LEGISLATIVE ASSEMBLY

Tuesday 24 September 2002

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

Mr Speaker offered the Prayer.

MINISTRY

Mr CARR: In the absence of the Minister for Transport for family reasons, the Minister for Public Works and Services will take questions on his behalf.

DEATH OF Mr JOHN RICHARD OVERTON

Ministerial Statement

Mr DEBUS (Blue Mountains—Attorney General, Minister for the Environment, Minister for Emergency Services, and Minister Assisting the Premier on the Arts) [2.15 p.m.]: Last Saturday night the Kanimbla Rural Fire Brigade was carrying out a hazard reduction burn, together with seven other brigades from the Lithgow and Blue Mountains fire districts. The operation was being conducted on Crown land and private property below Mount Victoria. A tragic accident occurred. A burning tree fell, killing volunteer John Richard Overton. The circumstances of that tragedy will be fully investigated by the Coroner, and the details of what occurred must remain for him to determine. However, I am sure all honourable members will want to join me in acknowledging the sacrifice paid by this brave man, and in conveying our heartfelt condolences to the wife and family he leaves behind.

John Overton was a dedicated volunteer and a committed member of his brigade. He had served with several brigades around the State, including those at Terrey Hills and Ourimbah, and served ultimately with the Kanimbla brigade when he moved to the Blue Mountains. He fought the Christmas 2001 fires in Lithgow alongside his comrades. A Vietnam veteran, he exemplified the highest ideals of the volunteer movement, and he died working to protect his community. He leaves behind him a grieving family—his parents, Dot and Albert; his wife, Sheridan; and his children Vanessa, Rebecca and Matilda. I spoke to Commissioner Koperberg on Saturday night soon after this tragic incident, and he assured me that the Rural Fire Service would leave no stone unturned to provide support to Mr Overton's stricken family and comfort to his comrades in the brigade.

Commissioner Koperberg and the Chaplain of the Rural Fire Service, Ron Anderson, have been stalwart in recent days in providing support, and will continue to do so. The community owes our emergency service volunteers and their families a debt that can never be repaid. Every day of the year across the State they respond to fires, storms, floods and road rescue emergencies. They risk their lives for their communities. They espouse a tradition of self-reliance and mutual support which is in many ways uniquely Australian. I am sure all members of the House join me in paying tribute to the life and work of this brave man, and in expressing our heartfelt sympathy to his family in their time of loss.

Mr STONER (Oxley) [2.19 p.m.]: The Opposition joins with the Government in offering condolences to the family of John Overton, who was tragically killed while carrying out his duties as a Rural Fire Service volunteer on Saturday night near Lithgow. Mr Overton died in a tragic accident while attempting to prevent one of many bushfires that have already broken out this season throughout New South Wales. The community owes a great debt to Mr Overton and the other emergency services workers who have laid down their lives while providing much-needed protection to residents and property. Our thoughts and sympathies are with Mr Overton's wife and children, and other family members during this difficult time.

DISTINGUISHED VISITORS

Mr SPEAKER: I draw the attention of members to the presence in the gallery of Mr Royston Hindley, the Deputy Secretary of Western Cape Province in South Africa. I welcome him to the Parliament.

AUTOMOTIVE INDUSTRY ASSISTANCE

Ministerial Statement

Mr WOODS (Clarence—Minister for Local Government, Minister for Regional Development, and Minister for Rural Affairs) [2.21 p.m.]: The automotive industry is Australia's sixth largest export earner. It generates annual revenue of $5 billion, a figure which exceeds the revenue generated by the wool, wheat, wine and beef industries. Although New South Wales does not directly produce motor vehicles, automotive components are made here for domestic and export use. The economic development branch of the New South Wales Cabinet Office says that 70,000 people in New South Wales get their pay packets from activity directly or indirectly related to the automotive industry. Earlier this year the Federal Government asked the Productivity Commission to report within six months on the assistance provided to the local automotive industry beyond 2005.

Tariffs are scheduled to be reduced from the current 15 per cent to 10 per cent in 2005 and then to 5 per cent by 2010. Tariffs have helped to create a substantial automotive construction industry in Australia and have delivered significant employment opportunities in Taree and in Albury. In Sydney there are companies such as Intercast and Forge, Bishops Steering Technology Group, TriStar Steering and Suspension, and Spicer Axles. In April this year, Spicer Axles and Intercast and Forge announced they would expand their operations in New South Wales by investing $70 million in western Sydney, a move that will create 112 new jobs.

The automotive industry is also winning major export markets. Last year the four car makers—Holden, Toyota, Ford and Mitsubishi—shipped nearly 112,000 vehicles overseas worth some $3.26 billion. The recommendations of the Productivity Commission have significant implications, especially for regional New South Wales and companies such as Gibbons Industries in Taree and BTR Transmissions in Albury. BTR Transmissions, for example, has won a major contract with Ssangyong in Korea. The New South Wales Government has provided assistance for BTR to secure those export markets. The company employs 850 people in Albury and 50 research and development workers in Sydney.

The Productivity Commission has delivered three options on the scaling down of tariffs. Although the State Government is generally supportive of the proposal, it is in favour of a more gradual approach. The New South Wales submission recommends that tariffs should be incrementally reduced from 10 per cent in 2005 to 5 per cent in 2015, or whatever the average rate is for the manufacturing sector in that year. The Government believes that approach will minimise the negative immediate effect of the large step-down in tariff reductions, namely, large-scale job losses. It will also give a greater degree of certainty to the industry. The automotive industry is leading the way when it comes to the export of elaborately transformed manufactured goods. Those goods require significant investment in research and development.

That brings me to the second band of assistance that is currently available, the Automotive Competitive and Investment Scheme [ACIS]. The report of the Productivity Commission also proposes that this $600 million a year package be maintained for 10 years before being abolished. In contrast to that, the New South Wales Government has proposed a scaling down of $60 million over the same period, allowing for a soft landing. We have great automotive parts industries in Albury, Taree and Sydney. We want to ensure that the Federal Government protects the jobs created by those industries.

Mr SLACK-SMITH (Barwon) [2.25 p.m.]: The Opposition agrees with the Minister's comments simply because the Australian automotive industry creates a great deal of export wealth and is a home product. As the Minister stated, 112,000 cars were exported last year. People who want to purchase a new Holden Statesman have to wait seven months because currently the assembly line is building left-hand-drive Holden Statesman vehicles for an overseas market—the home of General Motors Holden, the United States of America. Large car producers and small suppliers throughout rural and regional New South Wales both play an important part in local economies.

The 850 employees in Albury referred to by the Minister represent 850 families that require services and facilities. In turn, the provision of those services and facilities creates wealth and employment. Although Australia's high tariffs and subsidies to the automotive industry have been criticised in the past, when push comes to shove Australia is far better off having a vibrant and successful automotive industry than one that is struggling. The Opposition supports the Australian automotive industry: may it continue to sell good quality cars to America.

BROKEN HILL CHAMBER OF COMMERCE INDUSTRIAL DISPUTE

Ministerial Statement

Mr DEBUS (Blue Mountains—Attorney General, Minister for the Environment, Minister for Emergency Services, and Minister Assisting the Premier on the Arts) [2.28 p.m.]: Yesterday I approved intervention by the New South Wales Government in a highly significant dispute before the Full Bench of the Industrial Relations Commission of New South Wales. The importance of that dispute has been highlighted to the Government by the honourable member for Murray-Darling. The case before the commission, *Broken Hill Chamber of Commerce v Barrier Industrial Council*, raises important questions about the operation of the State and Federal systems of industrial relations. It will come as little surprise to many honourable members that the Commonwealth Government has indicated that it will intervene to argue against the legitimate rights of the workers of New South Wales.

In May this year, following a submission from the Australian Council of Trade Unions [ACTU], the Australian Industrial Relations Commission awarded an increase of $18 a week in the award safety net. A few weeks later the Industrial Relations Commission of New South Wales awarded a flow-on of the full $18 into New South Wales awards, upon application. No party to the State wage case proceedings, either employer or employee, opposed that flow-on. Yet in Broken Hill the local chamber of commerce refuses to pass on this increase to its workers, in defiance of the decisions of both of the Federal and State Industrial Relations Commissions. Not only is the chamber refusing to pass on the increase, it is going so far as to propose that Broken Hill workers enter into a non-union Federal certified agreement to get round the wage decision.

In accordance with the powers of the New South Wales Industrial Relations Commission under the New South Wales Industrial Relations Act, the commission has directed the parties to negotiate to end the dispute. Instead of complying with the commission's interim order, the chamber of commerce has appealed, alleging an inconsistency between the State Industrial Relations Act and the Commonwealth Workplace Relations Act. As the case involves a constitutional issue—the relationship between State and Commonwealth industrial relations legislation—I have approved intervention by the State of New South Wales to argue in favour of the New South Wales industrial relations system and the rights of the workers of Broken Hill.

The Solicitor General, Mr Michael Sexton, SC, will argue on behalf of the State of New South Wales that no inconsistency exists. For its part the Howard Government is intervening in support of the chamber of commerce. If this move were successful, the effect would be that Broken Hill workers would not receive the $18 wage increase to which all other workers in New South Wales are entitled. Honourable members will be saddened, if not surprised, by yet another example of the Federal Coalition Government blundering into the industrial arena to argue against the legitimate rights of workers. I call upon members of the New South Wales Opposition to differentiate themselves from their Federal counterparts and instead support the workers of Broken Hill.

Mr HARTCHER (Gosford—Deputy Leader of the Opposition) [2.30 p.m.]: The New South Wales Liberal and National parties are concerned for the welfare of the workers, whether they be in Sydney, Wollongong, Newcastle or Broken Hill. We are concerned that the workers and small businesses of New South Wales are not used as a political football in a dispute between Sydney and Canberra. Canberra has its view. The Attorney General has his view and is prepared to go to war and stage a fight in the Industrial Relations Commission, over the bodies of the workers of Broken Hill, because he wants to use Broken Hill for his own political purposes.

The Coalition parties want Broken Hill to be a viable, successful city. It was a great city once, and it will be a great city again. The Coalition will do all it can to ensure proper regional development across New South Wales so that Broken Hill flourishes. We do not intend to have the people of Broken Hill, whether they be small businesses or workers, used as a political football by the Carr Labor Government. It is interesting that the honourable member for Murray-Darling has not been prepared to raise this issue in Parliament. He has used the Attorney General to raise it for him. Broken Hill has always had an industrial relations record that is unique in the history of New South Wales. It will continue to resolve and solve its own problems. It always has. For the Attorney General to now try to use the people of Broken Hill as a political football is to the shame of the Government. The Coalition's position is clear: we want the best for the people of Broken Hill. We will give them the best from 2003 with a new member for Murray-Darling.

PETITIONS

Planning Control Reform

Petition requesting reform of planning controls by gazettal as a legal document, oversight by the Department of Planning, public benefit assessment of variations, and a ban on development-related donations to political parties and elected officials, received from **Ms Moore**.

Mental Health Services

Petition requesting urgent maintenance and increase of funding for mental health services, received from **Ms Moore**.

Queanbeyan District Hospital

Petition requesting that Queanbeyan District Hospital be upgraded, received from **Mr Webb**.

National Parks and Wildlife Service Prosecutions

Petition asking that the National Parks and Wildlife Service be directed to redress the injustice suffered by the Bacic family and to ensure that future prosecutions under the National Parks and Wildlife Act are properly and responsibly based, received from **Mr Rozzoli**.

Cammeray Traffic Arrangements

Petition praying that pedestrian traffic signals be installed at Raleigh Plaza on Miller Street, Cammeray, and that the 1997 traffic study be implemented, received from **Mr Collins**.

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**.

Oallen Ford Road Upgrading

Petition asking that Oallen Ford Road, a major thoroughfare between the Hume Highway at Marulan and the M92 already under construction, be upgraded, received from **Ms Hodgkinson**.

Cross-city Tunnel Traffic Management

Petition praying that the Roads and Traffic Authority work with Woollahra Municipal Council and local communities to identify and implement traffic management strategies in advance before any toll is collected on the Cross-city Tunnel, received from **Ms Moore**.

Bus Service 311

Petition requesting reinstatement of bus route 311, bus shelters and seats, and the Market Street bus stop, and provision of mini-buses and better information and timetables, received from **Ms Moore**.

Richmond Regional Vegetation Management Plan

Petitions seeking extension of the exhibition period of the draft Richmond Regional Vegetation Management Plan, received from **Mr Fraser**, **Mr George**, and **Mr D. L. Page**.

Underground Cables

Petition requesting that the House ensure that an achievable plan to put aerial cables underground is urgently implemented, received from **Ms Moore**.

Old-growth Forests Protection

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

Hunters Hill High School

Petition praying that the decision to close Hunters Hill High School be reversed, received from **Mrs Chikarovski**.

Circus Animals

Petition praying for opposition to the suffering of wild animals and their use in circuses, received from **Ms Moore**.

White City Site Rezoning Proposal

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

Companion Animals Legislation Obligations

Petition asking that the House ensure that State Government authorities and local councils meet their obligations under the Companion Animals Act, received from **Ms Moore**.

Graffiti Controls

Petition requesting further legislative changes to reduce graffiti on private and public property, received from **Ms Moore**.

Homeless Services Funding

Petition asking that homeless services funding be increased urgently and maintained until no longer needed, received from **Ms Moore**.

Cronulla Police Station Upgrading

Petition praying that the House restore to Cronulla a fully functioning police patrol and upgrade 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**.

Kings Cross Area Policing

Petition praying for increased police strength for Kings Cross local area command and for uniformed police 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**.

Surry Hills Policing

Petition seeking increased uniformed police foot patrols in the Surry Hills Local Area Command, received from **Ms Moore**.

QUESTIONS WITHOUT NOTICE

OASIS LIVERPOOL DEVELOPMENT

Mr BROGDEN: My question without notice is directed to the Minister for Planning. What meetings or deputations has he, his staff or his department held regarding the Oasis project, including any discussions with Liverpool Council, lobbyists or representatives of the Oasis Foundation?

Dr REFSHAUGE: To the best of my recollection, none.

SOUTH COAST CHARCOAL PLANT AND LITHGOW SILICON SMELTER

Mr MARTIN: My question without notice is directed to the Premier. What is the State Government's response to an announcement by Australian Silicon Operations Pty Ltd to the Australian Stock Exchange [ASX] today?

Mr CARR: It is with great regret I inform the House that at 1.30 p.m. today Australian Silicon Pty Ltd advised the Australian Stock Exchange that it will not proceed with its plan to build a mill and charcoal plant at Mogo and a silicon plant at Lithgow. In his statement to the ASX, Australian Silicon Chairman George F. Jones said that the main reason was:

> … the overall risk to the project based on statements attributed to State Opposition members and candidates about its future treatment under a Coalition Government.

Mr SPEAKER: Order! The honourable member for Bathurst will remain silent.

Mr CARR: If that is not clear enough, Mr Jones went on to say:

> The NSW State Opposition has been reported as publicly stating that if elected to government they would shut down the carbon reductant facility and thereby the Silicon Project.

Mr SPEAKER: Order! I call the honourable member for Ku-ring-gai to order.

Mr CARR: That statement was made by Australian Silicon on 24 September. It backed what Australian Silicon Managing Director Peter Anderton said on Saturday:

> The charcoal plant is one part of a very large project and unless we sort it out, the project can't go ahead.

The cost of losing the project is as follows: 250 construction jobs, gone; 120 new jobs for Lithgow, gone; 12 new jobs for Cowra, gone; 53 new jobs in the Eurobodalla shire, gone; 20,000 hectares of tree plantings in the Murray-Darling Basin, gone; $100 million in export income each year, gone; and a new industry worth $4 billion, gone. Honourable members have heard me speak often about the band of prosperity that this Government's policies have created from Orange and Dubbo.

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

Mr CARR: We now have a flow-on effect throughout that band of prosperity from the loss of this proposed investment at Lithgow, which is to be regretted. By the way, without silicon, we do not have lighter silicon alloy metals and lighter cars, aircraft and trains—an environmental gain—or the boost to solar power and photovoltaic cells. Without a silicon plant on the East Coast of Australia we have to import our silicon.

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

Mr CARR: It all comes down, as this statement says, to comments made by the Leader of the Opposition. As he said on Sunday:

> I will not let this go ahead if elected in March.

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

Mr CARR: It is interesting that the Coalition in this State once stood for business, investments and jobs, even for regional jobs. Under this Opposition leader, no more. If the Liberal Party can no longer support regional investment, what about the National Party under the leadership of the Leader of the National Party?

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

Mr CARR: The role of the National Party on this matter is lazy, spineless, compliant, and invisible. Only one member of the National Party bothered to stand up and support Mogo, and that was the former member of Parliament Peter Cochran. There was a time—happy the memory—when the Leader of the Opposition in this place would take a positive, supportive stand on industry policy. There was a time when an Opposition leader would go to Canberra with Nick Greiner and say to the Government of the day, "I support the State's bid for submarine manufacture," or support other things, like a multifunction policy, or would back the Olympic bid, and all the rest.

On 7 February, Australian Silicon wrote to the Leader of the Opposition and told him that a charcoal plant located anywhere else "is not appropriate or a real commercial option". The Leader of the Opposition and his team have been on notice, therefore, for eight months. They have known for eight months that killing Mogo meant killing the entire project. To make matters worse, the Leader of the Opposition refused to return the company's phone calls, according to the company's managing director, Peter Anderton, as quoted in the *Canberra Times* on Sunday 22 September. From a potential investor, the so-called Leader of the Liberal Party refused even to take a phone call about jobs for Lithgow.

Mr SPEAKER: Order! I call the Minister for Information Technology to order.

Mr CARR: Inexperience is bad enough, but sheer recklessness is something else again. Congratulations to the Leader of the Opposition. It looks like he has stopped the plant. He has sent a loud and clear message to Lithgow. The Government, by contrast, has done everything to make this project work. We facilitated all the development approvals; we secured timber supplies and a long-term plantation agreement. We offered payroll tax assistance, and we made sure the project passed environmental tests.

In particular, the plant was to be located in a former quarry, not visible from the road. There were 131 strict environmental conditions; all waste water would be treated on site, and no trees would be cut down for charcoal. Indeed, as the Minister for Planning said, if there were any breach of that condition he would close the plant. Twenty-nine hectares around the plant would be set aside as a buffer zone, and 20 million new trees would be planted in the Murray-Darling. If it is not possible to get bipartisanship in the interests of a project that is subject to those environmental tests and delivers a cluster of new jobs to Lithgow, indeed to the band of prosperity we created, it is not possible to get bipartisanship on anything.

Mr Brogden: Point of order: The Premier asks for bipartisanship. His Labor candidate opposes the plant in Mogo!

Mr SPEAKER: Order! There is no point of order. The Premier has the call.

Mr CARR: One would have thought that these jobs for Lithgow and the Central West, and the surge of money from the pay packets generated by this project, would have attracted bipartisan support? One would have thought that on this the National Party would have spoken up.

Mr SPEAKER: Order! The honourable member for Bathurst and the honourable member for Orange are becoming a little excited. Shouting at each other across the Chamber causes disruption. If they wish to ask a question about this matter, I will give them the call to do so when the Premier has resumed his seat.

Mr CARR: For all my interest in United States presidential history, I have never quoted the tenth president, who was, of course, John Tyler, a whip elected on the ticket of William Henry Harrison in the election of 1840.

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

Mr CARR: John Tyler said, "The prudent capitalist will never adventure his capital … if there exists a state of uncertainty as to whether the Government will repeal tomorrow what it has enacted today."

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

Mr CARR: The honourable member for Lane Cove—who I doubt would ever have made this mistake—would be aware that if you are attracting investment capital, you have to satisfy the market that there is no sovereign risk. That is the essence here.

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

Mr CARR: I hope that on what is a very sad day for regional New South Wales the Leader of the Opposition has at least learnt this lesson.

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

Mr CARR: This is the oldest Parliament in the nation; it represents the largest State, that is, one-third of the Australian economy. It is not a Young Liberal dinner dance. The joking, the antics and the playing at politics that we get from members opposite have consequences. Once a person signs up to be Leader of the Liberal Party, that person's comments will have consequences.

Mr SPEAKER: Order! The Leader of the Opposition will cease interjecting. I place all members of the Opposition on three calls to order.

Mr CARR: I quote again, "… the overall risk to the project based on statements attributed to the State Opposition", which refers to the statements by the Opposition that it would close the plant down. Who could raise investment capital on that basis? The environmental tally includes the planting of 20 million new trees in the Murray-Darling.

Mr SPEAKER: Order! I place the Minister for Information Technology on three calls to order.

Mr CARR: No trees were to be cut for charcoal; all waste water would be treated on site; 131 strict environmental conditions would be met. The arguments mounted against the plant were "not in my back yard" [NIMBY]—not environmentalist. I think three-quarters of the objections to the plant came from Canberra, not from the South Coast. The Leader of the Opposition grabbed a comment, grabbed a quote in the news—

Mr SPEAKER: Order! I remind all members of the Opposition that they are on three calls to order. Members of the Government should remember that the last Government member who interjected was placed on three calls to order. If the present disruption continues, I will place all members on three calls, and that means that I will probably have to ask the Serjeant-at-Arms to escort someone from the Chamber.

Mr CARR: Actions have consequences, and the actions of the Opposition have robbed regional New South Wales of 400 jobs. They have robbed Australia of a silicon plant—and silicon is environmentally friendly—all for the sake of a mention in Sunday's news cycle. That mention, small though it was, came at a great price. The people of Lithgow and regional New South Wales will never forget it.

JASON ANTHONY VAN DER BAAN MURDER TRIAL

Mr SOURIS: My question is directed to the Attorney General. Will he request the Director of Public Prosecutions to seek from Justice Greg James in the Supreme Court the full and proper reasons for his excluding facts which the family of Mrs Irene Wilson believe were critical in her death from the trial of Jason Anthony Van Der Baan, who was charged with Mrs Irene Wilson's murder?

[*Interruption*]

Mr DEBUS: The Leader of the National Party is missing in his own electorate. I was in Mudgee the other day. I bought some apples from a fellow who looked at me and said, "I know you." I replied, "You might have seen me on television." He said, "I recognise you; your name is George Debus."

Mr Tink: Point of order: The Attorney General was asked a serious question about the reasons the judge is yet to give about his decision in a murder trial. He is engaging in a personal discussion about a visit to Mudgee. He should answer the question or be directed to do so.

Mr SPEAKER: Order! The point of order is upheld.

Mr DEBUS: I accept that. Justice James is yet to publish his summing up. Given the way honourable members opposite seek and propose legal opinion, I suppose they have never heard of the ancient principle of autrefois acquit, which means "previously acquitted". Consequently, there would be no Crown appeal on that question.

NURSES SHORTAGE

Mrs PERRY: What is the Government's response to the Commonwealth Government's national review of nurse education and related matters?

Mr KNOWLES: Last Tuesday, the Commonwealth Government handed down the much-anticipated report on the national review of nurse education, which focused on the way Australia trains its nurses. The

report was supposed to shed light on how this nation should address what is acknowledged as a national work force problem. Last Wednesday, I attended a major national conference on professional nursing held in Sydney. The conference delegates were very disappointed with the report. They said that it had entirely missed the point and was a huge disappointment to nursing associations around the country. The review was expected to propose new models of education and both long-term and short-term strategies to stimulate a much-needed revival of interest in nursing as a professional career. The options available to school leavers these days are so vast and the consideration of nursing as a career has so diminished that the aim of the review was to seek ways to revive the interest, particularly of undergraduate students, in nursing as a career.

Instead, we have yet another report from Canberra that offers nothing more than the suggestion that the existing problems will get worse, with no solutions offered by the Commonwealth Government. A glaring omission was a proposal that the Commonwealth Government waive the higher education contribution scheme [HECS] fee for student nurses. Every submission to the review suggested that the fee should be waived. Everyone believed that, for practical reasons, to encourage recruitment and as a symbol to demonstrate to young undergraduates that the nurse shortage is extremely serious throughout the country, the Commonwealth would waive the fee, almost as the minimalist option.

A three-year undergraduate degree in nursing costs $10,500 or $3,500 per annum. That is a lot of money. We thought that the fee would be waived because only two years ago Peter Costello and John Howard waived HECS fees for doctors willing to spend time working in rural Australia because of the shortage of doctors in rural communities. That was the Commonwealth's way of acknowledging that it was an important work force issue and it was something it could do for doctors. Nurses groups have been asking, including at the conference last week, if John Howard could do that for doctors, why could he not do the same for nurses? The Commonwealth Government has waived HECS fees for doctors who will work in the bush but it will not do the same for nurses after a national review into nurse education.

If money were the issue, I would have a simple proposition. The Commonwealth could easily pursue the estimated $240 million, which is currently sitting in the bank vaults of big tobacco companies as a result of the franchise or excise loophole exposed in the High Court in 1997. That was reported in the newspapers earlier today. That $240 million is rightfully proposed for anti-smoking campaigns, but some of it should be put to good use in public health initiatives. A tiny proportion of that sum would pay the HECS fees of every undergraduate and postgraduate nurse, and allow them to develop their careers. The bulk of it should be spent on a massive national anti-smoking campaign. It is a scandal that the Commonwealth Government has advised the States that it will not pursue the $240 million that is now serving as a windfall profit for organisations such as Rothmans and British American Tobacco Australia.

The Premier reminded us yesterday that in the High Court in 1987 and since, Justice Kirby has indicated that the Commonwealth could and should legislate to recoup that windfall gain from those tobacco companies. The money was originally collected as a franchise fee, but was determined by the High Court to be an excise. It is the view and clear advice of the Crown Solicitor that the estimated $240 million can be recovered only by the Commonwealth; the States have no constitutional power to recoup it. However, if the Commonwealth chose to legislate, that money could be directly linked to public health initiatives, HECS fee waivers, anti-smoking campaigns and the like. The Prime Minister refuses to do that.

Mr Mills: Shame!

Mr KNOWLES: It is a shame. It is an absolute travesty. It is a scandal that the Commonwealth Government—despite the suggestion of the High Court and Justice Kirby, and despite the clear evidence and advice from various legal authorities that only it can do this—refuses to legislate to recoup the $240 million windfall from tobacco companies. That money could be used for public health initiatives and to boost the number of nurses. Commonwealth legislation is essential. It is the only way forward. The money needs to be redirected to public health campaigns, initiatives and support. The starting point is always going to be the HECS fee waiver for nurses. If the Prime Minister can waive HECS fees for doctors who are willing to work in the bush, he can do it for nurses. He can do it with the $240 million and receive the bipartisan support of every Parliament and community in Australia.

HOME WARRANTY INSURANCE

Mr DEBNAM: My question is to the Minister for Fair Trading. Given the hardships faced by builders such as Len Hoyle of Castle Hill who, despite 45 years experience and company assets of $40 million, has been

unable to get home warranty insurance for a job that would employ 40 workers, when will the Minister implement the recommendations of Professor Percy Allen and the Joint Select Committee on the Quality of Buildings?

Mr AQUILINA: The Government has been working hard with insurance companies to ensure that builders who have genuine licences and who are able to provide buildings are able to get on with the job. The figures speak for themselves.

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

Mr AQUILINA: The honourable member for Vaucluse may talk about 40 workers. I ask him to consider what has happened with the Lithgow silicon plant and the hundreds of workers who are going to miss out there. The reality with building in New South Wales is this: the number of licensed builders and contractors in New South Wales has increased by 1,315, from approximately 155,000 to 157,000, in the past 12 months. The number of home commencements has increased by 9.7 per cent. Let us not have this doom and gloom attitude from the Opposition. The Government is getting on with the job; builders are getting on with the job. There has been a massive increase in housing commencements in New South Wales.

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

Mr AQUILINA: Where there have been genuine instances of builders not being able to obtain insurance, I invite them to ring the Department of Fair Trading or my office. In cases where there has been a genuine lack of communication or some major or minor problem, we have been able to help them. We cannot help the impossible. A number of cases receive acclaim in the media. However, when we go into the detail we find that these people have transferred all their assets, that they do not even own their homes and that they expect, in some cases, to be allowed to get on with building without insurance. I am not speaking about this case. However, another case recently received a lot of publicity and, when we checked it out, the builder in question had a licence to undertake house lifting, a licence as carpenter and joiner and a licence as a concreter for footings only. However, he complained loud and wide to the media that we would not allow him to obtain a licence and to obtain home insurance warranty to build a house.

Mr Merton: Point of order: The question was quite specific in nature. It referred to Mr Len Hoyle of Castle Hill. The Minister has gone around the point three times and has not answered the question. I ask him to answer the question.

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

Mr AQUILINA: I have indicated to the Opposition that genuine builders with genuine problems are invited to ring the Department of Fair Trading or my office. In all cases where there have been genuine issues we have been able to resolve them. We cannot solve the impossible and we cannot resolve issues where builders do not have appropriate licences and where they do not have assets. They want to build multimillion dollar homes and, at the same time, transfer all of their assets out of their company. We are faced with that situation time and again.

Mr Armstrong: Point of order: The Minister has accused builders of putting money into their homes. I make it clear that builders in my town have educated their kids to be nuclear physicists, doctors and mathematicians. That is where the emphasis has been. It is an insult to builders to accuse them of not honouring their responsibilities.

Mr AQUILINA: I repeat, because the honourable member for Lachlan is obviously hard of hearing, that the number of housing commencements in New South Wales has increased by 9.7 per cent in the past 12 months. We now have 1,315 more registered builders than we had 12 months ago. The number has increased from 155,000 to 157,000. The facts speak for themselves. Thousands and thousands of genuine builders are getting on with the job, not bellyaching to the Opposition because they want to pull swifties in relation to their insurance. I will undertake to look at the case raised by the honourable member for Vaucluse, supported by the honourable member for Baulkham Hills. I undertake to look at the history of that builder.

Mr SPEAKER: Order! I ask the Serjeant-at-Arms to remove the member for Coffs Harbour.

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

Mr Debnam: Point of order: I ask the Minister to withdraw his offensive words. He has just accused genuine builders across the State of bellyaching about their problems.

Mr SPEAKER: Order! There is no point of order. This House has a tradition of robust debate. In the past a request for a withdrawal of words such as those used by the Minister would never have been acceded to. I endorse past rulings on the matter.

Mr AQUILINA: In case Opposition members have difficulty hearing, I state categorically that 157,000 honest, genuine, hard-working builders are doing the right thing by this State and by consumers, but a handful of builders are trying to work the system. We have no sympathy for those builders: the consumers miss out and are left in the lurch. Time and again shoddy buildings are put up and people try to recover their insurance. I have just been advised that there is no record of Len Hoyle contacting the Department of Fair Trading. I reiterate, if there is a genuine problem—and there may well be a genuine problem—we will look into it and try to see what we can do to help this builder. We cannot go around, as the Opposition tries to do time and again, making out that home building in New South Wales is desperate. The figures speak for themselves.

Mr SPEAKER: Order! I ask the Serjeant-at-Arms to remove the member for Murrumbidgee.

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

Mr AQUILINA: In the past 12 months the number of builders registered in New South Wales has increased by 1,315, from 155,000 to 157,000. In the past 12 months housing commencements in New South Wales have increased by 9.7 per cent.

EXCEPTIONAL CIRCUMSTANCES DROUGHT ASSISTANCE

Mr BLACK: My question without notice is addressed to the Premier. What is the latest information on exceptional circumstances [EC] applications for drought-affected areas of New South Wales?

Mr CARR: Last Wednesday I called on the Commonwealth Government to fast-track assistance to drought-stricken farmers in the Bourke and Brewarrina rural lands protection board districts. The next day the Federal Minister for Agriculture woke up to the fact that there is a severe drought. The welfare assistance that he announced is not part of the exceptional circumstances applications.

Mr Souris: It's an extra.

Mr CARR: An extra to what? Whatever it is extra to has not arrived from the Commonwealth Government. The assistance is welcomed but it falls short of the business support that farmers desperately need. I remind honourable members that exceptional circumstances assistance has two components: first, income support and, second, interest subsidies for farm businesses. All we have from the Commonwealth Government is an advance on the income support component. The EC application is still to go through the bureaucratic nightmare of being considered by the National Rural Advisory Council—a process the Byzantine aspects of which I described in full to the House last week. I am advised that the council will inspect the drought areas of Bourke and Brewarrina around 12 and 13 October. It will then start reading our 180-page submission. It will then assess our 180-page submission. It will then meet again.

The council will make a decision on whether to approve the application and make a recommendation to the Minister, who will then take the submission to Cabinet for further consideration. All this for an application, as I said to the House, that covers just 7 per cent of the State. What does the Commonwealth Government's announcement mean for farmers? Graziers in Bourke and Brewarrina will have to weave through a maze of red tape. They will have to pass substantial income tests before they become eligible for drought welfare support payments. These farmers will have to go to Centrelink and show what their income has been over the past 12 months. They will have to explain why that income will drop to zero or near zero over the next six months, and they will have to prove that they have reduced their stock. The process is so complicated that some farmers may have to hire an accountant.

