minister for Education and Training. How are New South Wales schools assisting East Timor schools?

Mr AQUILINA: In September 1999 the violence and destruction that followed East Timor's historic vote for independence left the entire country devastated. Militia groups systematically burned, ransacked and destroyed buildings without discrimination. Sadly, major public and community buildings, including schools and the university, were not spared. Like the entire civil service, East Timor's education system was thrown into disarray. School and university students missed a whole year of classes and most schools suffered severe damage. Many were left as burnt-out shells, with smashed windows, destroyed ceilings and crumbling walls. They were also left empty as desks, chairs, books and resources were burnt or stolen.

In the past two years I have been in regular contact with Father Philomena Jacob, formerly the transitional Minister for Education, and I have been able to offer the full support of the New South Wales Department of Education and Training to help rebuild East Timor's education system. It was apparent at the time

that students, teachers and parents across New South Wales felt strongly about the situation in East Timor and were keen to help in any way. I wanted to give them the chance to support students in East Timor so last year I established the Helping Our Neighbour: East Timor Education Fund for this purpose. I wrote to school principals asking them to undertake fundraising activities to contribute to the fund. Students, teachers, TAFE colleges and parent groups immediately set about the task. They responded to the call with compassion and enthusiasm.

About 220 schools across the State worked hard with special fundraising activities. Cheques came in from Bathurst, Tumut, Parkes, Umina, Cessnock, Ballina, Griffith and Broken Hill. Schools across Sydney and from all the regions contributed. Castle Hill Public School raised $1,500 through a mufti day and disco. A T-shirt and trackie day at Orange Public School raised $630. The Student Representative Council at Carlingford High School collected $1,427. I offer special congratulations to Burwood Girls High School, the highest fundraiser, for its donation of $3,524. The Australian Catholic University gave $5,000 to the fund. Parents and teachers also passed the hat around and contributed thousands. The fund raised $70,000 as a result of this combined effort, and we should all be proud of it.

I am pleased to announce today that the money will help to rebuild Nataboro Agricultural High School on the south coast of East Timor. This school suffered significant damage in 1999. Thanks to the New South Wales school community, it will now be redeveloped to become an important regional high school again. This is a great outcome and the result of a team effort. I again thank the many groups for supporting the Helping Our Neighbour: East Timor Education Fund. They include the New South Wales Teachers Federation, the Independent Education Union, the New South Wales Federation of Parents and Citizens Associations, the New South Wales Federation of School Community Organisations, the New South Wales primary and secondary principals councils and the New South Wales student representative councils, and of course the many students from New South Wales public schools who raised money for the fund. I congratulate them personally on their tremendous effort.

We are also providing additional support to East Timor. Last year we sent two specialist language teachers to East Timor to assist with English language training with high school teachers. Following the success of the project, the teachers returned this year to extend this work and to help establish the English department of the university, as well as to run formal courses with East Timorese groups.

In partnership with the Independent Education Union, a number of smaller initiatives have also been supported. They include purchasing tools for a carpentry workshop in Maliana to assist in the building of school furniture, the placement of a person to assist at the workshop, support for literacy training by a local student women's group, and the formation of a teachers union covering all school teachers. TAFE New South Wales is also preparing to send a team to East Timor to assess the vocational, education and infrastructure needs. We hope that TAFE will also play a major role in re-establishing East Timor's training system. We are also helping East Timorese schools to fit out their classrooms. I am very pleased to announce that four containers of equipment bound for schools in East Timor and the University of East Timor will arrive in Dili in two weeks.

Mr TERRY FLANAGAN FEDERAL ELECTION CAMPAIGN

Mr STONER: My question is directed to the Minister for Local Government. How is it that his taxpayer-funded regional affairs adviser, who has only four weeks leave a year, can claim to have doorknocked 17,000 homes as a candidate in the Federal electorate of Page, a task that would take five months assuming he spent five minutes at each house for 10 hours a day, seven days a week?

Mr Whelan: Point of order: The question is out of order. It does not relate to the Minister's ministerial responsibilities.

Mr Hartcher: To the point of order: The employment of a staffer relates very much to a Minister's ministerial duties because it involves the taxpayers and the administration of government. The question is very relevant, and I ask that you allow it, Mr Speaker.

Mr SPEAKER: Order! I will allow the question.

Mr Whelan: Point of order: Mr Speaker, with respect, if you do not uphold my point of order, any member may ask any question and make serious allegations like this that might be fraudulent or criminal. There will be no check on members. I urge you to rule the question out of order.

Mr SPEAKER: Order! Having conferred with the Clerk, I allow the question.

Mr WOODS: I can infer from that question only that the Opposition is really worried about Terry Flanagan. He is one of the best workers I have. He is tireless in his policy work on rural affairs.

Mr SPEAKER: Order! If Opposition members continue to interject I will place every member of the Opposition on three calls to order. I do not need the assistance of the Minister for Transport.

Mr WOODS: If ever New South Wales taxpayers were getting value for money from an employee, they are getting it from Terry Flanagan. I wish I had three more like him.

Mr SPEAKER: Order! I place all Opposition members, including the National Party Whip, on three calls to order.

Mr WOODS: In anticipation that the National Party—which is under enormous pressure from this excellent candidate—would probably go down this path, my chief of staff wrote to Mr Flanagan soon after his endorsement in the following terms:

> It will be important to ensure any campaign activities that you undertake do not impinge upon your role in the ministerial office … and that any time taken for campaign purposes is dealt with correctly.

Mr SPEAKER: Order! I ask the Serjeant-at-Arms to remove the honourable member for Oxley from the Chamber.

[*The honourable member for Oxley left the Chamber, accompanied by the Serjeant-at-Arms.*]

Mr SPEAKER: Order! I remind all Opposition members that they are on three calls to order.

Mr WOODS: What a poor, unhappy lot they are. What a lousy, miserable lot they are. What small-minded, tiny people they are. They are like the seven dwarfs: The Leader of the National party is Grumpy—

Mr SPEAKER: Order! I suggest the Minister continue his answer through the Chair.

Mr WOODS: I will continue with the terms of the letter that my chief of staff wrote to Mr Flanagan soon after his endorsement. He said:

> Accordingly I ask you to do the following:
>
> 1. Ensure that you take recreation leave on occasions when you will be absent from your ministerial duties.
>
> 2. Keep a diary of your time at work. This is to ensure that if you take 10 minutes from your working day to conduct an interview, for example, then that time is made up from your lunch break or outside normal working hours. The diary is required to show the time taken and how it was made up.
>
> 3. On each occasion listed above I require that you contact me for approval.

Mrs Chikarovski: Point of order: We ask that the Minister table the diary.

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

Mr WOODS: I have sought and received advice from ministerial and parliamentary services about Mr Flanagan's situation, and I am advised by my chief of staff that Mr Flanagan has complied with these requests. The real agenda is to turn politics into a rich man's game—the old idea that you need to be wealthy or have 1,000 hectares to stand for Parliament. Terry Flanagan is a worker, a tireless one at that, and a person who scares the National Party members down to their bootstraps.

Mr SPEAKER: Order! The Minister has now answered the question.

Mr WOODS: I will just add this: Terry Flanagan resigned from my office on 8 October in order to contest the Federal election campaign for the seat of Page, and I am confident he will win it.

BAIL BRACELETS

Mr HUNTER: My question without notice is to the Attorney General. What is the Government's response to an evaluation of bail bracelets conducted by the Attorney-General's Department?

Mr DEBUS: The question of the honourable member for Lake Macquarie refers to the fact that in 1998 the Government—

Mr Hartcher: Point of order: The Minister for Police has given notice of a motion to introduce a bill to amend various Acts that relate to sentencing, bail and sentence administration. The Attorney General is anticipating debate on that bill. The purpose of the standing orders is to enable members to consider matters that will come before the House. In answering a question about bail the Attorney General is speaking to legislation. I ask that you deem the matter inappropriate and rule the question out of order.

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

Mr DEBUS: To advance the proposal to trial electronic monitoring of persons on bail, the Attorney-General's Department undertook a detailed study. At the same time the Government has moved to make a number of significant legislative and administrative changes to bail requirements. The detailed study of the concept of electronic monitoring revealed difficulties with the provision of the technology and issues about the assessment of appropriate candidates for the proposed trial. I make it clear in the House today that the Government is committed to evidence-based approaches to criminal justice reforms. On that basis, we have determined that a chronic monitoring of persons on bail is not a feasible or appropriate strategy to pursue at this time.

The Bail Act 1978 provides a detailed regime for the police and courts to apply in order to ensure attendance of alleged offenders at court. Any determination of bail depends on the seriousness of the offence charged, the severity of penalty available for such offence and the antecedents of the alleged offender. Changes to the Bail Act over the past six years have reinforced the requirement that the courts consider the protection of witnesses and other persons from acts of violence by the accused.

Many of the original projections of the community interest in the Bail Act were inserted by the Labor Government in 1987. In 1995 the restrictions on access to bail for murder were extended by this Government to include "attempt to murder" and "conspiracy to murder", as well as sending letters threatening harm. The Charter of Victims Rights, which is contained in the Victims Rights Act 1996, continued that process by requiring the prosecution in any bail application by an accused to put before the court the victim's needs or perceived needs for protection.

In 1998 the Bail Act was again amended and strengthened. The presumption in favour of bail was removed for eight serious sexual and violent offences in the Crimes Act 1900, including manslaughter, wounding with intent to do bodily harm and aggravated sexual assault. In addition, the Government amended the Bail Act to require the court to take into account the fact that a person charged with a serious offence was on bail or parole for a serious offence at that time.

Provisions in relation to a history of domestic violence offences and failure to comply with a bail condition must now be taken into account to an even more stringent level. Criteria in relation to bail applications have been extended to include whether it is likely that a person will commit any serious offence while at liberty on bail. The court must also consider, if the offence on which bail is being considered is a serious offence, whether at the time the person is alleged to have committed the offence the person had been granted bail or released on parole in connection with any other serious offence.

Changes to the Drug Misuse and Trafficking Act in 1998 added a number of exceptions to the offences that previously carried a presumption in favour of bail. Under the Bail Act a person may be arrested at any stage if a police officer believes on reasonable grounds that that person has failed to comply with his bail conditions or is about to fail to apply with bail conditions. Over recent years the Government has greatly increased the stringency and strictness of rules under which the courts administer the Bail Act.

In November 1998 the Government proposed a trial for the use of an electronic tag device, known as Courtwatch, to monitor certain persons while on bail. A working party chaired by the Attorney-General's Department was established to consider the implementation of the trial. The working party included representatives from the Department of Corrective Services, the Police Service and Treasury. It examined the proposed tag device, and the detailed analysis it undertook revealed many problems with the concept.

The most significant problem was the technology associated with the Courtwatch device. Courtwatch is, in effect, a passive monitoring system. It requires the person wearing the bracelet to dial in at certain times of the day and other people to monitor the receipt of calls and then inform the police or other enforcement agencies of any breach. In essence, it did not add to the current system. A decision was then taken in early 2000 to explore the feasibility of using the same technology that the Department of Corrective Services and the Probation and Parole Service use in their work release and home detention programs.

The technology used in those cases is the so-called active monitoring system. The bracelet worn by the offender contains a radio transmitter that sends out a signal to a receiver at home, work or other designated place. Notice is given electronically if a person leaves during a specified period or is not at home during a specified period. Notice is also given if the bracelet or receiver is tampered with or removed. Police can automatically be notified if any of the required conditions in those monitoring schemes have not been met.

Despite this innovative technology the proposed trial raised problematic issues, which included the potential for bail to be granted to those who otherwise would not have received it, the cost of the device and the monitoring of persons using it, the potential for net widening, the lack of increased protection to the victim and the community, the onerous burden of wearing the device on persons who, although accused of an offence, have not been convicted of offence, and the difficulty of isolating appropriate target groups. The electronic monitoring device could be adopted only if it could be demonstrated clearly that there was a demonstrated increase in community safety flowing from its use. That has not been demonstrated by careful analysis.

Finally, the Government will continue to explore legislative and administrative means of improving the rigour of both the process through which bail is obtained and the supervision of those on bail. We will continue to review and evaluate any new technological approaches that may be developed to supervise those on bail. However, the Courtwatch proposal, which at one time seemed to promise a good deal, turns out not to be one that offers the community of New South Wales the benefits it deserves.

TEACHER SHORTAGE

Mr AQUILINA: I wish to provide a supplementary answer to questions asked of me by the Leader of the Opposition. I point out that the Department of Education and Training has the largest work force in the country. In fact, it is larger than the Army, Navy, Air Force combined. It also has one of the lowest resignation rates of any major work force. Last year a total of 1,979 teachers resigned and retired and 2,538 teachers were recruited.

Mr HARTCHER: I seek the leave of the House to move a motion to suspend standing and sessional orders to allow consideration forthwith of a motion requiring the Minister for Local Government to table the work diary of Mr Terence Flanagan.

Leave not granted.

Questions without notice concluded.

CONSIDERATION OF URGENT MOTIONS

Tourism Industry

Ms NORI (Port Jackson—Minister for Small Business, and Minister for Tourism) [3.42 p.m.]: My reasons for asking the House to support my motion today are simple and straightforward. Quite clearly, tourism is a significant and important industry in this State. It brings in about $20 billion a year. It is a significant contributor to expenditure in regional New South Wales by providing a significant number of jobs in regional New South Wales and in Sydney. The attacks on New York and the collapse of Ansett in the past six weeks have had significant ramifications on a number of sectors of the industry, including domestic and international air travel, and convention business both regionally and in Sydney.

It is important therefore to give this House the opportunity to debate this issue and become familiar with it, to understand the importance of the industry and to provide support for it in this difficult time. It is also an important vehicle for me to draw the attention of the House to new research and figures released in the last day or so from the Australian Tourist Commission. These are the first statistics that will allow us to properly assess the impact of the terrorist attacks on the United States on inbound tourism. I want this debate to go ahead.

I believe it should take precedence over the motion of my colleague the honourable member for Epping because it is important to acknowledge that the Government has developed a whole-of-strategy approach to protect tourism jobs throughout New South Wales that may have been affected by the tragic events in September.

Four Corners Police Corruption Program

Mr TINK (Epping) [3.44 p.m.]: My motion is urgent because we need to know why the Police Integrity Commission [PIC] gave exclusive access to *Four Corners* of tapes not yet tendered in evidence. It is urgent to know why the PIC greenlighted what would otherwise be a contempt of the PIC. The motion is urgent because we need to know why the PIC greenlighted what would otherwise be a breach of the police code of conduct. The motion is urgent because we need to know whether the PIC issued a certificate under section 54 (4) (c) of this Act, certifying that such access was in the public interest and, if so, for the PIC to make the certificate public together with full particulars of the public interest relied on. It is urgent to know whether the PIC gave access to someone connected with *Four Corners* who is a prescribed person under the meaning of section 56 (4) (d) and, if so, for the PIC to make full public disclosure of the prescribed status and identity of that person.

The motion is urgent because we need to know whether the *Four Corners* presenter is a member of the Commissioner of Police executive advisory group, and whether this was relevant to *Four Corners* having access to the tapes and, if so, how. The motion is urgent because we need to know whether the PIC is relying on the provisions of section 56 or any other statutory or other power to give such access, the full details of the power relied upon and the circumstances of its exercise. The motion is urgent because we need to know whether the PIC agrees with the *Four Corners* presenter who stated both before and after the broadcast of the PIC tapes, "I don't see how you could possibly slot or blame Ryan on this police corruption problem." It is most urgent to know whether the Police Integrity Commission is also of the view that Commissioner Ryan is, in effect, blameless. It is urgent to know, debate and have the Minister for Police explain whether, if it is the view of the PIC that Commissioner Ryan is blameless, the PIC intends to disregard its own QSARP audit conducted during the key March 1999 to March 2000 period, which found, among many damning findings:

> There is a flaw in the assessment of … commanders and operational supervisors in that candidates can fail to meet the standard in a key competency such as leadership, yet still meet the overall standard of assessment.
>
> There is no documented evidence that the Commission's Executive Team has formally articulated the leadership principles of a reformed Police Service.

It is urgent to debate this motion to know how, if the PIC disagrees with the view that Commissioner Ryan is blameless, or has an open mind on this question, it can justify providing its tapes to *Four Corners*, thus providing the *Four Corners* presenter with a vehicle to assert repeatedly and publicly for a week, and both before and after the *Four Corners* program aired, that Commissioner Ryan was blameless. It is urgent to debate this motion to determine how, if the PIC disagreed with the presenter's view expressed publicly on ABC radio before *Four Corners* was broadcast, the PIC could let the broadcast of the tapes on *Four Corners* that night go ahead. Thus, it is urgent to know, if the PIC did disagree that Ryan was blameless, how the PIC nevertheless let the *Four Corners* broadcast go ahead when the presenter's view was already known publicly through ABC radio, before the *Four Corners* broadcast.

This motion is urgent because we urgently need to know how the PIC could justify the greenlighting of exclusive access to tapes yet to be presented in evidence to a presenter of a program who publicly and repeatedly asserted the blamelessness of the chief executive officer of an organisation affected with the most serious corruption imaginable, and when counsel assisting the Police Integrity Commission asserted that the management of that organisation is a key issue in the inquiry. It is hard to imagine a more urgent or serious matter to put before this House. The Police Integrity Commission is a creature of this Parliament. It was created by this Parliament to investigate and oversight the Police Service. It is of great concern, and therefore urgent, to many members of this House to know why the PIC granted exclusive advance access to evidence used to assert that the chief executive of the Police Service was blameless when, surely, at the very least that must remain an open question in any comprehensive examination of the appalling corruption now revealed.

Question—That the matter for urgent consideration of the honourable member for Port Jackson be proceeded with—put.

The House divided.

Ayes, 52

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

Noes, 33

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

Question resolved in the affirmative.

TOURISM INDUSTRY

Urgent Motion

Ms NORI (Port Jackson—Minister for Small Business, and Minister for Tourism) [4.00 p.m.]: I move:

That this House:

(1) notes the impact on international visitor arrivals and conventions in New South Wales after the 11 September 2001 terrorist attacks and from the domestic aviation situation; and

(2) recognises the Government's $15 million response to protect tourism jobs across the State.

Just a year ago we were basking in the post-Olympic glory heading for a bumper summer tourist season for Sydney and New South Wales. Figures released by the Tourism Forecasting Council tracking up to June this year showed a 19 per cent increase in domestic visitation. But now we are facing a completely new set of challenges to all industry sectors, including tourism. Australian tourism has been hit twice, with the lack of confidence in air travel resulting from the attacks in the United States and with the Ansett collapse. However, the industry has a great tradition of working together to overcome adversity.

Back in 1988 it had to deal with the pilots strike that went on for six or seven months and then the Gulf War. Even though the industry was hit terribly hard at the time, it came back more strongly than ever. It would be fair to say that we could happily anticipate that this will happen again once the immediate situation has been

resolved. As to the role that the New South Wales Government can play, I strongly believe that we needed to take time to work out the best strategy, to think our response through. I knew that there were limits to what we could do to counter some of the external impacts on tourism such as the global economic downturn or a greater fear of flying. We had to look at the strengths of our city and our State and how we can build on them. We had to look at all our tourism-related programs in the light of the challenges, and potential opportunities.

For example, Tourism New South Wales has suspended advertising in some overseas markets in conjunction with our industry partner Qantas in relation to the Feel Free campaign. Tourism New South Wales is constantly assessing the situation. In the first couple of weeks of September the situation was changing hourly. Even though the $15 million package is in place, and even though we know in some areas in considerable detail how we are going to spend it, a portion of the money will be kept aside waiting for opportunities as they arise. We will seize opportunities to make sure that we get the best return for the tourism industry.

The collapse of Ansett has compounded a situation that was already bad enough. The collapse of Ansett did not just mean that people could not fly inside Australia; there were international impacts. Ansett carried capacity out of Hong Kong and Sydney. It also carried a flight out of Osaka every day—an average of 2,116 inbound passengers a week from Japan. That meant that literally a couple of thousand people were not getting here each week. Even those who could still get here because they were booked on other airlines felt that there was not much point in coming because they could not travel around within Australia once they got here. That is why there was a serious impact on international tourism.

The recently released September inbound statistics show the initial extent of the impact in overall terms to international tourism. We do not work alone; we do joint promotions with Qantas, Singapore Airlines and Accor—they put dollars in and we put dollars in. We need to work with our industry partners, who themselves are reassessing their plans. Let me give an example of the chain of impacts. People would probably not think of a staging rental company being involved in tourism, but if that company services the convention market and events are cancelled or scaled down the company can lose income. I am talking about small businesses. An exhibition hire service lost $150,000 because three events were cancelled. So the impacts are significant. We have heard about the cancellation of a major minerals conference at Broken Hill and the effect of that on the town.

Because of the many challenges posed by recent events, on Friday I announced the $15 million package operating over the next two years. From the outset I state that $8 million is brand-new money, and $3 million is for loans that we provided to Hazelton to get the planes back in the air. That was more to assist the business market because, with the exception of a couple of destinations, people travelling in New South Wales generally use their car. Before outlining the strategies further I take the opportunity to thank Tourism New South Wales. In particular I acknowledge the excellent and tireless work of the chief executive and general manager, Tony Thirlwell, and his number two, director, strategy and alliances, Geoff Buckley. We really worked hard to develop a sound strategic plan for the tourism industry. Of the $15 million, another $3 million is because Tourism New South Wales has postponed or cancelled, and will later reallocate, some of its current budget.

It is pulling back from some industry development work and putting the money towards marketing. That is what we need. It is marketing that drives bed numbers. If you stay in a town you are going to have to eat there, so the spend continues. Tourism New South Wales will also readjust many of its major current marketing initiatives to help drive the revised strategy. Part of the $15 million is money coming from the Department of State and Regional Development. That department, in conjunction with Tourism New South Wales, will also provide advice and support to small business operators within the tourism industry during a difficult time. The strategy has both long-term and short-term goals. It will be a two-year program concentrating on domestic tourism, as I outlined to the House yesterday. We will concentrate on getting our Summer in Sydney campaign right. There were difficulties because of the Ansett collapse. We could not be certain about capacity or the cost of airfares.

At this time of year we normally would have slowed down while the domestic flights issue involving the Ansett collapse was resolved. I am confident we will find a resolution. Tourism New South Wales normally puts a package together for the Sydney Festival. We encourage people from Melbourne to come to see the Sydney Festival as part of our Summer in Sydney. Again, there were difficulties with capacity, availability and airfares. We strongly believe that there is a need and indeed an opportunity to stimulate domestic travel in New South Wales quickly, reinforcing a focus on local holidays rather than overseas holidays and using car rather than air travel.

I will quickly run through some of our international strategy. We will run campaigns into the short-haul markets of New Zealand, Asia and Japan in the short term and be ready and waiting to go into American and European markets as consumer sentiment dictates. We will be running the Feel Free campaign into New Zealand and working with the Australian Tourist Commission and major Japanese wholesalers such as JTB and JALPAK in Japan. Business tourism is important because it feeds the industry in Sydney. It is the high-yield end. The tourism industry wanted to make sure that the strategy addressed further funding for the Sydney Convention and Visitors Bureau, and I am pleased to announce that it does. The convention market drives the high yield and, increasingly, it is that market that drives regional pre- and post-conference touring by delegates.

As I said yesterday, the strategy for the domestic campaign will concentrate on getting people from Sydney, the largest market in the country, to discover the gems of regional New South Wales. The main benefit will come from our Touring by Car campaign. The campaign is already successful but it will be ramped up to get more visitors from Victoria and Queensland. Tourists will be encouraged to take their time coming to Sydney through regional New South Wales. In that way we will cover both ends of the spectrum. I have bought the honourable member for Myall Lakes a gift; it is a book called *The Internet for Dummies*. I sympathise with him if he has a problem with his computer, but if he does not know how to use it that gift may help.

Mr J. H. TURNER (Myall Lakes—Deputy Leader of the National Party) [4.10 p.m.]: In view of the time it has taken the Government to do anything after the terrible effect on our tourism industry of the horrors in New York and the Ansett collapse, the Minister had great temerity in moving this motion as urgent There have been seven weeks of deafening silence from the Minister. In response to her aside about the Touring by Car program, I assure her that I went touring by car. That is why I tried to access the computer site.

Ms Nori: No-one else has your problem.

Mr J. H. TURNER: They do, because I arranged for three independent people to access it with three different results.

Ms Nori: If you have a problem with your computer, fix it.

Mr J. H. TURNER: No, we used three different computers. I think the Minister has a problem understanding what is going on in her portfolio. That is fairly evident from the seven weeks of deafening silence. The Government's response was a smoke and mirrors exercise. The other Labor States showed leadership. Premier Bracks and Premier Beattie moved quickly and provided positive leadership in their States' tourism industries. However, in this State, where tourism is worth $20 billion a year and employs 167,000 people, we have, effectively, additional funding of only $4 million a year for two years. That is disgraceful. Industry representatives have told me that they are disappointed with the Minister because she has not been able to convince the Premier and the Treasurer of the benefit of the tourism industry and the need to have it properly funded.

It is ironic that the Carr Government took $70 million from the bed tax but can find only $8 million for the tourism industry, which is now in crisis. That is typical of this high-taxing Government, which is out of touch with the people. The Minister referred to the $3 million loan to Hazelton. Yesterday during question time the Premier was asked a question about that. He said that there are no strings attached. Whilst we all want to see Hazelton flying—it is a wonderful airline that has given great service to country New South Wales—the Opposition would have thought that with taxpayers' money being used for a loan some conditions would have been attached to it. I will not dwell on that now, because the Premier made a fool of himself yesterday when he admitted that there were no strings attached to the loan.

I emphasise that the $3 million is a loan, yet the Government is claiming that it is part of its $15 million package. Loans are repaid, so that $15 million will be reduced to $12 million when the $3 million is repaid. It is not part of a bailout or assistance program for the tourism industry of New South Wales. The Minister admits that another $3 million is reallocated money; it is not new money. It is in the budget and has been pushed around from other programs such as the Year of the Outback. I would have thought that the honourable member for Murray-Darling would have tried to find a way to keep that money within that worthwhile program, but it is to be reused in a smoke and mirrors exercise to try to show that the Government is allocating that money. It is already there; it is not new money, it is part of the program.

Likewise, the $0.5 million of State and Regional Development money from the Small Business Tourism program and the money from the tourism marketing component of the Year of the Outback initiative is

not new money. The funding was already in the program. The funding that has been reallocated from the current budget of Tourism New South Wales is not new money. The money is already there. Last week the Minister issued a press release and was silly to publish in bold type the meagre amount of New South Wales Treasury enhancement: $4 million a year over the next two years, a total of $8 million. That is what we are talking about: $8 million, not $15 million. To claim otherwise is to mislead the public and those in the tourism industry.

Tourism is vitally important to both the city and rural and regional New South Wales. Figures released yesterday show a significant decline in tourism. Prior to the events of 11 September and the Ansett failure one matter of concern to the Opposition and to the tourism industry was the failure to capitalise on the Olympic Games. Nothing had been done. In the first year after its Olympics Barcelona experienced a 129 per cent increase in tourism. New South Wales is flatlining following the Olympic Games, and that is indicative of the Government's lack of vision. The recent tragic events in America and the Ansett failure impacted on that failure to capitalise. Figures released recently by Mr Ken Boundy of the Australian Tourist Commission indicate a 12 per cent decline in international visitor arrivals during September 2001. He said:

> The figures indicate that around 358,000 international visitor arrivals to Australia in September 2001 will represent a drop of around 50,000 visitors compared to September 2000.

I have just quoted the figures for Barcelona, which had increased by about 129 per cent in the first year after that city's Olympic Games. In the 12 months between our Olympics and the tragedies of 11 September there has been a decline of 12 per cent in international tourism rather than the increase that should have occurred. If the Government had properly marketed the Olympic Games, more tourists would have come here than the number of arrivals recorded. Clearly, the Government does not take too much interest in tourism, because the budget went down this year by a couple of million dollars.