We are talking about people who have sold or slaughtered up to 75 per cent, and in some cases all, of their livestock. They have very little income coming in from sale of stock or wool production. While welfare payments may provide a psychological boost, they do nothing to help farmers meet ongoing business costs. Farmers need the interest rate subsidies provided under exceptional circumstances. We cannot have another case

like the outbreak of Newcastle disease in 1999-2000. Back then the Commonwealth Government provided welfare payments for just 12 weeks but denied farmers access to the interest subsidies. These subsidies are vital; they meet 50 per cent of the cost of interest payments for farm businesses. Farmers are eligible for a maximum of $100,000 per year or a maximum of $300,000 over five years. These payments help struggling farm families meet the loan repayments falling due in the coming weeks and months.

The New South Wales Government is prepared to meet its share of the payment so long as the Commonwealth Government says it is prepared to do the same. The New South Wales Government contribution would be in addition to our 28 drought initiatives—measures covering 60 per cent of the State. And we took just eight weeks to put them in place! With 86 per cent of New South Wales now drought declared, the EC application for Bourke and Brewarrina is not enough. We need applications for other areas. That is why today I can inform the House that we will immediately start work on exceptional circumstances applications for all areas in New South Wales that meet the one in 25 year rainfall criteria. Twenty-two rural lands protection board districts are likely to be eligible provided sufficient rainfall records are found to meet this test. They include western Grafton, Kempsey, Moree, Walgett, Narrabri, Hay, southern Cobar and southern Wilcannia.

These applications will cover more than 24 per cent of the State and at least 9,200 farmers. We believe that all 22 areas will meet the rainfall criteria. Yesterday we set up five new exceptional circumstances teams to start work immediately on the applications. The teams consist of a regional director of New South Wales Agriculture, a livestock officer, an agronomist, an economist and a climatologist. The teams will fan out to these areas to collect information on farm incomes, rainfall records and crop, livestock and pasture conditions. The EC application for Bourke and Brewarrina took a huge effort. It cost $60,000 to put together. These applications will be equal in detail and equal in quality. They will set out in relentless detail why the Commonwealth Government must provide help. We aim to have the applications in Canberra by mid-November. What we ask of the Commonwealth in return is a quick, comprehensive and sympathetic response. The farmers of New South Wales are entitled to expect that.

BRIGALOW BELT SOUTH BIOREGION ASSESSMENT PROCESS

Mr CULL: My question without notice is directed to the Minister for Forestry. Given the fear of locals that the Government will tie up the Brigalow belt south bioregion, what support will the Minister give the Brigalow Region United Stakeholder's proposal, which offers 143,000 hectares of new conservation areas and preserves 368 industry jobs, 130 State Forests jobs and 3,000 regional jobs?

Mr YEADON: This is the first time I have heard from the honourable member. The Regional Forest Agreement process in western New South Wales is following a similar course to other regional forest assessments in the upper, lower north-east, south-east and southern regions of the State. For the edification of honourable members, government agencies and stakeholders have looked at a range of options for that region.

Mr SPEAKER: Order! I remind the honourable member for Epping that he is on three calls to order.

Mr YEADON: That process is still continuing. When that process has concluded the Government, as it has with all other regional forest areas, will make the ultimate decision on land-based uses. I find the honourable member's question a little audacious. He gets up in the Chamber and rants and raves about the jobs that the Government is allegedly putting at risk. The Government is putting nothing at risk. We are going through a defined process which is in stark contrast to what the honourable member's leader and his party have done to the silicon project proposed for this State and in Mogo where 430 jobs have been buried. The honourable member, his party and his leader will wear the odium of that in his constituency: at the next State election his constituents will bury him.

PRISON CONTRABAND

Mr CRITTENDEN: My question without notice is addressed to the Minister for Corrective Services. What is the latest information on prison staff intercepting contraband from entering New South Wales gaols and related matters?

Mr AMERY: First, on a Corrective Services matter, I indicate to the honourable member for Dubbo that, despite all the talk here about the loss of jobs in the Central West—

Mr Carr: Due to the Opposition.

Mr AMERY: The Premier makes a good point. Despite all the talk about the loss of jobs in the Central West due to the Opposition, there will definitely be a gaol in central western New South Wales, no matter what the fellow opposite has to say about it, because that is in the Government's hands. Maybe we have lost some jobs in the Central West, but we will continue to create jobs.

Mr Hartcher: It was a related matter, was it?

Mr AMERY: Yes, it was. Last month drug detection dogs and their prison officer handlers successfully intercepted 25 visitors who were trying to smuggle drugs and drug implements into prisons. I am sure that honourable members realise that one of the great challenges confronting prison systems throughout the world is controlling the movement of contraband, such as drugs and other substances, in and out of the system. I acknowledge the great work that is being done by New South Wales prison officers in intercepting contraband that is being brought into this State's prisons. Police have charged those 25 visitors with a variety of offences. So far this year 171 visitors have been charged as a result of the vigilance of prison staff, the dogs and their handlers. Recently a visitor to a maximum security prison was caught with 100 syringes. At another prison a female visitor tried to conceal drugs in a packet of potato chips—the honourable member for Ku-ring-gai should not get excited—but was observed by prison officers. I am pleased to advise the House that she was later charged by police.

Mr Tink: Point of order: My point of order is based on standing orders related to anticipating debate on a bill that is before by House—namely, the Crimes (Administration of Sentences) Further Amendment Bill. That amending bill specifically relates to the testing, both random and targeted, and searching of prisons within the Department of Corrective Services. The Minister is anticipating debate on a bill that is not only before the House but is on the table.

Mr SPEAKER: Order! The Minister is dealing with contraband being bought into prisons by outsiders. The Chair has always been of the view that it is permissible for Ministers to provide information to members about a bill before the House so that members will be better informed when the debate on that bill takes place. That is what the Minister is doing.

Mr AMERY: I indicate that the powers of the interception were exercised under existing legislation and have nothing to do with a bill that will be debated today, and that is even more good news. Only last week the search by a drug detection dog and its handler of a visitor's car in the parking area of a maximum security prison uncovered a quantity of heroin and 15 syringes. The arrests once again send a clear warning to visitors who are trying to smuggle drugs into prisons that they will be caught and that they will pay the penalty. So far this year the Corrective Services Drug Detection Dog Unit has searched more than 36,000 prison visitors and 1,400 vehicles. These searches are in addition to the regular and random searches that are carried out by prison staff as part of the normal security regime within New South Wales prisons. In addition to the surveillance of visitors and searches inside prisons, the unit has carried out drug raids with New South Wales police officers across the State and has assisted the Department of Juvenile Justice in searching its detention centres and detainees.

The success of the Drug Detection Dog Unit and prison staff is clear evidence that the Government's tough approach to keeping drugs out of prisons is extremely effective. I emphasise that the majority of prison visitors keep to the law and comply with regulations, but a minority will always try to flout the law—and, in many cases, in a most brazen way. Honourable members will recall recent events in what is known as the super max facility at Goulburn gaol. An attempt to smuggle out material that was adjudged unsuitable resulted in a two-year suspension of the visiting rights for the mother of an inmate. As all honourable members know, predictably civil libertarians said that the department was acting too tough. I assure the House that there is nothing unusual about the way that this matter was dealt with, and certainly nothing unusual about a two-year ban applying to an attempt to conceal contraband. Any visitor who attempts to smuggle contraband into or out of a prison in New South Wales will be banned and may be charged by police.

These matters are not only about security of our gaols; they may also constitute criminal offences. Unfortunately, the public hears only about the high-profile cases. However, during 2001 a total of 461 people were banned from visiting gaols in New South Wales. The bans were for a variety of offences, including offensive behaviour, violent behaviour, inappropriate social or sexual behaviour, giving false identification, or attempting to smuggle contraband into or out of prison establishments. Approximately one-third of the people involved were banned for two years or more. Since 1 January this year another 345 visitors have had their visiting rights suspended.

I hope that that information clears up the notion that somehow one particular person has been treated differently from the way in which many people are treated when they come into this State's prison system. The figures show that each year literally hundreds of people are prevented from doing the wrong thing when visiting gaols. The message is clear to everybody who visits New South Wales prisons: If they try to smuggle contraband or behave inappropriately while visiting prisons they will be detected and they will have to wear the consequences of their actions. I hope that I have allayed the many concerns about the quantity of contraband that is attempted to be smuggled into this State's prison system.

OASIS LIVERPOOL DEVELOPMENT

Mr O'FARRELL: My question is to the Minister for Land and Water Conservation. Will the Minister detail how many meetings he had as Minister for Land and Water Conservation concerning the Oasis project, who was present at those meetings—including any of his parliamentary or Cabinet colleagues—and what issues were discussed?

Mr AQUILINA: The answer is simple: none.

KEMPSEY CRIME PREVENTION AND JOB CREATION STRATEGIES

Mr NEWELL: I direct my question without notice to the Minister for Aboriginal Affairs. What is the latest information on job creation and crime prevention in the Kempsey area?

Dr REFSHAUGE: Recently I visited the electorate of the honourable member for Oxley to inspect the Government's crime prevention and job creation program in Kempsey. There is no doubt that it was inspiring. The town of some 27,000 people is pulling together to find solutions to some of the toughest issues facing our families, communities and governments today: reducing crime, creating jobs and training for young people, keeping kids in schools, providing role models for them, and ensuring that essential services get to those who need them most. In Kempsey mums and dads, teachers and community leaders have been working hard with the local council and government agencies to set up local programs that work. These local ideas and solutions will become a reality with a $1.1 million grant from the Carr Government.

Twenty community-based programs will now be implemented in Kempsey, including improvement of the lighting, landscaping and pavements; a crime prevention plan, including two minibuses to enable the Kempsey assistance patrol to patrol a greater area, and larger premises to temporarily shelter homeless or intoxicated people; a program for the responsible service of alcohol; a youth plan to encourage young people to stay at school, to improve co-ordination of youth services and to set up a mentoring scheme to train mentors for young people; an antidomestic violence program for field workers to assist Kempsey families; improvements to the Aboriginal cultural educational park to promote cultural awareness; a literacy and numeracy program for apprenticeships and traineeships, which will create more than 15 jobs; renovation of the Kempsey Aboriginal Land Council building to create a community centre; a recreation and cultural facilities plan to ensure that that facility is a well located; improved facilities at the cultural and educational park to promote cultural awareness of bush tucker and tourism; and $80,000 for the Full Circle indigenous youth training program, which will create 15 new jobs for young people in a mechanic's workshop.

I was particularly impressed with the Full Circle mechanics program, which is run by Don Wade. I was impressed with his team of young Aboriginal apprentices. It was a simple local idea to provide experience and activities for disengaged young men. It is now a viable business that is involved in purchasing, re-engineering, repairing and selling cars. I saw first-hand how you can rev up a 1980s Ford and create a slick racing machine. From this the boys get employment, entertainment, and a few knocks, but importantly they get pride in themselves. And they are extending their generosity; they are modifying an old car so that they can race it to raise money for charity. Greg Babbage and Richard Smith—Mum Shirl's grandson—have also created a successful bush tucker tourist park serving damper and lemon myrtle tea to tourists who visit the park to learn about bush tucker native plants.

This is attracting tourist dollars to the area as well as raising cultural awareness. The best way to do this is through local ideas and local solutions. Kempsey is a shining example of a community that is working together to solve its problems. I would like to commend particularly the Kempsey Council and Mayor Janet Hayes, the Kempsey Aboriginal Land Council, and the great work of the many New South Wales agency staff who have dedicated their time to this process, particularly the staff of the Premier's Office. Before I went to Kempsey I notified the honourable member for Oxley, the local member. He was unable to attend, but he sent an important message to the community. I read it then, and I will read it now. He said:

> I sincerely welcome the announcement today of funding for a Crime Prevention and Youth Training Program for Kempsey.
>
> Sadly, in an area of high unemployment, young people may sometimes lose hope of a positive future and get involved in drug and alcohol abuse and petty crime. This program will hopefully change that by offering positive alternatives and hopes for a future career.
>
> A community driven initiative, I welcome the Government's support for this excellent Crime Prevention and Youth Training Program ..

I am confident this funding, along with the energy of the community, will help to change people's lives.

Questions without notice concluded.

CONSIDERATION OF URGENT MOTIONS

Southern New South Wales Job Creation Initiatives

Mr W. D. SMITH (South Coast) [3.40 p.m.]: The motion of which I gave notice should proceed as a matter of urgency because of the importance of job creation methods and strategies in southern New South Wales. The motion is urgent because of the need to continue those strategies to facilitate economic growth for areas in southern New South Wales, particularly the Shoalhaven, Tumut and Queanbeyan.

School Computer Thefts

Mr O'FARRELL (Ku-ring-gai) [3.41 p.m.]: The motion of which I gave notice is urgent because each week 50 computers are walking out of our schools. As we speak $96,000, the cost of those computers, is lost each week to our schools. My motion is urgent because, if it were allowed to follow the normal course of parliamentary events, or even be fast tracked, $400,000 worth of computers, or 200 computers, will have been stolen from our schools. My motion is urgent as it will allow the Minister for Education and Training to explain to the House what practical steps are being taken to stop the theft of computers from our schools. My motion is urgent because every day, in classrooms across New South Wales, students are having their work stolen, their teaching periods disrupted and their schools destroyed, while teachers' capacity to teach is being reduced, because of the theft of school computers.

My motion is urgent because, as the honourable member for Blacktown has said, it would be preferable to pile computers on the school oval and prevent damage to classrooms because of the appalling school security that this Government has in place. My motion is urgent because year after year Ministers for education have come into this Chamber to explain what they are doing to improve security at schools, and for the past seven years, including this year, the Minister for Education and Training has claimed that those security measures would protect school computers from theft. The current Minister for Education and Training told Steve Price on 2UE this morning that he became very alarmed about this issue when he was appointed Minister for Education and Training last November.

My motion is urgent because it will allow the former Minister for Education and Training, The Hon. John Aquilina, to explain to the House what he did not do in the 6½ years that he was Minister to protect against the theft from our schools of more than 8,000 computers, valued at over $15 million. My motion is urgent because it goes to the heart of what government is meant to be about. It is urgent because it addresses the education of the young people of this State. It is urgent because we must equip our school students with computers and technology skills. The Government's beneficial Computers in Schools Program has delivered 90,000 computers to our classrooms, but one in nine of those computers has gone west—not in a geographic sense, but in a criminal sense: they have walked out of our schools.

My motion is urgent because the Government has to do more than simply say that the 10,000 computers to be delivered to schools this year will have lockdown devices. The Minister must explain why lockdown devices will not be put on the 90,000 computers already in this State's classrooms. My motion is urgent because it will allow the Minister for Education and Training to explain to the Chamber the involvement of subcontractors who are engaged to provide security to schools but are involved in the theft of computers. During the upper House estimates committee proceedings the Minister ducked the question about school security subcontractors and contractors who were sacked because of criminal charges arising from their involvement in the theft of computers from our schools. I put to the House that the loss of one or two computers may be careless, but the loss of 10,500 computers is not an accident: it is organised crime.

My motion is urgent because the Minister must explain those issues to the House. The Minister must tell the House what steps are being taken by the department in administering security contracts to ensure those

undertaking the contracts are not involved in stealing computers from our schools. A subcontractor is before the courts as I speak. My motion is urgent because claims against insurance policies covering public schools increased from $11 million in 1995-96 to $31.8 million two financial years ago. That $20 million in claims could have been better directed to providing better security across our schools.

My motion is urgent because it is time this Government stopped joining the chorus of discontent about the standard of services in this State. My motion is urgent because the Minister, the Hon. John Watkins, should come into the House and do more than wring his hands and join the chorus of dissatisfaction about the state of education in New South Wales. My motion is urgent because the Minister must explain to the House what he will do to stop these computers walking out of our schools, what he will do to give our students the education they deserve and give taxpayers the credit they deserve. [*Time expired.*]

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

SOUTHERN NEW SOUTH WALES JOB CREATION INITIATIVES

Mr W. D. SMITH (South Coast) [3.47 p.m.]: I move:

That this House:

(1) notes the success of the Government's efforts to create jobs in southern New South Wales; and

(2) recognises the importance of the State Government's Country Centres Growth Strategies in southern New South Wales, particularly the Shoalhaven, Tumut and Queanbeyan.

The Carr Labor Government has the experience and the commitment to deliver jobs and economic growth for country communities. Do not take my word for that: the numbers tell the story and the evidence supports my statement. Since April 1995 this Government has facilitated 27 projects, representing more than $35 million of private investment, and the creation of more than 475 full-time jobs in the South Coast region. Our targeted and strategic approach to creating country jobs is working. This Government has developed a raft of policies and programs to assist local communities solve local problems. One of those programs is the Country Centres Growth Strategies Program.

The country centres growth strategies are tailored to the specific needs of individual communities. In the world of job creation, one size does not fit all. Since this program was developed, 10 strategies have been completed. Today it gives me great pleasure to outline to the House the success of the strategy for the Shoalhaven, in my electorate of South Coast. The strategy is a comprehensive package of assistance, developed by the State Government specifically for the Shoalhaven. The first step in the plan was to appoint a business development manager in January 2000. That person is Mr Michael Jerks, who works with the local community to promote the Shoalhaven as a good place to do business. Another of his roles is to work with local businesses that are looking to expand in the area or to break into new markets, and he has been doing an excellent job.

The Shoalhaven, which is attracting new industry on a regular basis, is quickly gaining the reputation as the hub of the New South Wales defence industry. Partech, a local company which is leading the way in defence industry simulations, recently expanded to keep up with the demand for its products, creating 15 new jobs and $150,000 in investment for Nowra. Another success story is Nowra Chemicals, a well-known and well-respected long-time local company, which expanded its facilities for the production of detergents and soap. That represented an investment of $2.6 million and brought 15 new pay packets to Nowra.

The Bomaderry-based Probiotech cheese plant has also recently been completed with the help of this Government. That $180,000 investment in plant has generated 15 new full-time jobs. The strategy has also provided assistance to the Shoalhaven's peak industry representative, the Shoalhaven Industry and Business Association. To help the association become more effective and professional the Government provided funding for secretariat support. A new executive officer was appointed and a strong partnership has developed between the Government and that association. It regularly liases with the local office of the Department of State and Regional Development on a range of issues and projects. Its President, John Buik, and I meet regularly to discuss matters and raise issues.

In close partnership with the community this Government also helped to establish the Shoalhaven Small Business Service Centre. That strategy cuts through red tape—a major frustration for those entering the world of small business. It also brings together government agencies, local businesses and the community. It is

the Government's action plan for future jobs growth in the Shoalhaven region. These strategies are successful because they are developed in close partnership with the local community. We know that there is no point in reinventing the wheel, but when we want good advice on how to best create new opportunities for country New South Wales we need to go to the experts. I am not talking about bureaucrats and academics; I am talking about local people.

Local councils, businesses and the community have the key local knowledge that is vital for the future of country communities. Also included in the strategy is an agribusiness diversification study to find new opportunities for local farmers. In order to attract investment to the area the Shoalhaven was included in the development of the Illawarra Virtual Investment Centre, discussing what the IVIC is and how it works. Part of attracting new investment is marketing— the advantages of doing business in the Shoalhaven. The Government's strategy proposes a partnership approach to selling the Shoalhaven. That strategy involves local economic development organisations working together to promote the Shoalhaven.

I hope that all local organisations and businesses get behind this important project. This is an ongoing commitment by the Government to promote economic and job growth in the Shoalhaven. This Government is working in close partnership with local organisations to achieve positive outcomes for the community. Our pristine beaches and forests in southern New South Wales and on the South Coast are something that everyone should experience. Tourism was identified in the strategy as an industry with a huge opportunity for the Shoalhaven. In fact, the number of people that flow into my community over the Christmas and Easter periods has increased by 300,000. The tourism industry in southern New South Wales is worth $880 million.

A tourist site identification study is under way. Community event management workshops were held last year. The strategy also includes plans for the development of the Shoalhaven's smaller communities. In my electorate I have 40 villages of varying sizes, most of which are quite small. We are targeting villages as part of our strategy. We have covered all bases and we have covered all options in job generation on the South Coast of New South Wales. But this is only one of the 10 growth strategies that the Government has put in place. Queanbeyan, which is located in the electorate of the honourable member for Monaro, who is in the Chamber, has a strategy in place. That strategy covers an audit of businesses in the area, a study of the availability of industrial land, an investment attraction strategy, and hiring an economic development officer for the region.

Country Labor recently held its annual conference in that area. It was obvious then that the area had great potential. It was pleasing to note that potential on my second visit to Cooma. If Queanbeyan and Cooma had better representation the sky would be the limit. The Country Labor candidate for Monaro, Steve Whan, is already working hard for the people of that area. At that conference two weekends ago I saw him speaking to the Premier and lobbying for his community in true Country Labor style. Unfortunately, the current local member is either unwilling or unable to effectively represent the people of Monaro.

Southern New South Wales gets its fair share from this Government. Tumut, another town in southern New South Wales, has a strategy in place. The Tumut strategy includes the hiring of a local economic development officer, an industrial land study, a labour enhancement strategy, and transport infrastructure upgrading. Unfortunately, Tumut is in the same predicament as Queanbeyan. People in those electorates are looking for someone to represent their interests in Macquarie Street and provide a strong voice for those communities. Country Labor and the New South Wales Government have the runs on the board for job creation and economic development in southern New South Wales.

We are always looking to foster the best interests of people in country New South Wales. This Government is delivering jobs for the people of southern New South Wales by listening to them and working in partnership with them. We are working co-operatively with people in the southern regions of New South Wales. This Government and the Minister deserve great praise for facilitating the 27 projects that I mentioned earlier— projects that represent over $35 million in private investment and projects that have created over 475 full-time jobs on the South Coast.

Mr WEBB (Monaro) [3.57 p.m.]: I take this opportunity to place on the record the importance of my electorate, in particular, Queanbeyan, Cooma—the geographical centre of Monaro—the Snowy Mountains and the whole south-east of New South Wales. This motion was moved today because the Labor member for South Coast does not understand issues relating to the tablelands. He had to visit Cooma and talk to his Labor cronies to find out what is happening in those important regional areas. The honourable member for South Coast referred earlier to the strategies of this Government. Government members should not stand up in this Chamber and say that they support small business and growth in regional areas when they do not understand it. This

Government has had an impact on the forestry industry right across New South Wales—an impact that was aggravated today by the Premier's statement about the proposed Mogo charcoal plant. Recently the Minister for Planning said that this Government would close such a plant if it infringed the laws of this State.

The hard-working member for Bega, who is soon to retire, and I have said in this House that we support the construction of a charcoal plant at Mogo. However, questions have been asked about the location of that plant. Jobs and wealth would be generated if such a silicon plant were built. The Premier and the Government approached this issue in the wrong way because they have to support the green lobby. This project was set up to fail. Country Labor members, who do not support country areas, will not vote against this Government. Honourable members would be aware of George Georges, a former member of the Federal Labor Party, now deceased, who crossed the floor and voted against the Government. He was thrown out of that party. If Country Labor members voted against this Government on any issue, for example, regional forest agreements, country issues or daylight saving, they would be thrown out of the party.

The need for a Country Centres Growth Strategies Program has come about despite the growth in country regions and the ability for those regions to grow and prosper. In 1995 the Premier walked up the main street of Queanbeyan and promised the people of Queanbeyan $33 million in funding for the establishment of a ring-road. But he reneged on that promise—just as the Government has reneged on promise after promise. It was only after the Federal Government made a commitment to provide $2 million in funding for a heavy vehicle bypass in Queanbeyan that the Minister for Roads promised to match that funding with an amount of $2.7 million. The bypass is essential for Queanbeyan's growth. It is the fastest-growing regional centre outside metropolitan Sydney, with a growth of 3 per cent and a population of 32,000. At present the Yarrowlumla shire has a population of around 10,000.

Queanbeyan's growth continues because of its unique location, a location that is the subject of one of the most extraordinary debates in the Federal Parliament. Indeed, John Gale, the father of Canberra, said it would be the nation's capital. The growth of the district continues despite the actions of the State Government. Queanbeyan is three minutes drive from Canberra. It is halfway between Sydney and the Snowy Mountains, and it divides the agricultural areas in the west of the State and the fishing industries on the far South Coast and the South Coast. Because of the Government's poor record of helping the commercial fishing industry in New South Wales I recently called on the Minister to resign. The Government has done nothing to support the commercial fishing industry in New South Wales, just as it has done nothing to support the forestry industry.

The growth in Queanbeyan and Cooma is built upon sound Federal Government strategies and job creation. The designation of the sites to the east of Queanbeyan for the Australian defence operational theatre will create and continue to support growth in that region. It will create 1,000 construction jobs and attract 3,000 people to the local area. I am grateful to the Federal member for Eden-Monaro, Gary Nairn, and the Federal Government for the Federal Government's economic management in bringing about this change in these areas, despite the actions of the State Government.

The initiative to provide $200,000 over two or three years to support a Country Centres Growth Strategies Program is very welcome. The funding has aided Simon Mitchell Taverner and the local community, the council, the Business Enterprise Centre and other business people to look at and measure Queanbeyan's status. It has also provided for space-age technology, new-age titanium dioxide solar-powered cells, fibre optics, and world-leading technology on laser tracking of space objects. This has occurred despite what the State Government has done. In fact, the Federal Minister for Science and Technology has provided assistance for these industries.

Queanbeyan is a regional hub for transport operators, given its co-location with the Australian Capital Territory and a limited international airport, which is a further growth factor. Queanbeyan's growth is driven by the local people, groups such as Cooma Unlimited and the Queanbeyan business promotions group; the work of Neil Donoghue, Brian Rooney and Dougall Mitchell in Cooma; and the support of the Federal Government in the defence call centre. The State Government's reopening of the gaol is to be applauded. However, it is unfortunate that the Minister and the Premier were not able to attend the reopening because they did not even know that there was an airport in Cooma where they could have landed. It is a shame that Government members do not know their local geography. I congratulate the Government on reopening the gaol, but it should never have been closed in the first place.

The Government should be doing a lot more to support small business. It should reduce the tax burden on small business and the farming sector. We now have the ridiculous situation in which a Scientific Committee

can suggest to the Minister that removing dead timber is a threat to termites or fungi. We will not worry about the social or economic costs of removing dead timber, we will not worry about the firewood industry, and we will not worry about the farming sector, because this Government and its Country Labor city faction simply do not understand the farming sector.

At the moment there is a debate about exceptional circumstances assistance for farmers affected by the drought. In the past the State Government had an obligation to assist farmers. This State Government has done nothing but burden farmers with its native vegetation legislation and threatened species legislation. The Commonwealth Government's exceptional circumstances grants are provided for exceptional, once-in-a-lifetime circumstances. However, the State Government did not even apply for such grants. The Minister for Agriculture is a signatory to the agreement, yet he has not even made an application to the Federal Minister for Agriculture, Warren Truss, who urged him to change the criteria to make it easier for farmers to obtain such assistance. The Federal Minister cannot even get the State Minister to sign the agreement. We support growth strategies in Queanbeyan, Cooma and surrounding areas. I thank the Government for what it has done in this regard, but it is simply not enough. The Government has been nothing but a burden to the farming sector, the recreational sector and small business. Those people deserve credit for what they have done.

Mr WOODS (Clarence—Minister for Local Government, Minister for Regional Development, and Minister for Rural Affairs) [4.07 p.m.]: During the serious drought of the early 1990s the then Federal Labor Government spent billions of dollars assisting thousands of farmers. At present not one cent in Federal funding is going to any farmer in New South Wales. Any member of the Opposition who speaks in this debate about being pro-business is either a fool or has a hide an inch thick. Today we discovered that the Opposition was responsible for costing country New South Wales more than 400 jobs and an industry worth $4 billion.

All members of the Opposition should hang their heads in shame, because there is no misunderstanding about this. The whole issue was dealt with in the words of the company—not the Government. The company said that the Opposition was responsible for it not going ahead. Every member of the Opposition who says he or she is pro-business should shoot straight up to the office of the Leader of the Opposition and ask him why he has cost this State an industry worth $4 billion and 400 jobs. If they do not do that, they are not fair dinkum. If the Leader of the Opposition were fair dinkum he would be in this Chamber explaining his position.

Mr Amery: There was no personal explanation today.

Mr WOODS: There was no personal explanation. The Leader of the Opposition stands condemned for costing country New South Wales more than 400 jobs and a $4 billion industry. The honourable member for South Coast spoke about the tangible outcomes for southern New South Wales as a result of the Labor Government's Country Centres Growth Strategies Program. The New South Wales Government and the Country Labor team have achieved what the Opposition could never achieve, and possibly never can achieve, in regional New South Wales: results, actual growth and actual jobs by consistent, strategic, targeted intervention, always considering the needs of the local communities. The Department of State and Regional Development has had a team on the ground working tirelessly to promote the economic development of businesses and communities in regional New South Wales.

The Government believes that regional economies and communities should not be left to the whim of unfettered free-market forces. We should be lending a hand and doing something positive. The Carr Government does not subscribe to the view espoused by the free-market economists in Canberra—the Peter Costello-John Howard group. Unlike the Federal Government, which slashed over $200 million from regional development programs in its first budget in 1996-97 and then abandoned regional economies until the 2001 election campaign, in 1998 the Carr Government made regional development a priority. It produced the Rebuilding Country New South Wales strategy document, which contained the Regional Economic Transition Scheme, the Regional Business Investment Tours Program and the pilot of the Riverina Country Centres Growth Strategy.

Since then the Government has implemented the Meeting the Challenges Project, which identified and addressed further barriers to economic growth in regional communities. That involves providing better access to capital for businesses; assisting the expansion of small to medium size businesses into new markets; encouraging new, emerging industries such as aquaculture, salinity business development, plantation forestry, the regional film industry and culinary tourism; nurturing community economic development in small towns with the hugely successful Town Life Development Program and, importantly, showcasing regional New South Wales as a good place in which to live and work. The Carr Labor Government has always considered our regional communities. Once again, all honourable members opposite should hang their heads in shame because they have cost this State, particularly country New South Wales, 400 jobs and $4 billion in investment.

Ms HODGKINSON (Burrinjuck) [4.12 p.m.]: The Minister for Regional Development obviously does not realise that he is the Minister responsible for these issues. In speaking to this motion I acknowledge the importance of regional development and jobs, particularly in the Tumut area, which is mentioned in the motion. The south-west slopes timber industry generates product valued at about $500 million a year. That output is projected to rise to about $1 billion in the next 10 years, which will be a huge benefit for New South Wales. The forestry industry accounts for about 60 per cent of all jobs south of Gundagai and east of the Hume Highway. Therefore, it is important to our area that the industry be allowed to continue and that logging be afforded all the support it deserves. Recently I received a copy of a letter sent to the Minister for Forestry by the Tumut Shire Council. The council and, in particular, the General Manager, Chris Adams, have been extremely active in regional development. The letter stated:

> Tumut Shire has concerns about the continued operation of the Tumbarumba Alpine Hardwoods Pty Ltd at Laurel Hill. This mill and its surrounds is on the Shire boundary between Tumbarumba and Tumut Councils and partly in both local government areas.
>
> The mill employs about 16 people, approximately half of whom live in Tumut and some in Batlow, which is suffering unemployment problems at the moment with the closure of the Mountain Maid cannery. Council understands that the mill owners are attempting to restructure their business and are presently carrying out business planning to assist the company to continue its operations, however, one issue that is of concern is a debt to NSW State Forests for timber supplies to the mill.

Timber Communities Australia Ltd is the peak grassroots industry support group. It called on the New South Wales Government to put a stop, once and for all, to anti-logging protests. Timber Communities Australia stated:

> New South Wales has gone through a very rigorous process called the Regional Forest Agreement (RFA), that has created a good balance between operational forests and reserves and WAS meant to put a halt to these actions that interfere with legal harvest operations.

We must ensure that logging and the timber industry are allowed to continue unhampered by greenies and others who have a particular agenda. The industry is a major earner for our part of the world. Some of the major companies in the Tumut area include Visy, Carter Holt Harvey, Weyerheauser Australia Pty Ltd and so on. Sadly, we have lost Mountain Maid, which has resulted in a loss of jobs in the Batlow area. Much work is yet to be done. I commend Erik Kalaskautskis and his Regional Employment Transition Scheme team, which is hard at work in Batlow looking at greenfields sites and reviewing the Mountain Maid site.

With jobs comes the need for infrastructure. We must ensure that hospitals, schools and roads are maintained. Tumut hospital needs to be reviewed urgently to establish whether it will be able to meet the population's future needs. The hospital's physiotherapy service has been experiencing problems. I recently raised in the House the fact that the Greater Murray Area Health Service [GMAHS] has been unable to fill two positions that have been vacant for more than six months. Karen McPeake, the chief executive officer of the GMAHS has just resigned. We have terrific schools in the Tumut district and many are benefiting from the attendance of international students connected with Visy. However, Franklin Public School needs an extension to its library and ramps have not been installed for wheelchair-bound and blind students. Tumut Public School's split campus problem must also be resolved.