There is now even less money in the pot, which is supposed to be $15 million, because a few million were taken off when the budget was cut. The real figure is about $6 million or $6.5 million. That is token funding to deal with the crisis in the tourism industry. The Government should have shown some leadership and addressed that decline. That decline will be exacerbated by the fact that we will have to advertise overseas to get tourists back through our doors. We will have to convince them that Australia is a wonderful country, and New South Wales is a wonderful State with tremendous tourism assets. However, our exchange rate is down and that will impact on the amount that we can spend on advertising in the foreseeable future.

Another matter that gravely concerns the Opposition is the Sydney Convention and Visitors Bureau. I was heartened a little when the Minister said that some money will be allocated to the bureau; I do not recall how much. I am concerned that the Minister said that she has not yet allocated the money and does not know what will happen in relation to it. It appears to me that although there have been significant delays in bringing forward this program, it is still not complete. The allocation have not been worked out, so one gets the impression that the Government is throwing money at the problem without a proper plan.

Ms Nori: You wish! The rest is coming in July.

Mr J. H. TURNER: The Minister's words were that the money has not been allocated.

Ms Nori: It has not been allocated to us— it is under a two-year plan. But you can't think that through; you are desperate.

Mr J. H. TURNER: For some years the Sydney Convention and Visitors Bureau [SCVB] has stagnated because of a lack of funding from the Government. In my view the Government does not acknowledge the role played by the SCVB in bringing conventions to this State. A 1999 SCVB study into the convention industry showed that 87 per cent of the delegates stayed in hotels, with 40 per cent staying in four-star hotels and 31 per cent staying in three-star hotels. Expenditure of the delegates was significantly larger than other sectors of the tourism industry. The average spent by each convention visitor while in Sydney was $5,507. Both Sydney and the regions benefit from meetings, incentive, convention and exhibition [MICE] business because the SCVB study showed that 49 per cent of delegates undertook pre-convention and post-convention touring throughout regional New South Wales. That has been achieved with limited funding from the State Government. I reiterate that any money that can assist the tourism industry in New South Wales is welcome. However, this strategy is a smoke and mirrors exercise by the Government. At best only $8 million over two years will be forthcoming. I believe the figure may be even less. I am discouraged by the fact that at this time the Government does not even know how it will allocate the money.

Mr BLACK (Murray-Darling) [4.20 p.m.]: I am more than pleased to speak in support of my City Labor colleague the Minister for Tourism. In her contribution the Minister referred to the Living Outback region. Essentially that region encompasses the city of Broken Hill, the shires of Bourke, Central Darling, Cobar, Balranald, Wentworth and the unincorporated area. This area was essentially opened up by the Afghans. Broken Hill has the oldest mosque, or almost the oldest, in use in Australia. The last Afghan train did not leave Broken Hill until 1936. The Afghans were great cavaliers and that is something to contemplate, bearing in mind the current worldwide debate. It is one reason why tourists visit the area.

The tourism industry to the west and north of the electorate of Murray-Darling is worth $133 million annually. I believe that figure, which was produced by the Department of Tourism, is conservative. The Department of Tourism states that the tourism industry supports 1,170 full-time jobs. I would go further and suggest that in Broken Hill alone 1,100 equivalent full-time jobs are dependent upon tourism. Before Friday's announcement the Carr Government committed funds in excess of $1.2 million to the region. That figure includes funding for a co-operative advertising campaign and a marketing and development campaign. Those campaigns have had a positive effect on western New South Wales and have been strongly supported by the Minister for Tourism.

Living Outback has obtained funding under the Regional Flagship Events program. Since 1998 seven events have obtained total funding of $98,000. That program promotes tourism for the region. Two events for the Year of the Outback, 2002, will be the Big Wide Outback River Regatta and the Silver City Outback Band Festival, which will each receive a grant of $10,000. I have the honour of being the chairman of the Year of the Outback steering committee, its members being local mayors. Of the $2 million allocated by the State Government, something in the order of $170,000 will be allocated from the small grants program for events that are being funded separately through the Department of Tourism. The Big Wide Outback River Regatta is a new event that will start next February. It will provide people with an opportunity to take to two great rivers, the Murray and the Darling, in whatever craft they wish. Over a two-week period competitors will see many of the great attractions of western New South Wales.

Speakers in the debate have also referred to the collapse of Ansett, the near demise of Kendell Airlines and the demise of some Hazelton services. It is a fact of life that the cancellation of the Minerals Council of Australia conference to which the Minister referred, which was to be held in Broken Hill from 13 October to 19 October inclusive, with 200 rooms booked, resulted in a loss in the order of $500,000. That loss had a huge and significant impact. I am more than disappointed that John Anderson, one of the most woeful leaders the Federal National Party has ever had, has done nothing about relieving taxation on regional flights. On Monday it cost me $395 to fly one way from Broken Hill to Sydney, and going back to Adelaide tomorrow night with Qantas will cost $256. The 10 per cent impost by John Anderson as Federal Minister for Transport is costing us heaps. The $15 million initiative announced by the Minister today would go much further if that 10 per cent impost by John Anderson were removed. [*Time expired.*]

Mr ROZZOLI (Hawkesbury) [4.25 p.m.]: This has been a fascinating debate because the one thing that has not come through in any shape or form is why this matter needed urgent consideration. If the energy and enthusiasm exhibited by the Minister is any indication of the energy and enthusiasm of the tourism industry, we are in real trouble. We have learned a few interesting facts along the way, but few had any bearing on the subject of the motion. The Minister made some general statements about visitor arrivals and conventions in New South Wales but they were short on detail. Indeed, one must question whether raising a matter of serious concern to the economy and to jobs in New South Wales should be treated in such a cavalier fashion by the Government, the Minister having only allowed 10 minutes to speak, the shadow Minister 10 minutes and other members five minutes. That hardly does justice to the seriousness of the subject.

The second part of the motion seeks to recognise the New South Wales Government's $15 million response. But there was a paucity of detail from the Minister. We have been told that $8 million was allocated to the tourism portfolio to protect jobs across the State but we learned nothing about how that $8 million will be spent. Knowing the way the Government spends money and the gulf between its rhetoric and action on the ground, one must have grave concern as to whether the $8 million—and so far the Minister had not specified how it will be spent—will be allocated in a meaningful way to protect tourism jobs across the State. Those jobs may rely for their security on international visits or internal tourism.

However, if an international situation reduces the level of overseas visits to this State, the essence of the strategy should be that while trying to rebuild our international tourism industry—and we are limited in doing that because many of the causes of the downturn are factors totally beyond our control—domestic tourism

should be boosted and supported and tourism jobs protected. There are clearly great incentives for Australians to holiday in Australia. For example, the exchange rate is not good for those who would travel overseas. Much can be done to heighten Australians' interest in touring their own country. As the honourable member for Murray-Darling correctly pointed out, the cost of travelling around this large country is a heavy impost on domestic tourism. People must travel long distances to many domestic tourist destinations. Therefore, we should be promoting tourism in the areas around Sydney.

Ms Nori: Haven't you listened to anything?

Mr ROZZOLI: We have not heard anything.

Ms Nori: You should have listened.

Mr ROZZOLI: I listened intently; in fact, I took notes during the Minister's speech. There was nothing in it. She mentioned the Summer of Sydney campaign generally and the Festival of Sydney but she did not outline any additional plans to protect and stimulate tourism and to fill the gap created by the international circumstances to which she alluded. I would like this issue to be debated much more seriously at a later time.

Mr MARTIN (Bathurst) [4.30 p.m.]: I support the urgent motion moved by the Minister for Tourism. I was most disappointed by Opposition members' contributions to the debate, particularly that of the honourable member for Hawkesbury, for whom I have a great deal of respect. He has understood neither the Minister's comments nor the thrust of this debate. I shall come to that point later. The shadow Minister for Tourism, the honourable member for Myall Lakes, made his normal churlish contribution. It ill behoves Opposition members to criticise the Minister in this place in light of the attitude displayed by the Federal Minister for Sport and Tourism following the events of 11 September and the collapse of Ansett, which she described as a mere blip for the industry. That was the response of Jackie Kelly, the Prime Minister's darling. While she has been operating in a vacuum the New South Wales Minister for Tourism has been working to formulate a practical, sensible and targeted program.

The Central West region—which is known as explorer country, and incorporates Bathurst, Orange, Mudgee, Parkes and Dubbo—attracts more than two million visitors each year. An extrapolation of those numbers amounts to $773 million and an estimated 6,800 full-time jobs. That is the magnitude of tourism in explorer country. The success of tourism in that area is due largely to the Minister's actions since she came to the portfolio. Before last Friday's announcement the Carr Government had committed in excess of $1.6 million to the region, including co-operative advertising and marketing and development campaigns. They are sound strategies. The explorer country region has successfully obtained funding under the Regional Flagship Events program, and has received more than $200,000 since 1998.

Local events include the balloon festival in Canowindra that attracts world-wide attention. The festival is held in the electorate of the honourable member for Orange but he was too churlish to admit that it receives any funding from this Minister and this Government. Triennial funding for this spectacular event will be about $60,000. Other events such as Food Week at Orange, the Dubbo International 24-hour Pro-Cart Series and the Mudgee Wine Celebration have also been granted $10,000 to help with their promotions. I should also mention the Bathurst Jazz Festival of a couple of years ago, which the Minister supported generously. The Explorers Way Touring by Car strategy has benefited the region to the tune of an estimated $5,000.

Last Friday the Minister announced a strategy to which she also referred today. Opposition members have failed to grasp the issues. They talked about international tourism and so on, but we are talking about doing something domestically in light of the problems facing international tourism. The Minister pointed out that Sydney has a population of four million. What a wonderful base that is from which to see the rest of New South Wales and spend money. The money of Sydneysiders is just as beneficial to country regions as that of overseas tourists. The Minister has introduced a two-year strategy, which is sound thinking. The Australian Tourist Commission, for instance, will confirm that there is no point rushing out and chasing international tourists; we must target the money through a two-year strategy. I believe that provides a wonderful opportunity to introduce some more permanent arrangements.

I guess something good always comes from terrible events—the Minister was forced to introduce this strategy as a result of the terrorist attacks overseas—and this will give us an opportunity to concentrate on our domestic market. Traditionally, young people have been lured by the romantic notion of overseas travel. They can now look at what New South Wales has to offer through these well-targeted strategies. The Touring by Car strategy has benefited all sorts of people. Shortly after its announcement I drove a lap of Mount Panorama with the Minister in a Ford Explorer. I had white knuckles as the Minister zipped around the track.

The first person I saw shortly thereafter was Jeremy Anderson, who was working at the time for the Minister for Health. Jeremy was a citified sort who was lured over the mountains, inspired by the Minister's promotional efforts. If we can target people such as Jeremy Anderson great opportunities will flow to the tourism industry. Instead of carping and complaining about the lack of precise details, Oppositions should get with the program. In times like these we must take a bipartisan approach. The penny will finally drop with the Federal Minister, who I presume will not be in government for much longer. We should get behind the Minister for Tourism and congratulate her on her efforts made under very difficult circumstances.

Ms NORI (Port Jackson—Minister for Small Business, and Minister for Tourism) [4.45 p.m.], in reply: I thank those honourable members who have contributed to the debate, although I am surprised at the level of ignorance of the tourism industry—the lack of information and basic understanding—displayed by the shadow Minister for Tourism, the honourable member for Myall Lakes, and the honourable member for Hawkesbury. Let me set the record straight in respect of some of their comments, which were so ill informed as to demonstrate an absolute lack of interest in tourism. It is frightening.

Opposition members claimed that tourism strategies take too long to produce results. Do they not understand the importance of the tourism industry and of securing an outcome that works for the industry and will save as many jobs as possible in these difficult circumstances? Implicit in their criticism is the suggestion that we should have proceeded in the same way as Jackie Kelly. I do not refer to her stupid comment about the blip that was the collapse of our second major domestic air carrier, and all its implications both nationally and internationally. I am talking about her announcement of the $20 million Federal package.

About 10 or 15 days before that announcement the Federal Minister formed a tourism industry task force, chartered a plane and visited regional Australia with industry representatives. She visited tourism product in the regions—but not New South Wales—and discussed and investigated the issues. I thought that response was not unreasonable. The task force was due to meet two Mondays ago at 3.30 p.m. to sift through, analyse and understand the information and come up with a strategy. Again, that response is not unreasonable. However, what was Federal Minister doing when that meeting convened at 3.30 p.m.? She was holding a press conference announcing the $20 million package. Did she listen to the industry? Did she take up its concerns and analyse the results of her travels around the country? If I had been an industry representative on that task force I would have been spewing at having my time wasted in that way.

It does not stop there. What happened the next morning? Emails were sent to organisations such as Tourism New South Wales asking, "Can you tell us how we might spend the money? Have you got any bright ideas as to what we should do?" Is that what the Opposition thinks we should have done for this important industry? Should we have made policy on the run and announced it without thinking? That is not how we operate in New South Wales. We are strategic. That is why we are the number one tourism State. That is why every $1 of taxpayers' money spent by Tourism New South Wales drives 3.3 visitor nights. The same sum drives only two visitor nights in Queensland and Victoria. In other words, New South Wales Tourism drives better, more effective and more efficient results in visitor nights, which is what counts.

We have natural advantages compared with other States. We are the international gateway to Australia, with 59 per cent of all international visitors coming to Sydney, and we have the lion's share of the domestic market. New South Wales does extremely well. The honourable member referred to the budgets of other States. Overnight Victoria announced $10 million, and it did not have a strategy plan either. But that $10 million only brought it up to our present budget. The additional money we have provided takes our budget well beyond that of other States. The other States need to spend more money. They do not have our natural advantages and their agencies do not drive the same amount of visitor nights per dollar spent. The results we get in New South Wales are partly due to good luck—we have a beautiful harbour and a great city—but it is also because we work harder and smarter.

Members opposite should note that the Government has poured 60 per cent more dollars into the tourism budget than the Coalition did when it left office in 1995. We have provided a record amount for regional tourism. I thought the honourable member for Hawkesbury would have the brains to understand what I was talking about when I mentioned a switch to a domestic focus. I did not want to do this, but I will read out all the campaigns and motormouth them into *Hansard*.

The campaigns include Summer in Sydney; Sydney Drive, which targets Victorians and Queenslanders to drive to and experience Sydney, with special incentive packages to stop over in regional New South Wales on the way; New South Wales Touring by Car, which I have spoken about many times; the continuation of the Short Breaks program, which encourages Sydneysiders to visit regional New South Wales, and the See Australia campaign.

Those projects are the nuts and bolts of the domestic campaign. The advertisements are being prepared and print space will soon be bought to get this strategy on the road and deliver the results we want for New South Wales. The reason we have kept some money aside for international campaigns is because there is no point spending it now. We will spend it when the international situation settles. The money is being kept for a rainy day when we can take real advantage of it.

Motion agreed to.

PORK INDUSTRY EXPANSION

Matter of Public Importance

Mr AMERY (Mount Druitt—Minister for Agriculture, and Minister for Land and Water Conservation) [4.42 p.m.]: I ask the House to note as a matter of public importance the expansion of the New South Wales pork industry and, as a result, the generation of regional jobs. It is timely that we recognise in this House the success of our pork industry in recent times. The industry has had its ups and downs over a number of years. Some honourable members would have seen the future and preservation of the industry some years ago in terms of protection and the prevention of imports. Those measures are still important to this industry, but the success of the industry in recent times, particularly the operations of Bunge Meat Industries in Corowa since undergoing a change of ownership, warrants recognition.

The Australian pork industry is undergoing a period of expansion on the back of favourable prices and strong export demand. In recent years that expansion could only be described as rapid. Australian pork exports have increased from $20 million in 1997 to more than $150 million in 1999-2000. Current export levels are about 4,000 tonnes per month. Export growth has been greatest in Singapore, with $94 million in exports and in Japan, with $36 million. Traditional suppliers of pork to these countries have experienced herd health breakdowns, for example, the Nipah virus in Malaysia and foot and mouth disease in Taiwan and Korea. This has presented Australian producers with real opportunities. Demand from export markets currently exceeds the capacity of our producers to supply, and this demand is expected to continue or even increase in the South-East Asian markets. All sectors of the domestic industry are expanding to meet this demand.

An expanding export market such as this obviously presents great opportunities for Australian producers and brings with it an increasing demand for local labour and expertise. That means jobs for locals, particularly in rural areas. One of the most significant producers in the Australian pork industry is a company called Bunge Meat Industries in Corowa and other parts of New South Wales. Bunge is Australia's largest pork producer and processor, with farms in New South Wales at Corowa, Albury and Moulamein, as well as five other farms in Victoria.

Bunge produces about 20 per cent of Australia's pork and contributes more than 30 per cent of Australia's total farmed pork exports, primarily into Japan, Singapore, Korea, Hong Kong, Taiwan and New Zealand. The good news is that Bunge has been expanding its operations and has further plans for expansion in south-western New South Wales. I am pleased to advise the House that the company plans to double its production. This is a welcome development that will boost employment and local economies in towns such as Finley, Berrigan, Urana and Temora. Districts such as Berrigan and Finley have already benefited from the expansion, while further developments at Temora and Urana are planned.

I advise the House that earlier this week there was a handover day to Singaporean company QAF Ltd, which recently purchased the operation for $157 million. QAF Ltd operates supermarkets and cold store operations in Singapore and has sound reasons for investing in an Australian-based pork operation. Australian pork has significant advantages in the Singaporean market over its major export competitors—Denmark, the United States and Canada—in that Australian pork can be flown to Singapore chilled and not frozen. We have that advantage because of our location. This makes Australian pork more attractive because it is considered to have better eating qualities than pork from other exporters who must freeze their pork for export.

Australian pork also has the advantage of being considered to be a healthy, disease-free meat, unlike product from some other pork-producing countries. For this reason, Australian pork fills a niche at the top 1 per cent of the Japanese market. Australian pork makes up only a small proportion of pork on Japanese plates, but those plates are in the upper end of the market with the greatest value. Singapore is also securing a major supply source for its own market since its Malaysian suppliers have suffered huge setbacks through disease outbreaks.

We do not know whether the Malaysian pork industry will be revived. What is certain is that export opportunities will remain for some time in the pork industry and this obviously means Australian jobs. The handover to QAF Ltd is good news for the industry, and all Corowa-based Bunge management will be retained. Indeed, with the expansion plans progressing, the handover will mean more jobs. New South Wales Agriculture staff, in conjunction with local councils, have taken a role in the planning process of Bunge developments to ensure that local communities get factual and impartial information about them.

A key element of the proposals is the use of a network of contract growers who raise pigs in a housing system known as eco-shelters. This system uses a deep litter flooring of rice hulls or cereal straw as bedding. Eco-shelters are an environmentally friendly housing system with a greatly reduced odour emission compared with traditional pig sheds. The litter from the eco-sheds is also used as a fertiliser that provides nitrogen and phosphorous as well as valuable organic matter. Bunge's contract growers build a number of eco-shelters and provide the litter material and labour, while Bunge supplies the pigs and the feed. Most of these pigs are headed for valuable export markets in Japan or Singapore, earning producers and the country valuable export dollars.

Bunge Meat Industries is a vertically integrated pork processing company that operates feed mills, farms, an abattoir and a boning room. The company's facilities in Corowa in southern New South Wales employ about 575 people. Although Bunge currently produces about one million pigs per year with an export value of about $50 million, it has plans to boost its production to two million pigs and forecasts exports worth $75 million in 2002. The company's network of growers will need to expand to accommodate growth, with more employment and income for producers. These contract growers raise pigs from 20 kilograms to 120 kilograms live weight. The company has contract growers in Rennie, Berrigan and Finley. It has plans for more than $10 million worth of grow-out developments in Temora, Urana and other sites in south-western New South Wales. These developments will provide investment and employment for regional economies.

There is considerable potential for New South Wales to capture and increase its share of the expanding pork market. This market has high flow-on benefits to regional economies. It is well suited to further processing and value adding. There are also good opportunities for the expansion of the industry in central-western New South Wales. A number of co-operatives and producer groups in the Forbes, Young and Grenfell regions want to increase pig numbers and supply pigs to the newly renovated and export-licensed abattoir at Young. These really are great opportunities. I congratulate Bunge on capitalising on favourable world pork industry conditions, and providing significant employment benefits to regional communities. I encourage the expansion of the New South Wales pork industry in a sustainable manner, and I encourage the industry to continue to invest in best practice management techniques.

I have outlined a great turnaround in an industry that, some years ago, considered it had a very uncertain future based on possible access to the Asian market and competition from imported product from various countries around the world as a consequence of various trade liberalisation rules. The pork industry has chased, and achieved, success in the Asian market. Last year, at the invitation of Charles Harvey, the then Chairman of the New South Wales Pork Council, I visited a property called *Lansdowne East* near Young, where I, and people like Ian Pollard from the industry, Sally Walker and others had the opportunity to see its operation. Not long after that, at the invitation of Bunge Meats, I had a tour of that operation. Based on issues they raised at the time and the great potential of the industry, their anticipation of success was not unfounded. I congratulate the industry on what it is doing for regional jobs in this State.

Mr SLACK-SMITH (Barwon) [4.52 p.m.]: The pork industry in New South Wales is very important because pork is the world's most consumed meat. However, Australia produces only 0.4 per cent of the world's pig meat. The annual per capita consumption of pork has risen from 13.3 kilograms in 1979 to 17.3 kilograms in 1997. Ham and bacon account for about 50 per cent of consumption in New South Wales. Total farmed pig meat export figures for April dropped slightly below 4,000 tonnes, but 55 per cent of those exports were directed to Singapore, 16 per cent were directed to Japan, 8 per cent were directed to New Zealand, 5 per cent were directed to the Philippines, and 3 per cent were directed to Hong Kong and Korea.

Those exports are the result of the hard work of Mark Vaile, the Federal Minister for Trade. Foot and mouth disease and Nipan virus in Singapore and Taiwan stopped the export of pigs from Malaysia and Singapore, which has banned pigs altogether. It was their bad luck and our good luck that we were ready to jump in and fill that void. As the Minister said, in Forbes, Albury and Wagga Wagga on the south coast, and in the Tweed the industry generates more than $200 million per year for New South Wales. Most piggeries in New South Wales are family owned.

In 1980 New South Wales had more than 19,000 pig producers, but by 1996 that number was reduced to 3,500. The pig industry in New South Wales has undergone a huge change, but there is room for expansion.

Yesterday the Minister and the Premier were talking about jobs for rural New South Wales and the great job those in the pig industry are doing. But that is no thanks to either the Minister or the Government. The Minister seems to take all the credit for it, but he has done nothing for the pig industry. By comparison, Warren Truss has contributed $24 million to the industry to help get it back on its feet.

At Booying in the electorate of the honourable member for Lismore a company called Casino RSM Processors, which started work five years ago, is now killing 4,800 pigs a week. The company's export number for Singapore is 7,170. Singapore is the preferred export market, so the company is supplying an excellent product that is eagerly sought. It is a product on which Singaporeans place the highest emphasis. The company has spent more than $5 million to get the plant up and running. Apart from a small contribution for CO_2 stunning funding and a small contribution to a power extension, which really amounts to very little, the State Government has done absolutely nothing for this company. The company wants to expand, to continue to export and to do something for New South Wales.

Let us consider what is impeding the development of the company in New South Wales. The Minister knows, although he is doing nothing about it, that workers compensation premiums in New South Wales are far more expensive than they are in Queensland. The company is restricted by the weight it can place on its trucks. B-doubles are not accepted here like they are Queensland, and that creates a huge freight differential. Then, of course, there is good old payroll tax. The company is held back when one considers the opportunities available in Queensland and Victoria. Queensland has formed a Meat Industry Task Force to assist slaughterhouses, packing houses and abattoirs to expand. What do we have here? Absolutely nothing! This company has had to do it on its own without any assistance from the State Government. We are overrun by the States that try to help their businesses, particularly their export industries.

It is all very well for the Minister to say he is doing a fantastic job, but the only people who are doing a great job are those in the industry. The Minister has given them no assistance whatsoever. When the Minister starts taking credit for doing a great job, he is really taking credit for the hard work of the people in the industry who are out there doing something. The Minister should get behind them and give them a go. This is just like the identification scheme all over again. In two years, before the next election, the Minister might decide to do something. Hopefully, he and I will change sides after the election. Processors in the pork industry have a goal; they have something to look forward to.

The Council of Pork Exporters hopes to have more than doubled Australia's pork exports to 72,000 tonnes by 2002. I think that is a great goal and something the Minister should get behind. He should give the Council of Pork Exporters all the help he can. The Minister should bear in mind the jobs that will be created, and the money that will flow into the local towns and communities. We have a wonderful product and it is obvious that a number of countries who are our customers seek it out because it is of such high quality. I believe we should be supporting the industry for all we are worth. As honourable members know, pork exports have increased dramatically in the past few years, from approximately 33,000 tonnes in 1999, which represented 9.2 per cent of production. We have a very efficient industry that produces lean pork.

I sympathise with the producers I knew quite well who exited the industry when things were very bad. The industry now is very efficient, but I believe it still has a long way to go. We have an ideal beginning. This represents an opportunity to assist the New South Wales pork industry, to make sure that we are not left behind in any research. We should do everything possible to assist this industry to keep rolling along. Pork producers have the drive, determination and energy to make the best of this opportunity. We on this side of the House believe we should be trying to kick as many goals as we can, instead of standing back and taking all the credit for the jobs, the expansion, the export earnings and everything else. Instead of taking all the credit, the Government should instead contribute a little. That would ensure the future of the New South Wales pork industry.

Mr Amery: We are investing millions of dollars in the industry.

Mr SLACK-SMITH: Yes, Minister, we are investing millions: private enterprise, not the Government, is investing millions of dollars in the industry. The problem is that we want more of it. What will happen, of course, is that the industry will look to either Victoria or Queensland because it is financially more advantageous to do so. If the New South Wales Government gets behind the pork industry and gives it a bit of a hand, New South Wales will reap the benefits. If the Government does not do that, the industry will stagger along at the same pace.

Mr BLACK (Murray-Darling) [5.02 p.m.]: Let me inform the House for the second time this afternoon how pleased I am to support one of my city Labor colleagues on this matter. I refer, of course, to the Minister

for Agriculture. My remarks principally concern a town called Moulamein in the south-east of my electorate. In fact, if it were not for Victoria it would be just about on the seashore! It is the oldest town in the south-western Riverina and it celebrated its sesquicentenary in July of this year. It was founded in 1851 and gazetted as a town one week after Victoria was gazetted as a State.

Moulamein has been going through some hard times. It has lost its one and only bank and seven of its businesses have closed. It is famous now, of course, for a victory that the Minister celebrated down there. It was supposed to be a three-game match, the triples championship in that part of the country. The Minister, carried by local government—respectively the mayors of Balranald and Hay, David Shannon and Alan Purtill—beat the Hay champions, had a draw at Wakool and finally, a few months ago, won at Moulamein.

Balpool Station, located on the Edwards River, is one of the great old stations in the district. It is the reason for the town of Moulamein being there in the first place, being located on the junction of two major streams, the Edwards River and The Billabong. Balpool has had a large intensive piggery for the past three decades, and in the late 1980s Bunge Meat Industries [BMI], Australia's largest pork-producing company, purchased Balpool. I was listening to some of the comments made by honourable members opposite who contributed to the debate. I recall going to Griffith as a candidate during the 1987 Federal election campaign. At that time things were the other way around and Griffith council was very much to the fore in informing me that the council was most concerned about flying pigs: those coming into the country from Canada and Denmark.