Accompanied by great fanfare, the Minister for Roads announced that $60 million would be spent in the Tumut region over 10 years. In answer to a question on notice he stated that $7.2 million had been spent on the two-kilometre driveway between the Snowy Mountains Highway and the Visy plant. That amount does not go very far; much more money should be spent on roads. I have called on the Minister many times to provide additional funding for that growing area, as was promised before Visy came into existence, but that funding has not been forthcoming. I invited the Minister to a road summit two years ago, but he would not come. The shadow Minister attended, as did representatives of the timber industry, councils and businesses. They realised that the Minister obviously does not care about regional New South Wales. He should provide more funding in that area. I could go on ad infinitum on this topic, but time restricts me.

Mr BROWN (Kiama) [4.17 p.m.]: I support the motion moved by my colleague the honourable member for South Coast because it is about promoting jobs in regional New South Wales. The question that has not been answered is whether the National Party was consulted when the Leader of the Opposition decided to make reckless statements and to deny this State a $4 billion funding injection and the creation of hundreds of jobs up and down the coast and inland. If the National Party was consulted, why did it not support the proposal? If it was not, why is it part of a Coalition that is costing jobs in regional New South Wales? I would like those questions answered.

Since April 1995 the Carr Labor Government has facilitated six projects in the Kiama region, representing more than $10 million worth of private investment. It has created more than 100 full-time and 80

part-time jobs over the life of those projects. Since March 1999 the Department of State and Regional Development has facilitated three projects, representing more than $10 million of private investment, and generated more than 70 full-time and 60 part-time jobs across the region. Numerous projects have been secured in the region since 1995. Those projects include the construction of Willow Vale Estate Winery at Gerringong, which involves an investment of $3 million and the creation of 11 full-time jobs.

Only last weekend I visited the winery and spoke to the proprietors, Narelle and Brian Jackson, and tasted their latest wine. This terrific industry is growing in the Shoalhaven area. The area has been brand labelled as Shoalhaven Wines. There are a multitude of wineries in the southern part of the Illawarra, which is becoming the centre of a wine industry in its own right. Another project that has been secured since 1995 is the expansion of Weston Printery at Kiama. That printery produces terrific records of journals, including the *Kiama Independent* and the *Lake Times*. It received an investment of $80 million, which created 60 full-time and 64 part-time jobs.

Mr George: But what has the Government put into it?

Mr BROWN: The honourable member for Lismore continually interjects, asking what the Government has put into these projects. The Willowvale Estate Winery secured a sizeable amount of money from the $10 million Illawarra Regional Development Fund to establish its venture. Because they were working well with the Labor Government, representatives of Weston Printery at Kiama came to me to talk about how the printery could purchase land it needed to expand. Another program, the Main Street and Small Towns Program, helps regional communities to plan and implement a strategic and proactive approach to their economic future. The program enables communities to better utilise the human, physical and financial resources to maintain and enhance their unique strengths and quality of life. The honourable member for Lismore is silent after my answer to his interjections. I am happy to continue my answer, but he seems to have run out of steam.

In the Kiama region assistance has been approved for six projects. Those projects include funding for Kiama Main Streets Incorporated to employ a co-ordinator for the 2001 Kiama seaside festival. Assistance was also provided to Kangaroo Valley Vision, which covers both the Kiama and Southern Highlands regions and is part of the Main Street and Small Towns Program. There are many more. For instance, in the Kiama region assistance has been approved to the Berry Chamber of Commerce to assist in the employment of a project officer to co-ordinate the creation of a heritage walk and a strategic plan review workshop.

Private sector investment can be added to the public sector investments. Private sector investment includes the millions of dollars going to Shoalhaven hospital, thanks to the hard work of the honourable member for South Coast; the relocation of the Department of Local Government from Sydney to Nowra, which represents $10 million in investment and the creation of another 60 jobs, and the relocation of the State Superannuation Board to Wollongong. By building roads and expanding rail services; the Government puts its money where its mouth is. The private sector has followed. Unlike the miserable Opposition, the Government knows how to create jobs. [*Time expired.*]

Mr W. D. SMITH (South Coast) [4.22 p.m.], in reply: I will not take too much of the time of the House in my reply, but I am disappointed in the negative approach taken by the Opposition. I thank the Minister for Local Government, the honourable member for Kiama, the honourable member for Monaro and the honourable member for Burrinjuck for their contributions. I was disappointed by the whingeing, whining and carping from the Opposition. I suppose I should be used to it after 3½ years as a member of this place, but members opposite do not have a positive thought. They do not have any way forward. They are constant doomsayers and not a positive thought or idea ever comes from their mouths. How would they create jobs in New South Wales differently to the Government? There is never a reply to that question. It is always just knocking, carping and whingeing from these characters opposite. The proof of the pudding is in the eating, and in relation to this motion the proof of the value of the Government's actions is the creation since 1995 of 475 full-time jobs and $35 million in private sector investment in the South Coast region.

I ask the honourable member for Lismore whether he was consulted by the Leader of the Opposition about the approach taken by the Leader of the Opposition to Mogo. There is no answer, so I will take that as a no. I would like to ask the honourable member for Burrinjuck the same question. When the Leader of the Opposition went to the barricades at the weekend and walked through Mogo, he had not consulted members of the National Party about the issue. He has treated them with extreme discourtesy and contempt. His action on the weekend has forced Silicon Australia to withdraw its support for a $4 billion project that would have seen 437 jobs created across the State. That is outrageous. We will now have to get our silicon from overseas. If we had a silicon plant on the east coast of New South Wales our silicon would be made in this country and jobs would be generated. But no, the Leader of the Opposition has scuppered 437 jobs and a $4 billion project.

The honourable member for Monaro said that the honourable member for Bega supported the proposal for a charcoal plant near Mogo. That again shows the disunity between members of the Coalition sitting opposite. The Leader of the Opposition marched against the proposal on the weekend and the honourable member for Bega supports the proposal. There is a lack of communication and co-ordination in relation to the policies of the Coalition and the position they take across the State. I reiterate a couple of things I mentioned earlier. The position of the Government on job creation has been one of excellence. We tailor our job creation strategies to individual areas. It is not a matter of one size fits all. Ten strategies have been completed since 1995.

Mr George: Thanks to the two good members who represent those areas.

Mr W. D. SMITH: Yes, the two good members who were not consulted on the weekend about the position to be taken the Opposition. Members opposite are all over the place. National Party members are not being consulted by the Liberals. The Liberals are not consulting with each other. The honourable member for Bega is not being asked for his opinion, and the Leader of the Opposition is taking a completely different tack on the Mogo charcoal plant. The only place it appears the Leader of the Opposition is leading members of the Coalition is down the garden path. The success of companies like Partech in my electorate, which created 15 new jobs and put $150,000 into our community, seems to indicate that the Government's programs are successful. Nowra Chemicals is a long-time firm. The support we have given it represents a $2.6 million investment which has created 15 new pay packets for the South Coast. Probiotech in Bomaderry is a cheese plant that has benefited from an investment of $180,000 and that has created 15 full-time jobs for the area. Our runs are on the board. The proof of the pudding is in the eating. The Government is creating jobs. The Opposition has little policy apart from comments in the media.

Motion agreed to.

HILTON HOTEL EMPLOYEES

Matter of Public Importance

Mr LYNCH (Liverpool) [4.27 p.m.]: I ask the House to note as a matter of public importance the Hilton Hotel and its employees. In particular, I draw to the attention of the House the treatment of the employees by the hotel because of the proposed refurbishment of the hotel and what will happen to the workers during the period of refurbishment. I have a particular interest in this matter. Apart from a general interest, I am particularly interested because one of the current employees of the Hilton Hotel is a constituent of mine, Mr Vicente Salonga. Mr Salonga lives in the suburb of Hinchinbrook and is a long-term employee of the Hilton Hotel. Like almost 500 other workers he is being treated shamefully by the Hilton in its proposed shutdown.

The crux of the problem was the decision by the overseas-owned Hilton Hotel chain to refurbish the hotel. The cost of the facelift is said to be in the vicinity of $400 million, and it is reported the project will take 18 months. The key to the facelift will be the demolition of the existing George and Pitt Street facades of the hotel. The refurbishment will also involve renovating the hotel's public areas and guest rooms, eliminating the ramp entry on the street and replacing it with what is described as a street-level luxury entrance, constructing a new lobby and constructing an area that will be aimed at upmarket retailers. In addition, the concrete facade will be replaced by sandstone and glass. The redevelopment is supported by all the usual palaver that goes with large corporations trying to justify the maximising of their profits.

The architect of the redevelopment was quoted in newspapers as saying that the current hotel was a very ugly, intrusive element on the streetscape. Its redevelopment would see it reborn with a new purpose. The architect claimed that the Hilton had lost its position as one of the great hotels of Sydney. He went on to say, "At the moment it's an alien object." The new glass and sandstone facades were designed to "relate to the Queen Victoria Building", and other nearby historic buildings were proposed to be linked by a major inner court that will run through the centre of the site. Despite all this hype, public relations pap and jargon, one central incontrovertible fact remains, that currently there are about 457 employees of the hotel. Leaving aside all the largely meaningless hotel rhetoric, the one real social utility of the site is the significant employment it generates. Those jobs allow a significant number of people, including constituents of mine, to get on with their lives—to pay their mortgages and rent, and to feed and clothe themselves and their families. The end of those jobs will stop that from happening. This redevelopment will end all of it.

The hotel will close for 18 months as from 29 November, and it is anticipated that it will not reopen until 2004. That means that nearly 500 employees, some of whom are in the gallery as I speak, will be thrown out of work. Many of them are long-term employees of the Hilton. At least one of them has been with the hotel

since the notorious Hilton bombing in 1978. Many of those workers will now find it difficult to obtain other employment, precisely because they have been so loyal and have worked for so long for the Hilton. That is, because they have worked there for so long and been such loyal employees, they are now at an age that disadvantages them in the labour market. The closure is also occurring at the worst time of the year to find alternative employment. During December and January many factories and other businesses close or scale back their activities, and there are no extra available jobs in those sorts of industries.

In addition to this, the Hilton has managed to add insult to injury. It has refused to guarantee that when the refurbished hotel opens these workers can have their old jobs back. I find that simply outrageous. Moreover, the Hilton's attitude to redundancy payments is extraordinarily niggardly. It has repaid absolutely none of the loyalty that the workers have demonstrated to the hotel. The workers, through the New South Wales branch of the Australian Liquor, Hospitality and Miscellaneous Workers Union [LHMWU], have made their position clear. The union has called for the following from the hotel. There must be a guarantee that the employees will all get their jobs back when the Hilton reopens; there must be a decent retrenchment package for all the years of service of these employees, including full-time, part-time and casual workers; and the employer must pay for a truly quality outplacement and retraining service to help people get alternative work during the shutdown period.

To help achieve these aims, the union and the workers, including my constituents, have requested the assistance of their State members of Parliament. As part of their campaign, employees were in Parliament earlier this month, on 5 September. They met with a number of parliamentarians, including myself, the honourable member for Wentworthville and the Hon. Ian West from another place. They were accompanied by LHMWU State Assistant Secretary, Mark Boyd, and organiser Jagath Bandara. I spoke to a number of them at that time, including Mr Salonga. Mr Salonga has sent me a letter, which stated in part:

> I am one of the nearly 500 Hilton Hotel workers who are about to be tossed out of their job because the Hilton Hotel wants to renovate.
>
> I live in Hinchinbrook which is in your electorate. Today I am joining a number of other Hilton Hotel workers lobbying Labor MPs like you asking for your help.
>
> We believe you and Bob Carr can help us get the management to sit down and bargain in good faith to create a better outcome for everyone.
>
> I cannot see why I should be punished because the Hilton wants to make more money by having an expensive make-over. Why can't the Hilton Hotel people at least guarantee me my job back when they re-open sometime between 18 and 24 months down the track?
>
> I don't think it is my fault that the Hilton Hotel has refused to sit down and build an enterprise agreement with my union but instead chooses to operate under the cheapskate low wage Federal award.
>
> This Federal award gives workers slightly less than half of what a New South Wales award worker can expect if they were retrenched by the Hilton Hotel. Why am I discriminated against?
>
> If the hotel wants to shut down, why can't they offer a decent, quality outplacement service which guarantees to help me re-train and look for a better job. Instead they have created a job search service which is a fig leaf covering up the fact that what they have on offer is little more than a computer system connected to a list of jobs—which anyone can find.
>
> We think that you should ask the Premier to tell the Hilton Hotel that the New South Wales Government will not allow any State instrumentalities to book the renovated Hilton's conference facilities, or use the Hilton Hotel's rooms for State guests, if the management are not prepared to sit down with our union and come up with a decent retrenchment package which respects our needs.

The treatment of Mr Salonga is a good example of why people like me think the Hilton is behaving so badly. After talking to Mr Salonga, I cannot understand what more the Hilton could require in a loyal employee than what it has in Mr Salonga. He works there as a drycleaner. He has worked there for 15 years. He came from the Philippines to Australia on 31 October 1987. He commenced work at the Hilton on 3 November 1987, three days later, and has been there ever since. He has a house at Hinchinbrook, one of the newer suburbs in my electorate. He has a mortgage, and he is married with two children. When he was told that he would lose his job he had some very simple questions for the Hilton management. He asked, "Is there any reward for my long service to you? Is there any reward for our loyalty? Is there any reward for our professionalism?"

The management brushed these questions aside and simply answered by saying that that was not something they had to be concerned with. After 15 years of service Mr Salonga will shortly be turfed out of his job to allow the Hilton to increase its profits. He will leave after 15 years with only eight weeks redundancy pay. He will be trying to find a job at the most difficult time during the year to do so. I often hear people waxing

lyrical about the global city that Sydney has become. Undoubtedly there is some truth in that. Undoubtedly there are also some advantages in it, at least for some people in Sydney. Amongst those beneficiaries are the owners of the Hilton Hotel. They are understandably exploiting this opportunity. However, historical and economic developments are never simple—reality is always more complex. These developments are never always completely positive. In a market economy there are winners and sometimes there are losers.

Hilton Hotels might be a winner in global Sydney, but it seems that its profits are coming at a high and unconscionable price: the dignity and wellbeing of its workers. It is treating its workers as the losers in global Sydney. I have talked a little about Mr Salonga today. He is certainly not the only employee who will be affected. Another good example of an employee who will be affected is Mr Wiwoho Sosrohardjono, who came from Indonesia. Mr Sosrohardjono arrived in Australia many years ago. He commenced working at the hotel in January 1977 and continues to work there. He is now 52 years of age. He was working at the Hilton in 1978 when Moraji Desai was staying at the hotel and three people were killed in the bombing. Mr Sosrohardjono says that working at the Hilton feels like being with his family. He feels like the hotel is his second home. He has now been told that he must leave that family and that second home with precious little financial support and precious little compensation.

It would seem that Sydney should not operate as an employment jungle. There should be much more decency and proper treatment of employees. Employers should have pride in the way they treat their employees. That does not seem to have happened in this case. The union position is eminently reasonable. It simply wants sensible negotiations and a more reasonable outcome, the sort of outcome that might have been expected from a State system rather than from a Federal award. The union thinks, not unreasonably, that the $400 million facelift is fine but that does not mean that the employees should be ignored or treated as badly and as appallingly as they have been by the Hilton. I certainly add my voice to the call for the Hilton Hotel to behave properly towards its employees and to sit down and negotiate a proper arrangement with the union and the workers.

Mr HARTCHER (Gosford—Deputy Leader of the Opposition) [4.37 p.m.]: I think everybody in Sydney will be pleased to see the Hilton Hotel redeveloped. To quote the hotel's architect, it has become an ugly intrusive element on the landscape. The hotel was built in the 1970s, and it needs to fit into the new face of Sydney. It is great to know that the company is prepared to spend $400 million on revamping it to make it an attractive and beautiful part of Sydney and to make it a first-class asset for the city of Sydney. No-one would dispute that, and I think the employees would welcome that as much as anyone else. However, the issue that must be discussed is the treatment of the employees at the hotel. Any businessman knows that his best asset is good employees, and the loyalty of his employees is what shines through and makes his business work. I can only cite the remarks of Alan Jones, the Sydney radio announcer on radio station 2GB, who stated on 6 September:

> I see that the unions yesterday called on the state government to boycott the Hilton Hotel until it gives sacked workers a bigger pay out.
>
> Now, it's closing in November for a four hundred million dollar face lift, it will put more than four hundred and fifty people out of work.
>
> The Liquor, Hospitality and Miscellaneous Workers Union says an offer of up to eight weeks' pay in redundancies is insufficient.
>
> Assistant secretary, Mark Boyd, has asked Premier Carr to blacklist the hotel until managers make a deal with the unions.
>
> But I'll tell you something.
>
> When you can afford a four hundred million dollar face lift .. and basically, the wealth of the joint is made by the workers, and you put four hundred and fifty people out of work, you ought to be able to afford more than eight weeks in redundancy.

Many people would agree that Mr Jones has a point, that workers who have given loyal service and have worked hard deserve loyalty and due consideration in return. The capitalist system works only when there is a good understanding between the rights of capital and labour, which is why the Coalition has always respected the right of people to join trade unions as well as their right not to join trade unions. The Coalition urges the owners of the Hilton Hotel to look again at the loyalty of its employees, the way that the employees have made the hotel stand out in Sydney and the awards it has won, an acknowledgement of the efforts of its employees. Hotels are not simply buildings; they are living organisms comprised of people who work there and the services they offer. I think there is an appropriate case for the employer to reconsider.

I suggest that there is a reasonable case for the employer to look at ways in which employees may usefully be engaged over the next 18 months while the redevelopment takes place. I suggest also that there is a

reasonable case for the employer to consider making some arrangement whereby employees may be reintroduced into the hotel's work force after redevelopment and reopening in 2004. At the end of the day, society will work only if it is a civil society and if it treats people not as commodities but with respect. Clearly, companies will fail and that is a tragedy for the owners of the companies and their employees—investors will lose their money and employees will lose their jobs. However, they are not the circumstances being debated today. Redevelopment of the Hilton Hotel has been a carefully planned and rational decision. The hotel, which occupies a prime site in Sydney and which has a longstanding good name, will be made even better for the future.

One would hope that in the hotel's considerations and planning due regard would be paid to the loyalty of its employees. I say that not just as a matter of sentiment but as a matter of good business practice. The people who know best how to look after the customers, the people who know best how to maintain the image of the Hilton Hotel and the people who know best how to spread the good name of the Hilton Hotel throughout the community are the people who work and serve there, and they are the people who have given the hotel the good name it enjoys. It seems to me to be only sensible business practice for the company to not just recognise its workers' loyalty but to try to ensure that they get a fair go. While the State Opposition is not involved in the process—because it is a matter for the employers, the union and the employees—it expresses its hope that the hotel will take into account employees' long-term goodwill and that it will come to a satisfactory arrangement with them.

Ms ALLAN (Wentworthville) [4.43 p.m.]: The Hilton Hotel group should know better. According to the company's web site, *www.hiltonworldwide.com,* the Hilton Hotels Corporation is "recognized around the world as a pre-eminent lodging hospitality company" offering its customers "the finest accommodations, services, amenities and value for business or leisure". I will refer in more detail to its web site later but it is fairly obvious, and therefore should be acknowledged, that the corporation has an enormous reputation internationally, and certainly within Sydney. Hilton Hotels was the first hotel company to be listed on the New York Stock Exchange in 1946. One of the company's claims to fame is that it was the first company to operate a hotel gift shop—many people would have been beneficiaries of that innovation over the years. It was the first company to offer airconditioning and direct-dial telephones in its hotels. It also pioneered the concept of airport hotels. People who use hotels have much for which to thank the Hilton Hotels Corporation. The web site refers to employment opportunities and states:

> At Hilton, we realize that our team members add value and quality to our business.

According to its web site, the company attributes much of its success in the hospitality industry to its employees. It is therefore surprising and shocking to this Parliament that an organisation with such a rich history of hospitality could show so little hospitality to its workers—the people who are employed in the Hilton Hotel in Sydney, many of whom, as the honourable member for Liverpool has already stated, have been employed there for many years. One wonders why that would be the case. Further exploration of the Hilton Hotels web site shows that the company has had a few corporate makeovers in the past couple of years. In 1999 Hilton Hotels acquired the Promus Hotel Corporation in a $3.7 billion takeover. Twelve months later, in November 2000, the company formed a joint venture company to form the Conrad brand of luxury hotels. I do not know whether the company's announcement of the $400 million revamp in Sydney and the attitude that the company is currently demonstrating to its 450 staff are linked to its more recent corporate history, but that is worth exploring. One would think that an organisation that has been in the hotels business since just after World War II would know how better to treat its employees.

One of the hotel's employees, Mr Sam Awada, who lives at Toongabbie, is a constituent of mine. I have not had the pleasure of meeting Sam, but I have met a number of his colleagues. In early September those employees and representatives of their union visited Parliament House to tell members of Parliament that they were getting a raw deal from Hilton Hotels. As the Deputy Leader of the Opposition has mentioned, strong support has been given by the Liquor, Hospitality and Miscellaneous Workers Union, which is asking the Government to boycott Hilton Hotels. At times, members of Parliament travel and stay at hotels. I agree with the excellent suggestion that members of Parliament should say to the Premier and to the head of the Premiers Department, Col Gellatly—who often lays down policies about where politicians may travel and what they may spend—that in future we will not stay at Hilton Hotels in Australia or overseas.

Mr Aquilina: You have convinced me.

Ms ALLAN: I have convinced the Minister for Fair Trading. I am sure that the Deputy Leader of the Opposition would also agree. A bipartisan approach could be taken to this matter to ensure that an impact is made on Hilton Hotels in a way that will hurt—a reduction in clientele. The philanthropy and citizenship section

of the company's web site indicates that the hotel is proud of its philanthropy. The hotel is interested in education, health, youth programs, civic affairs and public policy. I have a simple message for the Hilton Hotel in Sydney: Start looking at the education, health, welfare and civic responsibility that it has and that its employees have, and start making sure that the entitlements that the employees are being offered while redevelopment takes place are adequate. Only then will the hotel begin to win back public approval. I join the honourable member for Liverpool and the Deputy Leader of the Opposition in sending that strong message to the Hilton Hotel.

Mr LYNCH (Liverpool) [4.48 p.m.], in reply: Sometimes in this House there is considerable disagreement and argument amongst various members, but on other occasions members from both sides of the Chamber can agree. I am delighted that one of the things about which we agree today is that Hilton Hotels have behaved appallingly badly. I reiterate the call I made earlier: that Hilton Hotels sit down and have meaningful negotiations with the union to achieve a proper, just and fair result that will treat the employees with a degree of decency. The suggestion of the honourable member for Wentworthville that politicians boycott Hilton Hotels is an excellent one. I would ask every New South Wales parliamentarian not to use any of the facilities of the Hilton anywhere in the world. I go a little further. One issue that the union and workers have raised is that the Government should tell the Hilton that there will be no New South Wales Government sponsored conventions or conferences at the renovated hotel until the hotel managers sit down with the union to try to satisfactorily resolve the dispute. That resolution, of course, should deliver respect and decency for this very loyal work force. That seems to me an eminently reasonable position.

I urge the Premier and the Government to adopt the suggestion. I would support a ban on any public servant attending a convention or conference at the Hilton and a ban on booking accommodation there for any guest of the State Government until a satisfactory resolution of the dispute emerges. As I said earlier, the union's position in this dispute is very reasonable. No-one could criticise that position. It says, quite reasonably, "Let's have proper negotiations and get a proper and decent result for the workers." These workers have been extraordinary loyal. In a sense, they are being punished for their loyalty. Many of them have been with the Hilton for so long that they are now disadvantaged in seeking alternative employment. They are being punished for being good and loyal workers. That must be a fundamentally wrong and inappropriate way for a society and industrial relations system to operate.

One of the other interesting issues which perhaps has not been drawn out all that broadly is the quite unacceptable element of discrimination involved, in the sense that the redundancy payments made to these workers, who are covered by Federal provisions, are something less than half of entitlements they would receive if they were covered by State award provisions. People doing broadly the same, but not identical, work ought to have the same entitlements and payments when various events occur. It seems wrong in principle that a group of employees, such as the Hilton Hotel workers, will get only half the value of redundancy payments to which they would be entitled if covered by a slightly different legal position. That must be wrong and unreasonable. It is also wrong and unreasonable that the Hilton Hotel, which is to have a $400 million facelift designed in the long term to generate extraordinary profits for Hilton Hotels, will not pay its workers appropriate entitlements, will not reward their loyalty, and will not treat them decently and properly. That just seems very wrong.

Another point ought to be made about the level of redundancy payments. Some Australian Council of Trade Unions [ACTU] figures that I have seen suggest that the average period that a person is out of work after becoming redundant is some 22 weeks. If that is correct—and, anecdotally at least, that sounds right and is in line with the ACTU figures—an offer of some eight weeks redundancy pay is outrageously inappropriate, especially from an organisation that can find $400 million to redevelop a hotel. I thank the Deputy Leader of the Opposition and the honourable member for Wentworthville for their contributions. I reiterate my call for Hilton Hotels to sit down and have proper negotiations with the union. If they do not, every politician should boycott Hilton Hotels and the State Government ought to declare boycotts as well.

Discussion concluded.

BILL RETURNED

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

Marine Legislation Amendment (Marine Pollution) Bill

MISCELLANEOUS ACTS AMENDMENT (RELATIONSHIPS) BILL

Message received from the Legislative Council agreeing to the Legislative Assembly's amendments.

BUSINESS OF THE HOUSE

Bill: Suspension of Standing and Sessional Orders

Motion by Mr Aquilina agreed to:

That standing and sessional orders be suspended to permit the introduction forthwith and progress up to and including the Minister's second reading speech of the Consumer Credit Administration Amendment (Finance Brokers) Bill, notice of which was given this day for tomorrow.

CONSUMER CREDIT ADMINISTRATION AMENDMENT (FINANCE BROKERS) BILL

Bill introduced and read a first time.

Second Reading

Mr AQUILINA (Riverstone—Minister for Land and Water Conservation, and Minister for Fair Trading) [4.54 p.m.]: I move:

That this bill be now read a second time.

The bill I introduce today will significantly improve the protection offered to consumers who use the services of finance brokers, increase competition in the finance broking industry, and bring legislation governing finance brokers into line with new industry practices. Finance brokers, or mortgage brokers as they are sometimes called, provide intermediary services between persons seeking finance and credit providers, usually in return for a commission paid either by the client or the credit provider. A finance broker finds suitable potential lenders offering credit products which match its client's needs, assists the client in applying for the loan and obtains approval for the loan. The loan contract is then taken out between the credit provider and the client. Finance brokers are becoming increasingly important in the Australian credit market. Since the deregulation of the Australian finance sector in the 1980s there has been a proliferation of different types of consumer credit products, particularly in the area of home loans.

Increased competition between lenders has resulted in a high level of consumer awareness of the range of finance products available, accompanied by an increased motivation to find the best possible credit arrangement. In this environment, finance brokers are increasingly being used to help consumers compare and assess credit products. The nature of finance broking has also changed. Rather than charging a client commission, many finance brokers now receive their commission from the lender. While this style of broking is often marketed as a free service, many consumers are not aware that the broker's recommendations may be influenced by the amount of commission paid by different lenders. Given the important role played by finance brokers and the trust placed in them by consumers, providing consumers with protection from unfair practices and with sufficient information to enable informed decision-making is essential.

The proposals in the bill are based on the recommendations of a National Competition Policy review of the Credit (Finance Brokers) Act 1984. The review found that consumers continue to experience some risks in their dealings with finance brokers, and that these risks justify continued regulation of the finance broking industry. The main risks faced by consumers of finance broking services are: lack of broker independence where commission is paid by lenders, which may result in consumers entering into overpriced credit arrangements; consumer loss where the broker's commission is paid in advance and the credit is not subsequently obtained; the charging by brokers of excessive, undisclosed commissions or other fees; unethical conduct whereby consumers are persuaded to borrow larger amounts than needed or to include fraudulent information in credit applications; and difficulty in obtaining redress where the consumer has not been provided with a copy of his or her agreement with the broker.

Given those risks, the review concluded that the objectives of the Credit (Finance Brokers) Act remain valid. These objectives are: ensuring that consumers have sufficient information when dealing with finance brokers; reducing the costs of obtaining information from finance brokers and enforcing contracts against finance brokers; and protecting consumers from financial loss. The review recommended retention of the existing provisions of the Act, with some amendments to improve their effectiveness, and the enactment of a number of new provisions that will improve consumer protection. The review also recommended that, as finance brokers are now subject to the prohibitions on false, misleading and deceptive conduct contained in general fair trading and criminal legislation, it is not necessary to duplicate those prohibitions and their associated remedies

in legislation aimed specifically at finance brokers. In order to streamline legislation relating to finance brokers, the review recommended repeal of the Credit (Finance Brokers) Act and transfer of its provisions and the proposed new provisions to the Consumer Credit Administration Act, which already contains provisions governing discipline of finance brokers.

The review supported continuation of the current disciplinary regime applying to finance brokers. This regime aims to prevent and deal with conduct which is unfair, dishonest or fraudulent, or which breaches a contract or consumer credit legislation. If it is found that a finance broker has engaged in such conduct, the Director-General of the Department of Fair Trading may make a range of orders, including requiring undertakings as to future conduct, requiring action to rectify the consequences of the conduct, and prohibiting a person from conducting business as a finance broker. Contravention of a prohibition order can lead to a fine of up to $22,000 and consumers who contract with a person subject to a prohibition order are not liable to pay any amounts under the contract and may recover any amounts paid. The review concluded that replacement of this disciplinary system with a licensing or registration scheme could not provide sufficient benefits to outweigh the costs of creating a barrier to entry to the finance broking industry and the significant costs which a licensing scheme would impose on government and brokers would subsequently be passed on to consumers.

The bill's provisions fall into six broad categories: repeal of the Credit (Finance Brokers) Act 1984, definitions, disclosure requirements, commissions, records and third party fees, and consumer remedies. I shall outline some of the main provisions in the bill. I refer, first, to definitions. The bill applies to finance broking where the credit to be obtained is covered by the uniform consumer credit code—that is, where the credit is predominantly for personal, domestic or household purposes. The review noted that the recent post implementation review of the uniform consumer credit code did not support extension of the code to small business consumers and the review was not in favour of extending the coverage of finance broking legislation beyond that of the national credit regime. Small business consumers are therefore protected by the provisions of the Fair Trading Act, which prohibit misleading or deceptive conduct and false representations, and the unconscionable conduct provisions of the Trade Practices Act.

The National Competition Policy review found that under the existing legislative provisions there is some confusion over whether the finance broker's client is the consumer or the lender. The bill, therefore, provides that the broker's client is the consumer for whom credit is to be obtained, whether or not that person pays any commission. The review also found that, as the current Act does not clearly define "commission", finance brokers may seek to obtain fees from consumers under other names, such as termination fees. The bill, therefore, defines "commission" to include any fees payable by the consumer to the finance broker in respect of finance broking, no matter what those fees are called. I refer next to disclosure requirements. The current Credit (Finance Brokers) Act provides that a finance broker must not accept commission from a consumer unless the appointment to act as a finance broker is in writing, signed by the person to be charged the commission, and it contains particulars of the amount of credit to be obtained, the term of the credit and the maximum amount of interest or other charges to be paid. The bill deals with new industry practices by providing that a finance broker must always provide a client with a written contract whether or not the client is to be charged commission.

The bill also provides that the written and signed contract must be given to the client before finance broking commences and that it must contain particulars of the maximum amount of credit to be obtained; the amount of the credit if the credit is to be for a particular term; the periodic repayment amounts or repayment arrangements that the client is prepared to agree to; the maximum interest rate the client is prepared to pay; the date by which the finance broker is to have secured the consumer credit; the name and address of the finance broker; the Australian company name if the finance broker is a company; the name and address of the principals if the finance broker trades under a business name; the amount of commission payable by the client, if any is payable; or, if the amount of commission is not known, the method of calculating the commission and an estimate of the amount of commission that will be payable if credit is provided on the terms specified; and, finally, when and how commission will be repayable.

Further, the bill requires the finance broking contract to contain a statement, in a form to be prescribed by the regulations, that the finance broker's recommendations will be drawn from a limited range of potential lenders; and a disclosure, if relevant and in terms to be prescribed by regulation, of the fact that a finance broker will obtain a financial or other benefit if credit is ultimately provided to the client. Requiring the contract to be completed and given to the consumer prior to the commencement of finance broking will ensure that the rights and obligations of each party are clear from the beginning. It will also address those situations where consumers experience difficulty in taking action against a finance broker because they do not have a copy of their agreement. The requirement that the contract set out the details of the credit to be obtained, including the

maximum amount of credit, the term of the credit, the repayment amounts and the maximum interest rate the client is prepared to agree to, will help to ensure that the credit secured matches the consumer's requirements, assist the consumer in taking action against the broker, and clarify when the broker is entitled to payment of the commission.

Up-front disclosure of any commission to be paid by the consumer is essential to enable the consumer to make an informed choice about using the broker. The proposal will increase competition in the finance broking industry by helping consumers to decide which broker is offering the most competitive arrangement. Disclosure of the way commission is to be charged will also assist informed consumer decisions and help to stamp out unfair practices such as the broker's commission being added to the amount borrowed without the consumer's prior consent. This practice results in increased costs to the consumer due to the additional interest payable on the higher loan amount. Disclosure of the broker's financial relationship with lenders and the fact that the broker's recommendations will be drawn from a limited range of lenders are two of the most important requirements in the bill. The disclosures will alert consumers to the fact that brokers are not independent and that their recommendations may be influenced by financial or other benefits.

Many consumers unfamiliar with the credit marketplace assume that finding the best deal is part of the service offered by a finance broker whereas, in fact, as some submissions to the review pointed out, brokers rarely recommend lenders who do not pay commissions even if they offer a product superior to that recommended by the broker. Alerting consumers to the financial relationships between lenders and brokers will help to ensure that consumers question brokers about the reasons for their recommendations and scrutinise more closely the conditions of the credit product being recommended. I refer next to commissions. The existing Credit (Finance Brokers) Act prohibits a finance broker from demanding, receiving or accepting any commission from a consumer before securing the credit and from demanding, receiving or accepting any commission in respect of credit which is for an amount less than the amount specified in the contract of appointment, at a rate of interest or for a charge greater than the rate or charge specified in the terms of the contract, or for a term less than the term specified in the contract.

The bill retains the prohibition on accepting commission prior to securing credit and expands the existing obligations on the broker by prohibiting the claiming or accepting of commission unless the credit matches the amount, term, repayment arrangements and interest rates set out in the contract, and is secured within the time frame specified in the contract. While providing this protection to consumers the bill also operates fairly towards finance brokers. Although it requires the credit to be exactly on the terms requested in order for commission to be claimed, the bill allows for the broking contract to be varied if the variation is in writing and signed by both parties. Therefore, if a broker finds that credit can be obtained only on slightly different terms to those requested, a contract variation can preserve the broker's ability to claim commission. The requirement that the variation be in writing and signed by both parties ensures that the client has clearly consented to the variation and the new terms are clear to both parties. The bill also allows a broker who has secured the credit on the terms and within the time frame requested to claim commission even if the client does not proceed with the credit secured, provided the contract was not validly terminated before the credit was secured and the contract expressly allows for commission to be claimed in these circumstances.

The bill retains the current requirement that finance brokers make and keep records of transactions, but increases the time for which these records are required to be kept from three to seven years. This amendment acknowledges the concerns of consumer advocates that consumers may require finance broker records to defend later debt recovery action by credit providers, and brings finance broker records into line with the records of other advisers such as solicitors. In relation to the payment of fees due to third parties, the existing Act provides that valuation fees paid to a finance broker must be held in trust and any amount left over after payment of the fee be repaid to the consumer. The review found that a more effective method of preventing brokers from misusing valuation fees would be to require these fees to be paid in the form of a cheque or similar instrument made payable to the valuer.

The bill implements this recommendation, and applies the same principle to credit application and establishment fees, which may also be accepted by finance brokers. During consultation on the bill it was pointed out that finance brokers may sometimes be authorised by a credit provider to instruct the valuer, assess the credit application or establish the credit contract on the credit provider's behalf. Therefore the bill allows a finance broker to accept a valuation, application or establishment fee made payable to the broker if the broker is authorised to undertake these functions on the lender's behalf.

The Credit (Finance Brokers) Act currently provides that a consumer can apply to the Consumer, Trader and Tenancy Tribunal for a remedy against excessive commission. A court can also provide such a

remedy if a finance broker takes legal action to recover commission which the court considers to be excessive. The bill retains these provisions, and goes further to provide for consumer remedies in the case of breach of contract, breach of any consumer credit legislation, and unfair, dishonest or fraudulent conduct by a finance broker.

In closing, I would like to thank the finance industry and consumer groups who have contributed to the development of this bill and who have been largely supportive of the reforms it contains. The consensus which has greeted these reforms attests to the balanced nature of the bill's proposals. These proposals will protect consumers of finance broking services without imposing significant costs on finance brokers or interfering unreasonably in the conduct of their business. I commend the bill to the House.

Debate adjourned on motion by Mr Maguire.

Mr DEPUTY-SPEAKER: Order! It being shortly before 5.15 p.m. business is interrupted for the taking of private members' statements.

PRIVATE MEMBERS' STATEMENTS

PADSTOW PUBLIC UTILITIES

Ms MEGARRITY (Menai) [5.13 p.m.]: I bring to the attention of the House two situations in which two government agencies, whilst attempting to upgrade the infrastructure of important public utilities, have adversely impacted upon residents in the suburb of Padstow in my electorate. The first situation came to my attention through the diligent efforts of Bankstown City Councillor Richard W. McLaughlin. A Padstow resident approached Councillor McLaughlin with urgent concerns that EnergyAustralia was attempting to start work on the installation of a kiosk-type transformer on the footpath outside his home. Councillor McLaughlin contacted me on a Saturday morning and, as I was concerned that construction activities might recommence on the following Monday, I immediately sought urgent advice on the project. A representative of EnergyAustralia contacted me, and I then telephoned my constituent and organised for an on-site meeting about the issue.

At the meeting the EnergyAustralia representatives explained that the existing pole transformer had reached the end of its service life and that the network needed to be upgraded to ensure the continued provision of a safe and reliable electricity supply to the area. The concerned resident fully acknowledged that the project would serve an important purpose, but he was understandably worried about the potential impact on the value of his property. He was also concerned about the lack of safety information, and he was upset about the tone and content of previous written communications from EnergyAustralia. At that meeting, and subsequent meetings, I acknowledge that a genuine effort was made by EnergyAustralia representatives to reduce the physical impact of the structure.

Just a few weeks later I became aware of residents' concerns in another part of Padstow about the installation by Sydney Water of an odour control unit [OCU] at the bottom of the street. Apparently the closure of a number of vents in the southern and western suburbs ocean outfall sewer over a number of years had led to the structural deterioration of several sections of sewer. A review of environmental factors was prepared to assess the potential environmental impacts arising from a proposal to install chemical dosing and ventilation facilities at a number of sites.

It is true to say that some effort was made to inform people who lived near the proposed OCU in Padstow. However, once again, it was not until the construction activities got under way that the full scale of the project started to become apparent to the residents. During my face-to-face meeting with residents one Sunday morning, they expressed a number of concerns about the level of consultation and the project itself. They wanted to know why the OCU could not be located on the other side of the river, where it would be further away from homes. There was also uncertainty about the proposed colour, size, fencing, noise, lighting, landscaping and maintenance of the OCU.

I subsequently met with Sydney Water representatives on the site to seek the answers to the residents' many questions. Just like the Padstow resident concerned about the EnergyAustralia facility, these residents acknowledged that the proposed OCU was to be part of a system that would serve a large part of Sydney. However, it was obvious from the number of questions they put to me that insufficient information had been

provided to them in the first place. Today there are still outstanding worries about the potential impact of the OCU on local property values. However, as a result of subsequent negotiations and concessions by Sydney Water, the physical impact of the OCU has been minimised.

I take this opportunity to thank Sydney Water's project manager, Glen Nelson, for his co-operation and courtesy in working with the residents and me to resolve the majority of concerns. With due respect to the engineering profession, the people who perform these roles are not traditionally engaged for their communication skills. I appreciated Mr Nelson's efforts and sincere approach to the problems encountered in this project. As a matter of principle, I am well aware that effective community consultation on the installation or upgrade of any public utilities is rarely straightforward. Delays in project timelines due to community concerns and questions from their local members are costly and inconvenient to the agencies charged with delivering on time and on budget.

However, I also hope that some valuable lessons have been learned by the two agencies I have referred to. Effective and early public consultation may initially increase the time spent in reaching a certain decision. However, the effort in this consultation significantly reduces the risk of continued controversy during and after implementation. Over time a consistent, demonstrated commitment to genuine public consultation processes will ensure that the wider community perceives the organisation as credible and customer focused. I appreciate the goodwill that has been shown by the residents of Padstow in each of the instances I have outlined to the House. Neither group is happy that they have ended up with the facilities. However, as I have said, they have seen the greater good of Sydney at risk, they have compromised and shown goodwill towards their fellow citizens. [*Time expired.*]

NORTH SYDNEY BOYS HIGH SCHOOL

Mrs SKINNER (North Shore) [5.18 p.m.]: I draw to the attention of the House the plight confronting North Sydney Boys High School in my electorate. It is a wonderful selective high school, with a long and valued tradition and a proud history in not only academic achievement but also as a school that graduates boys who are all-rounders. The school, which has an enrolment of more than 900 boys, has not undergone a major building program since 1967. Over the last six years or so considerable work has been going on in developing plans for the school to upgrade it to what one would expect of a school that teaches that many boys.

In 1996 the Assistant Director-General of the Department of Education and Training requested that the school conduct a full analysis of existing facilities and usage in order to identify how opportunities offered by the acquisition of a Water Board site nearby might be optimised. In addition, the department commissioned two reports—an audit of educational facilities and a review of existing facilities by the Department of Public Works and Services. In 1967 the school community conducted the analysis of the school's existing usage patterns as requested by the assistant director-general. The analysis consumed significant staff and parent time; all were involved and very enthusiastic.

The findings were that the school's facilities in technological and applied science [TAS], visual arts and library areas were seriously deficient, other schools' facilities appeared to comply with existing codes; the patterns of usage at this school, because it is a selective school with a high level of involvement in music and a significant high retention rate, indicated a strong need for additional learning spaces; and the maintenance budget for the school was inadequate. A number of different planning processes have been implemented over the years. Time prevents my spelling them out, except to say that the conclusion was a master plan that included three main stages: DA1, the integration of the Keele Street site as part of the school site; DA2, the relocation of tennis courts and other facilities at the front of the school; and DA3, major capital works to increase and augment school accommodation, including a library, a TAS block and demolition of the Water Board depot.

The school was led to believe that because of the interaction with the Department of Education and Training and the Department of Public Works and Services the work would go ahead. The North Sydney Boys High School community had a reasonable and justifiable expectation that funding for the DA3 project would be made available in the 2002-03 State budget. The President of the North Sydney Boys High School Council, Professor Kevin Harris, wrote to the Minister for Education and Training. Professor Harris and the rest of the school council asked me to attend a meeting after they discovered to their great alarm that, despite numerous verbal undertakings and vastly increased Department of Education and Training and Department of Public Works and Services activity at the school, no money had been allocated for the upgrade in this year's budget. Furthermore, no indication has been given that any funds will be forthcoming in the foreseeable future. The Minister responded to Professor Harris as follows:

> The issue you have raised will be considered with other priorities across the State when finalising the next year's Capitals Works Program.

The Parliament and the Minister should honour the good faith with which the school community of North Sydney Boys High School has approached this project and the involvement of staff, teachers and parents by providing a guarantee that the funding will be allocated to undertake the redevelopment work that the school so richly deserves.

BLUE HAVEN LAND DEVELOPMENT

Mr CRITTENDEN (Wyong—Parliamentary Secretary) [5.23 p.m.]: Honourable members will recall that I reported to the House on 7 June this year about the situation at Blue Haven in my electorate and the use of land that had been previously designated for the construction of shops. Someone at Wyong Council suggested that shops would not be built and that instead only a community centre, sporting fields and school extensions would be funded. In the words of the Premier, I decided to adopt an evidence-based approach and sent out 1,795 letters to all Blue Haven residents on the electoral roll. I received an astonishing 994 replies. Those replies indicated that 68 per cent of the residents wanted the school extended, but a majority—61 per cent—also wanted shops. Clearly, people wanted both shops and school extensions.

It was then necessary to ascertain the types of shops sought by the residents, and honourable members will recall that Blue Haven is a new residential estate in my electorate. To ascertain that I sent out 606 letters to the people who had previously responded, asking them to make suggestions. I received 495 replies, and my recent newsletter contains the information provided in those replies. The newsletter has been, and will continue to be, circulated to residents. The clear message was that the residents of Blue Haven wanted a pharmacy, a post office facility, a medium-size supermarket and a newsagency. I spoke to the former mayor of Wyong Council, and he was receptive to my approach of responding to people's needs and desires rather than imposing ideas on them. I hope the new mayor will continue that approach and help to achieve both the school extension and the construction of additional shops in the area.

It is interesting to note that many people mentioned the need for a post office facility. Blue Haven is in the Federal electorate of Dobell and the Federal member's office is less than 50 paces from the post office facility at The Entrance. I hope he responds to the needs of his Blue Haven constituents and provides them with a post office facility. Many smaller communities in New South Wales have post office facilities. Mr Brian Lenny, a community worker, called a meeting of Blue Haven residents on 8 September which attracted 28 people and which was funded through the area assistance scheme. At another meeting held on 22 September 11 people attended. Unfortunately, I could not attend because I had a prior commitment at a Legacy golf day at Toukley Golf Club and with the Gorokan High School wind orchestra, which performed at the Newcastle Conservatorium of Music.

It amazed me that Mr Lenny reported that the Federal member had arranged for the people of Blue Haven to get a post-office box. The people of Blue Haven are not second-class citizens; they deserve a post office facility. The Federal member for Dobell can do more; a mere post box is not good enough for the people of the area. We must ensure that people get what they need, and obviously a post office facility is paramount to these people. I hope that we can resolve this issue in the near future with the collaboration of the new mayor and that the Federal member for Dobell will use his best endeavours to ensure that we get both the shops and the school extension and that he will work with me to achieve that goal. The evidence is here; we need to give people what they want, not what bureaucrats say they will get. That is the essential message of politics in the twenty-first century: We should give people what they want.

GLENROI HEIGHTS PUBLIC SCHOOL FIFTIETH ANNIVERSARY

Mr R. W. TURNER (Orange) [5.28 p.m.]: It gives me pleasure to bring to the attention of the House today the fiftieth anniversary of the Glenroi Heights Public School, which is in the city of Orange. It is coincidental that the anniversary falls during Education Week, which makes it even more important. The school was opened on Monday 22 September 1952 and the first principal was a Miss Lillian Mary Sorrell. In those days she was known as a headmistress. The original wooden building is in very good condition and is still in use. Anniversary celebrations over the weekend started with a school concert last Friday, and continued with a memorabilia display in the school and a commemoration ceremony on Sunday attended by some of the past principals, including Vic Quinlan and Edgar MacMicking.

Yesterday the junior and senior choirs performed at the school assembly. I was honoured to attend that ceremony and hand out some awards certificates to students. During the morning Canon Frank Hethrington

from Orange and Councillor Reg Kidd, old boys from the school, spoke about what it was like when they attended the school. Frank Hethrington had some of his original pens and ink. He described how they had used them and the trouble they used to get into with the ink. At one stage the school had a cubs and scouts group and those old boys reminisced about what they used to do at the ovals and in the buildings. The students found that little bit of history very interesting. Keith Curry, a past principal, was at the school yesterday morning, as was Edgar MacMicking, who was affectionately known as Mr Mac.

When school opened in 1952 it had 65 students and two teachers. In its heyday in the 1970s it had some 840 pupils. As times changed and populations changed, school numbers declined. Today it has 260 pupils under the leadership of the principal, Dennis Yarrington. I bring to the attention of the House the excellent job that Dennis Yarrington is doing, together with the Superintendent of Education for the Orange district, Carole McDiarmid. They are turning the school around. Unfortunately, over the past decade or so the school has had a number of problems with its large indigenous population, a number of children of single parents and a number of children with learning difficulties and nutritional problems. These problems are now being addressed.

Dennis Yarrington is a reasonably young, forward-thinking principal, who, with the support of the superintendent of the Orange district, is trying to increase the population of mainstream students to give other students an example of what can be achieved. I acknowledge the support of the school's full-time and part-time teachers. They are doing a great job and have positive attitudes. The school counsellors, teachers aides, and parents are also doing an excellent job to assist students with learning difficulties to begin to achieve their potential. Yesterday morning it was great to see all the students wearing school uniform. Their attitude was very positive. They acknowledge that the school has some issues but they are overcoming them, and that will make the school the great school it used to be. [*Time expired.*]

Ms MEGAN WEST PREMIER'S ENGLISH LITERATURE SCHOLARSHIP

Mr HICKEY (Cessnock) [5.33 p.m.]: I am proud to highlight to the House today the achievements of Singleton High School English and drama teacher, Ms Megan West. Megan has been awarded the Premier's English Literature Scholarship of $10,000 for 2002. Ms West shares the scholarship with her husband, drama teacher Michael McCallum from Hunter Sports High in Newcastle. This outstanding achievement was announced at an official reception at the Premier's office in Sydney on 23 August, at which eight scholarships were awarded to high school and TAFE teachers across the State. This was followed by a reception at the Sydney Conservatorium of Music on Monday night to coincide with Education Week.

Ms West is a committed teacher in our public education system who has a passion for drama studies. Megan said that she and her husband geared their application for the scholarship towards drama and English in the Higher School Certificate [HSC] syllabus and their aim was "to bring the page to life, to take the words off the page". The $10,000 scholarship will fund a six-week trip to England and the United Kingdom. The study tour will extend their knowledge of English playwright Tom Stoppard, who is listed on the HSC syllabus and is well known for the play *Rosencrantz and Guildenstern Are Dead*. They will spend their time exploring archival resources in order to research this fascinating playwright, whose work many claim is difficult to interpret.

During their study tour of the United Kingdom they will research past productions from different angles, different directors and set and light designers. I have been informed that the couple have a scheduled interview with the playwright Tom Stoppard and will be able to gain invaluable insight into his past works and his most recent trilogy, *Utopia*. They will also visit four different schools to see how the playwright is taught in British schools. On their return to Australia at the end of October they will impart what they have learnt online and through a series of HSC workshops to students across the State. I thank the Harvey Norman store in Maitland for lending the couple a laptop computer to use during their study tour. This is a significant achievement for Megan and her husband.

I am sure that their students now and in the future will derive great benefits from their study tour of the United Kingdom and their research on the works of Tom Stoppard, who is noted for his ingenious use of language and irony. His works are studied as part of the HSC curriculum. It will be of interest to those in this House that Tom Stoppard makes use of political metaphors. Stoppard is associated with the continental European theatre of the absurd, a movement that lamented the senselessness of the human condition. He fused the English tradition of the play that satirises the customs of the upper classes with contemporary social concerns by concentrating on the intricate and comical duplicities of every day conversation within a wider, and often more menacing, historical perspective.

He worked as a journalist and as a writer for radio and television before coming to prominence with the production of his play *Rosencrantz and Guildenstern Are Dead* at the Edinburgh Fringe Festival in 1966.

Conceived as a satirical meditation on *Hamlet*, by English playwright William Shakespeare, Stoppard's play focuses on the sadly existential but frivolous meanderings of two of *Hamlet's* marginal characters, a pair of quarrelsome courtiers. The degree of difficulty this playwright presents to both teachers and students is challenging but fruitful if explored in the context of how it can be interpreted to allow our young people to gain an insight into the machinations of the politic in society. I wish Megan and her husband well in their endeavours to gain a greater understanding of these important modern words of literature, and I trust that our young people will be the ultimate beneficiaries of this prestigious award.

TRIBUTE TO Mr EDWARD ALLAN WALKER

Mr WEBB (Monaro) [5.38 p.m.]: This evening I inform the House of the sad passing of a community member of the Bombala district. Mr Edward Allan Walker, known as Allan Walker, regrettably passed away on 16 September last, a victim of Creutzfeldt-Jakob disease. He was comforted by his family—his three children, his niece, his grandchildren and particularly his brother, David Walker, a Sydney general practitioner, who went through the sad times with him. Allan was a staunch community member, and was very much involved in all aspects of the community. He was a farmer in the district for some 40 years with his wife, Mary, who passed away 13 months ago. I had the pleasure, if one could call it that, of travelling to their property, "Palarang", to witness Allan's interment next to his wife in the valley near the creek, overlooking the homestead on the Monaro, just seven miles from the Snowy River. In the past one could hear the roar of the Snowy River.

Allan's involvement was worthy of a Monaro community service award, which I proudly gave to him back in March. I am pleased that Allan was at the Bombala show to receive that award. Allan's involvement with the Historical Society has been well stated, including his perseverance in gaining the use of the courthouse. He made many trips and wrote many letters, which I supported, to the Attorney General seeking use of the courthouse.

When I first came across Allan he said, "I am with the Bombala Historical Society and we are doing a lot of wonderful things. This is something I want you to support. I want to get hold of the courthouse in Bombala and I want to get it for nothing. I will pay a peppercorn rent and that's it." I thought it sounded like a great idea, but how it would be achieved was a different matter. We persevered, particularly Allan, and I believe he received confirmation from the Attorney General that use of the courthouse would be forthcoming, although he did not see it becoming part of the Historical Society. Allan was very involved with a stamp collection, and I met him on different occasions at different shows and fairs in that regard.

Allan was a member of Rotary for more than 20 years. He was very involved in local Rotary work, International Rotary and the exchange program. He had his cap and pipe, and he was remembered for that. He had the ability to tell a story and a yarn in a colourful manner, and he represented local issues and the culture and history of the Bombala district. He was very much a family and community man, and that was spelt out on the day. Allan met Mary when they were three, and they had a lifetime together. Sadly, both of them died at an early age. Allan's niece, Jackie, spoke at the funeral. She spoke very well and read a poem that Allan suggested she write. She called it, "I'll Have to Write a Book about a Warm and Loving Man". It was a moving poem, in the realm of Banjo Paterson and Lawson, whom Allan dearly loved to read. The poem told a wonderful story of Allan and his life, his family and his commitment to the community in the words I know we all love.

I shall quote what I said to Allan when he received his community service award. Allan had been an outstanding long-term citizen of Bombala and had made a great contribution to his town. He had been a member of the Rotary Club for nearly 20 years. He had been a driving force in numerous projects the club had undertaken and held many positions within the club, including president in 1987-88 and secretary. He was very much involved in the Historical Society. As I said, he had been an active member since 1990 and president since 1997. His inspirational leadership to the tireless group of volunteers supported that work. In 1994 he was involved in the Bombala Railway Land Development Committee. He was a very special man who was able to maintain a diverse and committed service to the community while remaining totally devoted to his family. He was a worthy recipient of the community service award. It was sad to attend his funeral, and I wish him a fond farewell. [*Time expired.*]

KIAMA HIGH SCHOOL SPORTING ACHIEVEMENTS

Mr BROWN (Kiama) [5.43 p.m.]: Tonight I pay tribute to the outstanding effort of the Kiama High School's open rugby league team, which finished third in the recent Australian competition. As a former student and captain of Kiama High School, I am pleased that the school is still achieving excellence. This result makes

me, and all the students who attended that school, proud to be the product of our State's great public education system. The competition began with nearly 500 schools. Out of that 500, Kiama High School finished as the best performing government or CHS high school in Australia. To achieve this result, Kiama beat some of the biggest names in the sport, including Westfield Sports High School by 18-14 in the quarter-final and St Gregory's School, Campbelltown, again by 18-14 in round 16. Other teams that Kiama High School sent home with their tails between their legs were Robert Rownson, the number one Victorian team, and Callaghan College, amongst many others.

Kiama High School's team consists entirely of locals who either play for Gerringong under- 18s or Kiama under-18s. Obviously, it is a quality side. It contains two Australian schoolboy representatives, being Ashton Sims, who plays for St George Illawarra in the Jersey Flegg team, and Stephen Ross. Those two young men will be touring the United Kingdom in November this year. In the semi-final Kiama was defeated by Terra Sancta College, Marayong. That was a fast game in which the Kiama side, especially from Paul Ross, Greg Easterman and Brad Davidson, displayed some excellent skills. Kiama High School has a proud tradition in sport. For instance, graduates of Kiama include Rod Wishart and Shaun Timmins, who both represent the country in rugby league.

We are also proud of some of our other teams which have achieved at the highest level, including the Kiama High School under-15 girls rugby union team, the State champion; the Kiama High School open girls touch team, which came fourth in the State; and the Kiama High School open girls hockey team, which came third in the State. Congratulations to you all. A big thank you should also go to the teachers, parents and sponsors of these teams. A special thank you should also go to the coach of the Kiama High School open rugby league team, Scott Stewart, who has dedicated himself to his school achieving such a terrific result. I also paid tribute to the *Kiama Independent*, a great regional newspaper which is dedicated to reporting and promoting sport in the Kiama area. Congratulations to all involved.

SIR ERIC WOODWARD MEMORIAL SCHOOL NURSING POSITION

Mr O'FARRELL (Ku-ring-gai) [5.46 p.m.]: Today I raise concerns on behalf of the parents of students attending Sir Eric Woodward Memorial School at St Ives. This is a school for special purposes, catering to some of the frailest students in the State, many of whom suffer multiple disabilities. On Monday I met with parents who are concerned about the future of the current nursing position at the school. At present a nurse works at the school between 10.00 a.m. and 3.00 p.m. on school days. Ideally, the parents would like the nurse to be available for the whole school day, that is, they would like the nurse to start work at the school at 9.00 a.m. Monday to Friday. Unfortunately, instead of responding to that concern, the Department of Ageing, Disability and Home Care [DADHC] is considering withdrawing the nursing position from the school and relocating the position to Hornsby. I regard that as a dangerous proposal. I believe it abrogates the duty of care owed to parents whose children attend Sir Eric Woodward Memorial School.

The DADHC proposal under consideration would establish a referral-based nursing position at the school. Teachers or teaching assistants would be required to recognise the need for a student to see the nurse, a referral would be made and the student and parents would await the appointment. Obviously, the delays involved in such an approach are unacceptable when it comes to the care of these students. And delays will occur. A similar system now operates for the school's physiotherapist and speech therapist. The reality is that students can be required to wait weeks between referrals being made and appointments occurring. The reality is that many parents take the option of paying for their children to see private practitioners rather than enduring the delays in seeing the school's allocated physiotherapist and speech therapist.

In nursing such delays can be critical. Literally, life and death situations can occur. A qualified nurse is required on the site, not one who is located 15 to 20 minutes away depending on the state of local traffic. Parents are understandably concerned about this situation. I share that concern and raise this matter to seek a firm commitment that the nurse will not be relocated away from Sir Eric Woodward Memorial School. I want to raise a subsidiary issue about the implications of such a move for teachers and teaching assistants at Sir Eric Woodward Memorial School. Greater responsibility will fall upon these staff members if this move proceeds. Greater liability will also fall upon them in the event of an incident or episode not being properly handled. Given the implications, I am surprised that the Department of Education and Training has not taken a stronger position on this proposal. The department seems very quiet on an issue of enormous concern to students, parents and teachers at Sir Eric Woodward Memorial School.

This Parliament is currently engaged in an investigation into the use of prescription drugs and over-the-counter medications by children and young people. In a discussion paper released in May the Committee on

Children and Young People outlined the insurance and legal pitfalls involved in this area, many of which would be exacerbated by what is being proposed at Sir Eric Woodward Memorial School. While the submission of the Department of Education and Training to that committee concentrates on schools generally, other than those that operate for students with multiple disabilities, it nevertheless accepts its duty of care to those students. Interestingly, the Nurses Federation makes the point that in schools where there are significant numbers of students who require more complex medication and care, a registered nurse should be present at all times during school hours.

At the same time that the DADAHC is considering relocation of the school's nursing position, the Department of Education and Training is trying to implement managed health care plans for students. Parents are being asked to outline for non-clinical staff ways in which episodes affecting their children should be handled or treated. Understandably, parents have a number of concerns about this. First, while parents are undoubtedly the greatest carers of their children and those who are best attuned to their children's needs, parents are neither clinicians nor medically trained. Second, parents are concerned about helping to put together plans for non-clinical schools staff to administer. Third, they view the department's concerns as directly related to the move by the DADAHC to relocate the school's nurse. While the local district superintendent has informed me that the two matters are not connected, the first and second concerns of the parents remain valid.

If the nurse is relocated and a student subsequently has an episode that a teacher or teaching assistant is required to deal with, what confidence will parents be able to have in the welfare and health of their children? If a nurse is on-site, at least they know that a medically trained person is available to assist. This is a flawed proposal. It must be firmly ruled out and both departments must commit to providing students at Sir Eric Woodward Memorial School with full-time, on-site nursing assistance. To do otherwise would be to abandon the State's responsibilities to the tremendous young people who attend the school. I conclude my remarks by informing the House of my understanding that the reason why a full-time nursing assistant had been appointed to the school is related to a coronial inquiry which took place a couple of decades ago. It would be a pity if, as a result of the proposed move, a death occurred and a subsequent coronial inquiry concluded that the situation had been made worse by the implementation of this proposal. The proposal should not be allowed to proceed.

MAITLAND ELECTORATE SCHOOLS

Mr PRICE (Maitland) [5.51 p.m.]: I thank and congratulate the Minister for Education and Training for the assistance provided to my electorate through his department's minor capital works program. More than $430,000 has been allocated to two schools in my electorate for new classrooms to replace demountable buildings—two at the Hinton Public School and two at the Bolwarra Public School. The allocation is gratifying and certainly goes a long way towards satisfying the needs of public education in my electorate. I am particularly pleased that the Minister announced improvements for the Bolwarra school. The announcement confirms that problems arising from the population expansion in the electorate had not been looked after properly. On the eve of the school's one hundred and fiftieth anniversary celebrations, I am pleased to acknowledge that it will also be able to celebrate the construction of those two new classrooms, which will take place during the current financial year.

The South Street School is among the schools in my electorate that have been nominated for improvements such as the provision of security systems, upgrading of electrical and canteen facilities, the provision of new toilets and major toilet facility improvements. The South Street School was originally established through the Maiwell Organisation for profoundly disabled people. The school stands on a new site, and a commitment has been made to provide a hydrotherapy pool and spa at the school at a cost of $40,000. Those improvements will be of tremendous physical value to students. The pool will be accessible to all students who require hydrotherapy assistance and its location on the school site will obviate the need to travel to other community facilities. Upon completion of the construction phase, the pool will be made available to students in need. The community can be justly proud of that.

The Thornton Public School community has been concerned about the condition of the school's two toilet facilities. The school will receive an allocation of $30,000. The population of Thornton is increasing, and the staff and students will welcome the vast improvement to the general amenity of the school. The Francis Greenway High School community has been anxious about the condition of the school's canteen. The school may now look forward to an upgrade of the canteen's facilities at a cost of $50,000. That will make a tremendous difference to the amenity of the canteen. It will certainly assist the volunteer staff who operate the facility. This is yet another major initiative of the Government, which has allocated sufficient funds to ensure that school facilities meet occupational health and safety requirements and provide excellent working environments for those who operate educational centres on behalf of the State for the benefit of the children.

The Maitland High School will benefit from significant improvement to its air-cooling system. Some of the permanent buildings will be provided with air-cooling equipment at a cost of $24,000, and $15,000 will be allocated to upgrading the school's electrical system. The electrical system at Morpeth Public School will be upgraded at a cost of $40,000; upgraded toilet facilities will cost $20,000. Those allocations will result in tremendous improvements to schools in my electorate. They demonstrate the Government's commitment to public education, to the improvement of facilities, and to the appearance of schools in non-metropolitan areas of the State. I am grateful to the Minister for the allocations. I acknowledge that $300 million will be spent during the current financial year on minor capital works throughout this State. That represents an increase of $42.4 million, or 16.5 per cent, on last year's allocation. The improvement of school facilities is a great move by the Government, and one that is acknowledged and welcomed by the community. [*Time expired.*]

Ms NORI (Port Jackson—Minister for Small Business, and Minister for Tourism) [5.56 p.m.]: I thank the honourable member for Maitland for his contribution and commend him for the interest he takes in his electorate. It is incredibly important that schools be provided with the best possible facilities. The honourable member for Maitland might be interested to learn that at a meeting I had with young women from regional areas in New South Wales, they made the very point he made during his speech. It is important, not only for hygiene and practical matters, to give young people good facilities. It says something about the Government caring for them that is often transposed into their view of themselves. The young women to whom I referred were cross with some of their peers who had taken to vandalising school facilities. As result of the meeting, the young women decided to organise a campaign to exert peer pressure on other students to respect school property for the good of the whole school community. I am sure that that is the type of school community that the honourable member for Maitland represents.

CRONULLA ELECTORATE HEALTH SERVICES

Mr KERR (Cronulla) [5.58 p.m.]: I draw to the attention of the House a number of health issues in my electorate. It is unfortunate that the honourable member for Heathcote, the Parliamentary Secretary Assisting the Minister for Health, is not present in the Chamber because I too regard branch stacking as a health hazard for democracy.

Ms Nori: Point of order: My understanding of standing orders in respect of private members' statements is that a private member's statement is meant to relate strictly to matters affecting the electorate or constituents of the member making the statement. I fail to see the relevance to his electorate or his constituents of the comments made by the honourable member.

Mr ACTING-SPEAKER (Mr Mills): Order! I uphold the point of order, if only because in the past former Speaker Rozzoli ruled a private member's statement should be restricted to one subject. The honourable member for Cronulla has referred to health and branch stacking, which I do not believe are related.

Mr KERR: I related the health of democracy to branch stacking, but I will be speaking on health. One aspect of that is the heart and lung rehabilitation unit at Sutherland Hospital. I have received a number of expressions of concern from constituents about the serious risks associated with the closing of that unit due to the lack of a funding commitment to it by the Carr Government. The other aspect of health is rehabilitation. The heart and lung unit is critical to rehabilitation. The unit provides a program of essential rehabilitation for heart and lung patients, in many cases preventing the onset of further serious illness. The Government must act immediately to keep this unit open. Sutherland Hospital has a shortage of nurses. I note that the Parliamentary Secretary Assisting the Minister for Health has entered the Chamber. I know he has serious concerns about what is happening at Sutherland Hospital. On a number of occasions I have referred to the Parliamentary Secretary the cases of constituents who have required operations, and he has acted on those matters responsibly and with reasonable expedition.