In 1997 pork exports were worth $20 million to New South Wales. In the financial year 1999-2000 they were worth $150,000 million. That represents a huge expansion in the export industry. Bunge Meat Industries developed Balpool in the mid-1990s to run the existing farrow-to-finish piggery, a large grow-out facility using eco-shelter housing and a feed mill. Today is the handover day to the company to which the Minister referred, the Singaporean company QAF Ltd, which has bought the entire operation for $157 million. The Balpool piggery complex currently employs approximately 30 staff. It is arguably the township of Moulamein's major industry. There is extensive rice-growing in the district and other elements of the pastoral industry, but Balpool would be the most consistent employer because it is ongoing and does not have seasonal highs and lows.

Most of the 30 staff I referred to reside in Moulamein, a township of 500 people, and the Bunge piggeries provide significant benefits for the local community. During the development process several significant Aboriginal cultural sites were located and identified, and the original plans were altered to protect these sites. The Balpool grow-out facility currently grows out weaners sourced from a BMI piggy at Bungowannah, near Albury. All pigs in the grow-out facility are housed in eco-sheds. These sheds use a deep litter flooring system of rice hulls sourced from the local rice mills. The used rice hulls and pig manure are composted into a valuable fertiliser that is sought after by local farmers. Weaner pigs are trucked to Balpool and housed in a new cleaned eco-shelter with new rice hulls.

Pigs are kept in age-segregated batches using a production system called "all in-all out". This system of production improves animal health and overall production. At the end of the batch, finisher pigs are transported to the BMI abattoir at Corowa for processing. Many of the Balpool production pigs go to valuable export markets. Bunge currently exports over 30 per cent of Australia's total farmed pork exports to nations such as Singapore, Japan, Hong Kong and New Zealand. Bunge is currently seeking to expand its grow-out sites using a number of contract growers. The bottom line is that these operations will provide significant benefits to rural communities, such as the great community of Moulamein. [*Time expired.*]

Mr AMERY (Mount Druitt—Minister for Agriculture, and Minister for Land and Water Conservation) [5.07 p.m.]: In the five minutes allocated to me to respond to the debate I will attempt to be fairly succinct and endeavour to cover the issues raised during the course of the debate. I thank the honourable member for Barwon, the shadow Minister for Agriculture, and my colleague the honourable member for Murray-Darling for their contributions. The honourable member for Murray-Darling welcomed the creation of jobs and new investment to his electorate, demonstrating to the House once again his awareness of his own patch, which comprises 45 per cent of the land mass of New South Wales. I congratulate the honourable member on being so involved in attracting investment to the electorate of Murray-Darling.

I will briefly respond to some of the comments of the honourable member for Barwon. I would suggest to the honourable member that he certainly did not respond to the speech I made today. I do not know where he got some of his supposed facts from. He suggested I was attempting to take credit for the expansion of the pork industry and to take credit for the expansion of Bunge Meat Industries. That was certainly not in my speech. No

doubt that misrepresentation will be read by the pork industry, which I know follows the *Hansard* of this House very closely. The honourable member tried to give credit for the expansion to Mark Vaile, and I think by interjection the honourable member for Lismore mentioned John Anderson.

But the recovery over the last couple of years has been industry led. It has found the markets and capitalised on the misfortune—perhaps that is not a positive thing to say—of some of our trading partners. The industry is doing extremely well. I refute that somehow the State Government is taking credit for the expansion, although we have been working very closely with the industry through New South Wales Agriculture and through the planning process. For example, when Bunge's wanted to expand into new operations it had to look at how to manage its natural resources and so on. Our Government will be assisting the company and working with it as best we can to facilitate that change.

The honourable member also referred to workers compensation. Back in 2000 I visited a pig farm near Young and Bunge's Meat Industries. I met industry officials and board members of Bunge's. One of the issues they raised was the high cost of workers compensation in this State. To quickly put to bed the Opposition argument on that point, I remind Opposition members that during the very fiery debate in the Parliament and in the community about workers compensation reforms the industry and the meat processing sector in New South Wales lobbied the National Party to support the legislation. It sent faxes. The honourable member for Lismore knows that he was lobbied by the pork industry and abattoirs. They asked the National Party to vote for the legislation. When the bill got to the Legislative Council the Opposition voted against it. Today the Opposition has claimed that the pork industry is concerned about high workers compensation premiums, but the Opposition voted against the reforms.

Mr George: Point of order: My point of order relates to relevance. The Minister has to acknowledge that workers compensation premiums in Queensland are cheaper than those in New South Wales, and that is against the industry.

Madam ACTING-SPEAKER (Ms Beamer): Order! There is no point of order.

Mr AMERY: I refer to *Hansard* of the debate in the upper House. Members who voted against the legislation are recorded in *Hansard* and National Party members are on record as doing that. I also remind the House of an initiative of the New South Wales Government in partnership with industry, the New South Wales meat processing industry restructuring program. Details are in the kit handed out on Monday this week to the meat processors and abattoirs conference at Brighton-le-Sands. I table that for the information of honourable members.

In conclusion, I thank honourable members for their contributions. In no way is the Government taking credit for the improvement in the industry, although on another day I would not mind highlighting our role in working with the processing sector. I have tabled correspondence showing that the State Government is working with the processing sector industry and the substantial amount of money involved with that. I congratulate the pork industry on turning around the industry in recent years with its outstanding export success.

Discussion concluded.

BILLS RETURNED

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

Harness Racing New South Wales Amendment (Rules) Bill.

BUSINESS OF THE HOUSE

Order of Business: Suspension of Standing and Sessional Orders

Motion by Mr Watkins agreed to:

That standing and sessional orders be suspended to allow the introduction forthwith and progress up to the including the Minister’s second reading speech of the Motor Trade Legislation Amendment Bill, followed by the taking of private members' statements.

MOTOR TRADE LEGISLATION AMENDMENT BILL

Bill introduced and read a first time.

Second Reading

Mr WATKINS (Ryde—Minister for Fair Trading, Minister for Corrective Services, and Minister for Sport and Recreation) [5.15 p.m.]: I move:

That this bill be now read a second time.

The bill I introduce today contains significant crime prevention initiatives, consumer protection measures and administrative reforms to bring the regulation of motor dealers and repairers into the twenty-first century. Cars are an indispensable part of most people's lives. For many people, they are the second most expensive purchase they will make. With such significant amounts of money invested in car purchases, consumers need to have confidence that motor dealers will trade honestly and fairly. Consumers also need basic information to help them with their purchasing decisions. They need access to a statutory warranty, a complaints handling process, a disciplinary process for licensees and a compensation fund. The Motor Dealers Act 1974 contains these and other important fair trading measures. However, that Act is now more than 25 years old and consumer needs have changed, as has the industry.

When people need to get their cars repaired, they also need to have confidence that repairers are technically capable and that if the customer has complaints there is an impartial process to resolve the dispute. These and other consumer protection measures can be found in the Motor Vehicle Repairs Act 1980. Again, this legislation is now more than 20 years old and does not fully reflect consumer needs or the industry itself. The dealers and repairs Acts have been reviewed as part of the Government's national competition policy obligations and examined in terms of the costs imposed on businesses and the net public benefit. The proposals in the bill I bring before this House today combine outcomes from the national competition policy motor trade review as well as a range of other matters relating to better consumer protection and improvements to, and for, the industry.

Many of the matters contained in the bill were contained in exposure draft legislation which I released in February of this year. Since then a significant amount of consultation has occurred with the motor industry, the credit industry, the insurance industry, financial counsellors and consumer groups. Approximately 40 written submissions were received from a range of groups such as the Motor Traders Association, the Institute of Automotive Mechanical Engineers, the NRMA, the Insurance Council of Australia, the Australian Finance Conference, the Financial Counsellors Association of New South Wales, and the Service Stations Association, as well as from individuals, consumers, motor dealers and repairers.

In addition, the draft legislation was extensively discussed with the Motor Trades Advisory Council, which consists of representatives of a cross-section of interest groups including consumers and industry, and with the Motor Vehicle Repairs Industry Council, the co-regulatory statutory authority which administers the repairs Act. I thank all the people and organisations that took the time to make a contribution to the development of this legislation. In particular, I acknowledge the valuable input from the members of the Motor Vehicle Industry Repair Council and the Motor Trades Advisory Council who have been willing and active participants in the reform process.

I also put on record the positive role played by the peak industry body, the Motor Traders Association, in supporting the Government's efforts to stamp out the minority of disreputable dealers and repairers. This overhaul of the motor trades legislation represents a win-win for consumers as well as for the many honest and reputable businesses operating in the motor trades. It not only enhances consumer protection measures but also will remove red tape and outdated regulatory measures so that car dealers and repairers can run their businesses better. Of course, as with any other major reforms that have been undertaken within my portfolio, I am more than happy to consider any improvements that any member brings forward as the bill passes through this Parliament.

The proposals in this bill fall into three broad categories: crime prevention, consumer protection, and improving administration and removing red tape. I will turn to the main provisions in each of these categories. On crime prevention measures, according to law enforcement agencies car rebirthing is a growing source of criminal activity. It involves giving stolen cars a new identity by removing the vehicle identification number, VIN, and engine number, and issuing new identifiers. Registration provides a new identity for the vehicle,

severing the link with the legitimate owner. Police and insurance company intelligence indicates that car rebirthing activities are being committed by members of gangs, who are often employed or associated with the legitimate car industry, in a structured and organised manner.

The insurance industry has estimated that this year car theft will cost close to $1 billion, with the cost to New South Wales alone estimated at $388 million. The total cost of rebirthing in New South Wales is estimated at $156 million, which is 70 per cent of the national cost. This affects the public through loss of vehicles, higher insurance premiums and innocent consumers having their vehicles seized by police. Both the Motor Dealers Act and the Motor Vehicle Repairs Act have a significant role to play in the Government's comprehensive plan to crack down on this source of criminal activity. One of the ways in which the bill does this is by tightening entry requirements for licensed dealers and repairers. Licences can already be refused on the grounds that the applicants are generally not fit and proper persons.

However, the bill goes further so that a person convicted of stealing motor vehicles or motor vehicle parts, receiving a stolen motor vehicle or motor vehicle parts, unlawful possession of stolen motor vehicles or motor vehicle parts will be barred from holding a licence. The prohibition will last 10 years from the date of conviction, which is consistent with the spent conviction provisions of the Criminal Records Act 1991 and existing probity timeframes in the dealers Act. There will be ongoing monitoring of convictions. Dealers and repairers will also be required to lodge annual statements disclosing any criminal convictions. Furthermore, if there is evidence that a dealer or repairer is probably receiving or dealing in stolen goods, they will be asked to show cause as to why their licence should not be revoked.

Unlicensed dealing and repairing provides an obvious avenue for the disposal of stolen cars and the rebirthing of vehicles. The bill introduces a rebuttable presumption that a person who sells more than four vehicles in a 12-month period is an unlicensed dealer. This makes it easier for unlicensed dealers to be detected. I note that jurisdictions such as South Australia and Victoria assume that a person who sells four or more second-hand vehicles in 12 months is a dealer. I understand that, not surprisingly, the legitimate industry strongly supports these new provisions. Reputable motor dealers rightly get frustrated and angry when their market is being attacked by backyard shonks and charlatans.

The bill also increases the maximum penalty for unlicensed dealing and repairing. The current maximum penalty for unlicensed dealing is 500 penalty units—$55,000. The maximum penalty for unlicensed repair work is 20 penalty units—$2,200. The maximum penalties for both unlicensed dealing and repairing will be increased to a more realistic 1000 penalty units—$110,000— as part of the crackdown on these illegal activities. This will also bring penalties under this Act into line with other maximum penalties under the Fair Trading legislation. It is also proposed to increase the statute of limitations for unlicensed dealing from two years to three years, in line with limits in the Fair Trading Act 1987. The current statute of limitations for unlicensed repairing is one year. This will also be increased to three years.

The bill contains powers to assist in law enforcement if suspected goods and things come into the possession of dealers and repairers. It is proposed to allow authorised officers, for example, police or fair trading inspectors to place holding orders lasting 14 days on property held by repairers and dealers. This will include motor vehicles or their parts or accessories or other things. The broad concept of "things" will cover such items as goods, tools, raw materials or cash which appear to have been stolen or are otherwise illegal. The period of 14 days takes into account the holding costs in relation to motor vehicles and should give investigators sufficient time to identify the property. If further time is required, authorised officers will be able to seek extensions of 28 days at a time from a magistrate. The penalty for contravening this provision will be 500 penalty units.

Similar powers to impose holding orders already exist under the Pawnbrokers and Second-hand Dealers Act. It is also proposed to require motor dealers and repairers and their employees to inform authorised officers when they suspect vehicles, parts or accessories in the custody of the licensee may have been stolen or otherwise unlawfully obtained. Effective and appropriate enforcement of the dealer and repairs Acts relies on the exchange of information between the Department of Fair Trading [DFT] and other agencies such as the police and the Roads and Traffic Authority [RTA]. For example, to check whether dealer licence applicants are fit and proper persons, DFT runs a criminal record search. Investigations into unlicensed dealing also involve an examination of car registration data and other information held by the RTA.

To further assist with the enforcement of the dealer and repairs Acts, it is proposed to clarify the role of the Police Service, the Roads and Traffic Authority and interstate agencies in the release of and getting access to information under the dealer and repairs Acts. The proposed amendment will establish a legislative head of power for the exchange of information and provide grounds for negotiating access agreements between the agencies. The proposed amendment will also establish the right to seek the co-operation of relevant interstate consumer affairs and driver vehicle registration agencies in order to obtain information so as to enforce the dealer and repairs Acts. Motor vehicles and their parts are highly mobile and it is often necessary to seek

information from interstate agencies. Thieves often register vehicles outside the jurisdiction in which they were stolen in order to avoid detection. Joint investigations with interstate agencies may be necessary in such circumstances.

The Government will also be cracking down on odometer fraud, commonly known in the trade as "odo flicks". Apparently, it is now possible to fit a switch to a vehicle which makes the odometer inaccurate or inoperative. Under the current legislation it is necessary to prove the device has been activated. This is extremely difficult. It is therefore proposed to create an offence of fitting a device capable of rendering an odometer inaccurate or inoperative. The maximum penalty will be the same as that for odometer interference, which is 100 penalty units. The current statute of limitations for the offences of odometer interference is two years. It can sometimes be difficult to detect odometer interference within that period. It is proposed to increase this limit to three years in line with limits under the Fair Trading Act 1987.

I turn now to measures in the bill which enhance consumer protection. As Minister for Fair Trading, I have been concerned about the imbalance of bargaining power between consumers and motor dealers when a car is purchased. As we know, high pressure sales techniques can be used. As a result, consumers can end up financially overcommitted, particularly when salespeople have a stake in the financing of the sale. The bill provides for a cooling-off period of one clear working day for consumers purchasing a car on linked credit—for example, where credit is obtained from the dealer or through a credit provider linked with the dealer. The cooling-off period will be able to be waived, under strict conditions. For example, dealers will be required to notify consumers of the cooling-off period through documents prescribed by the Department of Fair Trading. The proposed cooling-off period will not apply to sales by dealers to trade owners or sales by auction. Additionally, it will be an offence for a dealer to dispose of a vehicle traded-in as part of a sale during the cooling-off period. A maximum penalty of 200 penalty units will apply.

The purchaser will not be able to take possession of the vehicle during the cooling-off period unless the dealer agrees. This should address complications which arise if the vehicle is damaged while in the possession of the purchaser. If the purchaser terminates the contract of sale during the cooling-off period, he or she is liable to pay the dealer $250 or 2 per cent of the purchase price, whichever is the lesser, in acknowledgment of the costs of the transaction. Fair trading legislation provides some protection where there has been dishonesty on the part of the trader or where the vehicle is defective. However, a cooling-off period importantly provides a preventative measure not currently available. A combination of the inexperience or naivety of the customer and undue pressure by the salesperson can result in customers agreeing to purchase a vehicle which is not appropriate for their needs or on terms which are either beyond their means or unreasonably onerous.

In such circumstances a cooling-off period has the potential to provide a circuit breaker—a means by which a mistake can be prevented from becoming a larger and more expensive problem for all parties concerned. The resulting reduction in complaints and disputes should ultimately benefit both traders and consumers. To ensure that the cooling-off legislation achieves its objectives, I intend to have this legislation closely monitored by the Motor Trades Advisory Council and formally reviewed one year after its commencement. Another consumer protection measure in the bill clarifies dealer responsibilities in relation to the proceeds of consignment sales. Dealers are already required to put money received from the sale of a consignment motor vehicle into a trust account not later than the day after the money is received. The dealer must account for the proceeds of the sale to the consignor within 14 days.

However, there is an anomaly in the legislation where trade-ins are accepted as part of the payment for a vehicle sold on consignment. It is unclear whether a dealer, who sells a vehicle on consignment, has to pay only the cash part into the trust account or whether the monetary value of the trade-in also has to be paid into the trust account. Where the trade-in is not sold within 14 days, the dealer may not have to account in money for the trade-in. The Department of Fair Trading advises me that the number of dealers involved in consignment sales is increasing. Private consignment sales appear to be a way for dealers to upgrade the standard of stock in their car yard where they would not be in a financial position to do so if they had to rely on their own financial means to purchase stock. While consumers may be able to access the Motor Dealers Compensation Fund if they suffer a loss if a dealer fails to comply with the legislation, the lack of coverage of trade-ins can leave consignors exposed.

The bill provides that a dealer who receives motor vehicles on consignment must deposit in a trust account an amount equal to the value of any consideration received—such as a trade-in—for the sale. This will be a significant and important reform. There have been many claims in recent years on the Dealers Compensation Fund in relation to consignment sales. In 1998, there were 54 claims as a result of the consignment centre Fairy Meadow going into liquidation. In 1999, there were approximately 40 claims. In 2000, there were 10 claims. In 2001, there have been 13 claims to date. While the proposal essentially requires dealers

to purchase the trade-in, there is a need to secure the value of a consumer's goods held by a dealer. Dealers are, in effect, using consumers' property.

Another area which needs attention are the claims that consumers can make against the Motor Dealers Compensation Fund. The dealers Act currently permits a claim against the Motor Dealers Compensation Fund where there has been a failure to comply with the dealers Act or regulations or there has been a failure to account by a dealer. The Act does not cover breaches of contract which are to the detriment of the consumer, for example, where a dealer agrees to pay the proceeds of a trade-in to a consumer by cheque but does not do so and the dealer goes into liquidation. It is proposed to widen the scope of claims which may be made against the fund to include losses incurred by a person as a result of a breach by a dealer or car market operator of a contract made by that person with the dealer or car market operator—for example, failure to provide the proceeds of a trade-in. The kinds of contractual breach for which a claim may be made will be prescribed in the regulations.

I turn now to the measures in the bill that will improve administration of the motor dealer and repairer licensing schemes. The Motor Vehicle Repairs Act is currently administered by the Motor Vehicle Repairs Industry Council [MVRIC], a statutory authority with a council including representatives from the Motor Traders Association, the Service Stations Association, the Institute of Automotive Mechanical Engineers, the NRMA, the Australian Industry Group, the Australian Manufacturing Workers Union, the Australian Workers Union and consumer representatives. At present, MVRIC is headed by a full-time chairperson who is both the chief executive officer, responsible for the day-to-day administration of the licensing regime, and the head of the executive council that oversees the licensing regime.

A review of this structure indicates that administration of the Act would be improved and accountability clarified by separating the administrative functions from the advisory functions. Therefore, the bill establishes a statutory authority, the Motor Vehicle Repairs Industry Authority, headed by a general manager, that will handle the day-to-day administration of the repairer licensing. The authority will be subject to the control and direction of the Minister. The activities of the general manager of the authority will also be open to oversight by the Motor Vehicle Repairs Industry Authority Council, which is itself accountable to the Minister and may be directed by the Minister. The council will also have an advisory role. The council is to be headed by a part-time chairperson appointed by the Minister.

The range of interests represented on the restructured council will remain largely the same as at present. However, there will now be a representative of the insurance industry on the council. It has been estimated that approximately 80 per cent of repair work is undertaken for insurers. The insurance industry has a strong claim to be identified as a consumer of repair services and will certainly be able to contribute to discussion on the standard of repair work. Representation from specific unions will be replaced with representatives nominated by the Labor Council. Also there will be a nominee of the Minister for Police on the council, reflecting the Government's initiatives to combat car theft and rebirthing.

The administrative arrangements will be reviewed two years after their implementation in order to ensure that they are operating optimally. As I indicated earlier, the motor trade legislation does not adequately reflect changes in the industry. The Repairs Act currently includes 13 classes of repair work for which repairers' licences and tradespersons' certificates are granted. These categories—which include those of motor mechanic, panel beater and auto-electrician—have been in place for many years. An automotive retail services and repair training package was endorsed in 1999 as part of the national training framework. This training package contains categories of trades and callings for the motor vehicle repair industry which are different from those under the current Act. The new scheme also includes provisions for multiple entry and exit points, choice of elective subjects and recognition of prior learning. The existing licensing categories under the Act are not consistent with the national training package and the scope of repair work to be performed.

The bill abolishes the existing categories in the legislation. Revised repair certification categories which reflect national training developments will be placed in regulations made under the Act. The bill also amends the licensing scheme to remove a number of unnecessary administrative burdens. At present a registered second-hand vehicle sold by a dealer must have a roadworthiness certificate not more than one month old provided to the purchaser at or before the time of sale. The industry has been concerned that with a trend for vehicles to remain on site for longer periods, this provision is unduly onerous. There will be a regulation-making power to vary the life of a roadworthiness certificate attached to a vehicle sold by a dealer, thereby promoting administrative flexibility.

Furthermore, the current requirement for licensed dealers and repairers to hold a separate licence for each business site they operate and keep a separate register for each business site will be abolished. Instead, licensees will nominate the place or places at which they intend to carry on business. Licence fees will reflect

the number of sites under each licence. Accountability in relation to stock and traceable parts held at each site will be maintained by retaining the requirement for separate records to be kept for sales, stock and parts movements at each licensed site. However, if a licence is granted in respect of more than one place of business, a register may be kept at only one of those places of business if the register is kept in a form which allows it to be accessed at all the places at which the business is to be carried on, for example, a linked electronic register.

The bill will bring the motor dealers compensation fund in line with other self-funding entities in the Fair Trading portfolio by enabling the costs of administering the Motor Dealers Compensation Fund, as certified by the Director-General of the Department of Fair Trading, to be recovered by the Department of Fair Trading from the fund. Since 1 July 1996 the Department of Fair Trading has performed the administrative functions of various self-funding entities—for example, the rental bond board. The costs associated with those functions are paid for on an operational basis in relation to activities performed and thereby reduce reliance on government contributions or departmental cash reserves.

The recovery of administration costs in relation to the motor dealers compensation fund, funded by licence fees to support warranty and other dealer disputes, would be consistent with this principle. The opportunity has also been taken with this bill to make the Repairs Act consistent with the Dealers Act where appropriate. Both Acts have similar objectives. They both have consumer protection and crime prevention aims, they both contain entry requirements, establish a dispute resolution process, provide for the discipline of licensees and also establish a contingency fund.

The main amendments are: a system of undertakings for motor vehicle repairers in relation to unjust conduct will be established; repairers will be required to submit an annual statement in order to update licensing details; the term "fit and proper" under the Repairs Act will be defined to include whether the applicant has been convicted of an offence involving fraud or dishonesty in the past 10 years or whether the applicant has been convicted of an offence against the Act or another Act which is administered by the Minister for Fair Trading; the disciplinary provisions applicable to motor vehicle repairers will be consistent with those applicable to motor dealers; penalty notices may be issued for certain offences under the Motor Vehicle Repairs Act.

Further amendments are that the Administrative Decisions Tribunal rather than the Local Court will hear appeals against repairer licensing decisions by the Motor Vehicle Repairs Authority; penalty levels under the Repairs Act will be increased to be more consistent with the Motor Dealers Act; the motor vehicle repairs contingency fund will be made more consistent with the motor dealers compensation fund, including removal of the $3,000 limit on claims, which has been in place since 1980, and there will be a new limit of $30,000; provisions in the Dealers Act which allow the police to serve an order on a licensee to produce records at a specific location at a given time and date will be included in the Repairs Act.

I turn now to the Registration of Interests in Goods Act, which provides for the registration of interests in vehicles. The opportunity is being taken to clarify one of the offence provisions in this Act. Section 7 (2) of the Registration of Interests in Goods Act creates an obligation on an interest holder to cancel an interest when a registered interest ceases to be a registered interest. Section 17 (2) of the Act creates an offence where the director general is notified later than 14 days after a registrable interest has ceased to exist. The maximum penalty under this section is $550. However, the Act does not currently define when a registrable interest ceases to exist—that is, when the 14-day period begins. Concerns have been raised by car dealers about the late removal of encumbrances by credit companies in some instances. This delays the sale of used vehicles with an encumbrance. It is proposed to amend the Act to clarify that one circumstance in which a registered interest ceases is when all monies secured by the interest or all obligations secured by the interest have been paid or performed.

This amendment should clarify the obligations of interest holders under the Act. It is also proposed to replace the court imposed penalty with a penalty notice system, providing the option of a simplified compliance regime. In conclusion, cars are likely to be the second most expensive purchase that consumers make. The proposals in this bill will bring the regulation of the motor trades into a new era in order to meet the challenges of improving consumer protection, crime prevention and improving administration. They address and balance many current concerns of consumers and businesses. Finally, I make a special mention of Mr Terry Downing, from the Department of Fair Trading. Terry has lived with the motor trades review for virtually all of its protracted gestation period. I understand that he is particularly pleased, perhaps even relieved, that this day has finally come. All I can say, Terry, is let's hope the birth is far less complicated than the pregnancy. I also thank Mr Dominic Wong from the Department of Fair Trading and Mr Darryl Clout of my personal staff. I commend the bill to the House.

Debate adjourned on motion by Mr Fraser.

Pursuant to resolution private members' statements taken forthwith.

PRIVATE MEMBERS' STATEMENTS

LIVERPOOL ISLAMIC COMMUNITY ATTACKS

Mr LYNCH (Liverpool) [5.39 p.m.]: I draw to the attention of honourable members concerns raised with me by constituents in my electorate of Liverpool. In particular I refer to attacks, both physical and verbal, upon Islamic constituents of mine. These incidents have been triggered by recent events in New York and Afghanistan. I would not say that the attacks were caused by those events; I would ascribe the causes to an underlying and deep-seated racism and an irrational and illogical fear of "the other" that has a long and dishonourable tradition in the past two centuries of our history among some segments of our population. A significant number of people in my electorate are adherents to the Islamic faith. They come from extremely diverse backgrounds. They include Muslims with an Anglo-Saxon or Anglo-Celtic background. They include also people who come from countries as diverse as Lebanon, Palestine, Kurdistan, Turkey, Jordan, Syria, Iran, Iraq, South Africa, Nigeria, Egypt, Pakistan, Bangladesh, Bosnia and Fiji.

The events that have spread over Sydney's Islamic community have been horrific. I have had the opportunity of discussing these events with many residents of my electorate. I attended a meeting of the Liverpool Islamic Association on Friday 14 September with many of my constituents. That event had a number of speakers, including Sheikh Jehad Ismail. On 12 October I also attended a meeting of the Australian Islamic House at Liverpool, which heard an address by Sheikh Nabil Sukarian. I was also present at the Premier's meeting with leaders of the Islamic community on Monday 8 October. I have seen copies of material from the Islamic Charity Projects Association, which deals with these issues, and discussed the events with them. I have also received material from the Muslim Society of Western Sydney. Additionally, I have had many discussions with individual Islamic constituents in my electorate.

Two main themes stand out in those discussions. One is that indiscriminate attacks on civilians such as those in the World Trade Center find no succour or support in Islam or the Koran. Attempts to somehow pretend that there is religious justification in Islam for this attack are completely rejected by Muslim constituents in my electorate. That does not mean that either my constituents, or myself for that matter, automatically support the dictates of American foreign policy or approve of the oppression of the Palestinian people. That, however, is a separate issue. Among my Islamic constituents I have met unanimous condemnation of the 11 September event.

The second theme that comes through is the absolute horror my constituents have at the way that some people have victimised and terrorised the Islamic community. My perception is that Liverpool has not seen as many severe incidents as other parts of Sydney. For example, I know of no arson attacks in the Liverpool area. That, however, is precious little comfort. The Islamic community throughout Sydney feels under siege. There has been a plethora of incidents. Women's veils have been ripped off, women dressed in veils have been spat on, anti-Islamic graffiti has appeared, and mosques and places of worship have been attacked. I know that on at least two consecutive nights at 2.00 a.m. intruders were chased away from the Lakemba mosque. Stones have been thrown at mosques and some constituents wearing veils have been sworn at when they have gone to pick up their children from school. Another constituent had a can thrown at her while she was travelling in a car.

To my Islamic constituents, anti-Islamic prejudice seems to be seeping into every crevice of life. Islamic women are now frightened to leave their homes. There are reports that Islamic organisations have trouble getting their buildings insured. The harassment and assaults extend even to universities, which I thought would be the last place for this sort of illogical, irrational intolerance. Many of these acts are illegal. Many of them constitute assault or other criminal offences. Obviously they should be dealt with in accordance with the law. All these actions should be condemned. It is illogical and stupid to blame Muslims living in Australia for either the September attack or even for necessarily sympathising with it. Attacks on Muslims living in Australia are fundamentally unAustralian.

With the exception of indigenous Australians, everyone who is in this country, either themselves or their relatives, has come here in the past 200 years. Essentially, that means we are a country of migrants. That of itself requires a great degree of tolerance and mutual respect. Without those qualities this society cannot operate. I would argue that over the past 200 years, especially since the 1970s, we have achieved a comparatively great degree of tolerance. Tolerance, giving everyone a fair go, is often though of as one of the great Australian characteristics. Those who are attacking, vilifying and victimising Muslims in Australia are contradicting that great Australian tradition and are being fundamentally unAustralian. In the time left to me I simply point to a

letter in the local paper from a young woman who I have known for a number of years, and I have known her family for many years. In a letter to the local paper Fatimah Rustom said:

> I am a 17-year-old Lebanese Muslim female. In the past three weeks I have been harassed—as has my mother, female members of my family and friends—for our culture and religion.
>
> Everyone sees Australia as the land of peace and opportunity, but these days it's seen as a place of racism and harassment. It's always been known that there are a handful of people who are against the Muslim religion for their own reasons, but lately that number is growing extremely fast.
>
> Why should innocent people pay for other people's unlawful activities? A person should be judged for their own doings not for the conduct of others.

That is a sensible and rational statement of the reality of the situation, and those people behaving in a racist manner should take note of it.

SOUTHERN HIGHLANDS ELECTORATE TOURISM

Ms SEATON (Southern Highlands) [5.44 p.m.]: The economy of the Southern Highlands is dependent on a range of industries, including agriculture, manufacturing, mining and tourism. Some people are surprised to know the importance of manufacturing in our local economy, because our region is dominated by spectacular landscapes and natural, agricultural and man-made beauty, and they do not always see the significant investment and jobs across the Wollondilly and Wingecarribee shires in manufacturing. But that is a story for another day. Tourism is the focus of my comments today. Our local tourism industry has been growing steadily as more and more domestic and international visitors see the highlands and Wollondilly as an ideal weekend or day trip experience—and we hope for longer periods. It is not hard to understand why. On almost any weekend we have the choice of some wonderful events.

In the past few months we have seen one of the most successful ever Tulip Times in Bowral, the Picton Show, which is one of the first shows of the agricultural year, the Bowral Garden Show last weekend at Bong Bong, the Highlands Expo, the White Waratah Festival in the Wollondilly shire, including several events at Wirimbirra Sanctuary such as Brush with the Bush. These are only a few of the attractions, not to mention great accommodation, food and entertainment. On any weekend there is usually something spectacular at Sutton Forest, which is the Village of Australiana Flags and now has the honour of being the location for a handsome memorial to Australia's national servicemen, which was dedicated two weeks ago. Events to look forward to in coming months include the Bong Bong races, which are more exciting than the Melbourne Cup, the Exeter Old English Fayre and the Merigal Dingo Sanctuary twenty-fifth anniversary this weekend.

There is also the Thirlmere Steam Festival and, of course, Bundanoon is Brigadoon every April. Kangaroo Valley is a popular destination for its cafes, bookshops and spectacular scenery, as well as wonderful shows and nature-based tourism. *High Life* magazine has also played an important role in promoting the history, culture, craftspeople, personalities, health retreats, events, architecture and gardens of our region, and editor David Smith deserves great credit, as does the Southern Highlands Accommodation Association, which has worked hard to co-ordinate services to visitors. Many people visit our area to participate in important memorial or faith-based events. We offer accommodation for visitors who attended these events which, while not strictly tourism events, nevertheless generate business in that sector. For example, this weekend an important robing ceremony will be conducted at the Sunnatarum Monastery at Penrose, and will attract visitors from around the State.

Bowral is honoured to be the location of a major memorial to Australians who served in the Vietnam War, and the Cherry Tree Walk and handsome monument is a place where many families make a journey to honour family members. We can boast award-winning wines from the more than two dozen cold climate vineyards in our area, including Joadja winery. Wine from a local vineyard Mandrakoona will soon be on the Parliament House wine list. In Wollondilly, Wingecarribee and Kangaroo Valley we are lucky to have dedicated local tourism managers, including Lyn Davey and Liz Tickner, who take every opportunity to promote our areas. It is clear that with many people travelling within Australia and New South Wales at this time the highlands and Wollondilly are perfectly placed to welcome many tourists to our area and to give them value for money and an excellent experience—one which I am sure will leave them hungry for more.

For this reason, I signal to the State Government that a number of local issues need urgent State Government attention if we are to truly maximise our tourism potential. The most important issue is roads and transport. I have mentioned many times in this House that the State Government must focus on making more

funds available to upgrade Wombeyan Caves Road to ensure that visitors to Wombeyan Caves can safely drive from the Mittagong end of the road. Similarly, the current state of Cambewarra Road is shameful and is still draped with orange plastic netting; we are lucky that there has not been a fatality on that road. From Wollondilly council's point of view, there are six scenic drives planned.

Lyn Davey is keen to ensure that she designs the drives for maximum safety. She is now seeking funding and permission from council to put in place directional signage to match the routes, promoting visitor confidence and clear visibility to signage. If signage is prominent on major touring routes it must eventually produce a drop in accident numbers and that is very much to be desired. Not all visitors travel by car. Until we have a reliable and clean rail system, especially on weekends, we will miss out on potential visitors. Once in the highlands, access to villages like the northern villages and Bundanoon is difficult with no loop line weekend bus services and irregular rail services to southern line villages. Signage is also vital in the Wingecarribee shire. I congratulate the council on attending to requests to improve signage to Kangaroo Valley from local roundabouts.

However, we need to do more to improve signage from the Wollongong and Robertson end to help visitors to highlands destinations. We also need to develop better links with agencies such as the National Parks and Wildlife Service and State Forests to develop eco-tourism opportunities in the magnificent parks and reserves on our doorstep. I will be meeting with Liz Tickner next week to advance the local strategic plan for Wingecarribee, and I congratulate Lyn Davey on the work she is doing to try to integrate Thirlmere Lakes and Burragorang lookout into tourist agendas. We hope that this strategy in both shires will develop plans to maximise our participation in tourism and job opportunities.

DUNGOG CITYRAIL SERVICES

Mr PRICE (Maitland) [5.49 p.m.]: I draw to the attention of the House CityRail services running between Dungog and Maitland. In the 1999-2000 budget $29 million was allocated for an upgrade of the rail line between the northern end of Maitland through to the village of Craven, a rail line which extends past the town of Dungog. Over the past eight months there has been considerable disquiet in Dungog about the cancellation of four daylight rail services and the substitution of bus services. That was originally scheduled to last for six months to allow the rail upgrade on the southern side of Dungog. That work has been completed and work has moved to the northern side of Dungog in the direction of Craven. There is still disruption to the line, which means that timetables are also disrupted. Freight trains are given precedence because they run from Brisbane to Melbourne, and that has caused disruption to the local train service during daylight hours. The service should not be disrupted for longer than necessary.

In August I wrote to the Minister and advised him of the problem. In October I received a petition from the Probus Club of Dungog. I wrote back informing the club that the Minister had said there would definitely been no permanent loss of rail services to Dungog and that those services during the daylight hours would be returned as soon as possible. Last week I presented that petition to Parliament. Subsequently, I received a call from the Dungog Shire Council informing me that the matter had been raised in council and was to be discussed this week at a special meeting. Mischievous stories have been circulated suggesting that the train services will not be reinstated. Nothing could be further from the truth. I have advice from the Minister, and I have today received a press release from the Minister's office advising that the Dungog to Maitland rail service will return to normal following completion of the line upgrade. I understand that the work will be finished in February next year.

Reports that buses will replace trains permanently are wrong. The work involves upgrading a 47-kilometre section of track which is subject to heavy coal traffic coming from the Gloucester area with longer lasting concrete sleepers. The upgrade was essential and will improve the service generally and the ride for passengers. My concern was somewhat accelerated by an article in today's *Newcastle Herald*, which indicates that there is further concern in the community. Apparently the community is of the view that the trains will be replaced by buses permanently. The community believes that the buses are unsuitable for older people and would cause difficulties for disabled people on boarding. They are the usual complaints about bus travel.

I wish to allay those fears, and I am happy to go public on that. I have received advice from the Minister that confirms what I was told by the CityRail spokesman, Mr Vane-Tempest, who is quoted in today's article in the *Newcastle Herald* as saying that there are no plans for freight to take over the line. He said that the present situation is temporary and normal passenger services will be restored as soon as possible. I am concerned that those types of rumours continue to circulate. CityRail has advertised extensively in the *Dungog Chronicle* and I hope today's comments and press release will totally allay the fears of the community.

PARLIAMENTARY LIFE

Mr FRASER (Coffs Harbour) [5.54 p.m.]: I raise a subject brought to my attention by a constituent, my second daughter, Elizabeth, who happens to turn 21 today. I want to talk about the lives we lead in this place and how we miss out on family events. Almost 11 years ago to the day I was elected as a member of this House. At that time my children were 12, 10 and four years of age. They are now 23, 21 and 15 years respectively. It is amazing how suddenly we turn around and our families are not there. That is because of the lives we lead. At times I get fed up with the way the media loves to pick on members of Parliament. The media does not acknowledge that we work seven days a week.

Indeed, working for 16, 17 or 18 hours a day is common. When the House is sitting it is not uncommon for members to be in Parliament House at 7.00 a.m. and not leave until midnight. All members, especially country members, miss their families. Country members are in Sydney the whole time. We are paid one salary for two people. If I am not in my electorate on Friday, my wife will attend three functions for me, pick me up from the airport and we will then attend another function. She does not get paid to do that. In fact, the Taxation Office does not acknowledge my wife as a legitimate claim. I pay tribute to members' wives; they hold up our electorates.

Ms Hodgkinson: And husbands.

Mr FRASER: Our spouses, I should say. The honourable member for Burrinjuck has a young child and she often brings young Georgia in here to say "Hello." I know the difficulty she has when Georgia is in the electorate with dad and mum remains in Sydney. She may be teething; she may have chicken pox. In fact, my 15-year-old son has a bad case at the moment. Members of Parliament are not at home to help in the normal goings-on of family life. However, we are always in the forefront, for example, when someone wishes to comment on the amount of air travel we undertake. I assure the media that State parliamentarians do not travel by air a great deal. Members who are away on committee business or out of the State are again away from their families. Their spouses have to look after the children and make sure their needs are met.

My eldest daughters are now living away from home. On many occasions I have missed my children's birthdays, important functions, special occasions at school and sports nights. That is never taken into account when the media has a go at parliamentarians. I am not looking for sympathy; I am taking this opportunity to remind the House what politicians' families miss out on and what kids put up with at school because mum or dad is the local member. They have to suffer the jibes of other kids if some issue of political importance results in a bad editorial—or even a good one. Children wear that at school. They take the flack as result of mum or dad representing the electorate. Tonight I am on duty in the House. I rang my daughter at 6.30 a.m. to wish her a happy birthday.

Mr E. T. Page: Why did you wake her up?

Mr FRASER: I did wake her up. I said, "Fancy being in bed at this time, I thought you would be preparing for a big day." She said, "I was that excited about turning 21 that I didn't go to bed until two o'clock." She attends the University of Newcastle, and I would suggest some of the watering holes in Newcastle might be in for big trouble tonight with her and her friends, because I know they have been to a fraternity day at university today.

So I say to Elizabeth, "Happy twenty-first birthday", and belatedly I say to my daughter, Alexandra, "Happy twenty-first birthday". On Alexandra's birthday my wife, Kerrie, and I had lunch with her because that was all the time I had. I ask the media to spare a thought for our families, particularly our kids, and for the fact that parliamentary representatives of country electorates in particular are not in their electorates with their families; they are not with their children and their spouses to share important moments. Today is an important moment. I know that my speech does not follow the usual pattern of private members' statements, but I place my comments on the record on behalf of all honourable members.

Mr MARKHAM (Wollongong—Parliamentary Secretary) [5.59 p.m.]: I sympathise with the honourable member for Coffs Harbour. In common with every other member of this Chamber and members of Parliament throughout the nation, I have experienced similar disappointments by not being able to be at home to celebrate all types of occasions with my spouse, my children and my grandchildren. All honourable members are aware of the problem because they all suffer from it. It is not very often that a member of Parliament is prepared to bring these matters to the attention of this House. I suspect that the media will pay some attention to those comments over the next few days—maybe.

FIGTREE HIGH SCHOOL HALL

Ms SALIBA (Illawarra) [6.01 p.m.]: I concur with the comments made by speakers who have preceded me in this debate. I have four young children of my own and I know exactly what it is like not to be present when children reach their milestones, and I acknowledge that it is a little disappointing. Today I tabled in this House a petition that was prepared jointly by students at the Figtree High School, the student representative council, the parents and friends association of the school, the teachers and the school community. The petition contained 15,600 signatures and represents a great deal of work by the school community to ensure that the Minister for Education and Training understands exactly the problems that are being faced at the school.

One problem is that the school community does not have a school hall. It is appropriate that the Parliamentary Secretary, the honourable member for Wollongong, is present in the Chamber because at one stage the school was located in his electorate and the need for a hall has been brought to his attention also. I have been told that during examinations for the Higher School Certificate [HSC] all the students who would normally use the maths block had to move to a different area. The whole school has had to be rearranged to ensure that there is quietness in the school area while the students undergo the HSC examinations. When the students hold end-of-year celebrations, they have to pay $800 for the use of a community hall to stage the school's presentation evening.

When I attend the student representative council induction days, only students from year 7 can be included because the room in which the induction is held is not large enough to be able to cater for the entire school student body. Recently I took pleasure in announcing to the school that some funding has been made available. Approximately six years ago plans for a school hall were drawn up, the site was selected, and the land was surveyed. Unfortunately, funding has not been available to enable the school to be constructed. The Minister for Education and Training recently announced that funding has been made available to bring the plans up to date so that the school can be considered in the next round of funding allocations in next year's budget. I am very hopeful that the school hall project will commence next year.

I take this opportunity to offer grateful thanks to the school community, the school students and the parents and citizens association, who have worked very hard to bring the need for a new hall to my attention and to the attention of the Minister. Linda Schmidt is a teacher at the school and is responsible for the student representative council. She has worked tirelessly to ensure that the desire for a new hall becomes a reality. Last Friday when I called at the school to collect the petition, she jokingly said that the new hall might be named the Linda Schmidt memorial hall because the students think that she might be gone by the time the hall is constructed. I assured her that that will not be the case and that she will have the pleasure of seeing the hall being built during her period of service at school and will be a position to know that the students are getting some use out of it.

The parents and citizens association undertook a survey to find out why students who had applied to attend the school did not enrol. It was made very clear to the school from the survey that students did not take up offers of enrolment because the school lacked sufficient facilities, in particular a school hall or a multipurpose unit, as it is currently termed. I am very happy to acknowledge the announcement that funds have been made available to bring the hall plans up to date. I look forward to the school hall being constructed. Having said that, I reiterate my recognition of the contribution that has been made by the school community in ensuring that the project becomes a reality. The principal of the school, Stephen Bouvet, has brought the matter to my attention over a lengthy period. I visit the school four or five times a year.

Last Friday one of the teachers jokingly said that he would like an office in the area set aside for the hall and I suggested that perhaps I should have an office because I have spent so much time at the school recently and that would assist me to deal with some of the issues that have been raised. I acknowledge also the contribution of the parents and citizens association president, Maxine Morphett, who was the first person to alert me to the problems that were being experienced at the school. If it were not for the school community, I think the school would not be progressing at its current rate. The school community has been the driving force behind this project and other improvements to the school, and should be recognised for the efforts that have been made to ensure that the school's needs are brought to the attention of the Minister. I reiterate my thanks to the Minister for the funding that has been made available, and I look forward to the opening ceremony for Figtree High School's new hall.

Mr MARKHAM (Wollongong—Parliamentary Secretary) [6.06 p.m.]: I am very well aware of the issue concerning Figtree High School, which previously was located in my electorate. Three of my sons

attended Figtree High School and my daughter-in-law now teaches at the school. I assure the honourable member for Illawarra that the need for a new school hall has been discussed over a long period. I was able to obtain funding for the original plans to be drawn up and for a site to be selected and surveyed. Originally the hall was intended to be a community hall that would attract revenue from people who wanted to hire it. I hope that the new school hall is constructed as soon as possible.

I implore the Minister for Education and Training to make funding available. Figtree High School is a very good school, and I have had a great deal to do with it over a long period. I recognise the efforts of the Department of Education and Training, which has established a physical disabilities unit at the school. During the time I represented the area in which the school is located, more than $1 million was expended to construct a stand-alone, fully functional unit and a ramp which enabled children who are wheelchair bound to move from the ground floor up to the first floor where the science laboratories are located. Over the years a good deal of money has been spent at the school, but it is important for the school to have a community hall—not because the school does not have a hall at present but because the present hall is nowhere near large enough to accommodate the number of students at the school and the number of events which are held there.

WARRINGAH COUNCIL

Mr HUMPHERSON (Davidson) [6.07 p.m.]: Warringah Council comprises a substantial part of my electorate and since the 1999 election it has been characterised by substantial internal divisions and problems. Much of those relate to development matters but personality clashes have also occurred. At the outset let me say that democracy is not perfect; it certainly has its flaws, and those flaws are evident at the local government level. However, I believe that members of the community must accept the results of the most recent election because the 1999 election was fiercely fought. Although some of the outcomes may not be to the liking of some people, they have to accept the composition of the council as it is. The council is now halfway through its term.

There has been sustained public criticism of some of the long-serving councillors, some of whom I served with during my five years on the Warringah Council. Over many years, all of those councillors have made great contributions to the community and many of those contributions are greater than those of the people who are being critical. I disagreed deeply with several councillors with whom I served about planning and development issues. However, none of them deserved to be on the receiving end of the recent attacks. I still do not agree with the decisions of Warringah Council on occasion, but in the public interest I believe it is important and necessary to take a stand on several issues.

Whatever faults Warringah Council may have, it is not as bad as some have depicted. If any improper conduct has occurred, there has been ample time and opportunity to investigate it and take action. However, nothing has been proven. There are internal divisions. I believe blame lies with all nine councillors to varying degrees. The majority five councillors should recognise that jackboot tactics, while satisfying, are not productive in the long term. The four minority councillors must accept that the terrorist tactics that have characterised their side of the public debate are unacceptable and contemptible. Malicious, vindictive and untrue gossip and the distribution of anonymous leaflets are typical of these attacks on the majority five councillors. This has caused great personal distress, particularly to their spouses and family members.

These attacks have now reached an unacceptable level, with a written death threat made against one councillor. The attacks have been either condoned or encouraged by a coalition of ambitious beneficiaries, including Greens member of the Legislative Council, Ms Lee Rhiannon; her Greens council colleague, Peter Forrest; the honourable member for Manly; the former Manly member of Parliament, Peter Macdonald, and others. Much of this malicious campaign has involved the office of the honourable member for Manly, who has focused on destabilising Warringah Council for his own purposes. All of those involved should now desist. The honourable member for Manly and Peter Macdonald must accept responsibility for having harboured and encouraged those who have engaged in these despicable acts. They should come clean and disclose what they know and who was responsible and ensure that there is no repetition of these attacks in the future.

Peter Macdonald and the honourable member for Manly, as Independent members of Parliament, have called for higher standards in politics. Yet, hypocritically, they have condoned dirty tactics by allowing perpetrators to use their taxpayer-funded offices. They have brought to Warringah the unpleasantness of the Residents and Friends political party in Manly. As Independents they are largely irrelevant to the political process unless they hold the balance of power. Peter Macdonald's only political legacy is having undermined the State Liberal Government and delivered Bob Carr as Premier. All Warringah councillors must recognise, collectively and individually, that their wider responsibilities take precedence over personal agendas, hatreds and self-interest. They must find ways of broadening their common ground to show all ratepayers that they deserve to hold office. The public interest demands it.

TRIBUTE TO Mr ROBERT HENRY SMITH

Mr HUNTER (Lake Macquarie) [6.12 p.m.]: Today I wish to pay tribute to Robert Henry Smith, who was fondly known as Uncle Bob. Robert Smith was born on 3 August 1936 in Tamworth, the son of Walter and Alice Smith. He was married to Shirley and father to Julie, William, Robert, Wendy, who is deceased, Michael, Daniel, Rebecca, Raymond, Shirley and Rodney. Sadly, Uncle Bob died on 12 September 2001 in Newcastle. The service to celebrate Uncle Bob's life was held on Wednesday 19 September at Christ Church Cathedral. I was unable to attend the service as Parliament was sitting, but I was represented by my father, Merv Hunter, the former member for Lake Macquarie, who had worked with Uncle Bob over many years on activities involving the Aboriginal community. I was also represented by my senior electorate officer, Helena Bristow, who, since my election in 1991, has joined me in working closely with Uncle Bob and the Aboriginal community. My colleague the honourable member for Wallsend, who is in the Chamber this evening, was granted leave from Parliament to attend the service at Christ Church Cathedral.

The loss of Uncle Bob was very sad for everyone in the Hunter, especially Shirley and the children and his brother and sisters, Bill, Gloria, Ira and Sue. The honourable member for Wallsend told me that he introduced Robert to Dr Tim Smyth, the former chief executive officer [CEO] of Hunter Health, at the launch of the Hunter Health mission statement at John Hunter Hospital. Over the years he developed a very good working relationship with Tim Smyth and with the current CEO, Kathryn McGrath, who spoke at the service held at Christ Church Cathedral.

Family and friends paid tribute to Uncle Bob at the service both through the spoken word and in song, and I am told that it was a most moving occasion. The family talked about building bridges, self-determination and mutual respect. Uncle Bob certainly lived up to those standards and put each one of them into practice. He was a leader in his community and worked closely with the area health service. The honourable member for Wallsend highlighted for me the good work that Uncle Bob had done for the local Aboriginal community in the health area. Uncle Bob was a keen sportsman, and both he and his brother, Bill Smith, created many hundreds of jobs locally for Aboriginal people, particularly young people, over the years. I would like to quote the eulogy printed in the order of service:

> Robert has played a major role in the advancement of indigenous people in the Newcastle area. He is well known, respected and loved by all and had a natural rapport with people he came into contact with.
>
> He was a partner with his brother in Smith's General Contractors formed in 1969, which employed many Aboriginal people which encouraged many families to move to the area. Smith's General Contractors played a major part in the rebuilding of the local Aboriginal community and was one of the first privately owned businesses in Australia that employed Aboriginal people. It was also innovative in the way it accommodated Aboriginal cultural practices within the mainstream production process.
>
> Robert was a key player in the early lobbying and development of Aboriginal services for the Hunter area. He has links between Aboriginal people, which has allowed him to negotiate for resources for his community, while educating non-Aboriginal people of the needs and cultural ways of Aboriginal people. A perfect example of this is the Aboriginal Hostel based at John Hunter Hospital, which provides accommodation for relatives with hospitalised family members.
>
> Robert was well known and respected throughout Australia for his contribution to Aboriginal health and was dedicated to the establishment of the Awabakal Aboriginal Medical Centre in the Newcastle area, until his retirement. He was also a member of the board of Hunter Health, which reflects the high esteem in which his peers held him.
>
> In Robert's younger days he had enjoyed the bush life with his family including boxing, and breaking in horses and became quite well known for his skills and ability.
>
> Robert married Shirley Beale in Maitland on the 21st September and had ten children, whom they reared in the Hunter Valley and Lake Macquarie areas; they also reared several of their grandchildren and many foster children, which continue today.

I pay tribute to Uncle Bob. He was an Aboriginal elder and a respected leader of his community. He was a very wise, kind, thoughtful, generous and loving man. He was a great Australian, and I am very proud to have known him and worked with him during my time in Parliament. I appreciate the opportunity tonight to spend this short time paying tribute to Uncle Bob. He will be sadly missed. Vale Uncle Bob.

Mr FACE (Charlestown—Minister for Gaming and Racing, and Minister Assisting the Premier on Hunter Development) [6.17 p.m.]: I thank the honourable member for Lake Macquarie for raising this matter tonight. I am sure that I speak for all honourable members, both State and Federal, in the Hunter when I say I am grateful for this opportunity to say a few words about this marvellous man, who played a major role in the advancement of indigenous people and created some understanding in the general community—especially in the divided society of my generation—about the difficulties they faced.

Bob's great love was certainly the Aboriginal hostel based at John Hunter Hospital. He encouraged people from his community who had broken the law and were in custody to work on the hostel and give it a proper Aboriginal accent. We recently walked around the hostel thinking of Bob. The trees that have been planted in the grounds of the hospital are living testimony to Bob's tenacity. Aboriginal ceremonial stones have also been placed below the hospital. Bob was extremely concerned about Aboriginal health generally and established the Awabakal Aboriginal Medical Centre in the Newcastle area, with which he was involved until his retirement. I pay tribute to Uncle Bob, and in doing so join the honourable member for Lake Macquarie and the many others who experienced Uncle Bob's kindness and co-operation. Bob encouraged greater understanding of Aboriginal affairs, and his whole family is saddened by his passing.

Mr F. P. GRADY FREEDOM OF SPEECH

Ms HODGKINSON (Burrinjuck) [6.19 p.m.]: Australians have the right to free speech, so we should be able to speak our mind without having to worry about government agencies taking direct punitive action against those who express differing opinions. I should like to speak about Mr F. P. Grady, a resident of Goulburn, who is 61 years old and has recently retired from the State Rail Authority after 42 years of loyal service. Mr Grady is a gentleman of strong opinions who is not averse to expressing them freely. I first met Mr Grady on my way to a Railways picnic in Bungendore in 1995. In fact, he was the driver of the train I took to the picnic. Until very recently Mr Grady was also a justice of the peace, an appointment that he bore with justifiable pride.

Mr Grady has a grand-daughter who attends a local high school in Goulburn. Shortly before 20 March 2000 his grand-daughter was given a year 8 history assignment on modern Aboriginal society. Part of that assignment required students to discuss with parents and friends the problems that modern Aborigines face today and then to present their opinions. As Mr Grady was the only member of his family who had had any first-hand experience of living in a community with an Aboriginal population, his grand-daughter sought his opinion. In giving his opinion Mr Grady made reference to high rates of unemployment and welfare receipt, and to the problems of alcohol abuse and domestic violence. His mistake was in couching his remarks in everyday language and not using acceptable, politically correct terms. As he was proud of being a justice of the peace, he signed his name, followed by the letters "JP".