I bring to the attention of the Parliamentary Secretary the heart and lung rehabilitation unit at Sutherland Hospital and the need for a funding commitment. I also bring to his attention the need for a hydrotherapy pool at the Sutherland Hospital. As the Parliamentary Secretary would be aware, there was a hydrotherapy pool at Sutherland Hospital. He would be aware of the essential health benefits of that hydrotherapy pool. Those two facilities are essential to enable heart and other patients to have adequate exercise. It is false economy not to provide funding for those facilities. The Parliamentary Secretary is probably somewhat of an expert on heart conditions and cardiac medicine, and would know just how essential those two units are for the health and wellbeing of the people of my area. Though I have talked about this matter totally in respect of my electorate, it has implications for other electorates. Of course, the wider implications are only consequential. The basis of my statement tonight relates to my electorate.

Mr McMANUS (Heathcote—Parliamentary Secretary) [6.03 p.m.]: I appreciate the concerns of the people of the Sutherland shire that were raised by my colleague. However, I am concerned that the honourable member raises these sorts of matters in the Parliament rather than liaises with Government members regarding them. I should say at the outset that, having had a heart operation recently, I appreciate what the honourable member is saying. Government members are meeting regularly with cardiologists, in particular from Sutherland shire, to find ways and means of addressing the concerns of doctors and providing better services for heart and lung patients in the shire. On this occasion I have concerns as a local member. The honourable member has not been talking to us about resolving the problem.

Not long ago we had allegations from the Opposition that the maternity unit was to close. In the past couple of weeks the Premier and the Minister have been to the hospital to demonstrate to the community that the Government will not only continue to provide the maternity unit but will enhance those services. Before that the issue was cancer care. If the honourable member for Cronulla has concerns, he should talk to Government members, because we are talking to the doctors and health service providers regularly. I do not know the origin of this issue, because I was with the cardiologists at dinner in Parliament House a couple of weeks ago—drinking red wine because it is supposed to be good for the heart—and they said they were pleased with the direction the Government is taking in dealing with heart issues in the shire. I remind the honourable member, who chooses continually to launch an attack in this House—and I appreciate what he says about the hydrotherapy pool—that despite all the discussions we have had with the doctors, the community and experts in health, this matter has never been raised. However, I am happy to deal with it.

PUBLIC EDUCATION

Mr McGRANE (Dubbo) [6.04 p.m.]: Like the honourable member for Maitland, I raise a matter related to education. I wish to speak about class sizes and other related topics that will lead to better educational outcomes for students in New South Wales public schools. This issue has equal relevance to both city and regional electorates. It involves the great Australian notion that everyone in our society should have the same opportunities. This is one of the great outcomes that the public education system can provide. The notion of equality of opportunity should not be forgotten in this age of cost recovery and the market ruling on social issues. As technology changes, a good early education is becoming even more important. This involves more student-teacher contact.

In recent weeks I have received a delegation from primary school principals in the Dubbo electorate as well as many written representations from teachers and parents regarding the notion "20 is plenty". The delegation of primary school principals consisted of Graham Keast of Orana Heights, John Dixon of Wellington, Paul Locksley of south Dubbo, John Marin of Dubbo west, and Glen Morrison from Buninyong. The principals presented a sound outline of the changing educational needs appropriate to this day and age. At the outset I should say that those needs will require additional resourcing.

Eight major priorities were identified by the New South Wales Primary Principals Association. They are as follows: one, reducing class sizes; two, providing additional release time for teaching executives; three, ensuring parity of resourcing between primary and secondary sectors of the school system; four, supporting principals in their work by addressing principals' welfare issues; five, expanding global budget allocations for primary schools; six, increasing the number of school administrative support staff in primary schools; seven, improving training and development for principals and staff; and, eight, funding and support for the integration of students with special needs.

I acknowledge that the Government has been active in addressing these issues. Those actions have included setting up pilot programs to examine the educational outcomes of small classes. Some 3½ years ago the city of Dubbo, with the co-operation of the council, the Department of Education and Training truancy officers and police, undertook a one-month survey of 980 students on the streets of Dubbo. Some 30 per cent of those 980 students, who were in a sense dodging school, were from outside the Dubbo city area. Other interesting work was done to follow up what was revealed in the survey. One factor was that parents who had little education did not care much about having their children educated. It is unfortunate, and alarming, that in this great country of Australia, with all the resources it has available, some people would say, "I was not educated, so there is not much need for my children to be educated."

We all know that students who miss out on an early education do not learn the basics of English and mathematics and are therefore at a disadvantage when they move further into the education system. When it comes to secondary education, they tend to be put in slow learner classes and consequently have a greater

propensity to drop out of school altogether. Many of them join the ranks of the uneducated and unemployed, making them susceptible to the pitfalls in the temptations of modern society. That leads to horrendous costs being borne by the State government in attempting to sort out the problems that these young people get themselves into. Therefore, it is paramount to have a good education system in our primary schools. [*Time expired.*]

Mr WHELAN (Strathfield—Parliamentary Secretary) [6.09 p.m.]: I will convey the honourable member's remarks to the appropriate Minister.

Private members' statements noted.

BUSINESS OF THE HOUSE

Divisions and Quorums: Suspension of Standing and Sessional Orders

Mr WHELAN (Strathfield—Parliamentary Secretary) [6.11 p.m.]: I move:

> That standing and sessional orders be suspended to provide that divisions and quorums not be called on Wednesday 25 September 2002 prior to 11.30 a.m.

I seek to suspend standing and sessional orders to provide that no quorums or divisions be called prior to 11.30 a.m. tomorrow. The father of the Minister for Transport has died and a lot of honourable members are anxious to pay their respects to him. Opposition members have indicated their willingness to comply with that request on this occasion. I inform honourable members that the condolence motion for the late Deputy Premier, and Minister for Public Works, Jack Ferguson, will take place at 4.30 p.m. on Thursday. At the conclusion of that condolence motion the House will adjourn as a mark of respect.

Mr TINK (Epping) [6.12 p.m.]: The Opposition agrees with the course outlined by the Parliamentary Secretary. I extend condolences to the Minister for Transport on the loss of his father.

Motion agreed to.

[*Mr Acting-Speaker (Mr Mills) left the chair at 6.12 p.m. The House resumed at 7.30 p.m.*]

FARM DEBT MEDIATION AMENDMENT BILL

Second Reading

Debate resumed from 17 September.

Mr ARMSTRONG (Lachlan) [7.30 p.m.]: There is an old saying in this Parliament that nothing changes except the Act. When this legislation was introduced the Minister for Agriculture, who is in the Chamber, was a shadow Minister. The roles are now reversed but, with respect to the Minister, I hope that that is not for too long. Since the implementation of the Farm Debt Mediation Bill about 1,500 cases have been considered, 771 of which have been resolved satisfactorily. The Rural Assistance Authority established that about 445 farmers did not act in good faith and on five occasions the banking industry did not act in good faith. In the past few weeks I have been told by three of the major banks that what they call their non-performing loans are now below about 2 per cent.

The Farm Management Deposit Scheme, a Commonwealth scheme that was introduced some years ago, allows bona fide farmers in good years to put money into a fixed deposit scheme. Those deposits would then attract a commercial rate of interest and farmers would be able to withdraw those funds, or a portion of them, in years when they do not receive good income. Money deposited in the first year would not attract a rate of taxation and those funds would be able to be withdrawn when farmers earned a lesser income. So that represents an appreciable saving in taxation. All honourable members would be aware of the serious drought that commenced in the Far West, spread throughout the Central West, the south-west, the Riverina and the tablelands area and that has affected some coastal areas. However, farmers are becoming more and more efficient in coping during times of drought. One thing that is for certain in this world is drought, but we are certain that this present drought will be broken. Drought is endemic in Australia, but we are learning to manage it better. It is good management on the part of those who decided to put money into a fixed deposit scheme. However, I hope that they do not have to draw upon it.

Many people do not realise that the cash flow for winter crops such as oats, barley and wheat would not have been expected until about the middle of October. The cash flow period for cereal crops is the end of November and December, and until February in the Cooma district. So the real impact on the broader community of the loss of cash flows will be experienced only after Christmas. In the last 48 hours figures have been released and there have been many media reports about the effect that that will have on food prices and on jobs. It is yet to be realised that a major problem is being experienced by many country towns in retaining essential personnel for service industries, for example, mechanics, spare parts people and engineers who service agricultural machinery, agricultural aeroplanes and spraying rigs. Other personnel include suppliers of farm chemicals, fertilisers and animal drenches for parasitic control.

The jobs of those people have dried up in the same way as plant life has dried up. I have received a number of calls from employers who service agricultural industries and they do not know what to do. Some people have said to me, "If we let these people go they will have no choice other than to leave town. Will they come back after the drought breaks, whenever that might be? Will they be inclined to come back?" That is one problem that governments have to address in the short term. It is one issue that has been neglected. Essentially, this bill will amend the Farm Debt Mediation Act. Opposition members will not oppose the legislation either in this House or in the other place, but we will move an amendment in the other place that will specify the time frame within which a mediator should be appointed. The amendment to be moved in the other place will be in the following terms:

> If a creditor rejects the mediator nominated by a farmer, the farmer must nominate a panel of at least three other mediators within 14 days of the creditor's rejection. If a creditor rejects all the panel of mediators nominated by the farmer, the authority must appoint a mediator within 14 days of the creditor's rejection of the panel.

I spoke to representatives of the New South Wales Farmers Association between 5.30 and 6.30 tonight and they indicated to me that that amendment is acceptable to them. I hope that the amendment is also acceptable to the Government. That amendment, if accepted, will impose a time frame of 28 days for the appointment of a mediator. Once a decision has been made by one party or the other, mediation must be proceeded with. Every day that such mediation is delayed interest compounds. The sooner a matter can be resolved the better. The appointment of a mediator is critical. Present legislation does not specify a time frame for the appointment of such a mediator. I hope that the Government accepts that amendment that will be moved by the Opposition in another place.

The Australian Bankers Association has made a number of suggestions in relation to this bill, all of which are worthy of some consideration and debate. Every transaction involves two people—a borrower and a lender. One simple rule in life is that if one borrows money one has to pay it back. By the same token, the borrowing and lending of money is a complex operation. That is why legislation such as this is so necessary. The social and psychological effect of debt on people's lives can be catastrophic. I cite as an example a man who, 30 years ago, was a small farmer. Twenty years later he went on to become Australia's largest wool producer. That farmer bought some land, things did not go well, interest rates went up dramatically, his creditors were not prepared to take the risk any longer and he had to sell his property. Ironically, if he had been given an additional seven months he would have been able to meet his commitments. That farmer, who is again on the way up, sheared 40,000 sheep this year. But it has been a tough call for him. That is one of the many stories I have involving farmers in this State.

The Australian Bankers Association makes the point that with regard to some of the recommendations the review group recommended that where a creditor is found not to have acted in good faith in a mediation on a farm debt, unless the farmer otherwise agrees, the creditor should not be able to recommence action in respect of that debt under section 8 for a period of some 12 months. Under recommendation 29 the review group recommended that the actions and decisions of the Rural Assistance Authority in relation to mandatory farm debt mediation be made subject to review by the Administrative Decisions Tribunal. Under recommendation 11 the review group recommended that farmers be given the initial right to nominate a mediator. If the creditor rejects the nomination, the farmer should then nominate a panel of at least three mediators from whom the creditor must select one. The Opposition will move an amendment to that effect in another place.

The Farm Debt Mediation Act will certainly have use in the future. It is not necessarily the province of small farmers or large farmers. I believe it has been a useful vehicle in assisting to gain confidence in the finance industry, and it has provided a certain amount of security to both parties in having the confidence to negotiate with each other so far as lending and borrowing is concerned. One of the essential factors that is often overlooked in these types of transactions is that a trust must be established between the borrower and the lender. We can pass as much legislation as we like in this place, but unless there is trust—involving professionalism,

confidence, honesty and integrity—between borrowers and lenders, the legislation will not work. All the legislation under the sun will not ensure a satisfactory business arrangement unless there is trust, honesty and integrity, and people are capable of running their businesses.

Mr BLACK (Murray-Darling) [7.41 p.m.]: I am pleased to support the bill introduced by my colleague the Minister for Agriculture, our suburban Labor coalition colleague. I am also pleased to follow the honourable member for Lachlan in this debate, particularly after today's exhibition in which we saw blubbering Brogden again buggering business. I refer to the Mogo charcoal plant, the silicon smelter and the Lithgow exercise. I might agree to become the chief of staff of the honourable member for Lachlan, if he wants to again become the leader of the once-great party called the National Party. As members are aware, the seat of Murray-Darling is entirely in drought. As members are also aware, as a result many jobs and holdings are at stake. This bill has a special meaning at this time, in the sense that in the west mediation, as opposed to bank action, has never been more important. We can go back through history and look to the events of 1891, when that great song *The Price of Wool Is Falling* was written, when so many small holdings went under and eventually became the giant holdings subsequently held by the Sidney Kidmans and others.

Today is no different. We have a similar situation in the west, where so many small holdings are under threat for reasons that are entirely beyond their control. I refer to the economic markets, but in particular I refer to climatic factors. In the west we have rural financial counselling services, of which the Minister for Agriculture is a great supporter. In fact, one of the first steps taken in the Government's drought relief package was an additional $25,000 in funding to each of the rural financial counselling services. A $5,000 up-front allocation was provided to at least two of those counselling services, with an application required for the remaining $20,000. Nothing could be more important than such funding, because these rural financial counselling services are very much tied up with the methodology and intent behind this bill. A famous musical called *Reedy River* was written as a result of those events in 1891. The chorus of a song in the musical goes like this:

But the banks are made of marble
With a guard at every door
And the vaults are stuffed with silver
That the farmer sweated for

The verse is as follows:

The things I heard and saw. I saw the weary farmer
Plowing sod and loam
I heard the auction hammer
A knocking down his home

I read only a few weeks ago that they are currently thinking of remaking that musical as a film, and what an appropriate time to do so. It is a meaningful musical and one of the greatest that has ever been written in Australia. Of course, the theme repeats itself right up until the current date. A very good constituent of mine whose nominated assets were acknowledged by the bank to be in excess of $467,000 has been denied an extension of credit from $30,000 up to a suggested $80,000. The Commonwealth Bank in Bourke has removed the bank's manager. People in drought are now required to ring some unidentified person in that coastal village of Dubbo to get some response like, "We can't handle it now. Ring back tomorrow." This is an appalling state of affairs. The honourable member for Lachlan referred, I understand accurately, to the small number of bad debts currently carried by the banks. However, he did not refer to the banks' record profits. People affected by drought and trying to meet their obligations are extremely embarrassed about not being able to pay off their debts to banks. Indeed, it often leads to genuine breakdowns in family life when proud people cannot face up to their so-called legal responsibilities and nothing is left on the table to feed their wife and children.

I can cite another example, the case of Max and Judith Hams, a matter that has been canvassed in this place previously. Elders-CGU, with absolutely no heart whatsoever, would not agree to meet its obligations under an insurance agreement. Finally the matter had to be resolved in court, but only after 2½ years. It is yet another example of the heartlessness of banks. The problem with drought is that when people on properties or farm stations get into strife, usually they have their house on the line. In a suburban situation, if a business goes broke, for example, in many cases the family home is somehow insulated from that process. However, in the bush the current practice is to put up the homestead as part of the guarantee for the loan. Hence the importance of mediation. The Farm Debt Mediation Act 1994 established a structure for mediation to take place prior to a creditor taking enforcement action with respect to a farm debt. The Act is administered by the New South Wales Rural Assistance Authority, which is a great organisation.

The proposed amendments to the Farm Debt Mediation Act 1994 will strengthen the position of farmers when negotiating debts with banks. These changes are particularly important given the financial hardships farmers are facing as a consequence of the drought that is gripping New South Wales. Basically, the changes ensure a fair and efficient mediation process. The changes include making it clear that the object of the Act is to ensure the efficient and equitable resolution of farm debt disputes; they provide that if a farmer in default requests mediation of a creditor and the creditor refuses the request, the Rural Assistance Authority will issue the farmer with a notice of exemption from enforcement action in relation to that debt; provide that where a creditor is found to have not acted in good faith in a mediation on a farm debt, unless the farmer otherwise agrees, the creditor will not be able to recommence action in respect of that debt under section 8 for a period of 12 months; and give farmers the initial right to nominate a mediator.

If the creditor rejects the nomination, the farmer should nominate a panel of at least three mediators from whom the creditor must select one. I note that the honourable member for Lachlan touched on that point when he referred to the Opposition's foreshadowed amendment. The changes also include that, where there is the default on the loan and a farmer or creditor requests mediation, there will be no penalty or compulsion on the other party to accede to such a request. If the other party agrees to such mediation, no section 11 certificate will ensue—that is, a mortgage cannot be foreclosed. The proposed changes to the Act follow a competition policy review, including consideration of public policy. The review group considered that mandatory mediation was an effective intermediate arrangement with a satisfactory record of delivering efficient and equitable resolution of farm debt disputes. The 2000-01 annual report of the New South Wales Rural Assistance Authority states:

> Since the commencement of the Act in February 1995 major creditors have issued 1,574 Section 8 notices to farmers advising them of the creditor's intention to commence enforcement action and of the availability of mediation. 1,364 farmers have responded in terms of Section 9 of the Act, advising the creditors of their intention to enter into mediation. As at 30 June 2001 there have been 864 mediations conducted under the legislation with the parties reaching an agreement in 760 or 88% of the cases.

Since then until 31 August, 1,685 mediation kits have been issued by the Rural Assistance Authority to farmers and creditors. Of that total, the authority issued 912 section 11 (1) (a) certificates, which relate to satisfactory mediation taking place in respect of the farm debt concerned; 82 section 11 (1) (c) certificates, which relate to three months having passed after notice was given by the creditor under section 8 and the creditor, throughout that period, having attempted to mediate in good faith, whether or not satisfactory mediation took place during that period; 42 section 11 (2) (a) certificates, which relate to a farmer having failed to take part in mediation in good faith or unreasonably delaying entering into or proceeding with mediation; a massive 371 section 112 certificates, which relate to the farmer having indicated in writing to the authority or to the creditor that the farmer does not wish to enter into or proceed with mediation in respect of the debt concerned; and only 97 section 11 (2) (c) certificates, which relate to the farmer having failed to respond within 28 days to an invitation in writing given to the farmer by the creditor to commence mediation in respect of the farm debt.

A total of 1,504 certificates were issued and in 109 cases the parties failed to reach an agreement. That underscores the importance of this legislation. It further underscores the importance of the amendments, particularly given the circumstances in which we find ourselves in western New South Wales. The Minister for Agriculture has stated in recent days that 86 per cent of New South Wales has been declared drought stricken. Only 2 per cent, a small section out of Cooma, is free of drought. Of course, the balance is suffering marginal drought. Unfortunately, all indications are that the declared drought area will increase. As it increases, more and more farmers and graziers will experience the worst of the financial crisis. I again emphasise the importance of rural counselling services in this process in giving advice to graziers and farmers about these provisions. One of the most important roles of the rural financial counselling service is to provide advice to farmers and graziers so that they can access these provisions. I commend the bill to the House. I salute the Minister for Agriculture and I acknowledge the Opposition's support for this legislation.

Mr WEBB (Monaro) [7.56 p.m.]: The Farm Debt Mediation Amendment Bill is designed to amend the Farm Debt Mediation Act 1994. Like the honourable member for Murray-Darling, I—and I am sure most members of Parliament, particularly those who represent agricultural areas—have tales to tell about late-night or desperate telephone calls from constituents who have finally heard the bell ringing: their creditors have said that the time has come to settle outstanding debts. In many cases the details are somewhat different from a conventional borrowing scenario in a town or city—that is, the size of the asset and the loan have a different relationship to one another and the potential to sell the property, asset or business quickly is reduced.

For many years Peter Spencer of Shannons Flat has been battling his creditors regarding a large property that he bought and wished to develop over time. He sought the approval of the Department of Land and

Water Conservation to develop the property—to clear it, to establish a water supply and to develop it as a speciality agricultural production property. Unfortunately, the timing of his development applications did not sit well with the Government's land-use agenda, and he was not able to secure the necessary development approvals to do the clearing and to establish the water supply. As a result, he was unable to produce an income from the property for a long period. He dug in his heels and engaged in mediation.

I take this opportunity to thank the honourable member for Lachlan, who spoke first and very knowledgeably on behalf of the Opposition. I approached him for guidance about what farm debt mediation I could recommend to Peter Spencer. Mr Spencer went through that process and was able to hold off his creditors for some time. Although he still has a very large debt and is struggling to pay it off, he is now producing superior superfine wool from that large acreage. He is also looking to harvest the timber stocks on the property. A farming family from Bonang in Victoria bought a large adjoining property just prior to the introduction of legislation that made it very difficult to clear the land of scrub timber and to get into plantation forestry. The area in question was eminently suited to that activity. That family also battled creditors. Both families still have large debts, but they were able to mediate changes and to manage their debt in such a way that they still have their properties and might be able to trade their way out of that debt. That is their desire; that is what they are there to do. They have their families to think about, they have experience on the land and they have a dedication to fulfilling their dreams.

Sadly, many other farmers and small business holders are not in a position to take that approach. Because of circumstances—perhaps because of drought, policies of governments, variations in commodity prices or decisions they have made in pursuing particular enterprises—they are unable to meet their debts. I support the thrust of the bill to regulate the mediation process so that farmers are in control to the extent that they can initiate mediation in respect of a farm debt even though they are not in default at the time. So if they see something coming, they can be proactive, they can take the advice of the rural financial assistance counsellor to try to resolve the problem ahead of a potential foreclosure.

The bill also will provide for the issue of certificates of exemption from enforcement action and will clarify the operation of certificates under certain sections of the Act. It will also establish a procedure for nominating and choosing a mediator. People have told me they were involved in mediation but could not understand or deal with the mediators in what is supposed to be a negotiation process. They have told me they would like to reject a particular mediator and propose one who is more suitable, understanding or capable. I support the aspects of the bill that allow farmers to do that so as to give them some control. Other aspects of the bill provide for a review by the Administrative Decisions Tribunal of certain decisions of the Rural Assistance Authority. I support those provisions.

The report of the New South Wales Government review group on farm debt mediation released last December made some 30 recommendations for improving the farm debt mediation process. The bill supports farmer-initiated mediation. A moment ago I referred to two farmers from Monaro who were very proactive and involved in mediation and have managed to stay afloat. The issues involved in farming in New South Wales are hard to understand. There is the generational aspect, the ability of a farm over decades to be transferred as a holding to a second and even a third generation. There is the expatriate nature of farmers who are not closely linked to the farm but who still derive an income from the farm.

Often there is major potential for a farm to continue production but at the same time creditors want to realise any debt that is outstanding. Hopefully, this bill will resolve the social costs to a small community of the loss of generational equity and the lack of production of a farm over a period because of a bad mediation process. Commodity prices that are subject to the marketplace and to weather conditions fluctuate widely, yet farmers' costs, charges and taxes continue to decline steadily. This often puts many farmers, who want to produce, in an awkward situation regarding farm debt. They often leave it to the very last minute and are disadvantaged by interest rate increases, droughts, or actions they have not foreseen. This bill, which I fully support, gives back the initiative to farmers. I commend the bill to the House.

Mr MARTIN (Bathurst) [8.04 p.m.]: I support the amendments to the Farm Debt Mediation Act and congratulate the Minister on bringing them before the House. It is worth looking at the history of this legislation. My predecessor as the honourable member for Bathurst, Mick Clough, was responsible for having this legislation introduced. He did it from Opposition, and all honourable members will appreciate that that is sometimes a hard row to hoe. The bill was introduced by the present Minister for Agriculture after Mick had raised it in caucus. At the time Mick Clough was chairman of Labor's caucus committee, a position I now proudly hold, maintaining the great tradition of members for Bathurst in agriculture.

It is interesting that members of the Opposition, particularly members of the National Party, support these amendments. I remind the House that in 1994 they opposed them. At that time the Coalition was in government and banks were probably at their most avaricious and were slinging people off rural properties left, right and centre. The Coalition Government at the time refused to respond to the needs of country people—and not a lot has changed in the past eight years, as we saw today with that absolutely disgraceful performance of the National Party in supporting the Leader of the Opposition in putting the silicon project to the sword. However, that is another debate for another day. In 1994 the Labor Opposition's agricultural caucus committee was travelling around New South Wales, reacting to the problems that people were talking about. People got a deaf ear from the then Coalition Government. Gilgandra was the catalyst for this legislation. I hope the honourable member for Dubbo will join us in supporting this legislation.

Mr Torbay: He was shire president of Gilgandra.

Mr MARTIN: Indeed he was. Under the chairmanship of Mick Clough the committee met with a number of people in the Gilgandra area who were in abject poverty because of the banks. People were camping along the Macquarie River because they had been slung off their properties. The caucus committee then canvassed submissions from these people. To demonstrate the banks' bastard attitude, in one case a bank increased by 2 per cent the interest rate paid by a woman who had made a submission to the caucus committee. They effectively turned the screws and said, "Do not talk to the Labor Opposition, they are not the friends of the banks."

While all this was going on the Government of the day brought one of the heavies from the banking industry, a Mr Curran, to advise it. At that time the Coalition was only interested in protecting the banks. I am delighted that the 1994 legislation has held up until today and is now being strengthened. In those days one of the Coalition's comments was, "If you do this it will dry up finance to rural areas. The banks will not lend to anyone. It will be the end of civilisation in the bush as we know it." That line was put to the test. Anyone who doubts where the Coalition stood on this issue has only to read the opening statement in the debate by the Hon. Ian Causley, who has now wandered off into Federal Parliament:

> The Government opposes the Opposition's Farm Debt Mediation Bill. We recognise why the Opposition has introduced this legislation—

I doubt whether he did—

> but it will do very little to help the people it is purporting to help.

Let us look at the facts eight years down the track. Eighty-eight per cent of the cases that go to mediation have been successful. Hundreds of people have been helped by mediation. It has levelled the playing field from being heavily in favour of the banks to giving farmers and people on the land some semblance of a fair go. That is the real measure of success of this legislation that was pioneered by my predecessor, Mick Clough. I know he has followed it with interest and he will follow this debate with interest. He is very pleased that the Minister for Agriculture has continued to refine and improve the legislation. Although there have been some good times on the land in the past few years, we have been quickly reminded of how the wheel can turn. Therefore, we need to ensure that the processes available to the farming community are fair and reasonable.

The changes in this bill include making it clear that the object of the Act is to ensure the efficient and equitable resolution of farm debt disputes. That will ensure that farming families are not left with worry and desperation about what will happen and that disputes do not drag on for years. The bill provides that if a farmer in default requests mediation of a creditor and the creditor refuses the request, the Rural Assistance Authority will issue the farmer with a notice of exemption from enforcement action in relation to that debt. In other words, the banks are held off. The baying dogs cannot race in to the carcass, if I can put it that way. The bill also provides that when a creditor is found not to have acted in good faith in a mediation on a farm debt, unless the farmer otherwise agrees, the creditor will not be able to recommence action in respect of the debt under section 8 for a period of 12 months. I know members opposite will ask, "How could you possibly think a bank would not act in good faith?" Unfortunately it has happened from time to time, hence the need for this legislation.

Mr Amery: Quite often.

Mr MARTIN: The Minister says, "Quite often". I was trying to be a little more charitable to the banks. That provision gives farmers reasonable breathing space. The bill also gives farmers the right to nominate a mediator. If the creditor rejects the nomination the farmer should then nominate a panel of at least three

mediators from whom the creditor must select one. One would think that the banks could find perhaps one good nomination out of three. The bill also provides that when there is no default on the loan and a farmer or a creditor requests mediation there will be no penalty or compulsion on the other party to accede to such a request, and if the other party agrees to such mediation no section 11 certificate will consequently ensue. In other words, a mortgage cannot be foreclosed. These amendments will bring the legislation up to date and strengthen it.

If Mick Clough had one regret about the initial legislation it was that it had been tampered with by the Independents of the day, probably in good faith. I know that the honourable member for Northern Tablelands and the honourable member for Dubbo, who were not here at the time, would not have tampered with the original legislation. At the time Mick Clough was worried that the legislation he precipitated coming into the House under the carriage of the current Minister for Agriculture was not as strong as he would have liked, but the rule of politics was that the then Government had to rely on the numbers to get the legislation through. No-one was more aware of how the numbers were than Mick Clough. As I said, he had to settle for something that was not quite what he wanted.

However, with the changes to the Act since then, those areas have been strengthened, and the Independents in the House are constructive people who understand what the bush is about. The honourable member for Manly and the honourable member for Bligh are nice people but they do not understand what is happening. At the end of the day we have legislation that has tilted the playing field at least to something near level. Even the National Party has been brought screaming to the table and agreed that what it opposed in 1994 was good legislation—legislation that protects the genuine people on the land. I commend the amendments to the House.

Mr McGRANE (Dubbo) [8.13 p.m.]: I support this bill. As the honourable member for Bathurst said, before I entered Parliament I was the Gilgandra Shire President. Before the 1994 legislation was introduced Gilgandra was in great need of assistance. Mick Clough, the predecessor of the honourable member for Bathurst, was in a sense a true Country Labor person. I am not saying anything about the present Country Labor members but Mick Clough was a true blue Country Labor person. He was in the same mould as Jack Renshaw and Billy Sheahan. The present member for Bathurst is following in Mick Clough's footsteps, and the honourable member for Murray-Darling is following in their footsteps to a T. The honourable member for Murray-Darling represents 42 per cent of the State, and he always has his finger on the pulse. He must fly through Dubbo to get to Sydney. He refers to Dubbo as a coastal city. Indeed, anyone who lives in Broken Hill and travels 775 kilometres to Dubbo might think it is near the coast, although it is another 280 kilometres to the sea.

I am pleased to support this bill and the Rural Assistance Authority. To me, the Rural Assistance Authority has been the quiet achiever of the rural scene in New South Wales since it was established. The men who have been involved in that authority have all been genuine gentlemen. They have all had in their hearts the problems associated with living on the land. As previous speakers said, there are many problems associated with living on the land. Droughts come and droughts go. As day follows night, people know that they will have a drought at some time during their occupancy as a rural producer. Each drought is different, and they affect people in different ways. This bill and the Rural Assistance Authority are all about protecting the family-owned farm.

Honourable members know that the family-owned farm is the most efficient farm with regard to productivity in the rural scene. Previous speakers referred to larger farmers who got into trouble as a result of purchasing land and changes being made, and who approached the Rural Assistance Authority for help. However, the original bill was about protecting the family-owned farm, which is the core of rural production. In relation to the bill, the provision of mediation is a good amendment. We must have mediation these days. Generally, it is very costly to go through the legal system, and it will be helpful if people can have input with regard to the mediator. The Attorney General's office has been operating efficiently by providing for mediation in order to keep other areas out of the courts system, and mediation will work well in relation to the rural scene.

Today's borrowings on the land are different than they were in the past. Up until 15 years ago the core lenders to anyone in the rural scene were the banks. We have all heard and can relate stories of how the banks have, in some cases, been mercenary to people who have got into trouble through their bank's lending policy. Today the banks are not the core lending organisations from whom farmers borrow money. There are many different ways that men on the land can borrow money these days at similar lending rates to the banks. That means there are different avenues by which farmers can get into trouble. The Act and these amendments are necessary because mediators will be there to work through problems associated with drought or with bad

financial judgment on the part of farmers. We all make mistakes in any business, and farmers are no exception. Often mistakes are made, but farmers need to be given a way out so that they are able to carry on with agricultural production. As I said earlier—and as I keep saying—the family-owned farm is essential for the survival of rural New South Wales and Australia. I commend the bill to the House.

Mr PRICE (Maitland) [8.19 p.m.]: I support the Farm Debt Mediation Amendment Bill and congratulate the Minister for Agriculture on bringing forward these most important legislative amendments. The bill provides for significant changes to the Farm Debt Mediation Act 1994 which, at the time it was introduced, was resented by the then Government.

Mr Amery: The then Coalition Government.

Mr PRICE: I thank the Minister for his correction. By implementing the Act, the Carr Government has been able to demonstrate clearly its value to the farming community and that the decision to introduce the legislation was correct. The Act has stood the test of time. My colleague the honourable member for Murray-Darling has reflected upon the recent report of the New South Wales Rural Assistance Authority which has glowingly referred to the way the Act has been used and the benefits that have been received by many people who have been experiencing financial difficulties. Many people have relied upon the provisions of the Act, which has enabled them to seek mediation and to benefit as a result.

In my electorate a number of farms, including dairy farms and poultry farms, have failed for a variety of reasons. Both categories seem to carry a significant level of debt and even some of the older establishments, which one would think would be supported by substantial financial cushioning, have succumbed. A most recent case involved poultry farmers who have been able to take advantage of the mediation process and get around the problem of dealing with banks that totally lack compassion. Banking policy is all driven by the bottom line. Although I am not a farmer I have had the honour of representing farming communities over a number of years and have gained some understanding of the problems that rural people face.

Certainly climate and markets have a great impact on the viability of rural enterprises but, at the end of the day, most honest people want to get on with the job. Those who want to make progress in the industry need to borrow funds, and they need a guarantee that they will not be taken to the cleaners every time a drought occurs or a flood damages property or reduces stock. It is important to protect the individual, but in a very substantial way this bill also protects the agricultural industry. One has only to read today's newspapers to appreciate the impact of current drought conditions. Already in this State the drought has cost the community $4 billion, and there is no way around the fact that that estimate will increase. Under prevailing conditions, many people who are involved in rural activities will be unable to cope or carry on, and not all of them are fully up to speed on the provisions of the Act.

This amending bill will provide people who are engaged in agricultural pursuits with greater flexibility and more opportunities for dealing with their problems. Under the provisions of this bill farmers who are not necessarily in financial trouble but who apprehend that they may well find themselves in financial difficulty if the prevailing conditions continue will be able to seek mediation arrangements. Creditors may or may not agree with that, but at least an exemption certificate will be able to be issued. Under the Act as it currently stands, creditors are at liberty to enter into arrangements, and the bill's provisions can only improve those outcomes. Proposed section 3 states:

> The object of this Act is to provide for the efficient and equitable resolution of farm debt disputes. Mediation is required before a creditor can take possession of property or other enforcement action under a farm mortgage.

The bill also states, under the definition of "default" in section 4:

> Examples of default on the part of a farmer include failure to pay the principal, interest or other money the payment of which is secured by a farm mortgage; failure to keep the property subject to the farm mortgage insured; and failure to submit financial statements required by the creditor.

Those provisions are not unreasonable. Because of the way the Government intends to implement this legislation, people will have time to take advantage of the mediation process. Rather than wait until the eleventh hour before undertaking mediation, farmers will be able to embark on the mediation process before the default stage is reached. That is a very sensible way of dealing with the problems currently confronting people in rural communities, and I have no doubt that more people than ever before will take advantage of the provisions of this bill. The "Section 8 Notice to Farmer" spells out very clearly the farmer's rights under the Act. It states:

> Under the Farm Debt Mediation Act you are entitled to insist that a mediation between the creditor/bank and yourselves take place within the next three months at a time and place to be agreed upon. You should give consideration to obtaining independent professional advice before making any decision regarding mediation.

The action required by the farmer is also clearly spelled out:

> You have 21 days in which to give notice to this creditor/bank of your intention to participate in mediation with the creditor/bank. If you do not respond within this time you will lose your rights under the Act.

The terms of the notice are specific. Farmers and creditors will know where they stand. The rough edges of the original Act have been smoothed, and this amending bill can only benefit both parties and bring stability to the financial situation that farmers face during the current drought. I certainly commended the bill to the House. I congratulate the Minister on bringing forward this legislation at this time.

Mr TORBAY (Northern Tablelands) [8.26 p.m.]: In common with honourable members who have preceded me in this debate, I support this bill. The legislation has been in place for some time and clearly has worked. I acknowledge both the history of this legislation that has been referred to by previous speakers and that this amending bill will improve the provisions of the original Act. The effect of this bill is to state that in difficult circumstances a commonsense approach should be adopted and that people should sit down and discuss matters on a without-prejudice basis, and agree on an outcome. Would that I had a dollar for every time a farmer or some other person in regional New South Wales came to me and said, "Why do you guys continue to pass laws which make it very difficult for people to sit down and adopt a commonsense approach that will allow for a without-prejudice discussion to try to reach a conclusion?" This legislation has been a tremendous success in providing opportunities for discussion, negotiation and agreed outcomes. The New South Wales Rural Assistance Authority's annual report for 2000-01 states:

> Since the commencement of the Act in February 1995 major creditors have issued 1,574 Section 8 notices to farmers advising them of the creditor's intention to commence enforcement action and of the availability of mediation. 1,364 farmers have responded in terms of Section 9 of the Act, advising the creditors of their intention to enter into mediation. As at 30 June 2001 there have been 864 mediations conducted under the legislation with the parties reaching an agreement in 760 or 88% of the cases.

One cannot argue with those statistics because 88 per cent of cases involving mediation reached a satisfactory conclusion whereas the farmers, creditors and the community otherwise would have been bogged down in costly processes and their flow-on effects. Probably the only beneficiaries would have been the legal profession, and recent discussion on other matters including insurance has revealed the virtue of a commonsense approach and consensual outcomes such as those provided by this bill. Although it was disappointing that the Act was not unanimously supported, the unanimous support for this bill is a very positive outcome. This bill will improve very successful farm debt mediation legislation that has been in operation for some time. I support this amending bill and commend the Minister for advancing its presentation to the Parliament, for tightening the implementation of the Act, and for ensuring that the legislation will produce streamlined and beneficial outcomes for the farming communities of regional New South Wales.

Mr AMERY (Mount Druitt—Minister for Agriculture, and Minister for Corrective Services) [8.29 p.m.], in reply: I thank the honourable member for Lachlan, who led for the Opposition, the honourable member for Murray-Darling, the honourable member for Monaro, the honourable member for Bathurst, the honourable member for Dubbo, the honourable member for Maitland and the honourable member for Northern Tablelands for their contributions to this debate and for their support of the bill. This has been an interesting debate. I am indebted to the honourable member for Bathurst—who undoubtedly has close connections with his predecessor, Mick Clough, a former member for Bathurst—for the historical perspective he gave to the debate. His reference to *Hansard* of the day jogged my memory. It makes interesting reading because it was the Opposition of the day that introduced the initial legislation.

I thank honourable members who made remarks complimenting me, but I must put things in perspective. During 1994-95 this State was in a situation in which it again appears to be heading—an extremely bad drought. The Central West of New South Wales was suffering severe hardship, as was mentioned by a number of honourable members. I am reminded by the honourable member for Murray-Darling that the honourable member for Dubbo was then president of the Gilgandra shire. Public meetings were being held and the media were running a number of stories. One was of a farmer protesting about his eviction from his property and being camped in a tent on a river near his former property. Another said that he returned to his farm after a weekend away to find that the front gate had been locked. Such stories raised heartwrenching issues. Mick Clough, the honourable member for Bathurst at the time, was taking deputations from the farmers and trying to work out some system for debt remediation.

At the time there was no legislation in place anywhere in Australia by which the former member for Bathurst could benchmark a mediation process. A great deal of research was done with a number of the States of the United States of America, and a number of draft bills were sent to Australia. Mick Clough proposed to Opposition leader, Bob Carr, and the shadow Cabinet that legislation along those lines be introduced. I was the shadow spokesman on consumer affairs at that time, and I was given the task of drafting the legislation, holding discussions and addressing deputations. Therefore I appreciate what has been said by the honourable member tonight: the origins of this legislation, despite my involvement with the preparation of the bill, go right back to Mick Clough's great work with local communities in the Central West of New South Wales.

I would like to make a few comments in defence of a former Independent member of this House, the member for Tamworth, Tony Windsor. Mention was made in this debate of amendments made by Independent members. This legislation as first put to the Parliament was very prescriptive. It was drafted along American lines, and in particular was based on Missouri legislation. Tony Windsor, then the honourable member for Tamworth, was negotiating with the Farmers Association. He wanted the principles of mediation legislation in place, but accepted that the legislation as presented was too prescriptive. It contained too many penalties and so on. Tony Windsor held discussions with Stan Moore of the Farmers Association, who is now working with another organisation, and they came up with some amendments that would not only be acceptable to the Farmers Association and the crossbenchers in this Chamber, who controlled the numbers, but, importantly, were acceptable to crossbenchers of the upper House, where the bill would survive or die.

That was an interesting afternoon. Tony Windsor moved numerous amendments that cut great slabs from the initial legislation. Page after page was torn from the bill. The Opposition Whip, Bill Beckroge, said, "Are you sure you know what you are doing? This bill is being butchered." Interestingly, what remained of the bill after all the amendments were made was consistent with the note that went to the shadow Cabinet and caucus. The principles of the legislation remained in place. Those principles provided that a farmer who got into financial difficulty would have the advantage of a legislative process that allowed the farmer to seek mediation, to sit with a mediator and talk to the lender.

The honourable member for Northern Tablelands spoke about a commonsense approach. Unfortunately, without legislation, we were not getting much commonsense from the lending fraternity at that time. They obviously were getting scared about the impacts of the major drought that was hitting the rural sector at that time. I defend Tony Windsor's role in that process. Had the Opposition, which I led in the debate, fought the issue on detail, we may well have won the debate in this House, but the bill would have failed to pass the Legislative Council because of some clear statements that had been made by members of some of the minor parties represented in that place.

The honourable member for Bathurst highlighted the strong opposition to the initial legislation. I was shadowing Wendy Machin, the Minister for Consumer Affairs. The debate on behalf of the Government was led by the Minister for Agriculture, Ian Causley. Their speeches, recorded in *Hansard* and bandied about tonight by the honourable member for Bathurst, clearly show that the National Party was strongly against that legislation. The honourable member for Bathurst is right: today in the corner of the Chamber we see people from government departments, such as the Rural Assistance Authority and so on. But back in 1994-95 there were no government department people sitting in the wings. The advisers to the Government of the day were from the Australian Bankers Association. Every Opposition member who spoke in the debate highlighted that fact—with such frequency that the advisers eventually scampered from this place.

I would like to acknowledge the support of the Opposition today. The honourable member for Lachlan, Ian Armstrong, the shadow Minister for Agriculture, spoke on this issue and flagged an amendment that I understand will be moved in the upper House. I do not want to get involved in a protracted debate on the foreshadowed amendment, but it relates to a provision in the bill that tips the whole process in favour of the farmer over the creditor. We make no apologies for that. It deliberately tips the process in favour of the farmer. The bill provides that a farmer will be able to nominate a mediator. If the creditor, whether a bank or other institution, refuses to accept the nominated mediator, the farmer may nominate three mediators, from which the creditor must choose one. I understand why the Australian Bankers Association would be concerned about that aspect of the bill, because it virtually gives the whip hand to the farmer in the selection of a mediator.

The Opposition amendment proposes that if the creditor rejects the mediator nominated by the farmer, the farmer must nominate a panel of at least three other mediators within 14 days of the creditor's rejection. If the creditor rejects all of the panel of mediators nominated by the farmer, the authority must appoint a mediator not from one of the four previously mentioned within 14 days of the creditor's rejection of the panel. My advice

is that, under the Opposition amendment, if four mediators put to the banks were rejected by the banks, the Rural Assistance Authority would have to select a mediator who was not one of the four previously mentioned. I understand that would give the banks the right to veto a certain mediator time and again. Every time certain names were put forward as mediators, the banks or creditor would be able to reject them because it considered those proposed mediators to be pro-farmer in the mediation process. I flag for the Opposition that the Government intends to oppose the amendment when it is moved in the Legislative Council and will urge crossbenchers to reject it.

The honourable member for Lachlan, the honourable member for Murray-Darling, the honourable member for Dubbo and the honourable member for Bathurst referred earlier to the loss of income caused by the drought and to the major impact it will have on the farming sector. Those issues have been highlighted in the media over the past few days. The honourable member for Lachlan referred to a reduction in the number of non-performing loans. It is interesting that New South Wales is the only State in Australia that has farm debt mediation legislation. We have not seen the end of the drought; it seems that it will continue into the warmer months. If their crops fail farmers will lose their income; they will be in dire straits. At least this legislation will give farmers facing foreclosure strong input into the mediation process.

I thank the honourable member for Murray-Darling for his support for the bill. He referred to financial counselling services and to the work that financial counsellors perform during times of drought. They assist farmers who face foreclosure on their farms, which are their places of business and their homes. The honourable member for Murray-Darling also referred to a farmer with assets totalling almost half a million dollars who could not obtain an $80,000 credit increase. Sometimes it is difficult for farmers to obtain additional credit despite the fact that they have considerable assets.

I thank all members who contributed to the debate on this bill, which amends legislation that was introduced in 1994. The Act is intended to deliver efficient and equitable resolution of these disputes. There is widespread support for this legislation both in the farming community and in the finance sector. When the legislation was introduced in 1994 it was predicted that rural finance would dry up. Even though there has been some criticism of the Act, it highlights some longstanding difficulties surrounding non-performing debts or loans. In its broadest terms the Act establishes a structure under which mediation can take place prior to a creditor taking enforcement action with respect to a farm debt.

The term "enforcement action" usually means foreclosure on a mortgage or hire purchase agreement. A number of honourable members referred to the Act being administered by the Rural Assistance Authority [RAA]. I agree with the comments made earlier by a number of honourable members that the officers of the authority do a good job administering the legislation and the many rural assistance packages implemented by the Government. The amendments in the bill arise out of a National Competition Policy review of the Act which was finalised in December 2000. A National Competition Policy review often damages legislation, but this Act has stood the test of time.

The changes in the bill make it clear that the object of the Act is to ensure the efficient and equitable resolution of disputes. The bill provides that if a farmer in default requests mediation with a creditor and the creditor refuses the request, the RAA will issue the farmer with a notice of exemption from enforcement action in relation to that debt. When a creditor is found not to have acted in good faith in the mediation of a farm debt, under section 8 of the Act the creditor will not be able to commence action in respect of that debt for a period of 12 months. That gives farmers an initial right to nominate a mediator, an issue to which I referred earlier at length.

Since the Act was introduced in 1994, the RAA has issued 1,685 farm debt mediation kits. The honourable member for Northern Tablelands said earlier that it is clear that the bill is working. All the statistics referred to in the debate support that statement. On only four occasions have creditors or borrowers failed to agree on the selection of a mediator. Mediation has been successful on 912 of the 1,023 occasions on which it has taken place. That is a success rate of 88 per cent, and supports the claims of those honourable members who said that this legislation is working. I thank all honourable members for their support for the bill.

Motion agreed to.

Bill read a second time and passed through remaining stages.

BILL RETURNED

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

Crimes Legislation Amendment (Periodic and Home Detention) Bill.

CRIMES (ADMINISTRATION OF SENTENCES) FURTHER AMENDMENT BILL

Second Reading

Debate resumed from 18 September.

Mr RICHARDSON (The Hills) [8.46 p.m.]: The Crimes (Administration of Sentences) Further Amendment Bill is a grab bag of around 20 amendments to the principal Act governing the prison system. I will not deal with every one of those amendments. Some of the amendments are fairly minor and some are more controversial than others, and those are the amendments on which I will focus. The principal objects of the bill are as follows: first, to make it clear that inmates who work in gaol and who are paid by the Commissioner of Corrective Services are not employees per se and, therefore, are ineligible for holiday pay or workers compensation; second, to streamline procedures dealing with segregated and protective custody; third, to provide for the mandatory testing of Department of Corrective Services staff for alcohol and illicit drugs; fourth, to clarify the completion date when two or more community service orders are imposed simultaneously or several months apart; and, fifth, to change the voting procedures of the Parole Board and the Serious Offenders Review Council.

It would seem rather preposterous for anyone to suggest that prisoners, who are locked up as punishment and are paying their debt to society should be entitled to annual leave, sick leave or superannuation. The amount of money they earn, which is between $12 and $60 a week depending on the work that they do, is minuscule in comparison with real wages in the outside world. I would not have thought that too many of them would have been claiming sick leave, annual leave or superannuation, or would have been entitled to workers compensation. As that provision does not do any harm the Opposition will not oppose it.

I note that the Minister, in his second reading speech, suggested that as well as buy-ups the money that inmates earn may be used to pay off their victims compensation levies. I remind honourable members of some of the figures relating to the Victims Compensation Fund Corporation that were presented in volume 7 of the 2001 Auditor-General's report to Parliament. I am sure that honourable members would be concerned about these disturbing figures. The Auditor-General found that, under the scheme, $839 million has been awarded in compensation since 1988, with potential restitution existing for $486 million. In other words, the offenders were not known in the other cases.

As at 30 June 2001 the actual amount that had been received was $17.5 million. As at 30 June 2001 an amount of $173 million is recorded as receivable from restitution orders, but $144 million is considered unlikely to be recovered. Honourable members might be aware that a victims compensation levy of $30 is payable by all people convicted of certain offences, whether or not a compensation claim is lodged. The Auditor-General pointed out that many of these debtors are difficult to locate, have little or no assets or are serving prison terms. If, as the Minister has suggested, as well as buy-ups the money that is earned by prisoners could be used to pay off victims compensation levies, how much is being applied for that purpose? The Auditor-General expressed astonishment at the number of people from which the $30 victims compensation levy could not be obtained.

Indeed, I cannot for the life of me understand why someone who is serving a prison term, earning even only $12 a week, would not be able to meet that victims compensation levy. Between 20 and 25 per cent, or 1,350 all up according to the budget papers, of full-time inmates in New South Wales gaols are now in protective custody of one form or another. That disturbing trend has serious implications for costs and the management of our gaols. Changes to procedures relating to protective custody would appear to make little practical difference to the way that segregation and protective custody is conducted. Currently, under sections 10, 11 and 13 of the Act a prison governor, acting with the authority of the commissioner, may direct that an inmate be held in protective custody but must notify the commissioner of that fact.

The initial direction is for 14 days but it may be extended for periods of up to three months at a time. There is no limit to the number of extensions. Under the proposed amendments a segregated or protective custody direction, once given, will continue in force until revoked. One might think that means we could put someone into protective custody and virtually throw away the key. In fact, that is not so, because the governor who issues the order has to submit a report about the inmate to the commissioner within 14 days, and the commissioner must review that decision. A similar report must be given by the governor to the commissioner every three months. That is supposed to ensure that, because of an administrative oversight, inmates are not put into segregated custody and left to rot. However, under sections 13 and 14 of the existing Act an inmate cannot be held in segregated or protective custody for more than three months without an extension being granted.

Under section 16 of the existing Act the commissioner may at any time revoke a segregated or protective custody direction, and, indeed, he must revoke a protective custody direction if the inmate requests him to do so in writing. The inmate can also apply to the Serious Offenders Review Council for a review. Therefore, in practical terms, these amendments will change very little. The amending bill provides that if an inmate is transferred, the segregation or protection order will go with him, and the governor of the gaol to which he is transferred will have to review the direction within 72 hours.

I am surprised to learn that that is not the current procedure. I would have thought that the conditions obtaining at the new gaol for that inmate would be potentially very different from those obtaining at the former goal and, therefore, the need for protection would alter quite considerably. I would have thought that in every instance the governor of the gaol to which a prisoner is transferred would review that protection direction within a short time.

Once again, the amendments clarify the existing Act and certainly do no harm. I was interested to read that the power of the Minister to review a segregated or protective custody order is to be revoked under these amendments. It is certainly unusual for a Minister's wings to be clipped in any way, or for power to be removed from a Minister. I wonder whether this is a portent of things to come. Another sensible amendment relates to the imposition of community service orders: henceforth two orders imposed several months apart will have to be completed within 12 months of the making of the orders or 18 months if they are for more than 300 hours. If there has been a loophole for offenders to not complete their community service orders within the time intended by the court, it is beneficial to close that loophole.

The Opposition regards community service orders as an appropriate form of punishment in certain instances. We are disturbed to note that the number of community service orders handed down by the courts has diminished quite significantly—from 5,289 in 1999-2000 to a predicted 4,433 in 2002-03, a drop of 16 per cent. Community service orders can be a very valuable non-custodial way of offenders repaying their debt to society. The orders simply need proper supervision. It is an indictment of the Government that it has not managed to get its act together or encourage the courts to hand down more community service orders and have more offenders repay their debt to society in that way.

The proposed amendment to section 228 allows an official visitor to a gaol or periodic detention centre to interview non-custodial members of staff as well as correctional officers and inmates. The Opposition has no objection to that; it is a recommendation of the inspector-general. Proposed sections 235C and 235D allow the commissioner to confer all or some of the functions of a correctional officer onto a transitional centre officer or periodic detention field officer. The functions may include, for example, a urinalysis test. Today during question time the Minister spoke about the allegedly outstanding interception of drugs in gaols. The Opposition certainly has some reservation about that. We are highly sceptical that the current 5 per cent to 10 per cent of random testing of inmates is adequate. The number of tests could be significantly increased and could identify a far greater number of illicit drug users.

Conveniently also, the Minister did not mention the drug overdose that occurred at Long Bay hospital earlier this year when an inmate died. When challenged about that matter he tended to laugh it off. Well, Minister, it is no laughing matter. A death in custody or any drug death is to be abhorred. A death in custody at that hospital, where one would assume that some treatment was provided to inmates, is particularly to be abhorred. New division 5 provides for the testing of correctional staff for illicit drugs and alcohol on either a random or targeted basis, or after, for example, an incident in which a prisoner is shot. That mirrors changes to the Police Act. I understand that the union is not terribly happy about that provision. But, in fact, that provision is in the staff's best interests. It could also be in the staff's best interests to allow themselves to be searched when entering a gaol.

As honourable members may be aware, staff in British gaols are searched. The British Prison Officers Union supports that provision, because it gives protection to its members. In the United Kingdom there have been instances where, say, an inmate, former inmate or inmate's friend has identified a prison officer, where he lives, his family, where his kids go to school, and said to the officer, "We know where your daughter goes to school. If you don't do X, Y, or Z, she will pay the consequences." Usually that involves smuggling contraband into the gaol. The searching of all staff entering a gaol makes it almost impossible for contraband to be smuggled in and provides an excuse for staff to resist submitting to an illegal act by saying, "Sorry, I cannot do that because I will be picked up when I come into the gaol." We on this side of the House believe that provision would be beneficial to prison officers in this State.

The most contentious amendment to the Act relates to changes to the way in which the Parole Board and the Serious Offenders Review Council vote. Currently the alternate chairman and deputy chairman of either

body are present at a meeting, but only the chairman can vote. The changes mean that all three can vote, but only at a meeting at which all community members of the body are entitled to attend. The Parole Board currently consists of three judicial members, one police officer, one parole officer, a secretary, and nine community members. The composition of the Serious Offenders Review Council is similar but it has only six community members. Usually no more than four of those community members may attend a meeting, so that, in effect, allowing the alternate and deputy chairman to vote if all community members are present will not make a huge difference.

A further change, prompted by a recent decision of the Court of Criminal Appeal in *Sides v. the Parole Board of New South Wales*, eliminates the need for a judicial member of the Parole Board or the Serious Offenders Review Council to form part of a majority vote. For the benefit of the House I will refer briefly to the judgment in that case. On 11 December 2000 the Parole Board conducted a hearing for the purpose of reconsidering whether the claimant should be released on parole. A quorum was present at that meeting, which was presided over by the chairperson. A majority of the votes cast at the meeting voted in favour of the release of the claimant on parole, but the chairperson voted against his release. A week later the chairperson ruled that, on that basis, the board had decided to refuse parole to the claimant. In other words, the chairperson's vote was worth more than the votes of the other members present at the meeting. The Court of Appeal found that this was due to the poor drafting of schedule 1 to the Act, in particular clause 17, which provides:

> (1) A decision supported by a majority of the votes cast at a meeting of the Parole Board at which a quorum is present, including the vote cast by a judicial member entitled to vote at the meeting, is the decision of the Parole Board.
>
> (2) In the case of an equality of votes, the judicial member presiding at a meeting of the Parole Board is to have the casting vote.
>
> (3) A decision supported by the votes cast by the judicial member and at least one non-judicial member of a Division at a meeting of the Division at which a quorum is present is the decision of the Division.

The court pointed out that clause 17 (1) provides for a statutory stalemate at a meeting at which a quorum is present, unless the judicial member entitled to vote at the meeting is a member of the majority. Similarly, clause 17 (3) provides for a stalemate at a meeting of the division at which a quorum is present, unless the vote cast by the judicial member is supported by the vote cast by at least one non-judicial member of the division. The court suggested that the underlying parliamentary intention "is inscrutable". Certainly, that is not the intention of members of this House. Whether we agree with the legislation or not, we prefer that the legislation be understandable and not contain such ambiguities. For that reason the Opposition supports the amendment. It surprises me that this anomaly has not been highlighted previously. Proposed clause 22A of schedule 1 to the Act provides that at a meeting of the Parole Board a question of law is to be decided solely by the judicial member presiding at the meeting. I am concerned that so many prisoners—indeed, 86 per cent—are released when they have served their minimum non-parole period.

Mr Ashton: It's your legislation.

Mr RICHARDSON: Members opposite say it is our legislation. Certainly, the truth in sentencing legislation provided that a prisoner had to serve the minimum non-parole period. However, the legislation did not mean that time could not be added on to the minimum non-parole period. Indeed, prison officers would suggest that more than 14 per cent of the prisoners behind bars behave in such a way that one would expect them to end up serving more than their minimum non-parole period. The Government has not addressed that issue. I believe the community would be horrified to learn that 86 per cent of prisoners are released when they have served their minimum non-parole period, as though they have been model prisoners while they have been behind bars.

The Opposition strongly believes in the rehabilitation of prisoners and reducing the rate of recidivism. We do not want people to go back to gaol. Another statistic that members may be interested to hear is that 68 per cent, or more than two-thirds, of all prisoners behind bars have been in gaol before. Again, that is an indictment of the Government, which is simply not rehabilitating prisoners nor ensuring that they do not reoffend. Of course, everyone suffers as a consequence. Society suffers, their victims suffer, and offenders do not benefit by going back to gaol. The bill makes other minor amendments. The Minister has dealt with those and, therefore, I do not propose to dwell on them. In conclusion, I thank Doug Brown and Chris Quilkey for the briefing they gave me last week; it proved very useful. The Opposition does not oppose the bill.

Mr MARTIN (Bathurst) [9.06 p.m.]: I support the Crimes (Administration of Sentences) Further Amendment Bill. As most members of the House would be aware, the bill is of particular interest to me because

in my electorate are located four custodial institutions: the maximum security gaol at Lithgow, the Bathurst medium security gaol and the afforestation camps at Tudors Hill and Kirkconnell. The bill directly affects the prison officers of those institutions and the way in which they carry out their duties.

As the honourable member for The Hills said, the amendments outlined in the bill deal with about 20 separate issues. I shall address a few of those issues, and I know that my colleagues on this side of the House will more than competently deal with all the issues. New division 5 of part 11 of the Act is derived from section 211A of the Police Act 1990, and applies substantially the same provisions for the testing of correctional staff for alcohol and prohibited drugs as apply for police officers under the Police Act. I am sure all members would agree that the correlation between the two groups of employees is appropriate and that the same testing regime should apply to both.

Currently the Department of Corrective Services may test correctional officers for the presence of alcohol only, under clause 242 of the Crimes (Administration of Sentences) Regulation 2001. However, the clause applies only to correctional officers, and requires a superintendent or deputy superintendent to suspect that an officer may be under the influence of alcohol in order to require the officer to undergo a breath test. Currently, the department may also test officers for the presence of alcohol if requested to do so by the officer concerned—for example, if there has been a serious incident involving an inmate or allegations against an officer by an inmate and the officer wishes to establish for the record that he or she was not under the influence of alcohol. The present legislation is open-ended to that extent, and the bill provides some attempt to ensure natural justice. Having said that, there must be regimentation and regulation in this important area.

As a result of the requirement in relation to a suspicion of the influence of alcohol or a request by officers themselves, to date, the testing of correctional officers has been rare. The amendment will allow for mandatory testing of all members of correctional staff on a random or targeted basis for both alcohol and prohibited drugs. It is perhaps a good compromise for those who think there should be no mandatory testing. I believe it is a sensible way to approach the problem. In particular, mandatory testing of all officers involved in an incident in which a person dies or is seriously injured will provide greater transparency of investigations into the death or serious injury of any person on departmental premises. Proposed new section 236F (3) provides for mandatory testing in such circumstances.

Some say that the provisions of proposed new section 236F (3) are an invasion of civil liberties, although it is difficult to imagine how that argument could be sustained. However, if a death or serious injury occurs within the custodial facility, then mandatory testing is more than justified. The provisions in the bill will go further than equivalent provisions that apply to officers of, but not civilians working for, NSW Police. Many non-custodial staff who work side by side with correctional officers have contact with inmates and a greater exposure to serious incidents than have civilians working for NSW Police. It would be unfair to treat differently two officers working side by side, one in uniform, the other not in uniform. Proposed new section 236F will not result in the Department of Corrective Services immediately testing staff for alcohol and prohibited drugs.

The department must complete drafting its substance abuse policy in light of the bill. The Crimes (Administration of Sentences) Regulation 2001 will require new regulations to govern testing and other procedures. Although we are keen to put these procedures in place, it is important that they be introduced after due consultation with all parties involved. The substance abuse policy of the department will emphasise assisting staff who may have alcohol and other drug problems, and maintaining the level of performance of the department's work force. It is important to realise that we are not talking about people in the general work force; we are talking about people in Corrective Services who work under fairly stressful conditions.

It would be reasonable to expect that people in Corrective Services are more likely than people in most other professions to partake of alcohol or some other substance to deal with work-induced stresses. Unfortunately, that is a reality. It is important that the department's substance abuse policy should emphasise helping those who use alcohol or other illicit substances. The most important resource of any organisation, particularly one like Corrective Services, is it human resource. The bill was not introduced lightly. Although we must ensure that its provisions are properly regulated, we must also maintain compassion for and understanding of our staff. Members on this side of the House have a natural affinity in that regard. I commend the bill to the House.

Ms HODGKINSON (Burrinjuck) [9.12 p.m.]: The Coalition does not oppose the bill. I acknowledge the difficult work performed by Corrective Services officers in my electorate, particularly in Goulburn where the supermax, maximum security and minimum security prisons are located. I also commend several Corrective

Services officers for their acts of heroism during recent riots at Goulburn. They gave no thought to their own lives when saving their colleagues. Their actions were most courageous. Corrective Services is a large employer in Goulburn. The jobs of Corrective Services officers and police officers are among the toughest in the State, but unlike Corrective Services officers police officers do not necessarily come into contact with criminals every day when they go to work.

The bill contains a variety of miscellaneous amendments to the principal Act, which governs the prison system. Several key amendments will make it clear that inmates who work in the gaols and who are paid in credits by the commissioner are not employees for the purposes of various Acts of Parliament and, therefore, are ineligible for holiday pay or workers compensation. The amendments will streamline procedures dealing with segregated and protective custody. An inmate might be placed in segregation if that inmate is likely to constitute a threat to the personal safety of another person, to the security of the correctional centre, or to the good order and discipline of the correctional centre.

Proposed new section 236F provides for the mandatory testing of Department of Corrective Services staff on a random or targeted basis for alcohol or prohibited drugs. The proposed provision is derived from section 211A of the Police Act 1990, which provides for the testing of police officers for alcohol and prohibited drugs. Because the two services are similar in nature, one is as entitled as the other to be subjected to the requirement of random tests. Under the proposed new section, a Corrective Services officer may be required to undergo a breath test or to provide a sample of urine or hair. Corrective Service's staff may also be required to undergo such a test or provide a sample of urine or hair if the staff member is involved in an incident in which a person dies or is injured while in the custody of the member of staff or as the result of the discharge of a firearm by a member of staff.

The bill clarifies the completion date when two or more community service orders are imposed simultaneously or several months apart. It will change the voting procedures of the Parole Board and the Serious Offenders Review Council [SORC]. Although most of the amendments are mechanical, several are based on recommendations from courts and the inspector-general. It appears that the most contentious amendments relate to changes in the method of voting by members of the Parole Board and the SORC. Currently, if the chairman, the alternate chairman and deputy chairman of either body are present at a meeting, only the chairman can vote. The changes will enable all three to vote, but only at a meeting at which all community members of the body are entitled to attend. SORC has six committee members and the Parole Board has nine. Generally, no more than four can attend a meeting.

A further change, prompted by a recent decision of the Court of Criminal Appeal, will eliminate the need for a judicial member of the Parole Board or the SORC to form part of the majority vote. The bill tidies up minor anomalies and potential anomalies in the Act. In his contribution to the second reading debate the shadow Minister for Corrective Services said that 86 per cent of inmates are released after having served their minimum non-parole periods. He said also that more than 14 per cent of inmates misbehave and serve longer sentences. That is quite a high percentage. Corrective Services officers in this State certainly have their work cut out for them. I commend them for their work, and acknowledge that their job is extremely difficult and stressful. I congratulate them on the good job they do, particularly in my electorate.

Mr COLLIER (Miranda) [9.17 p.m.]: I am pleased to support the bill, which will make 20 amendments to the Crimes (Administration of Sentences) Act 1999. One such amendment deals with segregation and protective custody. The Department of Corrective Services advises that, as at 15 September, some 93 inmates were subject to segregated custody directions in 11 correctional centres, and some 1,325 inmates were in protective custody in 13 correctional centres, mostly maximum and medium security inmates. Most inmates in protective custody request protection. Some are assessed as appropriate for protective custody when they arrive from the courts. They may be on protection because of the nature of their crimes or the attitude of other inmates to their crimes, or they may have attracted the adverse attention of inmates in other ways or assisted police in the apprehension of other offenders.