The teacher who had set the assignment took offence at the expressions used by Mr Grady and sought the advice of the principal. Mr Grady's comments were referred to the Queanbeyan district office of the Department of Education and Training, and I subsequently met with an officer of that office to discuss the matter. Mr Grady's comments were passed by the department to the relieving Aboriginal community liaison officer. I wrote to the Minister for Education and Training about the subsequent events. On 20 April this year the Minister's parliamentary secretary, Mr Stewart, informed me that, rather than follow departmental guidelines, the officer then contacted the Aboriginal Lands Council. Pilate-like, in his letter to me Mr Stewart washed his hands of the issue by saying:

> It was the Aboriginal Lands Council who referred the matter to the Attorneys-General's Department, not the Department of Education and Training.

Mr Grady was subsequently stripped of his status as a justice of the peace. On 18 October 2000 Mr Grady received correspondence from the school expressing concern about his statements. The Government's reasons for stripping Mr Grady's justice of the peace status reflected the reasons set out in the letter from the school six months before he had been asked to say why he should retain that title. I can understand the actions of the teacher and the school principal in seeking advice from their department; they were concerned about Mr Grady's statements, and very properly sought advice. However, I cannot understand the fact that departmental officers then obviously decided that they would make an example of Mr Grady, that they would actively pursue punitive action against him because they did not agree with his statements.

Students in year 8, usually aged around 14 years, are exposed to many differing influences and opinions. Therefore the education system should acknowledge that there are differing opinions on contentious issues, and the opinions raised by Mr Grady presented a perfect opportunity to explore these issues. Instead, the Department of Education and Training has effectively told the students they are not allowed to hold an opinion that is different from the opinions of their teachers. Despite Mr Stewart's attempts to dissociate himself from responsibility, officers of the department took action to pursue Mr Grady because he exercised his right of free speech. The department knows that it acted wrongly in this matter, and yet it will not offer Mr Grady an apology.

It has admitted that the relieving Aboriginal community liaison officer acted in a regrettable manner by failing to follow departmental procedures, but it will not make available the procedures that were not followed.

The State Government has no right to pursue punitive action against a person purely because he exercised his right of free speech. There is an old saying: "I disapprove of what you say, but I will defend to the death your right to say it." Voltaire once said, "Think for yourselves and let others enjoy the privilege of doing so too." If the Government is to strip a person of his or her justice of the peace status it should be for a sensible reason and not for the sake of political correctness. We in Australia have the right to express our minds and to speak the truth as we see it. The Government has handled this situation very poorly and it has damaged the integrity and good character of a hard-working individual.

PORT KEMBLA HERITAGE PARK

Mr MARKHAM (Wollongong—Parliamentary Secretary) [6.24 p.m.]: I bring to the attention of the House a unique committee that has been set up at Port Kembla to look at forming a heritage park. The chairperson of that committee is Colin Hollis, who is the retiring Federal member for Throsby, and the deputy chair is Phil McGavin, who is the Chief Executive Officer of the Port Kembla Corporation. Port Kembla Heritage Park, to be located at the intersection of Gloucester Boulevard and Darcy Road, Port Kembla, will be a unique combination of Aboriginal, military and maritime heritage. The park is a not-for-profit organisation administered by the Port Kembla Heritage Park Trust. The trust comprises representatives of each of the three heritage groupings that make up the themes of the park, as well as members of the local community, port cargo operators and the Port Kembla Port Corporation.

Port Kembla Heritage Park includes Hill 60 and covers five hectares of the foreshore at Port Kembla. The park offers a unique educational experience with its collection of ancient Aboriginal middens and interpretive cultural displays, rare military artefacts, fortifications and museum pieces, as well as the history of the maritime tradition of the area and the port of Port Kembla. The park overlooks the working wharf areas, shipping activities, beautiful beaches, the picturesque five islands and escarpment scenery. The overall concept is the establishment of a tourist facility for Port Kembla that embodies both the European and indigenous heritage of the area. It has been determined that the park will depict the heritage in three main themes: Aboriginal, military and maritime.

Last Monday I had the privilege to announce that Hill 60 at Port Kembla has been placed on the State Heritage Register, in recognition of its unique Aboriginal, maritime and military significance. I have a personal interest in all events held in my electorate, as well as a special personal interest in events that are of significance to the Aboriginal community, so it was a great pleasure for me to participate in an event that encompasses both. The listing of Hill 60 is the culmination of a lot of hard work by the local Aboriginal communities of the Wollongong and Illawarra region, Wollongong council and the New South Wales Heritage Office, all of which will ensure that the stories of this site will be retold in the future. This listing reminds us of the shared history we should all be celebrating—not Aboriginal history, not European history, but our history.

The site is of importance to the local Aboriginal community, as was outlined in an address by Rita Timberry Bennett, an elder from the local Aboriginal tribe. Rita said that Hill 60 was a spiritual place, a place to remember people and events of our local region. She went on to explain the importance of Hill 60 to the Aboriginal people within the Illawarra and how they had been removed from Hill 60 during the course of the Second World War, when the military set up gun emplacements to protect the port of Port Kembla. Rita was quite vivid in her description of what had happened to Aboriginal people in the area, but, more importantly, of how the Aboriginal people of that area had used the foreshores, parts of which have been placed on the heritage register, for fishing, prawning, gathering shellfish, lobsters and oysters, and all the good seafood bush tucker that saltwater Aboriginal people like.

I was very impressed by the stories that were told by some of the people who attended the event. The site reflects the story of our region's early coastal defence, how important this was to the nation, and how we all worked to achieve it. The site is now recognised as being of significance to all the people of the region and, with its State Heritage Register listing, to all people of New South Wales. The Government has made a real commitment to placing more and more sites of Aboriginal importance on the State Heritage Register. I note that the Minister for Aboriginal Affairs has made a real commitment to do that. This is the third site that the Government has put on the State Heritage Register, and I understand that the Minister is considering adding many more sites to the register. We must recognise the shared history of this country and also the rights of Aboriginal people, to ensure that their history is told accurately.

LIVINGSTONE NATIONAL PARK

Mr MAGUIRE (Wagga Wagga) [6.29 p.m.]: On Monday I attended a gathering at the Livingstone State Forest that acknowledged the change in classification of the state forest to Livingstone National Park. I want to acknowledge tonight the work of Mr Peter Hains and the Wagga Wildlife and Conservation Society. In a letter to me Mr Hains wrote:

> We write re the Livingston State Forest area south of Wagga Wagga NSW.
> In 1976 it was under threat.
> Representation was then made to the Government of the day and Forestry Commission to preserve it.
> We were told that there would be no change in gazetting. But, timber still may be removed. This is not a guarantee. Enclosed is a map showing the odd areas the Forest is divided into.
> The NSW Forestry Commission in a report called the "Holbrook Plan" says is the only type of this forest left. Further studies show 106 species of native birds, three types of ground orchids,
> And especially a colony of "Glyder possums" that now need protection, as there are only two colonies left in the southern area of NSW.
> We ask to save the "Glyder possums" the whole area be gazetted a "Flora and Fauna Reserve".

Mr Hains goes on to give a short background of how the Livingstone State Forest was proclaimed. The forest had been set aside to provide the town of Junee, which was destined to become a large city, with timber. That did not eventuate and in 1915 the branch line, which extended from Mangoplah to Westby and ran past the forest, was dismantled. Once again the need for the timber was negated. During World War II some small mining activity occurred in the forest. Mr Hains also states that the Crown land was under the control of the State Government. Requests were made to have the land declared a national park, but that was not to be.

I wrote to the Minister for Forestry and I shared the joy of Mr Peter Hains when I received the Minister's reply stating that due to the regional forest assessment Livingstone State Forest would be identified and proclaimed a national park. I was so pleased that I rang Mr Hains' home, but sadly found that he had been relocated to an aged care facility. Mr Hains is a multiple amputee and it had become impossible for him to be cared for at home. I sent him the correspondence and made the point of visiting him at the forest centre to discuss the developments and the fact that the area was to become a national park. I refer to correspondence about a survey conducted by the Wagga Wildlife and Conservation Society, which Mr Hains forwarded to me. The document states:

> The Wagga Wildlife and Conservation Society became interested in the Livingston State Forest and adjacent Crown land early in 1976. Members have made studies of this unique countryside by themselves and as a group.
> Because of these studies that have covered the four yearly seasons they have agreed "the area should become a National Park or Public Recreation and Study Reserve".
> Four types of vegetation exist there, open forest, mallee, black boys and kangaroo grass.
> Fifty species of birds have been recorded. Kangaroos, wallabies and other animals make it their home.
> Flora includes ground orchids and other wildflowers.
> Its hills, gullies and small open valleys are used by bushwalkers, pony clubs, trail bike riders, picnickers, birdwatchers and students.
> For ecology and people we have compiled this report.

The detailed report was used in the decision to set aside this area. That special occasion on Monday was attended by a group of people that encompassed everyone who uses the national parks, and they were all excited at the prospect of a change in status. In recognition of this area, I would like an allocation of resources to the National Parks and Wildlife Service to maintain the area for our future heritage. I acknowledge the great work of Steve Horsely, the National Parks and Wildlife Service manager in the area. He has made an enormous contribution and shows great commitment to his role. I acknowledge also the work of the staff of the National Parks and Wildlife Service and their continued helpful attitude and assistance to me.

MANLY HOTELS 24-HOUR TRADING

Mr BARR (Manly) [6.34 p.m.]: May I first say that the attack on me by the honourable member for Davidson was a bit like being mauled by a dead sheep. I wish to talk about 24-hour drinking of alcohol in Manly. Late last month I chaired a public meeting attended by some 200 people who were concerned about 24-hour trading by hotels in Manly. The trigger for the public meeting was an application by New Brighton Hotel for a 24-hour trading licence. That application caused great concern among the many local people who live in the central business district area of Manly who are most concerned about late-night drinking. At present, several hotels have 24-hour licences, although they have not used them, in the sense that they have not traded for 24 hours. Whereas in the past, hotels voluntarily closed at 3.00 a.m., they are now staggering their closing hours and patrons are drinking until after 4.30 a.m. This causes a great impact on the amenity of residents, who experience not only the noise and litter but also offensive behaviour and are kept awake at night by such activity.

We all welcome the lively social scene in Manly, but there is a downside with late-night drinking. As well as concerns about safety and violence on the Corso, local residents are concerned about the disruption to their lifestyle and amenity. It is a nuisance factor with a capital N. Why do pubs need to be open 24 hours? Who benefits? Do we want a society that encourages people to drink until 5.00 a.m.? Is that sophisticated living in the twenty-first century? Who could deny that as Manly becomes more of a late-night hot spot, there will be more criminal and antisocial activities? Who can deny that with late-night trading there will be more drug deals on the Corso and its surrounds? This activity impacts on the surrounds as well as the Corso.

I have to ask whether there are to be two Manlys: the bright, sunny, beachside gem that attracts many people who want to enjoy the simple pleasures of sun, surf and snacks on the promenade, and the dark side in the late hours of the morning with drunks roaming the streets? The link between excessive drinking and violence is self-evident. One does not need a PhD to know that the two go together. This is not a wowser's plea for prohibition. I call for sensible moderation so that we can enjoy the best of both worlds: sun and surf and a vibrant and safe night-life. The request for 24-hour trading by New Brighton Hotel, which now has 22-hour trading, was not supported by Manly Council. The public meeting resolved that Manly's hotels refuse entry to patrons after 12 midnight and, while staggering their closing hours from 12 midnight, all hotels be closed by 2.00 a.m. That resolution was put to council on the night.

Originally the majority of councillors refused to hold a meeting but this meeting, which I chaired, was called by a minority of councillors. Manly Council is presently going through a liquor accord, which is a voluntary binding agreement between licensees, police, counsel and the community on how pubs will operate. It is a type of code of practice. However, the risk is that the council will cave in to vested interests. Council must take a hard line in rolling back drinking hours. If an accord cannot be reached, council must make a complaint to the Liquor Administration Board about the cumulative impact on Manly of late-night venues. This accord is pointless if it does not address the fundamental cause of the problem, which is excessively late opening hours by hotels. Hotels must be made to roll back their closing hours so that the people of Manly can get a good night's sleep and their amenity is not impacted upon.

Private members' statements noted.

[*Mr Acting-Speaker (Mr Lynch) left the chair at 6.39 p.m. The House resumed at 7.30 p.m.*]

PASSENGER TRANSPORT ACT: DISALLOWANCE OF PASSENGER TRANSPORT (PRIVATE HIRE VEHICLE SERVICES) REGULATION 2001

Mr O'FARRELL (Ku-ring-gai—Deputy Leader of the Opposition) [7.30 p.m.]: I move:

> That this House disallows the Passenger Transport (Private Hire Vehicle Services) Regulation 2001 made under the Passenger Transport Act 1990, which was published in *Government Gazette* No. 132, on 31 August 2001 at page 7093 and tabled in this House on 4 September 2001.

It is important to have this debate in this House this evening so that the Minister for Transport can explain the rationale for his changes to the hire car industry and his intransigence on the issue of compensation for those who have invested in the hire car industry and who own and operate hire car plates. Just briefly to recount the situation, within days of the attack upon the World Trade Center the Government announced by press release from the Department of Transport, which certainly was not comprehensively disseminated throughout the hire car industry, a significant change in the hire car industry in this State.

In addition to introducing regulatory reforms, the Government halved the annual rate of fee for short-term licences. Previously, the Government leased short-term hire car plates at an annualised fee of, in the old days, approximately $16,000, and that roughly equated to the cost of buying a hire car plate on the market for about $140,000 or $150,000, which had to be borrowed. There was a clear nexus between that figure and the cost of finance to those who are paying off their plates to financial institutions.

The Government's announcement overnight to halve short-term licence fees had a significant impact upon those who have invested or who are owner-operators in the hire car industry. Overnight people who had previously rented privately owned unrestricted plates to operators for an annual fee of $15,000 were told that they had to lower their rates. That has had an impact on a great range of people. It is well known that in the southern part of Sydney a retired family invested in five hire car plates and intended to live off the proceeds of leasing those hire car plates to operators as part of their retirement income. That family has had its retirement income halved by this Government's decision.

In another part of Sydney a person who suffered injuries in his former workplace decided to invest his compensation payout in a hire car. He decided to operate a hire car because it was one of the few things that was suitable for him to do following his earlier workplace accident. The Government's decision has halved that man's investment; clearly, it will have an impact on his livelihood. In my part of Sydney, I know of a couple who in March this year bought a hire car plate for $130,000 and a brand new car for $50,000. They borrowed from the bank to buy those assets. The value of those assets has been halved and the couple are stuck with the same repayments to the financial institution as they had before the announcement.

I use this opportunity to ask the Minister for Transport to address the compensation issue. Clearly he has said very few words anywhere to date about hire car reform. The Motor Traders Association and others in the industry are very concerned about the Minister's failure to meet with them. They are concerned also about his failure to address compensation issues with them since the announcement and his seeming intransigence to the issue of a comprehensive compensation package for the industry. Tonight I ask the Minister to do what is right and honourable: he should sit down with people in the industry to address these issues. Many of the stories told about the hire car industry, if believed, would make one's toes curl. Compared with other industries in this State, very few complaints are received about hire car operators who own unrestricted plates in the city and who have satisfactorily provided a service.

I am concerned about the slow progress of a motion in the Legislative Council to disallow this regulation. I put on the record that there seems to be in the Legislative Council a bedazzling of interests on the basis of personalities, rather than principles. When we have witnessed corporate collapses in this city we have not sought to differentiate, if compensation is payable, among those who have invested in the collapsed companies. When companies have collapsed and workers' entitlements have been lost there has been no attempt by either the union movement or Labor governments or oppositions to argue that there should be a differentiation between affected individuals. In those situations principle was pursued and personalities were ignored, and so they ought to be in this case. It is clear that in this case when the Government has taken a decision that has impacted upon investment and halved incomes, and will have an effect on livelihoods, compensation ought to be payable.

That is a strong principle upheld by the Opposition. Coincidentally, it is a principle that this Government previously effected in relation to compensation issues in the timber industry. Will the Minister for Transport come to the table, sit down with those involved and put together a compensation package that addresses the whole industry? I want the Minister, hopefully if not tonight certainly by the time the Legislative Council next meets, to announce a comprehensive compensation package. I suggest that the Minister do so after consultation with the industry. I suggest that he asks one of the major accounting firms to put that package together because clearly the Department of Transport has been found wanting in this case.

I will refer to some other issues that no doubt the Minister will raise. The reason the Opposition is seeking to disallow these regulations by way of motion is that it is the only vehicle available to try to force this Minister to sit down with the industry to bring some justice and resolution to the issue. I am well aware of the impact of these regulations. I am aware, for instance, that they do not actually affect short-term hire car licence fees. The members of this House and the other place have no option but to use a motion such as this as a weapon to get the Minister to do what he should have done in the first place: sit down with the industry and talk about compensation that is clearly required. Had the Department of Transport done its job well, these new regulations would not have come into effect on the day on which the old regulations had to be repealed.

That is a further indication of the inability of the Department of Transport to properly administer regulated areas, and clearly raises real doubts about whether changes that these regulations propose will ever be enforced. The department's press release emphasised the new enforced regulations. But the department has had regulations and refused to enforce them, particularly in the past seven years. The department must clean up its act before it meddles in the affairs of the hire care industry. This debate is limited tonight so I propose to give way to the Minister in the hope that he will explain the changes. But, more importantly, I ask the Minister to address the compensation issue.

Mr SCULLY (Smithfield—Minister for Transport, and Minister for Roads) [7.40 p.m.]: I am very disappointed that the Deputy Leader of the Opposition, who aspires to be the Leader of the Opposition some time between now and the next election, would so fundamentally misunderstand the issue. He alluded to the fact that after he moved the disallowance motion he discovered that if the motion is carried either here or in the upper House the exact opposite of what he desires will be achieved. He comes into this House—as his colleagues do in the upper House—to express great concern about reforms this Government has implemented in

the hire car industry and to move a motion to disallow regulations as a means to stop those reforms. The regulation says very little about the reforms, which are the result of administrative action by the director-general that coincided with the expiration of previous hire car regulations by the effluxion of time as a result of the Subordinate Legislation Act 1989, which was passed by the Coalition when it was in government, just before my election to Parliament.

The Opposition knows that regulations expire after five years unless extended or replaced. It is sheer arrant nonsense for the Deputy Leader of the Opposition to cast aspersions upon the department for not managing the process in some other way. I will not tolerate that sort of unjust criticism of the department. It was the Coalition's legislation that required the regulations to expire and, appropriately and properly, the department managed the transition process for the new regulations. If there had been no reforms to the hire car industry those, regulatory changes would have come and gone without notice and neither the hire car industry nor the Opposition would have commented. The Opposition has seized the opportunity that has been provided by the regulations to make a point about hire car reforms. By all means the Opposition should make its point. After all, this is a democracy. The Opposition is a significant player in the democratic process, and it is entitled to voice its concerns about administrative reforms undertaken by government from time to time. But I would urge commonsense to prevail.

If the motion is carried in the upper House, the hire car industry will be unregulated. The public should realise that the shadow Minister for Transport is moving to disallow a regulation that he says in some way spoiled the hire car industry, which he says he wants to protect. But if the motion is carried, the hire car industry will be wrecked—there will be no protection for the hire car industry, no protection for plate owners and no protection for consumers. Any fly-by-night Joe Bloggs off the street will be able to use any car of any quality to run a hire car business without accreditation, restriction or regulation. If that is support for the industry, I would hate to see the Opposition opposed to it. This motion is a boomerang that has whacked the Deputy Leader of the Opposition right in the middle of the forehead. It is like a large ice-cream cone. He has made a big blunder. He should apologise to the House. I will say the same thing to the crossbenchers in the other House, many of whom have concerns about the impact of reforms on the hire car industry.

I am happy to enter into a dialogue with the crossbenchers and the Opposition, but I will insist on putting on the record that if this nonsensical motion is carried the Opposition will achieve a 180^{o} about-face—the exact opposite of what it desires. The Cotton report, the Independent Pricing and Regulatory Tribunal report and the Ombudsman's report—report after report—all called for reforms to the industry. The reports said that the industry was bound up in red tape and that it was overly prescriptive. Why can we hire an Audi, a BMW, a Volvo or a Lexus? Why can we go out to the airport and say, "I want that car, or that car, or that car"? Because we have freedom of choice. But when we want a limousine service we are bound up in government red tape. The characters opposite are always lecturing the Labor movement about freeing up government red tape and providing greater opportunities for small business operators, yet they are the first to jump on us when we do that very thing.

We needed to move away from government red tape. We needed to provide consumers with freedom of choice, to give them the opportunity to pick the vehicle they wanted. We also needed to make the industry more available for potential entrants. We heard no discussion from the Opposition about the need or desire to reform. We heard no comment on the years and years of arguments put forward to implement these reforms. Yet there has been ample consultation. When groups are reformed in a way they do not agree with 100 per cent, they often say that there has been no consultation. But in this case there has been considerable consultation. The director-general met with members of the hire car industry, departmental officers met with them and I met with them. A number of reports have been produced and they were aware of the potential impact of reforms. I was somewhat astonished that the day after I announced the reforms the industry said, "Our values are halved." People in the hire car industry have a very good rate of return of 14 per cent on their investment.

It is possible that investors in the marketplace are prepared to take less than a 14 per cent rate of return. If they are prepared to take a 5 or 6 per cent rate of return, there may well be no impact on the capital value of the plates. We cannot say the day after implementing reforms that because the lease fee goes from $16,000 to $8,000 the capital value is halved. As anyone would know, rental is not the only determinant of capital sale value. I cannot say that because the rental income is halved the capital value is halved and, therefore, everyone should be given a cheque for $65,000. We will not know for some time, until there is a genuine buyer, a genuine seller and a genuine transaction. The Deputy Leader of the Opposition referred to loss of income. I am prepared to consider prudent cases of hardship, but I will not have a broad-brush compensation scheme that throws away tens of millions of dollars of public money without scrutiny and without the appropriate checks and balances.

Hire car operators are not closed out of the industry; they are not prevented from earning an income. They are entitled to continue to operate and to earn an income. I am prepared to enter into a dialogue with the industry. I am prepared to sit down and have a conversation with industry members. I am prepared to finetune the reforms provided that neither consumers nor potential entrants into the industry lose any benefits. I want to set up a review process. I am prepared to say to the Deputy Leader of the Opposition that I am happy to have some sort of independent review process to determine the criteria. But I have to be careful. I will not hand over money without the appropriate checks and balances in place. We cannot pay people for alleged capital loss when we have no idea what it might be, and when there may be none.

Mr DEPUTY-SPEAKER: Order! I remind the Deputy Leader of the Opposition that he has the right of reply at the appropriate time.

Mr SCULLY: If people have lost income and there are proven cases of hardship, those cases will be properly considered and dealt with. That would involve recommendations from either me or the director-general. It is important for honourable members to remember that I am more than happy to have a dialogue in relation to this issue. I am more than happy to be called to account for these reforms—necessary reforms that should have been implemented years ago, but which no-one had the nerve to implement. Opposition members talked about it but no-one had the nerve to do it. These reforms were necessary for consumers, industry and potential entrants.

I understand industry's concerns. There might well be a need for the Government to consider the payment of compensation, but it is too early to give a definitive view on that issue. I would like Opposition members to indicate whether or not they will support these industry reforms. On this occasion they have been grossly incompetent. They failed to comprehend that these regulations have nothing to do with administrative reform. They should continue their discussions in relation to administrative reform and put forward relevant cases for compensation. If this regulation is disallowed there will be catastrophic consequences for industry and consumers. Opposition members are alleging that they are trying to achieve the opposite.

Mr KERR (Cronulla) [7.50. p.m.]: It does not take much nerve to hurt other people, and that is precisely what this Government is doing. This afternoon the Minister for Fair Trading praised Jim Gibbons. What did Jim Gibbons have to say about that?

Mr O'Farrell: He is a good bloke.

Mr KERR: He is a good bloke. He is also a truthful bloke. He said:

> Fair treatment at the hands of the Government seemed to be a bit of a task for the hire car industry ruling on the impact of new rules recently implemented by the director-general of transport. On 13 September annual licence fees for short-term unrestricted hire car licences were basically halved and vehicle stands for hire cars were thrown out.

Labor members might wonder whether this is the action of the party of Chifley, Curtin or McKell. It is not. People are being sacrificed on the Minister's altar of economic rationalism. In Cronulla shire we believe in a fair go. As a result of this regulation people will lose their life savings. They will lose the small nest eggs that they have built up over the years because of this Minister and this Government. Once again, shire residents have been ripped of by the wheeler-dealers in this Government in relation to the hire car industry.

Mr MOSS (Canterbury—Parliamentary Secretary) [7.53 p.m.]: The Minister for Transport was right when he said earlier that there has been gross blunder on the part of Opposition members in moving this disallowance motion. The Minister, in his contribution to debate on the disallowance motion, pointed out that reforms to the hire car industry were brought about by ministerial directive and not by regulation. Those reforms did not relate to regulation at all. We have talked a lot—we have done so in the past—about freeing up the hire car industry. If we disallow the regulation that relates to this industry we will be freeing up that industry to the point of stupidity. There will be no regulations whatsoever and there will be sheer mayhem in that industry. That is what will happen if this regulation is disallowed.

Obviously, the Deputy Leader of the Opposition is not familiar with the operations of the Subordinate Legislation Act 1989. If he were he would realise that under section 8 of the Subordinate Legislation Act a disallowed statutory rule cannot be remade—or one that is substantially similar—within four months of a disallowance. So we would have at least four months of sheer mayhem within the hire car industry. There would be mob rule in that industry if this regulation were disallowed. I want to elaborate a little on the reforms referred to earlier by the Minister. Report after report has recommended the freeing up of the hire car industry. That is what the Minister achieved through these reforms.

In 1996 a report was commissioned by the Department of Transport. At that time it was recommended that the marketplace be left open to competition and consumer demand and that there should be no condition on the age of vehicles. That is what has happened. Two of those reforms have recently been included. The 1999 Independent Pricing and Regulatory Tribunal [IPART] review of taxis and hire cars recommended that hire cars be deregulated while retaining vigorous standards. If this regulation is disallowed tonight, no standards will be retained. IPART consulted widely as part of that review process. Evidence was given by members of the industry. A key recommendation was that licence fees be reduced to reflect administrative and compliance costs, calculated at $1,000 or less per year. In 1999 the New South Wales Ombudsman also investigated hire car administration. He criticised the excessive fees and the general standard of bureaucratic decision making.

Of the 101 IPART submissions only five were in favour of maintaining the status quo, while the majority recognised the need for some change. I refer now to the loss of capital as a result of changes in plate value. We need to determine what the impact will be over time. It is really like investing in property. If a property investor's rent decreased—and that happens from time to time due to market forces—it would not necessarily mean that the value of the asset also decreased. I refer to a loss of income as a result of a reduction in plate value—a factor alluded to earlier by the Minister. Where there is proven hardship—there may well be proven hardship in some rural regions in this State—the Government will sympathetically consider compensation cases. We need time to assess what the impact will be.

Several things in the car hire industry have not changed. The standards that are in place for operators and drivers will remain. Drivers must still be fit and proper persons in order to get a licence and they must undergo checks on their criminal and financial backgrounds. High standards of vehicle presentation will remain. Cars will need to be in excellent condition with no visible damage to paintwork, body interior and trim, and drivers must also be authorised. Wedding car operators still need to be accredited. They will have to undergo the same checks and they will not be able to operate a car without accreditation. Those reforms will not affect hearses. Those vehicles will continue to be provided by funeral directors.

What has changed as a result of these reforms? The type and style of vehicle has been extended to include additional luxury vehicles. Tonight the Minister referred to luxury vehicles and to a number of other vehicles. In the past those vehicles were not allowed to operate as hire cars. The Government has streamlined the red tape associated with the operation of wedding cars. Licences are now no longer required for those vehicles or drivers. I again emphasise that operators must be fully accredited. In addition, wedding car operators can now provide services to mourners at funerals. Short-term licences, which are now able to be issued by the department—another change—will range from one week to six years. The cost of those licences has now been reduced from $16,100 annually to $8,235. Stretch limousines that seat between nine and 12 people were previously banned from operating as hire cars in New South Wales. They will now be able to operate as hire cars.

The age of the vehicle is now irrelevant. Vehicles will be judged according to their condition and size. For example, a requirement of a minimum 2,800 millimetre wheel base will be imposed to ensure that only large luxury cars are used. While broadening the types and models of vehicle that can be used, the Government has imposed a standard wheel base to ensure that only reasonably large vehicles will be operated as hire cars. At the heart of the Opposition's concerns appears to be the question of compensation for the hire car industry.

Mr O'Farrell: Very good! You ought to be a Minister.

Mr MOSS: The Opposition is concerned but it has gone about it the wrong way. The Deputy Leader of the Opposition is trying to do away with the regulation, but as the Minister pointed out, that will create sheer mayhem in the industry, and also do all the Opposition's mates a bad turn. There is no doubt about that! The Government has not ruled out compensation—I believe the Minister stressed that in his remarks earlier tonight—but has ruled out a blanket compensation package as it would be an irresponsible use of public money. A blanket compensation package is not appropriate because the reforms neither reduce the ability of current licence holders to continue to provide hire car services, nor prevent hire car plate owners from trading or earning a living. They will just have to do so in a competitive market.

Licence owners have known for many years that changes were proposed. Hire car plate owners engage in a commercial decision to buy and sell hire car plates. It is not justifiable to use taxpayers' funds to compensate individuals or organisations who purchased licences as investments. Like any other investments, licences are subject to the rise and fall of the market. The industry has been enjoying a very high rate of return of about 14 per cent. That has occurred because the industry was protected and has become a closed shop as a

result. The majority of plates were originally given away free and their owners have benefited from operating in a monopoly market, up until now. The reforms proposed by the Minister for Transport are commonsensical. They have been widely accepted by the industry. The great majority of operators agree with them.

[*Interruption*]

We have copies of the letters. I think more than 80 per cent of correspondence received from industry members support the reforms. The Opposition's way of handling this issue is not only ridiculous but wrong. The Opposition did not even know what it was doing. It is trying to attack— [*Time expired.*]

Mr TINK (Epping) [8.03 p.m.]: I strongly support the motion moved by the Deputy Leader of the Opposition and I quote from letters received from my constituents on 20 September. Mr E. R. Davis of Carlingford wrote:

> I am an operator of fourteen years and like all of my colleagues I cannot understand this decision made by people who do not understand the first thing about our industry. This action will send many small business operators to the wall. These operators have invested borrowed funds into the industry to create a future for themselves and families plus creating a few jobs.
>
> A group of people who lease hire car plates and do not want to purchase or invest into the industry have manipulated the Government into bringing down a law overnight … thinking no one will hear our voices … this man has halved the lease payments of a hire car plate from $16,000 per annum to $8235, thus halving the value of the plates which the owners have borrowed to purchase. The Government has not offered any compensation and refused point-blank our request to purchase the 230 or so plates from the owners so that we are all on an equal footing, leasing from the Government at the same rate.

R. E. and J. E. Palmer of Eastwood wrote:

> [My husband] and I have been Hire Car Operators for 40 years next year. We are both working past retirement age …
>
> To lose our Superannuation, which we thought would be the case when we sold our business … because the State Government has chosen not to compensate existing plate owners is devastating to say the least.

The Palmers also pointed out that in August 1999, following the decision of the Independent Pricing and Regulatory Tribunal, an undertaking was given that if deregulation was introduced compensation would be paid. Their concern is to achieve a level playing field and be compensated. I quote further from their letter to me:

> Then we will all lease short-term licences for $8235 per annum from the Government.

They quoted the following devastating example:

> We have in our industry one young family who purchased a hire car plate three (3) days before the decision was made. Did anyone try to stop them?

Certainly not the New South Wales Department of Transport, which must surely have known the plate was being sold. I was very surprised by some of the Minister's comments. It has to be put on the record that the Motor Traders Association, which represents these people, said:

> The reforms should be withdrawn until the impact on unrestricted licence holders has been properly assessed. The anxiety and stress now engendered in these people is in some cases catastrophic. Small businesses should not be swept away in this cavalier fashion.

I have given two examples from my electorate. One couple has been in the business longer than anyone else in the industry, I believe. Any suggestion that this measure is not central to all these people in the industry, as was put by the honourable member for Canterbury, is erroneous nonsense. The Motor Traders Association has specifically considered disallowance of the regulation as a means to try to bring the Government and the Minister for Transport to their senses.

The Motor Traders Association is supportive of and understands the seriousness of that step. That is a measure of the desperation of people in the industry. That is the point. Members of the Government should not be rabbiting on about how one is not linked to the other. The Government should be getting the message that there is a real level of concern and desperation in the industry, evidenced by the fact that the association that represents these people is prepared to support the very serious step of disallowing the regulation. That is evidence of the seriousness of the matter, which seems to skip like a stone off the Minister, the honourable member for Canterbury, who has just spoken in the debate, and, I dare say, other members of the Government.

We have heard some very loose talk from the Minister about compensation. It is like trying to catch mercury in a colander! Now you see it, now you don't. There is nothing happening. One gets the impression that

all the Minister desperately wants to do is to get this regulation through Parliament and then, frankly, everyone can go to hell. The most extraordinary thing the Minister said was in relation to those people who are concerned about the short-term fee dropping from $16,000 to $8,000 per annum. My note of the Minister's response is that he said that it is not the only determinant of capital value. Surely it is a pretty big determinant of capital value when lease payments are halved.

As the Deputy Leader of the Opposition said, the rate of return is fundamental to the issue. It is fundamental to the superannuation of these people and to their future. It is fundamental to the future of the young person who apparently bought a plate only three days before the changes were introduced. The rate of return is fundamental to capital value. As the Deputy Leader of the Opposition also said, a very significant aspect of compensation is built around and is determined by this halving of lease payment from $16,000 to $8,000.

Surely we do not have to muck about and dissemble; say we are going to meet people and then refuse to meet them, as the Minister for Transport has done, when that essential question must be answered. Surely the Minister can get his act together and arrange for an independent commercial arbitrator to sit down and sort this out, at a time and location and in circumstances acceptable to the Government, the Opposition, the crossbenchers, the Motor Traders Association, my constituents, the constituents of the Deputy Leader of the Opposition and, I dare say, quite a number of constituents of honourable members opposite. We are not talking about a massive range of issues. This is a fairly tight issue, built around the halving of lease payments.

Having listened to the Minister, I am concerned that although this is a pretty straightforward question he is running a country mile and not doing anything about it. It suggests a lack of bona fides on his part. It suggests a desire to get this regulation through at all costs, and to wipe the floor with the people in this industry, to wipe the floor with the young fellow with the young family who has just made a big investment with the knowledge of the Minister's department, to wipe the floor with my constituents who are longstanding members of the industry and who are seeing their superannuation go out the window. The Minister can do better than that, and if it takes the disallowance of a regulation for him to get his head around the problem and to be fair dinkum about it so be it. He should spend a few taxpayers dollars getting a decent, commercial, independent arbitrator on the job tomorrow morning.

The Minister should call a meeting with the Motor Traders Association, the Opposition, the Government and the crossbenchers by close of business on Friday. Let us get our act together, particularly the Minister, and get this signed up and out of the way so it does not threaten the future of the young family and everybody else in the industry. The Minister and his department can do better. If it takes the disallowance of a regulation to embarrass him into doing better so be it, because I will be right behind him. When it is all said and done, it is an indictment on the Minister that the House has had to move this serious motion to even get him to come into the House and address the issue of compensation. He showed how ignorant he is about getting somebody independent to do the job and to work out compensation quickly.

Mr Moss: You want someone independent but you do not trust IPART, because it recommended what we are doing.

Mr TINK: We are talking about compensation—that is the issue. Do not muddy the waters, do not fall into the same trap as the Minister. We know you are a little Parliamentary Secretary and one day, if you wag your tail and smile broadly enough, you might get an overseas trip. Get back to helping these people, supporting their futures, supporting the investments they have made and providing compensation to some battlers. Do your jobs properly.

Mrs PERRY (Auburn) [8.12 p.m.]: I oppose the motion moved by the Deputy Leader of the Opposition. Tonight I wish to place on record a letter by Vince Porfida, President of the Chauffeured Limousines Association, sent to John Laws on 11 October and it was circulated. It was also sent to the Minister for Transport. The industry's point of view has not been put in the debate tonight. Vince Porfida represents part of the industry. His letter states in part:

> Dear Mr Laws,
>
> I noted comments on your program on 11/10/01 @ approx. 09.30 am. In regards to the Hire Car Industry in NSW it should be noted that this industry has been under review for many years now & finally after much public discussion the Director General has finally introduced a range of changes that WILL vastly improve the industry. In regards to current owners of Hire car licences complaining of loss of investment this claim is absolutely ridiculous, these operators are not losing any right to operate at all, these operators made a decision to buy these licences from another operator and paid no money to the NSW Govt other than a $500.00 transfer fee. They also negotiated their own purchase price.

> In 1998 the Department auctioned 20 additional licences which had a tenure period of only 50 years (not perpetual). At the auction all prospective bidders were warned 3 times verbally & in writing on the auction document that the purchase of a Hire car licence was purely speculative as well as terms of the IPART review of the industry & that change in Govt regulations will also affect the value.
>
> The "VALUE" of these licences has never been based on any goodwill formula. It has been solely based on the return that the licence could be sub-leased to another operator for, thus when the Department introduced it's reform package it set the formula in accordance with instructions from the Ombudsman report of 1999 into the Hire Car Industry, that licence fees be calculated by using the sale price of the last licence traded at the end of the month multiplied by the current 10-yr commonwealth Govt Bond Rate.

The letter goes on to state this gentleman's case on behalf of his association as follows:

> … you should be made aware of the facts of the findings, conclusions & recommendations of the 1999 Ombudsman's report & at least give Mr Scully credit for standing up & finally cleaning out a Department that was out of control & so conceited in it's dealings with all (including the Ombudsman's investigating officers) except for a very privileged few. Imagine how we as participants in our industry felt when all of our suspicions were confirmed by the report. Personally I felt violated especially when these were supposed to be the regulators looking after our needs & concerns so that we could professionally provide transport to the public.

Mr Porfida adds:

> Mr Laws this has been a 10 year plus battle & I have personally seen numerous excellent operators driven out of the industry because all they wanted to do was run their businesses as businesses & not be so heavily regulated in such a way that any chance of expansion was removed & being forced to pay "illegally set fees, not in accordance with the public passenger transport act".

The letter contains a short conclusion. He states:

> Maybe those owners looking for compensation should look around them & realise that all they did was speculate foolishly with no legal opinion sought by any of them at all.

As the Minister indicated earlier, the Opposition has been somewhat misguided with this motion. If it passes, it will in his view, in my view and in the view of the Government send the industry into chaos. It is irresponsible and will serve only to hurt the industry. Knowing the consequences, the only responsible thing for the House to do is to oppose this pointless motion.

Ms SEATON (Southern Highlands) [8.18 p.m.]: Mr Deputy-Speaker—

Mr DEPUTY-SPEAKER: Order! I remind the honourable member for Southern Highlands that under the standing orders this debate may conclude within the next 15 minutes. The Deputy Leader of the Opposition may wish to speak in reply.

Mr O'Farrell: I will have an opportunity to reply after the honourable member for Southern Highlands has spoken.

Mr DEPUTY-SPEAKER: I accept that.

Ms SEATON: This is a very simple issue to do with the protection of property rights. It is hypocritical for this Government to pretend to have the remotest interest in small business considering what it is trying to do to small business operators, in many cases family businesses, who put money aside and invested to maintain their independence later in life. Their property rights are being compromised. The Australian Labor Party has a small attention span where property rights are concerned. I refer honourable members to the Land Acquisition (Just Terms Compensation) Bill, which was introduced by the Opposition. For the first time it gave recognition to the property rights of people who had houses and land that were in the path of proposed roadways, and those sorts of things. We were responsible for setting the principle that people ought to be compensated where policy or an action of the government adversely affected them.

In the past few years there have been many examples of the Carr Government compromising people's property rights. One of the worst examples was the effect on farmers of the appalling State environmental planning policy 46 under which farmers were expected to bear the entire burden of a government policy on native vegetation retention. Those principles can be clearly acknowledged and we all know that from time to time communities need to do things to improve the overall outcome in a particular way. But to expect a group of people to shoulder all of the burden is simply not fair. This case is purely and simply about property rights, supporting small business and supporting the individual enterprise units in our community that we rely upon so much.

Members opposite have talked about small business being an employment generator, and how important that is. If they truly believed that, we would not be debating this disallowance tonight, we would not have to embarrass the Minister for Transport into coming into this place and defending the indefensible. I congratulate the Deputy Leader of the Opposition on moving this motion and on having the Minister for Transport to focus, at last, on property rights, compensation and a fair go. I bring to the attention of the House the experience of a husband and wife from my area. I received a letter dated 11 October from Mr Rowan of Bowral which stated:

> As the owner of a Hire Car Plate, I have received no communication to date in regards to the recent media report of the deregulation of the Hire Car Industry

With the reforms that have been proposed, I would have thought that at the very least the Minister would have got together with key representative groups, spoken to individual business owners and tried to understand the impact of his decision. Mr Rowan's letter further stated:

> In October, 1999 my wife and myself borrowed two hundred thousand dollars ($200,000) to purchase a Hire Car Plate and a Fairlane Ghia in an effort to self fund our retirement.

We should support people who try to be financially independent in their retirement by developing a small business that they can use to sustain themselves, to have a good quality of life and remain active on whatever scale they choose. However, the rug has been literally pulled out from under the Rowans. Mr Rowan continued:

> We are now of the belief that the action of the State Government has effectively devalued our outlay (and subsequently our return) by at least 50%. With myself at 61 years old and my wife at 56 years we are extremely apprehensive and we ask ourselves what the future holds for us financially. What plans do we make, do we make an effort to sell the Plates and take a huge loss and under the circumstances would there be a buyer, are the questions we ask ourselves. In short, we are anxious for our future.
>
> I now urgently request the following information:
>
> 1. Is there to be any compensation for the drop in Plate prices (due to the State Government action)?

That is what the Government has failed to outline or to think about. Many people feel extremely insecure about their financial future. Mr Rowan raised the question of other costs. We all know that New South Wales is the highest taxed State in Australia. Under the Carr Government there has been a record number of new taxes, record revenues, but very little to show for it. Mr Rowan asked whether workers compensation, insurance, registration and other associated industry charges are to be reduced by 50 per cent. There has been an enormous blow-out in workers compensation in recent months. Mr Rowan is saying that if the Government is going to devalue his investment by 50 per cent with the stroke of a pen, will it give him a reduction in all the charges it places on him regardless of the value of his business? That is a fair question. The Government is prepared to take, take, take and destroy small businesses. We ought to support people like Mr and Mrs Rowan. We ought to congratulate people who, as they move towards retirement, have made the decision to make a considerable investment in a business that they can run and be financially independent in their retirement.

I commend the disallowance motion and the way in which it has had the effect, at least, of trying to focus the Minister for Transport onto what he should have done months ago. If he had done his research and consulted the industry and shown some respect for the people whose lives he is turning upside down we would not be in this sorry situation. I call on the Minister to get back to basics, to do the work and to ensure that people, such as the Rowans, can face the future confidently and know exactly what their assets are worth. They should be able to plan for their retirement and not have to live in poverty or have a mortgage that they cannot service because the value of their asset has been halved. This is a terrible, sorry state of affairs. I condemn the Minister for it. I commend the disallowance motion.

Mr MERTON (Baulkham Hills) [8.25 p.m.]: Mr Deputy-Speaker—

Mr DEPUTY-SPEAKER: Order! I remind the honourable member for Baulkham Hills that if he speaks for 10 minutes, that will conclude the debate and there will be no opportunity for the mover of the motion to speak in reply. The standing orders do not allow the honourable member for Baulkham Hills to speak, unless the Chair exercises his discretion.

Mr MERTON: I ask you to do so.

Mr DEPUTY-SPEAKER: Order! I will exercise my discretion and allow you to speak. However, having given you prior warning I will limit your speaking time to five minutes.

Mr MERTON: This regulation is the Carr Government's attempt at control, in the same way as former Labor governments introduced rent control. This is exactly the same as the old fair rent provisions. Honourable members would recall that years ago people paid a few dollars a week in rent, because the rent was based on 1939 rental values. That is exactly what this Government is doing: it is introducing a form of control by reducing the value to a level of one half. It has effectively, in one blow, reduced the value of a hire car plate by half. One does not have to be Einstein to understand that. The honourable member for Auburn ought to check the speeches she obtains from ministerial officers, but I agree with her on one aspect. She said that the return is based on what a sublessee will pay to an operator. That is true, because quite simply the sublessee will pay to the operator only what the Government will charge for the rent—that is, $8,000. So instead of the rents being $16,000, which is the amount that people expected when they entered into the financial arrangement to buy the plate, it is reduced by half to $8,000.

Therefore, reduce the rent by half, reduce the value of the plate by half. It is as simple as that. That is grossly unfair. As I said, it is similar to a form of rent control that existed for many years when people who bought property did not have a protected tenant. In 1998 many purchasers paid the Government between $140,000 and $152,000 for the plates. Suddenly, their investment has decreased by half. The return has been reduced by half. The Government can deregulate if it wishes but it should give adequate, fair and reasonable compensation—as it did for the egg carters and the egg producers. There is no reason why it should not happen with the hire car industry. Young couples and retirees have invested in the plates, some have entered into long-term commercial interest rate loans. If their returns are halved they will be unable to meet their repayments. What is to happen to them? The Minister is not prepared to bite the bullet, he is not prepared to accept the reality that he has fundamentally changed the lives and futures of many people.

The people who borrowed 100 per cent of their investment are battlers; they are not wealthy people. They have been abandoned, deserted and stabbed in the back by the Government. It has no real concern about people who are trying to secure their future. I would have thought that the very people that the Government tries to help should be those who have taken steps to make an investment in their future. If they had bought a house and if the Government had introduced rent control the value of the house would have reduced by half accordingly. When I was practising as a solicitor, rent control houses were worth half the market value. Under this new legislation taxi plates are— [*Time expired*.]

Mr O'FARRELL (Ku-ring-gai—Deputy Leader of the Opposition) [8.30 p.m.], in reply: Following the 1999 election campaign one of the Premier's major pronouncements was that he would ensure that the Labor Party set out in this term to try to win over the small business vote. That very clear statement was carried on the front pages of both the *Daily Telegraph* and the *Sydney Morning Herald*. There could be no greater example of why Labor will not get the small business vote than this measure, the Government's reforms to the hire car industry and its failure to understand the reasons that compensation should be payable. I share the concerns of other Opposition speakers. We are concerned about the weasel words used by the Minister for Transport. We heard some words about compensation paid in certain circumstances and getting an arm's length review of what compensation may be payable but he gave no clear commitment, despite the fact that on 13 September the Government announced what is essentially a halving of capital investment in the hire car industry effected by a change in the fees payable for short-term licence plates.

Members opposite have had their shots at me tonight. I will not respond in kind but I will say this. If it is irresponsible to propose the repeal of this regulation, I ask the wider public what other action is available to the Opposition and to the crossbenchers in the other House to bring the Government to the table with the Motor Traders Association. Indeed, the greatest lie told tonight by the Minister for Transport was that he had consulted the industry. Since these changes were made on 13 September, the Minister has repeatedly refused requests from the Motor Traders Association to sit down and talk about these changes and their impact, and the need for compensation. So it is simply not true for the Minister to say that he has consulted these people on the issue.

It is simply irresponsible for the Minister to have made the changes at the time he did, knowing full well that he was circumventing the proper procedures of this Parliament. Regulations made under legislation require review. Indeed, regulations are repealed. However, the Parliament has a fundamental right to review regulations. We have a certain statutory right to review regulations presented to this place. I am mightily suspicious about the Department of Transport's slow action in gazetting the new regulation at a time when Parliament did not have time to properly scrutinise the issue. We recognise the seriousness of seeking to disallow this regulation, but that is in proportion to the serious impact of these changes on people whose livelihoods depend on their investment in the hire car industry.

I will not accept that it is irresponsible to talk about a comprehensive compensation package. However, I will accept that it is irresponsible not to have put together a compensation package before this reform agenda

for the hire care industry was pursued. In this case we have seen not only the Department of Transport's failure in the way it sought to bypass parliamentary scrutiny in the application of this regulation but also its failure ahead of time to recognise that halving the short-term licence fees payable to the Government would impact on unrestricted plates in this city, which would affect livelihoods, and that compensation should be payable in that situation. I remind honourable members again that the Government has supported that principle in the past.

The Minister for the Environment, the Minister for Land and Water Conservation and the Minister for Forestry have previously supported compensation when Government legislation has adversely affected livelihoods which relied on industries such as timber. As the honourable member for Baulkham Hills said, when the Greiner Government deregulated egg production compensation was payable. We believe that compensation should be payable in these circumstances. Once again I remind the crossbenchers in the other place that we believe compensation should be paid as a matter of principle, not as a matter of personality, and that there should not be cherry picking in relation to any application for a compensation package.

I shall address two issues. One issue raised by both the Parliamentary Secretary Assisting the Minister for Transport and the honourable member for Auburn was industry support for these changes. The Parliamentary Secretary said that industry supported these changes and that the letters received by the department showed 80 per cent support for the reforms. That is mightily strange. There are 260 licence plates in this State. The meetings that have been held over the past month and a half since these changes were effected have been overwhelmingly attended; I think the biggest meeting was attended by 180 people. There has been only one dissenting voice at those meetings and that is Mr Vince Porfida.

I am not here to trade people off but it is incumbent on the honourable member for Auburn and other members not simply to rattle off letters but to apply a critical analysis to work out who those people are representing and what the wider public interest is. That is what this is all about. There have been relatively few complaints about the operation of hire cars in this city and across the State. I could point to other industries that have greater complaint rates, but I cannot point to where the Government has taken similar action. I cannot point to where the Government has sought by legislation to affect livelihoods and not been prepared to consider compensation. The Minister for Transport was seven minutes into his 10-minute speech before he even addressed the issue of compensation. That speaks volumes about his lack of willingness to address the issue seriously or to sit down with the industry and talk this through.

The Minister talked about being prepared to consider a proper basis for compensation and to do that through an arm's length review. As I said in my opening speech, the Minister should sit down with the industry. They should commission one of the bigger accounting firms to review how a compensation package can be put together. It is not irresponsible that compensation should be paid; it is vital. And it is vital because of the Minister's decision on 13 September to open this Pandora's box. Once he opened the box, once he reduced short-term licence fees, he had an impact on those in this city who own unrestricted plates. As I said before, that includes both investors and owner-operators.

Caspar Conde, who is sitting in the public gallery, is an economics student at Sydney university. He understands that halving short-term licence fees has an impact on the value of an asset. It is no good for the Minister for Transport and the Parliamentary Secretary to say, "We will see how it transpires." People are leaving the industry backwards as we speak. The Minister's press release announcing these changes stated that the changes would be reviewed over the next two years. If we wait two years for any action in relation to compensation, if there is no attempt to put together a comprehensive compensation package that seeks to address the loss of investment and the loss of livelihood as a result of these changes, we will be failing in our duty to the people engaged in the hire car industry.

It is too early to take any heart from what the Minister said tonight. At the very least, he has had to explain himself. He did little more than recite the press release. At the very least he was forced to address compensation issues. He provided no clear-cut commitments in relation to compensation. This issue will be revisited in the Upper House when it next sits. I say again to the crossbenchers in the other place: If you fail to adequately pursue the compensation issue for the people affected by these changes, you will have failed in your duty to the electors of this State. I shall finish on a point I made in my initial speech, which the Government has tended to overlook. This mechanism, the disallowance of this regulation, is the only opportunity available to the Parliament to seek to bring the Government to its senses on this issue.

The Government needs to be brought to its senses on this issue because clearly what it has done has adversely affected small business operators and investors in the hire car industry in this State. It started this term

with a statement from the Premier that he would seek to embrace the small business community in this State. I am pessimistic about where this will go. I share the views expressed by the honourable member for Epping. The Minister for Transport is trailing around the press gallery in this place saying that he will not act unless he is forced to act by public pressure, by those who are heard on radio in this city and those who write columns in our newspapers. That is not how Ministers are supposed to operate. That is not how people are supposed to get justice in a democracy. It is simply unacceptable. I say again to the Minister: Support our recommendation, set up an arm's length review and embrace a comprehensive compensation package.

Question—That the motion be agreed to—put.

The House divided.

Ayes, 36

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

Noes, 50

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

Question resolved in the negative.

Motion negatived.

CRIMES AMENDMENT (GANG AND VEHICLE RELATED OFFENCES) BILL

Second Reading

Debate resumed from 17 October.

Mr HARTCHER (Gosford) [8.50 p.m.]: The Coalition does not oppose this bill, which has been heavily promoted by the Premier in various press releases in recent times. To give appropriate notice to my

colleague the Attorney General, I also indicate at this stage that the Coalition intends to move an amendment to the bill at the Committee stage. The amendment proposes to increase the penalty for car-jacking in new section 154C from 10 years to 20 years. For some time the Premier has been on a law and order kick which is essentially related to public relations rather than to the issues of law and order. The Premier's attitude to law and order problems is to look at a television camera and announce that he will increase the maximum penalty for whatever the offence is that is causing public concern at the time. If the offence is gang-rape, the Premier does not actually do anything about gang-rape except announce that he will increase the maximum penalty.

If the offence is robbery or home invasion, which has been a major concern, the Premier does nothing to actually address the issue other than look at the television camera and pledge to increase the maximum penalty. This ongoing charade from the Premier has lasted for the past two years. The Premier's attitude is that people have a problem, society has a problem, and law and order is breaking down in a particular aspect. The Premier's response is to hold a press conference, look at the television camera and say, "We are increasing the maximum penalty", and that is it. Nothing more happens. Nothing more is said about police, there is no longer a focus on the crime, there is no longer any attempt to deal with the causes of the crime, there is no analysis of what is causing a larger than usual outbreak of the crime, and there is no analysis of how people who have committed the crime should be treated.

The Premier's formula is a television grab, a quick look and bang! A decision is made for maximum penalties to be increased and legislation is brought into the Parliament by the Attorney General to increase the maximum penalty. I intend to examine the increases in maximum penalties that are provided in the bill. The Premier has not increased the maximum penalties in this bill but also has created a new offence of car-jacking, which consists of stealing a car with people inside. The offence of stealing a car carries a maximum penalty of 10 years imprisonment and the offence created by the Premier of stealing a car with people inside carries a maximum bounty of 10 years imprisonment—exactly the same penalty for both offences even though one is an aggravated case because people are inside the car. The Premier does not even know what he has announced. When the Premier made the announcement, the headline was "20 years for car hijacks" under a banner headline—the style that the Premier loves—"Premier Warns Invaders". The newspaper article states:

> Premier Bob Carr yesterday pledged to introduce penalties ... to deter a new wave of car hijacks in NSW.

As soon as the offence occurs, the Premier ups the maximum penalty and down goes law enforcement. The Opposition will move the appropriate amendment to make the Premier honest. The Opposition will seek to amend new section 154C to increase the maximum penalty from 10 years imprisonment, which is the same penalty for the offence of stealing a car, to 20 years imprisonment. Statistics provided from the New South Wales Judicial Commission's database by the Judicial Information Research Service show that under new section 33A, which relates to the offence of discharging loaded arms with intent, the maximum penalty is currently 14 years. For offences committed in company, the Premier wants to increase the maximum penalty to 20 years.