Segregated custody is used if an inmate poses a threat to another person or persons, or for the security or good order and discipline of the correctional centre. Protective custody is used if the personal safety of an inmate may be at risk. An inmate may request protective custody or correctional centre management may require that an inmate enter protective custody. Division 4 of part 2 of the Act, which governs segregated and protective custody of inmates, has been rewritten to streamline procedures dealing with segregated and protective custody, and to provide for the transfer between correctional centres of inmates held in segregated or protective custody.

This revision will ensure that new procedures are straightforward and that at all times directions relating to such inmates are clear, valid and subject to regular review. This change means that a direction made by a governor of a correctional centre continues to apply to an inmate both during the transfer and eventual reception at another correctional centre. This ensures that when a prisoner is transferred, the relevant papers are transferred with the prisoner to the new governor, who is then informed not only of the segregation but also of the reasons for that segregation. The Commissioner for Corrective Services or a governor of a correctional centre may make a direction that a particular inmate be placed in separate accommodation from other inmates, either segregation or protection.

It should be emphasised that a segregated or protective custody direction is not a punishment. An inmate may be placed in segregated custody only when there are no other means of managing the inmate. Segregated custody is a means by which correctional centre management is able to respond to a threat to the personal safety of a person, or to the security or good order and discipline of a correctional centre, by removing an inmate from the mainstream population until that inmate is ready to return to the mainstream. Currently a segregated custody direction or protective custody direction applies for an initial period of 14 days and may then be extended for up to three months at a time by the making of an extension direction. There is no limit to the number of extensions. A protective custody direction made at an inmate's request must be revoked if the inmate requests that it be revoked, although correctional centre management could immediately make a new protective custody direction, if thought necessary.

Under the proposed amendments a segregated or protective custody direction will continue in force until it is revoked. However, there are a number of safeguards for inmates and these safeguards have been continued from the existing legislation. First, new section 14 imposes a statutory obligation on the governor of a correctional centre to inform an inmate of his or her rights in respect of a segregated or protected custody direction. Second, new section 16 provides that the Commissioner for Corrective Services must review a segregated or protective custody direction after 14 days and after each interval of three months. Third, new section 19 states that the inmate may apply to the Serious Offenders Review Council to review a segregated or protective custody direction after 14 days, and after each interval of three months.

The proposed division provides that a segregated or protective custody direction made by a governor of a correctional centre continues to apply to an inmate during the transfer of the inmate to another correctional centre, and also at the receiving correctional centre for up to 72 hours, in which time it must be reviewed by the governor of that correctional centre and either confirmed, revoked or amended. These amendments streamline the administration of sentences. They assist in the good governance of prisoners and I commend the amendments. I cannot conclude without commenting on the statement by the honourable member for The Hills that the Government does not rehabilitate prisoners.

Mr Hazzard: You don't.

Mr COLLIER: That implies, to me at least, that the Opposition thinks we should rehabilitate prisoners.

Mr Hazzard: You should.

Mr COLLIER: In fact, rehabilitation is a good thing. I am sure that the honourable member for Wakehurst would agree with that proposition.

Mr Hazzard: I just said I did.

Mr COLLIER: He agrees with that proposition. Yet the Opposition, by its bill, does not want people to be rehabilitated, suggesting that the prospect of rehabilitation is an excuse and should not be taken into account when sentencing prisoners. The proposed legislation of the Opposition is completely inconsistent. On the one hand the honourable member for The Hills says, "We should rehabilitate people", and on the other hand the Leader of the Opposition says, "No. Rehabilitation is an excuse. Don't take it into account when you sentence people." Opposition members should get their act together and listen to their leader. I commend the bill to the House.

Mr HAZZARD (Wakehurst) [9.24 p.m.]: I do not know which script the honourable member for Miranda was reading from, but his position in this House is diminished when he goes on with such waffle. The Leader of the Opposition is every bit as committed to rehabilitation as any member of Parliament. However, he

also recognises that there are appropriate times when punishment must be imposed and he makes those appropriate points at appropriate times. The sort of rubbish we have just heard from the honourable member for Miranda reflects poorly on him. Other honourable members have addressed the formal parts of the bill. We have been told that the bill makes certain amendments to the Crimes (Administration of Sentences) Act and I do not propose to reiterate them. I have been shadow Minister for Corrective Services on two occasions. Therefore, I have views on a number of these issues. I note with interest that the Government has apparently obtained the agreement of Corrective Services officers and, therefore, the Public Service Association to new division 5, which deals with the testing of correctional staff for alcohol and prohibited drugs. Obviously, the Coalition welcomes that.

However, I sound a word of caution: I hope clear guidelines are put in place so that staff are not prejudiced and the system is not open to abuse. I might add that the system has been abused in the past with regard to prisoners. Honourable members would share my concerns that no-one—officers or inmates—should have their rights infringed by a test that uses a strategy of management to obtain outcomes sought by people within the Department of Corrective Services. When I was shadow Minister for Corrective Services—I will not say during which period so that I do not identify any person—I attended with a senior officer, who produced from his bottom drawer a series of random tests on prisoners. He showed me these tests and said, "I found these in the drawer when I came into this office. It appears to me that these tests are being used to influence a particular prisoner's behaviour. They haven't gone through the formal records. They haven't shown up anywhere, but the records are sitting here in my bottom drawer." He expressed concern that prisoners were perhaps being inappropriately managed by the results of these tests. Indeed, he may have cast some doubt on the results themselves.

Although the Opposition welcomes the introduction of these tests, I ask the Minister for Corrective Services to expound on ways that the protocol for these tests will ensure that officers and inmates are not abused and that the process is fair, open and transparent. That is vital—it certainly was not the case a short time ago under this Government. Currently only about 5 per cent of inmates are being tested. The tests are allegedly conducted at random. However, I understand that many tests are not so random in that a particular prisoner may be targeted when officers may or may not have an interest in managing the inmate. I seriously doubt whether the present protocols are satisfactory. I do not challenge the bona fides of the Minister, but I suggest that perhaps he is unaware of what is happening in his prison system. He should ensure that Corrective Services staff address those matters so that no officers or inmates suffer an injustice when tested.

It is a bit of a farce for the Government to suggest that this legislation will somehow stop drugs from entering New South Wales prisons. It is a professional operation. We cannot simply lay the blame at the feet of a few officers. Some officers become involved—that may well be the case—but I have seen no evidence to support the view that the bulk of drugs enter our correctional system through a small number of officers who behave inappropriately. The vast majority of officers, as the honourable member for Burrinjuck said, behave entirely appropriately. The way drugs get into gaols in New South Wales is complex. For example, it is easy for people to put drugs in tennis balls and belt them straight into the yards of most of our gaols.

Our so-called secure Corrective Services facilities are not all that secure. There are some pretty bright blokes in prison—correctional officers are pretty bright, but in this case I am talking about prisoners. At one correctional facility, which I will not name, the amount of drugs increased dramatically every time it rained. The authorities finally worked out that prisoners were letting tennis balls with fishing line attached to them flow outside the gaol through the drains. The prisoners' little mates outside were putting drugs inside the tennis balls, which were then pulled in when the prisoners needed them.

Let us not kid ourselves that if we pick on Corrective Services officers we will solve the problem. If the Carr Government tells the people of New South Wales that it is going to solve the drug problem in gaols by imposing some random drug testing of prison officers, it is kidding the people of New South Wales. I hope Government members do not believe that—if they do they are kidding themselves. It will not work. The Government has to be more astute and take advice from long-serving Corrective Services officers who have probably seen it all. The Government has to get serious about putting large sterile zones around prisons, outside the range of tennis racquets, and address some simple issues such as tennis balls going outside in the drains. We are also debating payments to inmates. It is a bit of a farce for the Government to be saying that prisoners do not get workers compensation and holiday pay. I would have thought that was a given. They do not get much of an opportunity to work. Working is a key to rehabilitation in any correctional facility.

Very few prisoners inside the New South Wales prisons system get real work. In particular, maximum security prisons—one of which was referred to by the honourable member for Burrinjuck—have appallingly

small levels of inmates involved in real work. They have make-believe jobs. The Government has ways of fudging the figures; it has made it an art form. At the end of the day very few inmates get real work, and work is a key issue when it comes to rehabilitation. The shadow Minister, the honourable member for The Hills, pointed out that rehabilitation is an issue. I make it clear, in response to some of the sarcastic comments directed at the Opposition, that members of the Coalition understand the significance of rehabilitation. Most inmates come out of prison after only six to 12 months. They may be sitting on a train or in a coffee shop next to us. If the Government—which wears social justice on its sleeve—is not fair dinkum about rehabilitation, employment and anger management programs, which have been cut from some facilities, there will not be a reduction in the level of recidivism in New South Wales prisons.

After an ICAC hearing a few years ago Corrective Services changed the way it allocated employment to prisoners in C3 category—that is, at the tail end of their incarceration. Officers located in each low security facility used to get to know the local employers, and when an inmate was due for work release that local contact would count for a lot. Officers would ring the employer and say, "I have two or three inmates coming out next week. They have skills in this area, can you offer them jobs?" More often than not they got jobs. There was quite a high percentage of employment for inmates at the end of that C3 category. Understandably, the ICAC identified some corrupt activities in that regard, but Labor threw the baby out with the bathwater. It centralised the process and the result is that far fewer inmates are getting employment at the end of their sentences. That is another major debacle by this Government.

As shadow Minister for Aboriginal Affairs I raise another issue. The bill proposes a provision relating to segregated and protective custody directions. I understand why the Government wants to address this issue. The Opposition does not differ on the issue. The provision needs to be streamlined. It needs to be clearer that once an order is made it is transferable to a new correctional facility, subject to all the review processes in place. I hoped to find something in the bill about the Aboriginal black deaths in custody recommendations. I do not know whether the Minister has his head around this yet, but there is a requirement, when an Aboriginal inmate is transferred to or enters a prison, that he be mentored and that there be certain systems in place so that prisoners are not exposed to the danger of suicide and other inappropriate events. In some correctional facilities in New South Wales, depending on the hierarchy in the prison, management is very good at making sure that when an Aboriginal inmate enters the prison there is some sort of mentoring or some wise or older Aboriginal inmate takes the newcomer under his wing.

I do not see any reference to that in this new provision relating to segregation or protective custody orders. I ask the Minister to take that on board and to respond in his reply, to satisfy many of the Aboriginal groups throughout New South Wales who would like to know that the Government is doing something to ensure that Aboriginal inmates who are transferred from one prison to another are still subject to the safeguards under the Aboriginal black deaths in custody recommendations. Many of those recommendations have not been taken up. It would be nice to see a specific provision in this bill to address that concern and to satisfy the broader community, which wants to see Aboriginal people treated fairly. It may have been an oversight and the Minister may be able to satisfy our concerns. I am sure the former Minister for Aboriginal Affairs would share the same concerns. Perhaps the Minister can tell us what he has in mind to make sure that Aboriginal inmates are safeguarded.

Mr PRICE (Maitland) [9.37 p.m.]: I support the Crimes (Administration of Sentences) Further Amendment Bill. The provisions that deal with community service orders have been of concern to a number of members for some time. The Minister, in his second reading speech, clarified that when a court imposes two or more sentences in a 12-month period both those sentences must be served literally consecutively and must be undertaken without a break. For instance, a person sentenced to 200 hours community service has 12 months in which to serve that sentence. If another sentence of 100 hours community service is imposed six months down the trail, the time span is increased by six months. There has always been some doubt in members' minds as to whether these sentences are being served properly. The amendment to section 107 will clarify that and will leave no doubt in anyone's mind as to how those sentences are to be served.

The Act will be amended to give the Commissioner of Corrective Services the power to permit a transitional centre officer or a periodic detention field officer to exercise any of the functions of a correctional officer as the commissioner may determine. That is extremely important given the number of officers of the department that are not Corrective Services officers by definition. This will save time by allowing those officers to act in the field without having to return to the correctional centre to conduct the tests required. Of course the number of such functions will be limited. The amendment is targeted primarily at enabling transitional centre officers and periodic detention field officers to carry out urinalysis tests on offenders whom the officers are supervising. A "transitional centre" is described in the bill as premises managed or approved by the commissioner for the purpose of accommodating certain inmates prior to their release from custody.

A transitional centre is not a correctional centre and is not proclaimed under the legislation. Minimum-security inmates approaching release who meet stringent criteria reside there with the approval of the commissioner under local leave permits issued under section 26 of the Act. The Department of Corrective Services currently manages two transitional centres at Parramatta and Emu Plains. The Parramatta transitional centre recently celebrated its fifth anniversary and Bolwara House at Emu Plains was opened by the Minister earlier this year. Each of these transitional centres has capacity for 16 residents.

Residents of transitional centres currently sign an undertaking to permit transitional centre officers to perform urinalysis and breath tests on them but there is no sanction should a resident refuse to do so other than being returned to a correctional centre. New section 235C will enable the commissioner to confer on transitional centre officers the power to require an inmate to submit to testing for alcohol and other drugs and will enable transitional centre management to impose appropriate sanctions on inmates who refuse to comply or who test positive for alcohol or prohibited drugs.

Periodic detention field officers supervise periodic detainees who perform community service work at work sites outside periodic detention centres. Currently if a periodic detainee at a work site is suspected of being under the influence of alcohol or prohibited drugs he or she must first be returned to a periodic detention centre to be subject to urinalysis or breath testing by correctional officers. New section 235D will enable the commissioner to confer on a periodic detention field officer the power to require a periodic detainee to submit to testing for alcohol and other drugs at a work site. This is certainly required. In the 1960s I had some experience with inmates working in the community under minimum supervision and on two occasions getting them out of the pub proved to be a significant problem. However, the situation was resolved rapidly. It is good to see that the matter has been clarified and that officers will have appropriate responsibility for all aspects of work in the field.

Mr AMERY (Mount Druitt—Minister for Agriculture, and Minister for Corrective Services) [9.43 p.m.], in reply: I thank the honourable member for The Hills, who led for the Opposition in this debate, and honourable members representing the electorates of Bathurst, Burrinjuck, Miranda and Maitland for their contributions in support of the legislation. I am pleased that the Opposition does not propose to amend the bill. Although Opposition members were critical of some aspects of the bill, I recognise that they will not oppose it. The Crimes (Administration of Sentences) Act 1999 is a fairly large Act and, as such, requires amendment from time to time. I feel that I must correct an error by the honourable member for The Hills—or perhaps it was a misunderstanding on his part—regarding compensation levies. Victims compensation restitution is different from the victims compensation levy.

It is clear from the contribution by the honourable member for The Hills that he was confusing them. The levy is a fixed amount of $30 for a conviction in a local court and $70 for a conviction in a district court. It is a one-off, fixed amount. Restitution—which I think is what the honourable member for The Hills was talking about—is based on the amount paid to the victim and can be as high as $50,000. The minimum amount of victims compensation payable is $2,400 and is set by the Victims Compensation Tribunal. Most inmates can afford to pay the $30 or $70 over the course of their sentence but very few can afford to pay restitution orders of thousands of dollars. Therefore, arrangements to deduct the victims compensation levy from inmate earnings are practical but arrangements to deduct restitution—the larger amounts up to $50,000—are not. I think the honourable member for The Hills got that a bit wrong.

The views of the honourable member for Wakehurst about corrective services are somewhat different from those of the Coalition. The Premier recognised this several times when he highlighted the fact that the honourable member opposed the latest minimum sentencing legislation proposed by the Leader of the Opposition. It is probably worth commenting on the honourable member's contribution to the debate. The honourable member for Wakehurst talked of the time when he was shadow Minister and a series of events involving testing, tests left in a bottom drawer and so on. He asked about transparency and regulation. In my second reading speech I said that the Department of Corrective Services intends to introduce procedures similar to those that apply to the testing of police officers. The Police Association, the prison officers union and the Public Service Association have been consulted about this issue and are satisfied that appropriate protocols must be put in place to ensure that there is no abuse of the testing system for correctional officers and inmates. This is a new system introduced in the past few years. The testing of police officers certainly did not occur when I was in the force from 1970 to 1983—I had never heard of it—and was introduced only recently.

For the information of the House, the collection, testing and storage procedures for body fluids will be subject to Australian/New Zealand Standard 4308:2001 prepared by Standards Australia. When the honourable member for Wakehurst raised this matter I am sure that was on the tip of his tongue! This standard specifies

appropriate collection and storage procedures and the competence of testing laboratories. There are provisions for tested persons to retain the sample and to have it tested independently. I am sure the honourable member for Wakehurst is aware that the unions are looking after the interests of any employees who might be treated unfairly in that regard.

A number of honourable members referred to work within the prison system. I think the honourable member for Wakehurst said that very few inmates work within the system—I suppose it depends on how one views the statistics. The honourable member also made some valid points about the treatment of Aboriginal inmates. I was pleased to visit Ivanhoe and Yetta Dhinnakkal near Brewarrina to observe programs that are also in place in prison camps around the State. I was very impressed by that work. During my visits I also noted the various operational procedures for handling Aboriginal inmates. This legislation does not address those issues—indeed, many other aspects of corrective services are not in this bill—but they are dealt with in other legislation, regulations and manuals of the Department of Corrective Services.

I recognise that the employment issue is very important. The honourable member for Burrinjuck talked about the good work that is going on in Goulburn. I have toured that facility for both positive and negative reasons—the honourable member referred to the tragic riot that occurred in Goulburn gaol in which many officers were injured. It is interesting to note that, of those inmates across the prison system who are eligible and able to work, some 78 per cent work while in prison. The figures obviously vary, but I think 78 per cent is quite impressive. I appreciate also that we should do more to train inmates who, in almost every case, will one day be released from correctional facilities. I thank all honourable members for their contributions. Each discussed different aspects of the legislation. Importantly, every one of them made a positive contribution to the performance of our correctional officers who, I think we all agree, do a difficult job under difficult circumstances. I commend the bill to the House.

Motion agreed to.

Bill read a second time and passed through remaining stages.

AGRICULTURAL INDUSTRY SERVICES AMENDMENT (INTERSTATE ARRANGEMENTS) BILL

Second Reading

Debate resumed from 17 September.

Mr ARMSTRONG (Lachlan) [9.51 p.m.]: It has been a long night for the Minister and his support team, and it is appropriate that we should finish the evening talking about a product that has enormous nutritional value. The nutritional value of citrus can never be overestimated, and details of citrus production should be put on the record. That production includes naval oranges, Valencia oranges, lemons, limes, mandarins, tangelos and grapefruit. South Australia produces 164,000 tonnes and New South Wales produces 194,000 tonnes. The total for Australia is 572,000 tonnes of citrus fruit full of nutritional value. As the honourable member for Murray-Darling would know, it makes a wonderful drop. There is no doubt about that—you cannot beat it. An orange before breakfast in the morning should be compulsory in the western division of New South Wales.

The Agricultural Industry Services Amendment (Interstate Arrangements) Bill repeals the Murray Valley Citrus Marketing Act and provides for the reconstitution of the Murray Valley Citrus Marketing Board. The bill provides for the establishment of a committee with extraterritorial or interstate power to allow for the creation of a body that can operate in two or more States. The committee will be able to represent the interests of producers of agricultural commodities in New South Wales and elsewhere. The bill also provides for the method of selection of primary producers as members of agricultural industry services committees. I make it clear at the outset that the Opposition will not be opposing this legislation. Indeed, I can remember this legislation coming before the House many times over the years.

The citrus fruit industry experiences great waves of activity, both troughs and highs. From time to time the industry is subject to enormous competition pressures, particularly from Brazil, in relation to citrus juice. Production is very much determined by seasons and by domestic demand. The citrus industry produces 500,000 tonnes of citrus each year and is a major export earner but is subject to the international fluctuations found in volatile markets. The 600 growers who produce citrus products in New South Wales and Victoria are almost equally divided between the two States. The industry has indicated its preference for reconstitution and

amalgamation of the existing boards under the Victorian Act. It is proposed to hold a poll of Murray Valley citrus producers in New South Wales and Victoria to approve the replacement of the existing Murray Valley Citrus Marketing Board in each State by a single committee, established under the Victorian Act, that will operate within production areas in New South Wales and Victoria.

The proposed change to the legislation has been sought by the industry itself. To put it in simple terms, two committees, one in New South Wales and one in Victoria, administer citrus marketing. The industry has decided to come together and operate under one Act, the Victorian Act. However, in fairness to all producers, there will be a poll, and that poll will have to produce a simple majority. If the producers are able to do that, they will achieve a mass that will improve their marketing organisation and cut administration costs. That is very important in an industry that is extremely fragile from time to time. As I was walking down this evening it occurred to me that it is a long way to the Murray River, particularly where the citrus industry is.

Mr Amery: It is if you walk.

Mr ARMSTRONG: I bet the Minister's forebears used to walk down there. This Parliament can seem remote to the producers in the Murray Valley, and it is only right and proper that we recognise that they are among the most efficient producers in the world today. It is easy to say those lines, and we use them often, but it is a fact of life regarding citrus producers. They are marvellous horticulturalists, they are great farmers and they are great innovators. They have introduced some innovations in recent years, particularly for irrigation to maximise the use of water to get better interdependency and to make water savings, and they have concentrated on genetics and quality. The quality of our naval oranges in particular is recognised worldwide. So I pay tribute to those producers on the Murray whom we here in Sydney tend to ignore. But I want to make it clear for the record that their expertise and self-sufficiency is recognised by this Parliament, by the Opposition and, I suspect, by the Government. I indicate the Opposition's support for the legislation. I thank the House for the opportunity to participate in this debate.

Mr BLACK (Murray-Darling) [9.57 p.m.]: Once again it is a pleasure to support the Minister for Agriculture, representing suburban Labor, and following the honourable member for Lachlan. Once again the honourable member for Lachlan has been generous in his remarks tonight. Once again I reiterate that we are negotiating the position of his chief of staff. We will get her one day should the honourable member be the Leader of the National Party again one day. A brief explanation about the Murray-Darling electorate is in order following the remarks of the honourable member for Lachlan. First, in the north at Bourke we have some remarkable naval oranges. One only has to recall the remarks in Sydney's printed media about the Minister for Agriculture being the last of the Queen's men. I was not aware of that but it was pointed out, and this came about as a consequence of those 50 magnificent naval oranges being sent from Bourke to England for the Queen in honour of the Queen's jubilee year.

I do not think the tonnage figures provided by the honourable member for Lachlan are quite right. The honourable member may well have chosen a different year, but I will not quibble about what year he chose. The facts are that 90 per cent of Australian total citrus is produced between the river land, the Murray and the Murrumbidgee Irrigation Area. In the Murray I have about 250 growers—in a moment I will explain why I do not use a precise figure—who, depending upon season and year, produce between 110,000 tonnes and 200,000 tonnes of citrus.

This bill is all about marketing. There are two ways of marketing properly: one is through the Commonwealth Government. When I was the Federal candidate for the old seat of Riverina I was approached by Tony Catanzariti and his citrus growers in the Murrumbidgee Irrigation Area [MIA] to have something done about labelling. We had it done through the then Federal Minister for Consumer Affairs, Senator Bolkus, who changed the labelling on material that was being sold through stores such as Coles and Woolworths. At one stage concentrate from Argentina was brought into this country and was coloured, sugared, bulked up, and labelled "Made in Australia". Legislation was introduced to have it labelled "Product of Australia".

The second way to market is through the States. I am sorry to say tonight that there was agreement with Russell Savage, the honourable member for Mildura—who was very important in having the Bracks Government elected in Victoria—to address the issue of orange juice in fast food outlets. I strongly believe that material should be labelled. We should simply say to McDonald's that if the material is resilient—which it usually is—then the word "resilient" should appear on the paper cups, and companies such as McDonald's should be forced to support Australian products, not imported products and their propaganda.

On the subject of marketing, I would like to comment on the view of the honourable member for Lachlan. A multitude of Valencia oranges have been removed because of the collapse of the juice market. Many

of those were originally replaced by table grapes and wine grapes; some others were replaced by navels. The proposal is to amend the Agricultural Industry Services Act 2002 to enable any agricultural industry services committee to operate in more than one jurisdiction, that is, interstate, and secondly, to enable a joint agricultural services committee for Victorian and New South Wales citrus growers to be established under the Agricultural Industry Services Act, and to repeal the Murray Valley Citrus Marketing Act 1989.

I have mentioned Tony Catanzariti, a great leader of the MIA citrus industry. There are 580 participants in that organisation; it is a $40 million industry. That was agreed to and constituted under the Agricultural Industry Services [AIS] legislation on 8 June this year. Prior to that, for wine grapes in the Murray Valley—Victoria and New South Wales—there were approximately 455 participants. That industry is worth $70 million to New South Wales alone. That legislation was constituted on 28 May 1999. In the citrus industry in the Murray Valley, as I have already said, there are 250 participants in New South Wales and about 600 in total; in other words, 45 percent for New South Wales. In New South Wales alone the value of the industry is estimated at $20 million. The nursery industry is worth $160 million. All New South Wales agriculture in the year 2000 was estimated at $6,900 million, which could potentially come under this amendment today.

This bill makes provision for a single entity to service the interests of a community of growers who do not see their common interests as being divided by a State boundary. Growers have accepted as a package the changes brought about directly by the national competition policy review and the reconstitution of the board with extraterritorial power. To them the perceived package delivers net benefits. Their view in this regard was publicised by the Murray Valley Citrus Marketing Board in its annual report for the year ended 30 June 2000, in which it foreshadowed this legislative development. I also salute in this matter Col Thompson, the leader of the irrigators of the lower Murray, who has 1,100 contributors from that organisation.

Officials of the New South Wales and Victoria governments had to find a way through the many differences in detail within their relevant Acts, and without compromise to the interests of their governments and the constituents of those governments. Despite this underlying background, the resulting legislation is short and simple in its operation. The citrus growers in the Murray Valley saw two significant benefits in this legislation. First, it provides a legislative platform on which there might be some amalgamation with other statutory bodies serving other parts of the national citrus industry. Discussions and reports on this issue have a long history. A key stumbling block to progress has repeatedly been the perceived difficulty in enacting the necessary legislation. That stumbling block will go with the passage of this legislation.

Second, it will reduce the administrative effort and cost incurred by the Murray Valley Citrus Marketing Board. Assuming growers support the concept of a single legal entity, the board will no longer have to do many things through two governments. Growers will get more service for the same cost or the same service for a lower cost. Governments also benefit. Repeal of the Murray Valley Citrus Marketing Acts of both States, and regulations made under those Acts, is a significant reduction in the legislation that has to be maintained. Governments are also saved from having to make what would have otherwise been major revisions of the Murray Valley Citrus Marketing Acts of Victoria and New South Wales.

While the foregoing benefit to government is partially offset by the continuing arrangement that will be established under generic legislation, the fact that generic legislation will be used enables the administrative benefits associated with such legislation to be realised. I have been present at joint meetings convened to discuss not just this aspect of irrigation in the Sunraysia industry but others. We are facing pretty difficult times in the area with respect to marketing. We have had labels go overseas. The year before last we were paid as much as $2,000 a tonne from Sunraysia, and for the last year it was something in the order of $1,100 a tonne, a significant difference in income. I salute the legislation. I salute suburban Labor for its leadership in this matter.

Ms HODGKINSON (Burrinjuck) [10.05 p.m.]: I reiterate that the Opposition does not oppose this bill. At the outset I highlight my support of citrus growers and I raise in the House the hard work of a particular Federal member of Parliament, namely, Kay Hull, the honourable member for the Riverina, who has made sure that this issue was well recognised and worked towards a solution. Good on you, Kay Hull. Kay is a terrific local Federal member. This is another example of a cross-border issue which needs resolution. In overviewing the bill I recognise what the shadow Minister for Agriculture pointed out—this change has been sought by the industry itself. This bill repeals the Murray Valley Citrus Marketing Act and provides for the reconstitution of the Murray Valley Citrus Marketing Board. It provides for the establishment of a committee with extra-territorial or interstate power to allow for the creation of a body that can operate in two or more States, and for that committee to then be able to represent the interests of producers of agricultural commodities in New South Wales and elsewhere.

This bill will provide for the method of selection of primary producers as members of agricultural industry service committees. By way of background, in 1988 the New South Wales and Victorian governments jointly commissioned a review of their Murray Valley Citrus Marketing Acts. This bill implements those agreed outcomes of the National Competition Policy review. The citrus growers of the Murray Valley are serviced by the organisations established under the Murray Valley Citrus Marketing Acts of New South Wales and Victoria, as has been pointed out by previous speakers. There are nearly 600 growers and they are fairly evenly divided between the two States. The industry has indicated its preference for the reconstitution and amalgamation of the existing boards to occur under the Victorian Act.

As is mentioned in the bill's explanatory note, it is proposed to hold a poll of Murray Valley citrus producers in New South Wales and Victoria to approve of the replacement of the existing Murray Valley Citrus Marketing Board in each State by a single committee established under the Victorian Act. That will operate within the relevant production area in both New South Wales and Victoria. The shadow Minister for Agriculture has consulted widely in preparing for the Opposition's response to this bill. The honourable member for Murrumbidgee has also been a very keen advocate of citrus growers in the Murray Valley. I commend him also for the work that he has done in relation to this bill.

Ms ANDREWS (Peats) [10.09 p.m.]: The purpose of this bill is to amend the Agricultural Industry Services Act to enable any agricultural industry services committee to operate in more than one jurisdiction—that is, interstate—and to enable a joint agricultural services committee for Victorian and New South Wales citrus growers to be established under the Agricultural Industry Services Act and to repeal the Murray Valley Citrus Marketing Act 1989. The amendments to the Agricultural Industry Services Act will enable, firstly, committees that will be established under the Agricultural Industry Services Act or the corresponding Victorian Act, or legislation of another State or Territory, to represent the interests of producers of agricultural commodities in New South Wales; secondly, the law of New South Wales to apply outside New South Wales in place of the law that would otherwise apply; and, thirdly, a method of selection of primary producers as members of agricultural industry services committees under that Act.

The bill is generic legislation that will enable any agricultural industry services committee to have interstate operation with respect to the primary producers and products for which the committee is established. The final constitution of an interstate committee will, however, be conditional on more than half of the relevant New South Wales producers voting at a poll and more than half of those producers casting their votes in favour of the establishment of the committee. In other words, the proposed arrangements must be accepted in a poll of New South Wales producers. It is proposed that a poll of that nature will be held of Murray Valley citrus producers in New South Wales and Victoria to approve of the replacement of the existing Murray Valley Citrus Marketing Board of each State by a single committee with interstate operation within the relevant production areas in both New South Wales and Victoria.

Irrespective of the outcome of this poll, it is proposed that the Murray Valley Citrus Marketing Act of both Victoria and New South Wales will be repealed. If producers vote against the establishment of an interstate committee at the poll and industry supports the continuation of a Murray Valley Citrus Marketing Board the board will be reconstituted in New South Wales under section 5 of the Agricultural Industry Services Act 1998. This proposal was agreed to by industry as an integral part of a package of changes to the board. Industry conceded that an interstate reconstitution was a means of reducing the board administration and compliance costs and a platform on which there might be further amalgamation of citrus industry organisations in the future.

In addition to the Murray Valley Citrus Marketing Board, the wine grape industry in the Murray Valley has already signalled interest in establishing an interstate committee. The concept of cross-border arrangements is not new but the delivery of a legislative platform for arrangements provided for in the bill is an outstanding achievement. Once again, those involved in agriculture have led the way in demonstrating what can be achieved with resolve and application. Two of the significant features of the bill are the choice it gives to those who will be the potential subjects of it and the safeguards that exist within it. The bill provides that when a cross-border arrangement is proposed the potential constituents of the proposed arrangements will be given the choice of which State's legislation they might operate under.

The decision to frame legislation on this principle says many things. It says that constituents are to be consulted and have a choice, and that they will be able to consider their choice with complete knowledge of the legislation that will operate. The bill also states that once two governments agree that they have legislation of essentially similar purpose and application there will be no fighting over the many differences in the detail of the legislation of individual States. All of this is commonsense, and it is pleasing to see the legislation. It is also significant to note that safeguards are built into the legislation. The New South Wales and Victorian governments effectively are confirming their acceptance of each other's relevant Acts.

It is worth noting that corresponding amendments to Victoria's Agricultural Industry Development Act 1990 were introduced into the Victorian Parliament on 5 June 2002. The extension of the bill's provisions into other jurisdictions requires that those other jurisdictions have legislation with a comparable policy and purpose. With this hurdle passed, a proposal for a specific application of the legislation must still be judged as consistent with the prevailing policy of the government concerned. Potential constituents of a proposed committee will be able to have their say. Importantly, their choice is on a State basis. As pointed out earlier, the proposal has to be supported in each State and/or Territory under the polling policy and procedures of each State.

In commenting on safeguards, it is also important to note that the Acts under which an extra-territorial arrangement can be established—the New South Wales Agricultural Industry Services Act 1998 and the Victorian Agricultural Industry Development Act 1990—are modern and are being kept that way. Under both Acts the constituents of arrangements have control over the charges imposed on them, and they have the opportunity to terminate the arrangement at any time they believe it is not working to their benefit. I add that I fully understand where my colleague the honourable member for Murray-Darling is coming from because I can vouch for Bourke oranges certainly being among the best that one could taste anywhere.