How many times has the 14-year penalty been imposed? In the seven years to December 2000 there have been two cases before the higher courts of the use of a firearm with intent to inflict grievous bodily harm. One offender was given a community service order for an offence which, when this bill is passed, will have a maximum penalty of 20 years imprisonment. The other offender was given a sentence of seven years imprisonment. Because of the Attorney General's sleight-of-hand legislation which changed the way that sentences are imposed—something that was opposed by the Opposition at the time, eliciting the response from the Attorney that it would not happen—the sentence range is seven years at the bottom and 10 years at the top, and that was reported in the way that the Attorney General wanted it reported, namely, as a 10-year sentence, when everybody knows that it is just a seven-year sentence.

As I said, one offender was given a community service order. The other offender faced a sentence with a maximum of 10 years imprisonment and a minimum of seven years imprisonment. So much for an offence that carries a penalty of 20 years imprisonment! Of seven cases of using a firearm with intent to prevent apprehension, five offenders were given full prison terms, but of these not one received the maximum penalty. The Premier always wants the maximum sentences increased, despite the fact that the courts have never imposed the maximum penalty. The average maximum sentence was just under 5½ years and the average minimum sentence was just three years.

Those statistics relate to an offence for which the penalty must be increased to 14 years imprisonment, and in reality the average sentence is barely three years. What is the Premier doing? He is resolving law and order issues by introducing legislation to increase maximum penalties to throw words on paper and kick dust in

the eyes of the community of New South Wales. New section 33B relates to use or possession of a weapon to resist arrest, for which the maximum penalty is currently 12 years. The Premier wants to increase that penalty to 15 years for offences committed in company. But of the 116 cases heard in the higher courts between January 1994 and December 2000, only 67 per cent of offenders received a full prison sentence and of those no person received the maximum available penalty.

The figures show that 76 per cent of offenders were given maximum sentences of three years or less and 76 percent were given minimum sentences of 18 months or less. Where is the great need for a maximum penalty if it is never going to be imposed? If it is an issue that the community is crying out for, why is the Premier simply ignoring community concern about sentences and just throwing words on paper to increase maximum sentences when maximum sentences under the existing legislation are never imposed? The Premier's tactics are an example of fighting crime by public relations. Mark Latham said that Commissioner Peter Ryan is more interested in newspaper headlines than in putting criminals in the dock. Mark Latham, the member for Werriwa—until 10 November—said that Peter Ryan is more interested in public relations than in public safety.

Mr Orkopoulos: You must be desperate to quote Mark Latham.

Mr HARTCHER: The Premier used to love to quote Peter Ryan. The Minister for Police used to love to quote Peter Ryan but somehow in recent months Peter Ryan has gone off the boil and Mark Latham's comments about him are perceptive and accurate. Mark Latham said that Peter Ryan is more interested in public relations than in public protection. New section 35 deals with malicious wounding or infliction of grievous bodily harm. The maximum penalty is currently seven years and the Premier's proposal is to increase the maximum penalty to 10 years for offences that are committed in company.

However, of the 284 cases of malicious wounding causing grievous bodily harm heard in the higher courts between January 1994 and December 2000 that led to a conviction only 64 per cent received a full prison sentence. A person who is convicted of malicious wounding causing grievous bodily harm has only two out of three chances of going to gaol. Of that 64 per cent, only one was given the maximum sentence, 63 per cent were given maximum sentences of three years or less and 67 per cent were given minimum sentences of 18 months or less. Where is the demonstrated need in the community that increasing the maximum penalty is somehow going to stop the crime and deter criminals? The Police Service is made up of splendid men and women but it is poorly led. The Government is so complacent about crime that it believes crime is solved by throwing words on paper, not by addressing the underlying causes or ensuring that people are convicted and, when convicted, are appropriately punished.

Section 59 relates to the offence of assault occasioning actual bodily harm, which currently carries a maximum penalty of five years. The Premier wants to increase that penalty to seven years for assault occasioning actual bodily harm in company. But of the 845 cases heard in the higher courts between April 1993 and March 2000 only 35 per cent—one in three—received a prison sentence, and of those only three out of 845 received the maximum sentence of five years. Where is the demonstrated need to increase the maximum sentence? Indeed, 71 per cent were given maximum sentences of two years or less and 69 per cent were given minimum sentences of 12 months, yet the Premier suggests the problem will be solved by increasing the maximum sentence from five years to seven years.

Section 85A relates to kidnapping. The Premier wants to revamp the laws relating to kidnapping and increase the penalties for kidnapping in company. The maximum penalty under section 90A is 20 years if a person was detained for advantage, or 14 years if the person was set free without sustaining actual injury. Under this section, 117 cases of kidnapping—detain for advantage, to use the legal term—were heard in the higher courts between January 1994 and December 2000. Only 67 per cent received a prison sentence—one in three walked without a prison sentence—yet this is a crime that the Premier says should have a maximum penalty of 20 years gaol. Of the 67 per cent who received a prison sentence not one received the existing maximum penalty, 59 per cent were given maximum sentences of four years or less and 66 per cent were given minimum sentences of two years or less. How will increasing the penalty solve the problem when the maximum penalty is never imposed?

The test is not the penalties but the integrity of the Premier of this State, a Premier who fights crime by newspaper release, as does the Commissioner of Police. The Premier loves headlines such as "Premier warns invaders". Many times we have seen his angry look at the television camera, the careful poses while at the rostrum in this House—always standing like Napoleon: one hand in the pocket, the other on the lectern, never looking at the speaker but full on at the television camera hoping for the grab on Channel 9, Channel 10,

Channel 7 or Channel 2 news. That is our Premier, and what an actor he is! However, we require more than an actor to be an effective Premier in this State. We require a person who cares about the problems faced by the State and who takes action to deal with those problems.

Section 154AA deals with car stealing. Car theft attracts a maximum penalty of 10 years, yet of the 190 cases before the higher courts between January 1994 and December 2000 only 61 per cent received a prison sentence; that is only three out of five. Of those, not one received the maximum penalty, 57 per cent received a maximum sentence of two years or less and 55 per cent received a minimum sentence of 12 months or less. In the Local Court, where 978 cases were heard between January 1996 and December 2000, only 39 per cent received a prison sentence—virtually only one in three people go to gaol for stealing a car. Of those, no person in the Local Court received a maximum sentence greater than two years, while 82 per cent received a maximum sentence of 12 months or less and 63 per cent received a minimum sentence of six months or less.

Section 154C relates to the new offence of car-jacking. In 1995 the Premier pledged to introduce penalties of up to 20 years for car-jacking. The Premier fights crime with press releases such as "20 years for car hijacks", but this bill provides for a penalty of only 10 years. He promised 20 years but he has delivered only 10 years. That says a great deal about the integrity of the Premier and his determination to fight crime in this State. The penalty for car rackets is 12 years. We have legislation that the Premier told us will fight crime, tackle gangs and bring law and order under control in this State, but all it does is throw words on paper. The Crimes Act is meaningless unless it is enforced by police and upheld by the courts.

These are some headlines that the Premier loved: "Gang tackle", screamed the *Daily Telegraph* on 4 September 2001, "Tough laws designed to cripple a growing gang culture and make Sydney's streets safe were rushed into Parliament yesterday." That was on 4 September, and it is now the end of October. That demonstrates the seriousness of the Government on this issue. It was going to rush the legislation through. The Attorney General smiles. It is all a bit of a joke to the Australian Labor Party. We have in the Chamber two of the leading left-wing members of the Australian Labor Party who fought in caucus against the legislation. The honourable member for Liverpool stood up in caucus and fought against the legislation, but he will say his mea culpa and defend it in this House tonight. He will give his prepared speech, one for *Hansard* and one for the party room—one for his electorate and one for his faction—which is exactly what we would expect.

On 1 September there was another headline, which stated "New law aims to stop children joining gangs. The State Government plans to introduce Fagin's law to try to check the grassroots recruiting of children into Sydney's gang culture". The Opposition applauds that initiative but suggests that simply inserting a section into the Crimes Act will not stop criminals abusing and misusing children. That can be achieved only by having a Police Service and a Department of Corrective Services adequately resourced and committed to fighting this problem.

Where are the police to fight the problem? Where are the police in Cabramatta, western Sydney and my own area of the Central Coast with the resources, determination and support to hit at criminals who recruit young people into gangs? Where are the special teams that are needed to enforce this type of legislation? They do not exist, nor are they proposed. No member has proposed them in this House for the simple reason that the Government's answer to the problem is simply to rush legislation through—legislation that is so urgent that it was introduced on 4 September but is only being debated in the Parliament on 24 October. So much for the urgency of the legislation.

Car racket gangs will now face 12 years in gaol. The laws are intended to prevent the rebirthing of stolen vehicles. It is always the Premier who makes these statements, never the Attorney-General, the Minister for Police or the much-loved Commissioner of Police. It was the Premier who telephoned the radio stations last week and this week to talk about the legislation. He could offer only radio blitzes in an attempt to get some publicity—he is being starved of it by the Federal election, by his own irrelevancy and by the people of Auburn, who changed their traditional allegiances and voted against the Labor Party. Some polling booths recorded swings of 20 per cent against the Australian Labor Party because of concerns about the crime.

The Premier rang the radio stations because he wanted to get some publicity and hear his voice echoing on the airwaves in 15-second grabs early in the morning as he talked of how gang laws would be introduced in this session of Parliament. But what did we get? Just a series of increases in maximum criminal penalties, which I have shown are not imposed in any event. So much for the Premier's sincerity and the Government's determination to crack down on crime. In introducing the bill the Attorney General read a speech prepared for him by public servants. This is his quote of the week:

> This bill introduces more severe penalties for committing certain existing offences in company, that is, with one or more additional persons.

The war on gangs will be fought on paper and by amendments to the Crimes Act. The war on gangs should not be fought on paper or via parliamentary debate; it should be fought through the Police Service and through prison sentences. It is fought by segregating prisoners who are gang members and not allowing them to display their gang regalia. The war on gangs should be fought by appointing special police teams to crack down on gang activities and bring gang members before the courts to answer for their crimes. The war on gangs should not be fought simply by increasing the penalties for offences committed in company. This legislation is insincere. It is part of the Government's program to fight the rising tide of crime in this State through public relations. It echoes the eloquent utterance of the Federal member for Werriwa, Mark Latham—whom I have quoted previously—who said:

> We have a Police Commissioner who is more interested in public relations then he is in public protection.

What did the Attorney General say next? He continued:

> The first major component of this bill is the introduction of the concept of "in company" to an extended range of offences that are gang specific.

Stealing cars has never been a gang-specific activity. That crime is prevalent, and especially so in western Sydney. When I had the interesting experience of doorknocking in that area one resident who lived near Sefton railway station told me how his car had been stolen from in front of his house two weeks previously. He then told me he had bought a new car but that it had been stolen two nights previously. He had two cars stolen in two weeks! That is the level of car theft in Auburn. We will not fight car theft simply by adding words to the Crimes Act; we will fight it by increasing police presence—but the Government has downgraded Bass Hill police station, which is the station nearest to Sefton. That is the Government's answer: downgrade the police but upgrade the amount of parliamentary debate.

The Opposition will not oppose the bill, but we will seek to amend section 154C in Committee. We are not convinced that the Government is sincere with this legislation and we are especially unimpressed by the Government's approach to fighting gang crime in the State. I do not intend to canvass the wide-ranging issue of gang-related crime, which is a major and serious problem. The Premier has said that we need more than the existing sentencing structure. When he spoke in this place on 4 September, he said:

> We make no apology for criticising judges about light sentences or for going to the Court of Criminal Appeal for a guideline judgment on gang-rape. Our aim is simple: longer sentences for this crime.

However, I have demonstrated that longer sentences are not being imposed, and all the rhetoric in the world will not achieve the outcome that the Premier wants. He continued:

> The strongest message we can send to the courts is a unanimous one: the unanimous passing of this legislation by the people's representatives—a powerful message to the judges.

What great rhetoric. We have a Churchill in our midst! The Premier went on:

> The Government is also concerned about other forms of gang crime. The Government will introduce legislation for non-association or contact orders. Contact orders can be made when an individual is bailed or paroled. They can also be used as a sentencing option for minor crimes.

This is the Premier who was going to fight the gangs. The statement continues for pages; it was a full ministerial statement. However, the reality is merely an increase in the maximum criminal penalties for a list of offences, despite the fact that maximum penalties are never imposed. The message has not reached the judges, but the Premier does not care about that. He is concerned only that it reaches the media and that they give him his headlines about the new laws, his warnings to invaders, his threats of imprisonment and his efforts to tackle gang crime by rhetoric.

The Coalition believes that gang crime is a serious issue in this State and we have pledged to fight it through the Police Service. We must build up and strengthen the Police Service and form special police teams dedicated to fighting gangs. We must ensure that police have the resources and support the need to resist gang activity and that the legal framework, which is only a back-up for the Police Service, will sustain them. Legal penalties, when imposed, must be appropriate to the crimes for which the convictions are recorded. Nothing less—least of all a Premier who prefers public relations to public protection—will meet the challenge of fighting gang crime in this State. The Coalition does not oppose the legislation but it remains unimpressed by it.

Mrs PERRY (Auburn) [9.17 p.m.]: I am pleased to support the Crimes Amendment (Gang and Vehicle Related Offences) Bill, which contains various important amendments designed to strengthen law enforcement in respect of gang-related crimes in New South Wales. The bill introduces the offences of recruiting children to commit indictable offences and of car-jacking. It extends the concept of "in company" to other offences in order to address gang-related criminal activity and creates the new offence of threatening or intimidating persons not to provide information to police. The bill also builds upon and complements the recent new offence of specially aggravated sexual assault in company enshrined in the Crimes Amendment (Aggravated Sexual Assault in Company) Bill, which was enacted and commenced on 1 October 2001.

These reforms are intended to clarify and complement the efficacy of criminal law enforcement in relation to criminal gang activity in New South Wales. The reforms are a product of the Government's commitment to dealing with organised gang activity. It is clear that the incidence of gang-related offences has increased community concerns about these types of crimes. As Opposition members well know, during the recent Auburn by-election campaign, gang-related crime was highlighted as a major concern, particularly in the Birrong, Sefton and Yagoona parts of the electorate. These wide-ranging reforms are aimed at proactively limiting the expansion of this type of activity, and I shall address some of them.

One of the most insidious organised gang activities reported in the media has been the targeting of children to commit serious crimes. The use of children as drug couriers has also received media attention, and this type of activity may well be the start of a career in crime and gang membership. The new offence of recruiting children to commit indictable offences will clearly target offenders who prey upon children and initiate them into gang culture at an early age. This offence involves adults, that is persons over 18 years of age, initiating or recruiting or being knowingly concerned in the business of recruiting children, that is persons under 18 years of age, for payment or benefit to engage in the conduct of indictable offences.

As the honourable member for Gosford said, the bill also introduces a new offence of car-jacking, which is unlawfully taking a car in circumstances that involve an assault on or detention of a person who is lawfully in the car. I think the honourable member for Gosford has been somewhat misguided in his understanding of the offence and the penalties relating to it. The maximum sentence for the offence will be 10 years imprisonment. However, where there are aggravating circumstances the maximum penalty will be 14 years. Clearly, the new offence needs to be understood in light of the existing laws relating to car theft and kidnapping. It should be remembered that there are already comprehensive and adequate laws dealing with robbery, assault and kidnapping. It is not the intention of this new offence to override the existing and adequate laws. Rather, it is intended that the new offence will apply to circumstances not already covered by a specific offence.

The new offence will create a simple and straightforward offence that involves actions more serious than joyriding, but not as serious as robbery or kidnapping. It would apply irrespective of whether the defendant had an intention to permanently deprive the owner of his or her car. In such circumstances, car-jacking, while a serious offence, is far less serious than events that might occur after the vehicle is taken. The charge should not be made to carry all the weight of the prosecution. Instead, additional available charges could also include kidnapping, which will attract a 14-year penalty, or a 20-year maximum penalty if the victim is injured; robbery, which will attract a 14-year penalty, or a 25-year penalty if the victim is harmed; or shooting with intent to inflict grievous bodily harm, which will attract a 25-year penalty.

The reasoning behind the construction of the proposed offence is that if a person has been kidnapped, the fact that the victim's car was commandeered is not as important as the physical detention of the victim. As a result, it is appropriate that any new offences not muddy the waters or detract from this more serious offence. The emphasis should be on the evils of kidnapping. However, if the victim has been assaulted or detained in a manner that is serious but does not fall within the general understanding of the term "kidnapping," it is appropriate that there be a new offence to cover that circumstance. That is what this new law will do; it is an additional law specifically targeted to the offence of car-jacking, which in its criminality falls somewhere between car stealing and kidnapping.

The offence will fit into the existing penalty structure as follows: joyriding, five years; car stealing, 10 years; robbery, 14 years; aggravated dangerous driving causing death, 14 years; break, enter and steal, 14 years; kidnapping, 14 years; aggravated robbery, 20 years; and aggravated kidnapping, 20 years. It can be seen that the car-jacking offence fits neatly within the existing structure of robbery and offences against the person contained within the Crimes Act. The new offence of car-jacking is an attempt to fill the gap between robbery and larceny. It is not intended to replace a range of offences that are still available, particularly where injury is sustained.

Other aspects of the bill are equally important. The extension of the concept of "in-company" offences is critical to contain gang-related crime. My constituents are rightly concerned about such activity, as the honourable member for Gosford indicated. As a newly elected member, I represent my constituents with a strong commitment to ensuring that the Government's initiatives make the streets of Auburn safe.

The Attorney General covered this in his second reading speech, and I do not intend to repeat the intent of the legislation, which broadly is to amend the Act to include a number of new offences in the "in-company" category of aggravation. I am pleased that we have not bound ourselves by trying to redefine "gangs". As a lawyer I know full well that trying to define terms such as "gangs" in legislation could lead to lengthy and complex legal arguments, which in turn could lead to loopholes and the frustration of legitimate police activity. I am pleased we have avoided that with this bill. I commend the bill to the House.

Mr TINK (Epping) [9.26 p.m.]: I agree with the comments of the honourable member for Gosford, who led for the Opposition on this bill, and I wish to turn my attention specifically to section 154C, which relates to car-jacking. I remind the House that, as reported in the *Sun-Herald* of 11 August 1996, the Premier promised to introduce penalties for car-jacking of up to 20 years imprisonment to deter a new wave of car-jackings in New South Wales. Subsequently I introduced a private member's bill to do just that, but the bill never received the support of the Government. Notwithstanding a very long delay following the incident that led to the Premier making these commitments in 1996, to wit an appalling car-jacking involving the De Vries family—it is only now, many years later, that the Premier has introduced the legislation. However, I believe that it is seriously deficient in a number of respects.

Firstly, whichever way the Government tries to dress it up, new section 154C is headed "Car-jacking". That is plainly the subject of the amendment, and that is plainly the subject of the promise the Premier made in 1996. Clearly, today the Premier is breaking the promise he made in 1996 by making the penalty for this offence 14 years rather than the 20 years he promised. Not only has it taken the Premier five years to do anything specifically about car-jacking, but when he got round to doing something about it he reduced the promised penalty by six years.

That brings me to the Opposition's foreshadowed amendment, which at page 6, line 31, omits "14 years" and inserts instead "20 years". Together with the shadow Attorney General I am increasingly concerned about the Government's approach to public safety, justice and police-related issues. It seems today that what passes for public safety and justice policy is a string of stunts orchestrated by the Premier's office and, more particularly, the Premier's media unit.

It is distressing that senior police now seem to be more of an adjunct to the Premier's media unit, and I believe that this is a very sad and sorry time we are going through. I was distressed to see tonight on two television channels senior police being dragged in to be parties to what were basically political media stunts orchestrated by the Premier's office. It must have been extremely embarrassing for those police officers. It certainly demeans the hierarchy of the Police Service and I believe it detracts from the real work that front-line police have to do, and that the public increasingly want them to do.

The stories that went to air tonight were interesting. The media are starting to confront the Premier directly. It was put to him that they are being dragged out to witness and film a series of stunts. More and more people, the media and members of the public, are waking up to his nonsense. It is a sad and sorry time, particularly for senior members of the Police Service who are dragged into these stunts. The Premier treats the service as little more than a branch office of his personal staff. Section 95 of the Crimes Act 1900 states, "Whosoever robs or assaults with intent to rob any person or steals any chattel"—which, I assume, includes a motor vehicle—"from a person of another in circumstances of aggravation shall be liable to imprisonment for 20 years." Circumstances of aggravation in section 95 (2) (b) include the alleged offender maliciously inflicting actual bodily harm on any person.

In this bill the clause relating to car-jacking is couched in terms of a person who assaults another person with intent to take a motor vehicle without the consent of the owner. The penalty for that offence is imprisonment for 10 years. In circumstances of aggravation the period increases to 14 years. Proposed subsection 154 (3) (c) defines circumstances of aggravation as "the alleged offender maliciously inflicts actual bodily harm on any person." That subsection is identical in every respect to subsection (2) (b) of section 95 (2) (b) of the current Act. The principal offence to which the aggravation is attached is the taking of a vehicle or, referring to section 95 (1) of the Crimes Act, an assault while stealing a chattel.

With the passage of this bill the Government would be decreasing the penalty for an offender who steals a motor vehicle in circumstances of aggravation. In that respect, and I suspect in others, the legislation is

disgraceful; it is nonsensical. It is driven by the Premier and his media unit, just as they drive the Police Service and other departments in this State. I regret to say they now drive the Attorney-General's Department, which previously was an outstanding, rigorously independent department, particularly in the days when the Hon. Jeff Shaw was Attorney-General. He would have stood up to the Premier in Cabinet and stopped this nonsense. The Premier's Office is putting rubbish through this Parliament, the result of which is decreasing penalties for very serious offences. This bill reduces the penalty for an offender who commits the very serious offence of stealing a motor vehicle and inflicting malicious actual bodily harm on another person from 20 years to 14 years. That is a deadset joke!

As to whether a motor vehicle is a chattel, what else is it if it is not a chattel as stated in section 95? If there is any ambiguity at all, the lawyers in the House know that the judiciary will impose the lesser penalty. They will not impose a 20-year penalty for stealing a chattel. They will say, "The particulars of this offence relate to a motor vehicle. Do not try to argue in circumstances where actual bodily harm is inflicted that the 20-year penalty should apply. Either the 14-year penalty applies or alternatively the charge is brought on the wrong basis. Another charge that can and should be brought by the Director of Public Prosecutions is the charge under this amending Act, and that takes priority because it is a lesser charge."

It is not for the judiciary to work out the mess that is put before this Parliament by the Government. It is for the Government to work it out. If the Government will not or cannot work it out, then it is for the Parliament to draw it to the Government's attention to fix it. Wherever the more specific offence on the statute books carries a lesser penalty, I have not doubt that defence counsel will succeed in an argument that section 95 is not appropriate and that proposed section 154C of this amending bill, if it becomes law, should apply. We are in this mess because the Premier and his department are running policy matters in this State that are properly the jurisdiction of the Attorney-General and his department. If Jeff Shaw were still the Attorney-General this nonsense bill would not be before the Parliament.

The only course open to the Government is for it to admit that it made a mistake and withdraw the car-jacking amendment. That would be a significant loss of face for the Government. Alternatively, the Premier ought to wake up to himself and, however belatedly, abide by the commitment he gave in August 1996, and accept our amendment. At the very least he should allow the 20-year penalty that would apply for stealing and inflicting actual bodily harm to remain. Otherwise we have the absurd consequence that if a chattel of lesser value than a motor vehicle is stolen—and certainly all the chattels I and most of the members on this side of House own are of lesser value and significance than a motor vehicle—and during such an offence the offender inflicts actual bodily harm, he faces a 20-year penalty, but if an offender steals a motor vehicle, a chattel of great importance to 99 per cent of the community, he faces the lesser penalty. That is a joke. It is a fundamental flaw that cannot be remedied except by either withdrawing the proposed section or accepting our amendment.

It does not matter how one argues it, there is significant and serious ambiguity because of a desire by the Premier to, however belatedly and incompetently, meet his promise. He amends serious criminal statutory penalties so that he can run out, accompanied by police officers who are ordered to be with him, to a photo opportunity and say, "Look at us, we are cracking down on car-jacking." He has to do better than that. He must have consistent penalties across the board and not create these nonsensical, hiatus situations in which an offender who steals with aggravation a chattel of immense value to almost everyone in this State cops a lesser penalty than an offender who steals a chattel of lesser importance.

The consequence of the Premier's approach to law reform and his stunts in the criminal area—because the Government is not delivering on public safety—is nonsensical, contradictory legislation that will be served up to the courts with disastrous results. The public of New South Wales do not want or need this type of legislation. The Attorney-General must assert himself, take a leaf out of the book of the Hon. Jeff Shaw and have the guts to set down markers in Cabinet and to ensure that the Premier understands the importance of getting these matters right. Proper criminal law making has been run over by this Government. It is no coincidence that this sort of legislation is being introduced now that the Hon. Jeff Shaw has returned to the Bar. It is time that the Attorney-General followed in Jeff Shaw's footsteps and asserted himself in Cabinet so that this sort of legislation does not come before the Parliament.

I will ask the crossbenchers in the Legislative Council to look at the absurd consequence of this bill if it goes to the upper House in this form. I will remind them of the importance of retaining consistency in sentencing for what is, and should be, one of the most serious crimes on the statute books: stealing a motor vehicle with aggravation in circumstances where, in particular, there is malicious infliction of actual bodily harm on any person. The Premier wanted his stunt of the day on the evening news to blanket the appalling and

disgraceful evidence coming from the Police Integrity Commission. Thanks to that approach to law making in this State we are debating a bill that reduces the penalty for car theft with aggravation. How does such an approach have regard to the public and front-line police? How will front-line police be able to do their job when all over Sydney car stealing in circumstances of aggravation is a problem? That is why this bill is before the House. The police now face the reality: this Government is reducing penalties, not from a position of intention but from a position of outright incompetence. I foreshadow that I shall move an amendment in Committee.

Mr COLLIER (Miranda) [9.41 p.m.]: The Carr Government is serious about tackling gang-related crime head on. The aggravated sexual assault in company laws introduced in this House by the Carr Government increased the penalty for gang-rape to life imprisonment. That commenced on 1 October this year. This bill builds upon those reforms and forms part of a raft of new laws designed to better protect the citizens of New South Wales from cowardly attacks by gangs. This proposed legislation sends a loud and clear message to those who participate in gang-related crime that their behaviour is abhorrent to all decent right-thinking members of our society, and that we will not tolerate it.

Community concern about gang-related crime means that we need to attack this insidious activity on a broad front, and this bill seeks to do that in a number of ways. First, it increases the maximum penalty for a wide range of offences when they are committed by two or more persons in company. The criminal law has long recognised that crimes committed by two or more persons together are more serious, and a number of those offences are already treated in the law as having aggravating features, thus exposing the perpetrators to harsher penalties. The bill extends the application of that principle to a number of other offences. For example, the maximum penalty for the offence of discharging a loaded firearm with intent has increased from 14 to 20 years; for possessing weapons with intent to commit an indictable offence the penalty has increased from 12 to 15 years; for malicious wounding or inflicting grievous bodily harm—which the honourable member for Epping confused—the penalty has increased from 7 to 10 years; for assault occasioning actual bodily harm the penalty has increased from five to seven years; and for demanding money with intent to steal the penalty has increased from 10 to 14 years.

In the commission of the offence of assault occasioning actual bodily harm, it is quite common for one of the local heroes to pick on somebody, have a fight and cause serious injury to the victim while all his mates are standing around egging him on. This law is designed to take that particular circumstance into account. Even more horrific than a one-on-one fight is an altercation with someone who has all his gang mates with him encouraging him to continue with his assault. We will increase the penalties for those types of offences and that will send a clear message to the courts that we, as a community, expect gang-related crime to be dealt with more seriously by them. The bill also reforms the law of kidnapping, the penalty for which has increased to 25 years when the kidnapping takes place in company and harm is occasioned to the victim.

Car theft, and professional car theft in particular, is a crime that almost invariably involves gangs. This bill targets the crime of rebirthing cars. The organised, systemic and sophisticated illegal trade in stolen motor vehicles and motor vehicles parts is an increasing problem. The New South Wales Crimes Commission estimates the incidence of professional car theft and rebirthing is growing at approximately 10 per cent per annum. This insidious trade no longer involves the simple theft of motor vehicles. Sophisticated and organised gangs are involved in the rebirthing of cars, where an engine from one car is used as the basis for the creation of an entirely new vehicle. This rebirthing process makes detection and deterrence more difficult.

The bill reflects the seriousness with which such offences are viewed by the community. It expands the definition of car stealing, increases the penalties for receiving stolen car parts and having car parts in one's custody that are reasonably suspected of being stolen or unlawfully obtained. It increases the ability of police to catch professional car thieves by expanding the definition of "motor vehicle" to include not only the car itself but also the motor and/or identification plate of the vehicle. That recognises the fact that the theft of such parts is an essential component of rebirthing vehicles. Previously, the theft of such parts were dealt with under the law of larceny.

The honourable member for Epping got himself into strife and deserves a lesson in criminal law in relation to this matter. The proof of larceny and theft require the prosecution to prove that the person who took or carried away the parts did so with the intent of permanently depriving the owner of those parts. The honourable member for Epping equated car stealing—that is, taking a car with the intent of permanently depriving its owner—with car-jacking, which is a completely different offence and a new offence that has been created by this Government. The essential difference is that a person who car-jacks and takes a car does so with the intent not to permanently deprive the owner but for a specific purpose or a short period of time.

The Director of Public Prosecution [DPP] would have great difficulty proving that a person who car-jacked, or took a car for a short time, did so for the purpose of permanently depriving the owner. If the honourable member for Epping took the trouble to speak to the DPP, he would be advised that the history of common law is that all too frequently the prosecution has difficulty proving that anyone who took something—a car in particular—did so with the intention of permanently depriving its owner. The problem is joy riding. Some kids take a car for the purpose of driving around the block and do not intend to permanently deprive the owner. They tend to leave the car a short distance away and go off somewhere else. That is why section 154 A was created.

Section 154AA is the section to which the honourable member for Epping was referring, which relates to car stealing. But section 154A refers to the offence of taking or driving a conveyance without consent, an offence that does not require the prosecution to prove the element of intent to permanently deprive. The honourable member for Epping has got it well and truly wrong. He has confused two very different offences. I advise the honourable member for Epping that each offence is different because each comprises a number of different elements. The element that is different between the offence of car stealing and that of car-jacking is the intent to permanently deprive.

Mr Lynch: Criminal Law lecture number one.

Mr COLLIER: Yes, criminal law number one: different offences, different elements, different penalties. The theft of car parts would normally be dealt with under the larceny provisions, which carry a penalty of five years. Now it will be able to be dealt with as a separate offence, which carries a maximum penalty of 10 years. The offence of goods in custody, which is dealt with by the Local Court, relates to a person being in possession of goods that are reasonably suspected of being either stolen or unlawfully obtained. That provision will be amended to take account of the fact that some the goods in custody may be stolen car parts. At present the maximum penalty for goods in custody is six months in prison. That will be increased to one year. The fine will increase from $550 to $1,100 if the goods in custody are cars or car parts. I understand that the Minister for Fair Trading will shortly introduce legislation to target motor dealers dealing in stolen car parts and stolen cars.

I spoke about the offence of car-jacking, but there are other offences in the bill. One is the offence of intimidating and threatening judges, witnesses or jurors and the other is the offence of threatening or causing injury to a person with intent to prevent that person from providing information to the police about an offence. Clearly, that is something gangs do: they intimidate individuals into not providing information to police that would lead to their apprehension and prosecution for offences. In this case a maximum penalty of seven years will apply. One of the most insidious gang activities is recruiting young children to commit serious crimes. It does not matter whether they act as drug couriers or Fagin-like thieves. It is an insidious, abhorrent crime to recruit a child into a life of crime. It is a crime for which gangs are known and a practice that gangs undertake. The bill creates a new offence of recruiting children for the purpose of committing a crime. We are targeting adult offenders who prey on children and introduce them to the gang culture and a life of crime at a very early age. The bill attacks gangs on a number of fronts by increasing penalties and introducing new offences that target activities in which gangs are quite frequently involved. I commend the bill to the House.

Mr RICHARDSON (The Hills) [9.51 p.m.]: I support the comments made by the honourable member for Gosford, who pointed out in no uncertain terms that simply increasing maximum penalties will not make a hoot in hell of difference. It is effectively window-dressing. The honourable member for Gosford gave a very good imitation of the Premier's pontificating, gesticulating and looking like Napoleon in this place for the benefit of the TV cameras so that he can look tough on crime without having to do anything to reduce the incidence of crime in this State. As the honourable member for Gosford said, we have to get our policing right, we have to get our intelligence right and we have to get a police force that wants to get out there to prevent and solve crime.

Currently, none of those prerequisites are in place in this State. The Minister said in his second reading speech said that the bill builds on legislation relating to gang sexual assaults, debated recently in this place, and other police and crime-prevention initiatives of the Government. As we have heard, the bill extends the concept of "in company" to an extended range of gang-specific offences: discharging loaded firearms with intent, using or possessing a weapon to resist arrest, malicious wounding or infliction of grievous bodily harm, assault occasioning actual bodily harm, demanding property with intent to steal, and kidnapping. For example, the maximum penalty for discharging firearms with another person or other persons with intent to do grievous bodily harm is increased from 14 to 20 years.

The maximum penalty for malicious wounding is increased from seven to 10 years. The maximum penalty for assault occasioning actual bodily harm is increased from five to seven years. The penalty for aggravated kidnapping in company is increased from 14 to 20 years. It will come as no surprise to honourable members who listened to the recent debate on gang rape to hear me say that it is all very well to increase the maximum sentences, but there is certainly no guarantee that judges will change their sentencing practices. I looked up the statistics I quoted during that debate, and I would like to restate them for the benefit of honourable members. The statistics for aggravated sexual assault reveal 227 convictions over the past seven years and 96 per cent of those convicted received gaol terms.

The average minimum sentence was 3.9 years. The average maximum sentence was 6.3 years and only 1 per cent of those people, two persons, received a maximum sentence of 20 years. Increasing the length of sentences, as happened in that case and as will happen if the bill is passed, is unlikely to make a hoot in hell of difference. Why on earth would judges hand down longer sentences simply because Bob Carr says they ought to? The Westminster system does not work that way. As I said previously, the Premier getting up in this place gesticulating, pontificating and talking tough for the TV cameras will not make a hoot in hell of difference to the incidence of these crimes in this State.

There is no doubt that the rebirthing of cars is a major issue. Car thefts cost Australia $1 billion a year and New South Wales $420 million a year. Everybody—not just people whose cars are stolen or who buy rebirthed cars from some unscrupulous operator—ends up paying an extra $50 to $70 per annum on insurance premiums. Everybody suffers. Rebirthing is particularly insidious because the unwitting purchaser who bought the car in good faith has no recourse when the car is repossessed. He has done his dough. The Register of Encumbered Vehicles [REVS] offers no protection. I note that the Government does not propose to extend the REVS facility to indemnify people who are unfortunate enough to buy a rebirthed vehicle. Several of my constituents have lost tens of thousands of dollars in rebirthing scams. They bought cars—not necessarily luxury vehicles—in good faith. They bought ordinary family sedans, perhaps a year or two old, at a good price, not necessarily markedly below market price. The vehicles looked good. Purchasers are flabbergasted when police come around two or three months later to check the car then take possession of it.

I am sure that honourable members will recall the investigation by the Independent Commission against Corruption into rebirthing motor vehicles, which concluded last year. All vehicles registered in New South Wales are required to have a vehicle identification number [VIN] and an engine number supplied by the manufacturer. Rebirthing involves the removal of the VIN and the engine number, and their replacement with new identifiers. This is done in one of two ways. The first is when a car is stolen and its VIN and engine number are replaced by those from a wreck bought at auction. I gather that the gangs who run these rackets are so skilful that it is almost impossible to tell that the original plates have been cut off and that new plates have been welded on. The second is when the VIN plates are defaced. In these circumstances the Roads and Traffic Authority [RTA] issues what are known as police numbers, which are stamped on the vehicle as close as possible to the old number, and the original number, if it is still on the vehicle, is cancelled by stamping a horizontal line through it.

Until 1995 RTA officers checked VIN plates to ensure that they had not been tampered with. But since then, under this Government, most vehicles have been checked by authorised, unregistered vehicle inspection stations [AUVISs]. Originally, it was envisaged that there would be only 50 or 70, but there are now more than 700 of these AUVIS stations, more than 10 times the original estimated number. The potential for corruption is enormous. The RTA admitted that these AUVIS stations are poorly policed and poorly controlled. A blue slip normally costs $35. According to the ICAC report, crooked vehicle inspection stations are issuing blue slips at a cost of hundreds, if not thousands, of dollars for vehicles they have never seen. One would have to do only a comparatively small number of vehicles to make tens of thousands of dollars profit. It is a matter of real concern. The question is: Will the bill make a difference? The bill increases the maximum penalty for receiving stolen cars or car parts from 10 to 12 years, and increases the fine for possessing goods in custody where cars or car parts are involved from $550 to $1,100.

What were some of the penalties that were handed down to those crooks who were identified by the Independent Commission Against Corruption [ICAC], charged and convicted? Mr Rene Farah pleaded guilty to one charge of making a false instrument, being the blue slip issued for a Nissan 300ZX. He was dealt with by the Local Court and received a $500 fine together with a one-year good behaviour bond with $1,000 recognisance. Howard Manning pleaded guilty to three counts of corruptly receiving an inducement for providing blue slips without inspecting vehicles. He was sentenced to 200 hours of community service.

Bassam Arja admitted to completing 36 blue slips without sighting any vehicles. He received $300 for each blue slip. He was sentenced to 12 months imprisonment to be served by way of periodic detention. The

penalties being handed down for the offence of fraudulently issuing a blue slip are very light. What is proposed by the Government is unlikely to make an enormous amount of difference to this situation. I acknowledge that the Premier and the Minister for Fair Trading flagged amendments to the Motor Dealers Act and the Motor Vehicle Repairs Act to target rebirthing. On 5 September the Premier announced to the House that the amendments would, among other things:

- Prohibit persons convicted of certain motor vehicle offences from holding a dealer or repairer licence for 10 years from the date of conviction;
- Require dealers and repairers to disclose any criminal conviction they have received in the last year, so an assessment can be made about their suitability to continue to hold a licence;
- Require dealers, repairers and employees to inform police and other authorised officers when they suspect vehicles, parts or accessories in their custody have been stolen—failure to do so would be punishable by a $5,500 fine;
- Require dealers and repairers to show cause why their licence should not be revoked if the Director General of Fair Trading considers, in the light of evidence, they are receiving or dealing in stolen goods;
- Enable police and other authorised officers to impose holding orders to prohibit dealers and repairers from altering, disposing or parting with the possession of motor vehicles or their parts or accessories for 14 days—breach of an order will carry a $55,000 fine—

which is a substantial penalty—

- Increase the maximum penalty for unlicensed dealing and repair work to $110,000 to stamp out backyard operators;

The question really is: Will that be enough? To obtain police numbers an applicant must provide proof of identity and proofs of acquisition—a handwritten receipt will do or just something scribbled on a scrap of paper—a green slip, a pink slip and a blue slip. ICAC, in its report, pointed to the potential to forge proofs of identity, such as drivers' licences. Until recently, a drivers' photographic licence was regarded as proof of identity. That was ample and sufficient for the Roads and Traffic Authority [RTA]. ICAC also pointed to the potential to forge birth certificates and the difficulties associated with suspending AUVIS licences.

The Government responded with legislation that allowed the storage by the RTA of photographs from drivers' licences, closer liaison with the Department of Immigration over the validation of citizenship certificates and other proof of identity documents, and a third tier inspection scheme for at risk vehicles. That sounds good but the last-mentioned alleged improvement, the third tier inspection scheme for at-risk vehicles, is scarcely likely to help my constituent who bought a low mileage Magna. If a Magna is an at-risk vehicle, I suspect that every vehicle in the New South Wales car fleet could be classified as being at risk.

Making entry into the AUVIS scheme conditional on an applicant being of suitable character, as the Government did in March 1999, will not necessarily weed out the crooks. Tougher policing is what is needed—tougher policing that does not just extend to the AUVIS scheme, and tougher policing that extends also to the RTA. Six corrupt registry service officers and six corrupt AUVIS inspectors were identified in the ICAC report. The report made it clear that there were many other corrupt operators within the RTA and the AUVIS system. So it is not just a matter of where there is smoke there is fire; it is pretty clear that these corrupt operators have not been weeded out.

We have seen within the New South Wales Police Service what happens when endemic corruption is established in an organisation. We have had the Wood royal commission, the Government allegedly implementing the recommendations of the Wood royal commission and the Premier and the Minister for Police talking about how we have the cleanest Police Service in the world. Yet we learned last month that there is still an enormous amount of corruption in the New South Wales Police Service. It will take a government with real guts to stamp that out. It will take a government with real guts to stamp out the corruption within the RTA and the AUVIS scheme to deal with this serious issue of rebirthing motor vehicles.

Miss BURTON (Kogarah) [10.06 p.m.]: The objects of this bill are:

(a) to make it an offence, with more severe penalties, to commit in company with one or more other persons the existing offences of discharging loaded arms with intent, using or possessing a weapon to resist arrest, malicious wounding or infliction of grievous bodily harm, assault occasioning actual bodily harm and demanding property with intent to steal, and

(b) to make it an offence, with a more severe penalty, to kidnap a person in company with one or more other persons or to kidnap a person where the person sustains actual bodily harm, and to make it an additional offence, with a greater penalty to do both, and

(c) to increase penalties for the offences of stealing motor vehicles without motors, stealing motors and stealing identification plates for motor vehicles, of receiving stolen motor vehicles or motor vehicle parts and of being in possession of motor vehicles or motor vehicle parts that might reasonably be suspected of having been stolen or otherwise unlawfully obtained, and

(d) to create a specific offence of car-jacking, and

(e) to make it an offence to threaten or intimidate any person to influence the person to withhold material information from police about an indictable offence, and

(f) to make it an offence to recruit a child to engage in criminal activity, and

(g) to enable the new offences to be dealt with summarily in certain circumstances.

I support this important legislation that will amend the Crimes Act 1900 to extend the concept of "in company" to other gang-related offences. The criminal law recognises that a crime committed by two or more people together is more serious than when an offender acts alone. Specifically, the law recognises that offenders acting in company with others may constitute an aggravated version of the offence. That is currently the case with the offences of robbery, break and enter, and sexual assault. The concept "in company" is not defined in legislation but exists as a legal principle at common law. It refers to situations where another person participates in an offence with another person, even by encouraging the offender.

This bill introduces the concept of "in company" to an extended range of offences which are gang specific. These offences include kidnapping. Under existing section 90A of the Crimes Act 1900 a person is liable to 20 years imprisonment for detaining a person for advantage, or 14 years if it can be proved that the person taken away was liberated without having sustained any substantial injury. The structure of this offence has come under judicial scrutiny at various times in the past, notably in the 1996 case of Rowe, in which the confusion over which offence and maximum penalty applied in certain situations was discussed and resolved by Justice Hunt.

This bill will add clarity by changing the current section 90A offence structure. The creation of a three-stage aggravated offence is proposed. Stage one will be the same simple offence of detain for advantage and carry a maximum penalty of 14 years imprisonment. Stage two will be the aggravated detain for advantage category, which would involve either injury to the victim or the offence committed in company. This would carry a 20-year maximum penalty. Stage three would be a specially aggravated detain for advantage, which would involve both injury to the victim and the crime committed in company. This will carry a maximum penalty of 25 years.

Section 35 of the Crimes Act 1900 provides the offence of malicious wounding or infliction of grievous bodily harm. It carries a maximum penalty of seven years imprisonment. It will create an offence of aggravated malicious wounding, in company, and increase the maximum penalty to 10 years. Section 59 of the Crimes Act 1900 provides the offence of assault occasioning actual bodily harm, which carries a maximum penalty of five years imprisonment. This bill creates an offence of aggravated assault occasioning actual bodily harm, in company, and increases the maximum penalty to seven years. I understand that it is not appropriate to introduce an aggravated offence of common assault, section 6 (1). This offence carries a maximum penalty of two years. The existing offence of affray carries a maximum penalty of five years and adequately covers situations where more than one person is involved in an assault.

Section 33A of the Crimes Act 1900 is the offence of discharging loaded firearms with intent and carries a. maximum penalty of 14 years imprisonment. Section 33B covers the offence of using or possessing a weapon to resist arrest and has a maximum penalty of 12 years. The bill will create an aggravated version of these offences involving an "in company" element to carry a maximum penalty of 20 and 15 years respectively. Section 99 of the Crimes Act deals with the offence of demand money with intent to steal and carries a maximum penalty of 10 years imprisonment. Offences of this nature committed in company should carry a maximum penalty of 14 years. Extending the concept of "in company" tackles criminal gang issues and will strengthen the existing developed and settled law. It does not interfere with judicial discretion and should be accepted by judicial officers.

This approach also avoids problems, such as conducting lengthy trials, concentrating on evidentiary issues concerning the constitution of a gang and the likelihood of offenders escaping justice on the basis of a gang threshold that may rely too heavily on defining membership rather than concentrating on "in company". Attempt to prove premeditation by members of gangs would take up valuable court time and require more police resources. This bill also creates a new offence of threatening or intimidating persons not to provide information

to police under the Crimes Act. Section 322 of the Crimes Act provides for an offence of threatening or intimidating judges, witnesses or jurors and section 323 provides for an offence of influencing witnesses or jurors. These sections cover the intimidation or influencing of a person who has already provided information and is now a witness in a proceeding. The police have proposed to the Government the introduction of a new offence to cover the period before the person has provided information to police and becomes a witness.

The new offence will apply where a person intimidates or threatens another to prevent or discourage the person from providing information to police. This offence will alleviate concerns that gangs may intimidate people with the intention of preventing them from reporting criminal activity to police. A maximum penalty of seven years imprisonment is suggested. As honourable members will be aware, this bill builds upon the new offence of specially aggravated sexual assault in company inserted in the Crimes Act 1900 earlier this month. The increased incidence of gang rapes in Sydney reported in the media in recent times portrays an alarming and horrifying trend. I am pleased to commend the bill to the House.

Mr KERR (Cronulla) [10.15 p.m.]: It would be nice if the bill before us would have as dramatic an effect as the reading we have just heard was dramatic. I would suggest that—

Miss Burton: Ruffle your feathers, don't I?

Mr KERR: No, not at all. I will give you some advice.

Miss Burton: It's because I'm a good local member. I'm always waiting for advice from you!

Mr KERR: The honourable member for Kogarah should have allowed her speechwriter to share any fee with the parliamentary draftsman, because large slabs of her speech were simply reproductions and hardly original.

Mr Debus: Well, we were waiting for you.

Mr KERR: Yes, you always are—and you will not be disappointed. To effect a change in relation to an orderly society, you not only have to bring in legislation; you have to bring in law enforcement. The whole problem in New South Wales was summed up in relation to—

Miss Burton: Tell us about it. Tell us about the problem.

Mr KERR: I will tell you about the problem. The honourable member for Kogarah might learn that police all over the State want to do their job but are restrained by senior management, who do not support them.

Mr Debus: This is word for word the speech of the honourable member for Gosford.

Mr KERR: No, not at all. It is word for word an article written by the honourable member for Werriwa. I know the Minister would support a colleague! They are more concerned with the public image than the job taxpayers want them to do. As I say, that was the view of the level policing has reached in New South Wales. Now for something a little closer to home in relation to police enforcement: the New South Wales Solicitor General, Michael Sexton, has said that housebreaking has effectively been decriminalised in Sydney. That is a situation that ought to cause this Government great alarm. It was the Government's own Solicitor General who said that. In fact, if he wrote a book about this bill he would probably call it, "Uncertain Justice II" because, as the honourable member for Gosford said, one should look at the consequences.

It is all right to say, as the honourable member for Kogarah did, that the maximum penalty for offence A is 10 years and the maximum penalty for offence B is seven years. But if people are charged and convicted of those sorts of offences, and they receive recognizances or sentences of only a few months gaol, that is hardly a deterrent. It goes further than that in relation to law enforcement. If people receive light sentences after they have been detected and after police have gone to the trouble to give evidence against them—and, against the odds, have secured convictions—if the consequences of what they have done to the public is simply to receive a derisory sentence then the fact is that the law and the penalties, particularly the maximum penalties, are brought into contempt. Theory is one thing; practice is another. Gangs are a huge and continuing problem in Sydney. We have had gangs in Cronulla over the last few years.

Mr O'Farrell: You have had shootings!

Mr KERR: We have had shootings over the last few years. In the past none of these offences occurred in Cronulla with the regularity that they occur at the present time. Why is this so? It is not because the penalties have decreased. It is not because the legislation dealing with these offences has been reduced. It is because the effectiveness of law enforcement has been substantially reduced.

Mr O'Farrell: Law enforcement and justice.

Mr KERR: We have enough difficulty seeing law enforcement in operation. As the Solicitor General said recently, it is very difficult to see justice because justice in this State has a certain uncertainty about it.

Mr O'Farrell: That's a good book title.

Mr KERR: It is a good book title: "The Certain Uncertainty of Justice in New South Wales".

Mr O'Farrell: We have an authority on this one.

Mr KERR: Exactly! The police Minister's autobiography and the Attorney General's autobiography could well be book ends. People know what is going on, which is why those books would have such a short shelf life. It is all right for the Government to talk about maximum penalties—that might work for a couple of years; however, it does not work year in, year out. The Government is treating the public with contempt. When it refers to gangs and penalties it must refer to the connection. There is some connection between the penalties the Government is imposing through legislation and the real world.

The penalties made available by the legislature are imposed by the court system. We have heard nothing from Government members about how enforcement and policing are to be improved. Why should they improve when there is evidence that they are deteriorating in this State? Criminals will just laugh at the Government even more when it introduces legislation that is never translated into action. The Government has been in office since 1995. Since then it has had an opportunity to effect change with respect to the law, policing and in the judicial system. It has failed to do so. Penalties, as the honourable member for Gosford outlined in his speech, and gave evidence of—

Mr O'Farrell: And quite convincingly.

Mr KERR: Quite convincingly. The honourable member for Swansea can quibble with the statistics that have been given and with the sentences. I look forward to his contribution to this debate. As I said, there is no comfort in the legislation that has been introduced today.

Mr LYNCH (Liverpool) [10.23 p.m.]: I want to make a brief contribution to the debate on this legislation, particularly one aspect of it. The title of the bill makes it clear that it is aimed squarely at gang-related activity. The speeches of honourable members referred frequently to gang activity and declared that the legislation was part of a multifaceted approach to oppose gang-related criminal activity. In this context it is ironic, and at first glance curious, that the word "gang" is not defined anywhere in the legislation. In fact, apart from the bill's title, the word "gang" appears nowhere in the bill. I support the decision not to use the term "gang" in this legislation.

In so doing, I refer to some academic writings on these and related issues, including those by Jock Collins, Greg Noble, Scott Poynting and Paul Tabar: *Kebabs, Kids, Cops and Crime*; Jock Collins and Scott Poynting: *The Other Sydney: Communities and Inequalities in Western Sydney*, especially the articles by Scott Poynting and Michael Kennedy; and the book by Russell Hogg and David Brown entitled *Rethinking Law and Order*. The essential problem is that while lots of media commentators and politicians use the word "gang", its meaning is very far from clear. One author refers to its "semiotic promiscuity". Put more simply, there is no easy definition of the term. To quote Collins, Noble, Poynting and Tabar:

> The gang has a long history in social analysis—it is, however, a problematic category indicative more of the social anxieties around the perceived deviancy of marginalised groups than of adolescent group formation. It is also an imprecise term, as we have already suggested. On one hand it is used to identify forms of criminal association, ranging from pulp fiction evocations of frontier banditry in nineteenth century United States, to modern forms of professional crime networks (such as Asian triads). On the other, it is used to describe forms of adolescent or childhood association in leisure activities. It brings together different senses of affective commitment and organizational bonding, criminality and deviance, youth and manual labour (road gangs).

The consistent and persistent rhetorical use of the word "gang" runs the real risk of confusing a criminal gang and a youth peer group, of having a friendship group of teenagers labelled a criminal organisation. In this

context, trying to include "gang" anywhere in legislation except in the title, or trying to define it, is a profoundly bad idea. The practical consequences of so doing would be quite horrific. I note that the honourable member for Auburn touched on that point in her contribution to the debate. Instead of trying to define "gang" the legislation focuses on the use of a currently used, longstanding and fairly well understood legal concept of "in company".

Punishments for various offences are made more severe if the offences are committed "in company". There has been longstanding recognition by sentencing authorities that offenders committing an offence in company may well be committing an aggravated form of the offence. This currently applies to a number of offences, such as robbery, break and enter, and sexual assault. This legislation expands the number of those offences. I would have thought even without these specific amendments if those offences were committed in company that would already be an aggravating factor which would lead to a more severe penalty.

Some of the rhetoric surrounding this legislation would suggest that there has been a dramatic escalation in gang activity recently. It is worth noting, albeit in passing, that what is called gang activity is hardly unique to early twenty-first century New South Wales. Gangs have featured prominently in the Australian media for over 100 years. Collins and others have pointed to the larrikins in the 1880s and 1890s, the bodgies and widgies in the 1950s, and the surfers, rockers, mods and sharpies in the 1970s. This list is hardly exhaustive and you could add The Rocks push and the Millers Point push. The term "hooligan" was coined in the late 1890s in England to describe alleged activities of the Irish. At about the same time the term "larrikin" was used to describe gangs in Sydney. I make the point that there has been a longstanding tradition of community concern about these sorts of issues. Perhaps that is a perspective that is worth remembering.

One other point I make briefly relates to proposed section 315A. That section seeks to prohibit threatening or intimidating victims or witnesses, which is a totally appropriate proposition to put. The reservation I have is that quite often there is discussion in the media and other places about "walls of silence" that are developing in particular gangs or particular communities. You do not deal with the problem by simply having a specific piece of legislation. That is not to argue against this legislation but to perhaps sound a bit of caution. Walls of silence are not rare or unique. They have probably been in Australia for at least a couple of hundred years. The most notorious example in the nineteenth century involved the Kelly gang. The most recent examples are probably the subpoenaed witnesses who turned up at the Police Integrity Commission for Operation Florida. There are a whole range of people who, for a whole lot of excuses, actually have a wall of silence surrounding them.

Mr Debus: Those seeking leadership of the Opposition.

Mr LYNCH: As the Attorney says, those seeking leadership of the Opposition. It would concern me dramatically if, during this speech or any other speech, I were to be praised by the Deputy Leader of the Liberal Party. I conclude by making three points. First, the honourable member for Gosford attempted to predict what was going to be in my speech. I am delighted to say that in this, as in everything else he says about me, he was completely wrong. I hope that the Deputy Leader of the Opposition will have some pleasure in conveying that message to him. Second, the Opposition made two major criticisms. One relates to section 154C.

The honourable member for Miranda, in his criminal law number one lecture today, demonstrated to the honourable member for Epping that he does not have the slightest understanding of what this legislation is about or about basic common law principles about permanently depriving people of ownership. As I interjected at the time, the honourable member for Epping did not earn his brief fee tonight. Third, if the second criticism of the Opposition with respect to this legislation—"It is all paperwork and you are simply increasing penalties"—is correct, why is it pursuing its amendment? If Opposition members believe a word they said in their attack on this bill, why are they pursuing their amendment? They said this legislation should not be pursued because it is simply increasing penalties. What does their amendment do? It increases penalties.

Debate adjourned on motion by Mr Whelan.

SPECIAL ADJOURNMENT

Motion by Mr Whelan agreed to:

That the House at its rising this day do adjourn until Thursday 25 October at 10.00 a.m..

House adjourned at 10.30 p.m.