I have had the privilege of eating those oranges and some of my paternal grandparents are from the Bourke area. The Bourke citrus fruits again demonstrate the wonderful secrets of New South Wales. Many areas within the Peats electorate were once among the best citrus-growing areas in the State. Sadly, when restrictions on the importation of citrus pulp were lifted in the 1970s, the citrus-growing industry within my electorate, and on the Central Coast generally, waned considerably. However, there is still a citrus industry presence in the Peats electorate and I am therefore pleased to have been given the opportunity to comment on this bill. I congratulate the Minister for Agriculture on introducing this legislation. I commend the bill to the House.

Mr AMERY (Mount Druitt—Minister for Agriculture, and Minister for Corrective Services) [10.15 p.m.], in reply: I thank all honourable members for their support of the bill, in particular the shadow Minister for Agriculture, who is also the honourable member for Lachlan. He referred to his extensive corporate memory of agricultural industry services legislation during periods when he was the Minister, the shadow Minister, the Minister, then again the shadow Minister. I have no doubt that the honourable member has figured prominently in *Hansard* records of debates over the past 20 years on various changes to the Murray Valley as a result of citrus marketing legislation and its forerunners. I also thank the honourable member for Murray-Darling for his contribution.

I know from having toured the Murray areas with him that his support of the citrus industry is very well known, as indeed is the support of the honourable member for Burrinjuck and the honourable member for Peats, who also have components of the citrus industry in their electorates. The citrus fruit producers would be heartened by the fact that, although politics is at times divisive and a great deal of opposition is sometimes expressed for the sake of doing so, honourable members from both sides of the Chamber have contributed to this debate, which has recognised the good work of people involved in the very competitive citrus industry.

Changes in varieties and the changing tastes in varieties can rapidly produce changes to the structure of the industry, and imported citrus fruits—particularly the importation of dried citrus fruits that are used in takeaway food, which was referred to by the honourable member for Murray-Darling—can also have a major impact on the market share of New South Wales producers. Even so, it must be very heartening for all citrus growers in this State that honourable members of all political persuasions support the efforts being made by those involved in the citrus industry, sometimes under very extreme circumstances.

The New South Wales Department of Agriculture also supports the citrus industry in a number of ways, including a partnership with South Australia and Victoria in a tri-State fruit fly strategy to maintain a fruit-fly-free status; the breeding and targeted release of sterile fruit flies; research into citrus varieties, which is crucial to the industry's ability to open new markets and compete worldwide; and research into disease control. The honourable member for Peats referred to the citrus industry in the Peats electorate, and I point out that the Central Coast, Griffith and Dareton are the homes of agricultural research stations that support the citrus-growing industry. The department also undertakes research into the control of diseases and supports statutory authorities in the Murray Valley and the Murrumbidgee Irrigation Area [MIA]. The Agsell unit of the department also provides support for marketing initiatives. That is just a brief outline of some of the support provided by my department.

The New South Wales Government has contributed approximately $2.5 million to the MIA power-packed structural adjustment package that provides financial assistance to the citrus industry in the

Murrumbidgee region. All in all, I believe that all honourable members of this House and the Government through the New South Wales Department of Agriculture are strong supporters of this very vibrant and exciting industry. Contingent upon the support of New South Wales growers for the joint committee, their citrus industry counterparts in the northern regions of Victoria and New South Wales growers will become one Murray Valley entity, with expanded marketing capabilities. I reiterate my thanks to all honourable members who contributed to the debate.

Motion agreed to.

Bill read a second time and passed through remaining stages.

BUSINESS OF THE HOUSE

Extension of Sitting: Suspension of Standing and Sessional Orders

Motion by Mr Whelan agreed to:

That the sitting be extended beyond 10.30 p.m. to allow for the taking of private members' statements forthwith.

PRIVATE MEMBERS' STATEMENTS

FLYING FRUIT FLY CIRCUS

Mr GLACHAN (Albury) [10.22 p.m.]: Last Friday my wife and I were delighted to attend an event held at the Buraja oval. It involved schools from Lowesdale, Burrumbuttock, Brocklesby, and Wallbundrie in my electorate and from Oaklands and Rand in the electorate of my colleague the honourable member for Murrumbidgee. It was a great opportunity for the children from these small schools to meet and share a day. The principal and students of the Lowesdale School organised the event. Initially it involved a performance for the children by children of their own age, primary school age, from the Flying Fruit Fly Circus School, which is established in Wodonga. Children from that school have normal lessons during the day but instead of doing physical education and sport they train in circus skills. The performance was very much appreciated by the children and parents and by my wife and me.

The children are amazingly skilful and motivated. They come from the districts surrounding Albury-Wodonga and are ordinary children who have an interest in circus. They are trained by skilled instructors at the Flying Fruit Fly Circus, which is of international renown. Students from the school have performed all over the world—recently very successfully in New York. Any member of the House who has not seen them perform should take the opportunity to do so. The young children from these country schools were delighted to see these other youngsters in action. At the end of the performance the children went off to different activities—for the young boys there was football training and for the girls cricket. For the younger children there was skipping, and netball practice for the girls. They had a marvellous time.

I commend the parents and teachers from the schools. As well as providing transport for the children to and from Buraja they organised a barbecue lunch and helped to supervise the sports and activities that the children were involved in. It was a great opportunity for children from virtually isolated schools to get together and enjoy the company of the other children of their own age and to see what young people their age could do with some training. After the performance by the Flying Fruit Fly Circus an instructor warned the children watching not to go home and try some of the things that the children in the performance had been able to do, after a great deal of training, as some of the feats could be dangerous. It was a wonderful day. My wife and I were delighted firstly to be invited and secondly to witness the performance.

As member for Albury I am happy that the Flying Fruit Fly Circus is in my area. It has presented a remarkable opportunity for many young children. It began in a very small way and is now of international renown. The origin of the name is interesting. Years ago people travelling from Albury to Wodonga had to stop at a gate on the causeway and put any fruit being carried into a bin. Inspectors searched vehicles to make sure that fruit was not being taken into Victoria so that the spread of fruit fly could be prevented. An instructor was asked why the school took that name, and he said, "It's just a name, it's a name that we thought would fit"—and it certainly does.

HUNTER MEDICAL RESEARCH INSTITUTE AWARDS

Mr MILLS (Wallsend) [10.27 p.m.]: On Wednesday night of last week I had the distinct honour of representing the Premier at the annual awards night of the Hunter Medical Research Institute [HMRI], which this year was held at the Civic Theatre in Newcastle. This is the occasion when the Hunter Medical Research Institute awards its grants and prizes to the Hunter's top medical and health researchers. As I was leaving the House after question time last Wednesday the Premier said to me, "There is a great story to be told here about the institute, make sure you tell it." I told it and I am going to tell it again in the House tonight. The atmosphere of goodwill and inspiration at this annual event is remarkable. Leading business people and researchers come together in support of Australia's only regional medical research institute. Professor John Rostas, Executive Director of the Hunter Medical Research Institute, has said that the generous support of the Carr Government given to HMRI through investment in research development is contributing greatly to the advancement of the Hunter as a centre of knowledge-based industry.

The institute thanked the Premier and the Government and acknowledged the support of the New South Wales Government at the event. Professor Rostas went on to say that the HMRI is distinctly different: it is the only research institute in regional Australia; it is the only multicampus institute. The model is a hub—an institute without walls. In 1999-2000 funding for the institute totalled $2.5 million. It is now $5.2 million, of which $1.2 million came from the State Government and $2.9 million came from donations—which Professor Rostas described as the furnace that drives the engine of innovation—and $1.1 million came from new National Health and Medical Research Council grants to HMRI researchers. For example, the mothers and babies research centre attracts researchers and funds both locally and overseas.

The benefits for the region are top-class staff for top-class medical treatment for local people and top training for our students. The institute fosters local talent and gives the Hunter region an increased voice at State and national levels. About 1800 square metres on level three of the John Hunter Hospital has been renovated and occupied by the institute. The next stage is construction of a new building for co-ordination of multicampus research. Research grants of about $300,000 were presented on the night by the patron of the HMRI, Paul Harragon of rugby league fame. He is a great football player and a great community advocate for the Hunter. David Simmons, Chairman of the Hunter Medical Research Institute Foundation, said there is no better community in Australia at supporting research.

The HMRI co-ordinates regional effort in medical research, and co-ordinates Hunter Health, the University of Newcastle, local business and the local community. It reverses the brain drain—part of the good story—by encouraging researchers and teams to work in the Hunter Valley. There are none better than some of the cancer researchers, led, for example, by Professor Leonie Ashman and Dr Ferrao, who both were there on the night, who moved from Adelaide to Newcastle in January this year to set up their cancer research team. Professor Ashman brought with her some Cancer Council research funding. Research is not only about the science; it is also about people. One example given on the night was that we test women for breast cancer, but we do not yet test men for prostate cancer. Prostate cancer, like breast cancer, has a tendency to run in families and across many generations.

An example of community involvement was the community of Stroud, in the Upper Hunter, which raised a large amount of money for the HMRI with picnic races, rodeos, brick-throwing competitions and other community events. Schizophrenia research is supported, as is neuroscience research and bowel cancer research. The whole theme of HMRI is ordinary people in the Hunter doing ordinary deeds to support medical research. Adult stem cells for cardiac treatment are among the features. Professor Peter Dunkley won the major award of the evening for his research in unlocking the secrets of the brain. He won the Sparke Helmore-Prime Television Corporate Triathlon Award for Research Excellence for research into how the brain works at the molecular and cellular level with the aim of developing new drugs to treat mental illnesses such as schizophrenia, depression and anxiety. The HMRI awards are matters of great distinction in the Hunter Valley. [*Time expired.*]

OXLEY HIGHWAY UPGRADE

Mr STONER (Oxley) [10.32 p.m.]: Honourable members may be aware that one of the significant highways servicing the Oxley electorate is none other than the Oxley Highway. Running from Coonabarabran in the west to Port Macquarie in the east, through regional centres including Gunnedah, Tamworth, Walcha and Wauchope, the Oxley Highway is one of the few east-to-west highways servicing the North Coast. As such, it is an extremely important route for tourism, primary production and general population movement, including those travelling to and from the University of New England at Armidale. The Oxley Highway is so named because it

generally follows the route of the explorer John Oxley, who crossed the Great Dividing Range in search of suitable ports for the establishment of a convict settlement. John Oxley discovered Port Macquarie, after sighting the area from Mount Seaview in the upper reaches of the beautiful Hastings Valley.

I gratefully acknowledge that in recent years the Government has spent money on improving the Oxley Highway, with pavement renewal and timber bridge replacement in particular. However, the fact remains that the highway does not fulfil its potential as a tourism and economic route due to the many twists and turns it makes, particularly between Yarras in the upper Hastings and the top of the range. Motorists travelling from west of the range are initially confronted by a sign east of Walcha warning of 20 kilometres of winding road. They then come into a reasonably straight section of road, whereupon they sight another sign indicating 40 kilometres of winding road. This time the bends are more of the hairpin variety. So, by the time they get down the range, past Gingers Creek and to Long Flat, they are pretty well exhausted and not looking forward to tackling the road again.

Travellers on this road, including locals from the upper Hastings, have long questioned the route of the highway in that it follows an extremely winding path. Snow Costigan, currently a resident of Wauchope, and one of the upper Hastings pioneering families, has long been a campaigner for a better Oxley Highway. Indeed, Mr Costigan has co-ordinated the completion and presentation of a great number of petitions to this House on this issue. My predecessor, the former member for Oxley, Bruce Jeffery, spoke in this House on 17 October 1996 of Mr Costigan's desire to see improvements to this important east-west highway. Snow Costigan is still a passionate advocate for the Oxley Highway, and particularly for reducing the great number of sharp and particularly dangerous bends on the current route.

Mr Costigan advocates an alternative route in the area near Gingers Creek and Stockyard Creek. This is one of the most tortuous areas of the entire highway. It is not an unknown route. In fact, the alternative route follows the old road constructed by convicts in the 1800s. Mr Costigan has kindly provided me with topographic maps which show that this route travels along the ridges of the mountains, connecting with the Knodingbhul Road, removing some of the worst bends of the highway, and reconnecting with the existing highway near Ralphs Creek. Like Snow Costigan, I am only too aware of the many accidents on the Oxley Highway, and I support an investigation into the alternative route between Gingers Creek and Ralphs Creek—a route that would both reduce distance and remove dangerous bends from this busy road. This route would not be prohibitively expensive to resurrect in that it was previously part of the road down the range. I ask the Minister for Roads to give serious consideration to this sensible proposal in the context of future works planned for the Oxley Highway.

MADURA TEA ESTATES

Mr NEWELL (Tweed) [10.37 p.m.]: At times members from both sides of the House use this Chamber as a vehicle for advertising products and benefits of their electorates. Tonight I would like to introduce one of the products of my electorate to honourable members of this House. This afternoon I had the pleasure of joining the Premier, Bob Carr, in his office and speaking with Mrs Kay Allan from Madura Tea Estates. Madura Tea Estates is an Australian-owned company operating in my electorate. Mrs Allan introduced Mr Carr to the great benefits of a pure, Australian-owned and made tea. The Premier is now enjoying a refreshing cup of the Tweed's Madura tea every morning. This afternoon others such as Richard Amery, the Minister for Agriculture, were introduced to the benefits of Madura tea.

Mrs Allan, who is the marketing manager of Madura Tea Estates, has done a great job in the years that she has been marketing manager in promoting Madura tea. I was more than happy to assist her in ensuring that Madura tea is on the menu of Mr Carr, so that when the Premier entertains local and international guests in his suite he will be able to introduce them to the benefits of an Australian-owned and made product. The Madura Tea Estates, which were set up in 1978, are on a 25-hectare plantation near Murwillumbah and are now 100 per cent Australian owned. Some of the benefits of Madura tea include that it contains no tannic acid and is naturally low in caffeine. Madura Tea Estates produce the industry standard blends of Darjeeling, English Breakfast, Earl Grey, Broken Orange Pekoe, Irish Breakfast, Green Tea and Green Tea with paw paw.

Madura Tea Estates is currently exporting to the United States of America, and receives mail orders from all over the world, from places such as England, Singapore, Germany and Thailand. I congratulate Mrs Allan and Madura's 52 local workers in the factory and on the plantation on Clothiers Creek Road, which is just outside Murwillumbah. This is certainly great news, and I am pleased to acknowledge this great Australian product and have it available in the Premier's office to be served to the Premier's distinguished guests.

Recently I visited the Madura tea plantation and saw how hard the people work at perfecting the art of tea making. As members on the other side of the House indicated, many of us love nothing better than a cup of Madura tea and many of us have been loyal supporters of that brand for a long time. I emphasise that Madura is the only Australian tea manufacturing company and I am very proud that the Premier will enjoy a cup of refreshing local North Coast tea every morning. The benefits of tea drinking have been known for more than 5,000 years, since the Chinese first used tea to treat many ailments.

Tea is a natural source of powerful antioxidants that help protect the body from damage caused by harmful free radicals. Together with fruit and vegetables, tea forms an important part of a healthy diet and is a hydrating liquid that counts towards our recommended daily intake of fluid. Taken without milk or sugar, tea contains virtually no calories and has potential health benefits for cardiovascular disease and cancer prevention. Scientific studies in those areas are continuing. I congratulate Mrs Kay Allan on the good work she has done. I congratulate the workers at the Madura tea factory on making this Australian-owned company one of the great successes of the North Coast.

TOPOCLIMATE AGRICULTURAL TECHNIQUES

Mr ROZZOLI (Hawkesbury) [10.42 p.m.]: I inform the House of a new and innovative concept in the development of agricultural products that started in New Zealand. Its Australian office is at Coffs Harbour, and the company is a very active participant in the development of horticultural niche markets for the Hawkesbury area. The firm, Topoclimate, pioneered the development of niche agricultural industries in the Southlands of New Zealand at a time when the production potential of that area was becoming depleted. People were moving from that area because of its dwindling agricultural base. Something needed to be done to resurrect that agricultural industry. As a result of the Topoclimate technique, which is based on an evidence-based, scientific evaluation of the capacity of land to grow certain crops, the Southland's economy has been completely turned around.

The Southland of New Zealand is now one of the country's fastest growing economic areas and people are moving there from other areas to participate in its agricultural activity. The basis of the Topoclimate process is to analyse the cropping potential of land by accurate measurement of soil structure, fertility, and temperature. In that way its potential to grow certain products is assessed. Suitable products that match those characteristics are then identified. In some cases a product will grow on one part of the land, but as little as 500 metres away it may not grow as successfully. Because the analysis of the growing potential produces a high-value crop, specially tailored crops can be chosen to meet niche overseas markets and to sustain the high cost of distribution.

For instance, in New Zealand a small acreage is growing peony roses that are marketed overseas and fetch $3.50 a bloom. That production brings a return of $100,000 a year to the grower, whereas previously the best high-production yield was $30,000. That high-production allows for employment and economic return to farmers on relatively small holdings. That process will be very important in many parts of the Hawkesbury. Although it has different climatic conditions and soil types from New Zealand's Southland, the Hawkesbury has its unique soil types, temperature difficulties and climatic consequences. If we are to survive the impact of continuing urban encroachment on our land we need to be able to find products that are suitable for relatively small holdings to give the land-holders a good return for their production.

Farmers in the Hawkesbury have engaged the Topoclimate technique, especially those in the Bilpin area to the north of my electorate. It is hoped that technique will identify the growing potential and products that are suitable to the area. The land set aside for the Greater Blue Mountains World Heritage Area produces plants that are specific to that area. Within that World Heritage Area there are 2,800 species and the Hawkesbury has the capacity to produce those plants by means of this special technique. That will provide a great product for Australia and a great production potential for the people of the Hawkesbury that will stimulate the economy of that area and of New South Wales. [*Time expired.*]

LAKE MACQUARIE ELECTORATE SCHOOLS

Mr HUNTER (Lake Macquarie) [10.47 p.m.]: On Friday of last week I was very pleased to announce that nearly $1 million had been allocated to Lake Macquarie electorate schools for improvement projects. I was advised by the Minister for Education and Training, John Watkins, that nine schools in my electorate would receive a total of $396,000 for upgrades and refurbishment. In addition, the Minister advised that Biddabah Public School would gain $600,000 for a permanent library, as part of the demountable replacement program. This is stage one of a major upgrade of Biddabah Public school which will extend over a number of years. The improvements to the school's accommodation are part of this year's $14.1 million program to replace long-term demountables in schools.

The $14.1 million of funding was provided in the June State budget and at that time I highlighted that Biddabah school would gain funding for a library from the demountable replacement program. I announced last Friday other projects in the Lake Macquarie electorate to receive funding. They include $40,000 for Cooranbong Public School for classroom conversions to provide practical activity areas. At Dora Creek Public School some $100,000 has been allocated to upgrade the administration and staff facilities. Certainly that project is welcomed by the school. The Minister visited the school a few weeks ago and heard at first hand from the school community of the need for those improvements.

Toronto High School will receive $20,000 for the installation of a diplomat-style security fence to the front of the school, a welcome addition that the school community will be pleased with. I highlighted that need to the Minister for Education and Training when he visited the school just a few weeks ago. I thank the Minister for his swift response to those representations. At Booragul Public School some $10,000 has been allocated for security to the roof areas. I take this opportunity to highlight to the Minister that Booragul Public School is still pushing for a replacement library and a very much needed staff car park. I will continue to lobby the Minister for those additional improvements at that school. However, the allocation of $10,000 is certainly welcomed by the school community.

At the adjoining Lake Macquarie High School $20,000 has been allocated to upgrade electrical work, and $25,000 to upgrade student access. When I spoke to the relieving principal of the school last Friday he was certainly pleased to hear that news. Again, it is welcome news to the school community. At Teralba Public School some $25,000 has been allocated for the conversion of classrooms for practical activity areas. Yesterday I had the great pleasure of visiting Teralba Public School and presenting three books that will go into its new demountable library, which was officially opened about one month ago.

The school has also been allocated a new administration building. The teachers and staff are very grateful that the Government has provided those facilities. West Wallsend High School has received $41,000 for the installation of airconditioning in demountables, and West Wallsend Public School has been allocated $45,000 for the upgrade of its canteen. As I said, I have been supporting the local school communities in their lobbying of the Minister and the Government to achieve funding to upgrade school facilities. All these projects will be welcomed.

I take the opportunity to again raise with the Minister the need for additional facilities at schools such as Cooranbong Public School, West Wallsend High School, Booragul Public School and Arcadia Vale Public School. This is a great start; an allocation of $1 million to the electorate of Lake Macquarie is not to be sneezed at. I appreciate it, as do the schools that will benefit. I once again thank the Minister for Education and Training for this assistance to schools in the electorate of Lake Macquarie. [*Time expired*.]

COALITION SELF-FUNDED RETIREES POLICY

Mr RICHARDSON (The Hills) [10.52 p.m.]: Last Friday, the Coalition rolled out one of its major policies for next year's election. I bring to the attention of the House the impact of that policy, which will extend significant concessions to self-funded retirees in my electorate, which has more than 7,000 people over the age of 65. The honourable member for Baulkham Hills and I met with a number of members of the Association of Independent Retirees Inc. on Friday, including Mrs Margaret Thompson of Baulkham Hills. She said she felt that she and her husband were the victims of discrimination. She is reported in the *Hills News* as follows:

> "We retired in 1991 after working a total of 84 years between us," she said.
>
> "It seems we have been penalised by not getting the same concessions as pensioners. I feel as though we are being discriminated against."...
>
> "We are not looking for money to be thrown at us, we just want what is entitled to us as retirees like everyone else."

The Coalition will provide self-funded retirees with free registration for a single motor vehicle, which will be a saving of $187 to $327, depending on the weight of the vehicle; a yearly rebate of $112 per household on electricity bills; discounts of up to $250 a year, or 50 per cent, per household on council rates, whichever is the least; and about $320 a year on Sydney Water rates. The benefits for self-funded retirees in my electorate could be as high as $1,000. That is a substantial amount. Mrs Thompson thought so, as did Dick and Ursula Barton from Galston. They also joined us and were very enthusiastic about the benefits that the Coalition will offer when elected to government in March next year.

The Commonwealth Government will cover 60 per cent of the cost of providing these benefits. The Howard Government made that offer 12 months ago and some States and Territories have taken it up. I

understand that Dr Geoff Gallop, the Premier of Western Australia, is in negotiations with the Howard Government. It is an indictment of this Government not only that has it failed to take up the offer but also that it has disparaged the announcement that a Coalition Government would provide these benefits for self-funded retirees. These people have worked hard all their lives and paid taxes, and they are looking after themselves in retirement—they are not a drain or a burden on the public purse—and they deserve better.

Of course, the benefits will not go to everyone—millionaires will not receive them. They will go only to those who are entitled to the Commonwealth Seniors Health Card—that is, men who have turned 65 years of age and women who have turned 62 years of age—and means tests will also be applied. That is fair and consistent with the position the Coalition has adopted for some time in recognising the contributions that have been made over the years by older Australians.

Previous initiatives implemented by the Coalition include the introduction of the hugely popular seniors card, the abolition of compulsory retirement from the public sector on the ground of age, the establishment of the mature workers program, and the conversion of the Office of Ageing in the Premier's Department to a policy unit. They are significant benefits that represent an important recognition of the enormous contribution that older Australians have made. The Coalition does not believe that older Australians should be punished simply because they have done the right thing and saved for their retirement and because they are capable of looking after themselves. In many instances those people are not particularly well off, and the extra $1,000 will make an enormous difference to their ability to look after themselves and enjoy their retirement.

Mr STEWART (Bankstown—Parliamentary Secretary) [10.57 p.m.]: I am sure the motives of the honourable member for The Hills are sincere. However, the Coalition's policy is smoke and mirrors. That was substantiated tonight by his comments and the fact that he cannot say where the line will be drawn in the sand. He spoke about the need to assist self-funded retirees, but neither he nor his party has explained how that will be achieved. As the honourable member said, many people will miss out.

The Coalition's system will lack equity and many people will be very unhappy. Self-funded retirees feel they should be supported, but they will not get the support being offered by the Coalition. The policy is full of ambiguity and it requires clarification. The member has been unable to explain it without resorting to rhetoric, and that is disturbing. Although it is legitimate for the Coalition to make announcements such as this, it must back them up with substance and fulfil them when in Government. The policy must be equitable and assist those in need. When the member is confronted with reality, he will be forced to reassess the situation. It is clear that the Coalition does not have the answers.

FEMALE KICKBOXING

Mr LYNCH (Liverpool) [10.59 p.m.]: I draw to the attention of the House an issue raised with me by Mr and Mrs Vamvouklis, who reside in Casula in Liverpool, regarding female competition kickboxing. It stems from their daughter's involvement in the sport. They are appalled that some organisations are regularly and consistently able to flout the law by staging female kickboxing contests. They believe that female kickboxing is unlawful in New South Wales. Despite the legislation, female kickboxing occurs publicly and is openly advertised. It also seems to generate a substantial profit for the organisers. Mr and Mrs Vamvouklis are especially concerned about the activities of a kickboxing trainer, Zack Taumafai. They tell me he runs his operation from Golden Gloves Gym. According to a Department of Fair Trading document provided to me by Mr and Mrs Vamvouklis, that business name is owned by Zekeriya Idik. Some of these kickboxing events are apparently arranged by Taumafai Promotions.

Mr and Mrs Vamvouklis advise me that, to their knowledge, Taumafai has participated in arranging four separate kickboxing events that included female kickboxers. They commenced last year. I am told that such events have been held at the Golden Gloves Gym at St Marys, Manly RSL Club and St Marys Band Club. I have seen documentary evidence that confirms that female competitive kickboxing has been occurring. Mr and Mrs Vamvouklis tell me that female competition kickboxing events were held on 19 January at Golden Gloves Gym, on 5 April at Manly RSL Club with a ticket price of $35 for entry, on 13 April at St Marys Band Club with a ticket price of $35, and again on 24 August also at St Marys Band Club, once again with a ticket price of $35. I can also advise the House of some of the evidence to support the claim that female competition kickboxing, and thus unlawful kickboxing, is occurring.

I have seen the program for the event held at St Marys Band Club on 13 April. It is proclaimed to be a State of Origin contest presented by Golden Gloves Gym and Taumafai Thai Boxing. The posters advertise the

event as presented by Golden Gloves and Taumafai Promotions. The same two bodies are referred to on the printed tickets as presenting the event. The ticket confirms the price of $35. The program has a total of 38 kickboxers on the bill. Obviously, a number of those kickboxers are women. They have names like Jill, Maria, Cindy and so on. I have also seen a program for the event held on 24 August at St Marys Band Club, which is headed "Golden Gloves Gym and Taumafai Boxing Gym are Proud to Present", and features 24 fighters. Clearly, a number of women are among them. They have names such as Kathleena, Sonya and Cindy. There is even more decisive evidence.

One of the little extra earners the promoters have pursued is the sale of videos of some of the fights. I am advised that they charge $30 per video. I have viewed the video of one of these events, which clearly shows women engaged in competition kickboxing. The tape I viewed showed a number of bouts involving two women contestants. The tape was a video of the event held on 13 April. Mr and Mrs Vamvouklis make the obvious and very simple point that here is clear and indisputable evidence the law is being broken. Accordingly, the relevant authorities should make the appropriate legal response. Mr and Mrs Vamvouklis have raised their concerns with the Department of Sport and Recreation, but so far they have had no positive result. Their puzzlement is quite understandable. There is, of course, a view that female kickboxing should be legalised. Some would argue that our current laws are discriminatory and absurd: if men can participate in these events, why cannot women? If either men or women want to participate in these pastimes, why should the State prohibit it? Prohibition is largely futile.

These arguments are supported by the fact that New South Wales is the only State in which such events are illegal. Presumably, there would be some national competition policy implications. There may be some merit in those arguments. However, as Mr and Mrs Vamvouklis would reply: none of that changes the law or the fact that it is being flouted. Clearly, the situation is quite absurd. Other issues also arise. Mr and Mrs Vamvouklis have told me that, to their knowledge, these female kickboxers do not use headgear or shin pads, and that they do not always wear breast protection. When I watched the video of the events of 13 April I was interested to see what protective gear they were wearing. I noted in the video that the female boxers were not wearing any headgear. There were certainly quite a few punches and kicks to the head.

I could not tell whether they wore shin guards. At least one female kickboxer did not seem to wear any chest guard. Because kickboxing is illegal there is no way to enforce the use of safeguards. The only option is to enforce the law and shut down these events. A related matter is that no checks are carried out on who can participate in these events. Mr and Mrs Vamvouklis have pointed out to me the very real possibility that someone with a pre-existing condition who could be injured by a blow to the head could be allowed to participate in the events. Because there is no normal procedure for registering and medically checking boxers there is no way to prevent such people participating. I ask the Minister for Sport and Recreation to investigate this as a matter of some urgency.

NORTHERN RIVERS MENTAL HEALTH SERVICES

Mr GEORGE (Lismore) [11.04 p.m.]: I bring to the attention of the House a concern of Mrs Pamela Duncan, an ageing and physically unwell mother in my electorate who was persuaded by a psychiatric clinic to accept her son back into her home despite her son refusing to take medication while on a community treatment order [CTO], which resulted in his admission to the clinic after he had trashed a house and several cars and assaulted an elderly gentleman. He remains disturbed and is back in the psychiatric facility from which he was discharged before being given a bus pass to go to his mother's home. He became increasingly unwell again after failing to comply with an order to submit to a medication regime. Mrs Duncan, who is scared that her mentally ill son will harm her or others, recently applied for an apprehended violence order [AVO] at the Casino Local Court following a further incident of intimidation by her son.

The court heard from Mrs Duncan that her son was subject to a six-month CTO to remain on medication, but that he has not complied with the order for the past three weeks. Some weeks after a drinking episode the son returned home and started to act irrationally. The following morning he told his mother he wished she were dead. The magistrate granted the AVO as sought after Mrs Duncan's son failed to show up at court. Mrs Duncan remains concerned that there are no long-term solutions. The Richmond Clinic in Lismore has a shortage of beds, and has previously refused to accept Mrs Duncan's son because he is violent. She also claims that acute care service teams provide inconsistent follow up to ensure he remains on his medication.

Police who have dealt with the son agree this is a difficult case that highlights the ongoing problem of mentally ill people caught up in the criminal system. The Northern Rivers Area Health Service agrees there is a

higher-than-average demand for mental health services in the Northern Rivers. The Northern Rivers Area Health Service stated that the reasons for that level of demand include a significant level of recreational drug use and a high transient population. The health service endeavours to meet this demand. The redevelopment of the Richmond Clinic as part of the proposed Lismore Base Hospital master plan would certainly consider enhanced services for both community and inpatient facilities for young people. Mrs Duncan has supplied me with a list of concerns and questions, which were forwarded to the Northern Rivers Area Health Service for a response. They seek reasons for her son's early release from care, the breach of confidentiality between mother and son communications, unnecessary police presence on one occasion that exacerbated the situation, and the breach of the CTO. The list goes on.

Where does the mother go now? She is at the end of her tether. She has called on me, yet again, desperately seeking help. I indicated to the Minister that I would raise this matter tonight. He is aware of the case. As was highlighted recently in a *Four Corners* television program, parents of such people have continual problems of this type, but they have nowhere to turn. It is difficult for a mother to take out an AVO against her son, but for her own wellbeing and in an endeavour to control her son she felt she had no alternative. It is not the first occasion this has happened. Recently, she wanted to ring the psychiatric centre to seek help. However, to do so requires an STD service and, sadly, she forgotten that she had the service disconnected recently because her son had run up such a big phone bill. Consequently, she was unable to contact the centre. I plead for help on her behalf. Where does she turn to next? [*Time expired.*]

VERONA SCHOOL

Mr TRIPODI (Fairfield) [11.09 p.m.]: I support the new specialist school for students with severe disruptive behaviour that is currently being set up in the Fairfield electorate. Verona School, which is located on the grounds of Yennora Public School, is one of the 11 behavioural schools and 12 tutorial centres being developed across New South Wales. The Yennora Public School site was identified for the establishment of the Verona School because it is easily accessible by public transport. It is also the largest site in the district, and has the best potential for the establishment of a separate school. I take this opportunity to thank all the parents and citizens in the Yennora area who were involved in the consultation process undertaken by the Department of Education and Training. Obviously, those parents were consulted about the prospect of this change at Yennora Public School. I congratulate them on being responsible and for engaging in and taking up the challenge of inviting Verona School onto the site of Yennora Public School.

The proposal is to separate Verona School from the public school. However, it will still be located close by. Parents and children of Yennora Public School have responsibly received and managed this news. Verona School provides students with a high level of support to increase their literacy, numeracy and social skills. This will assist not only disruptive students who will be removed from mainstream classes; it will also improve the overall learning environment for remaining students in those schools. Verona School will cater for students who require specific attention from teachers with specialised training and skills. The school, which will operate as an independent unit from Yennora Public School, will cater for 12 to 18 children aged between 10 and 14 years.

Many students who attend behavioural schools such as Verona have had problems in their original schools, leading to learning difficulties, truancy and antisocial behaviour. Many have been unable to cope with home and school pressures and they need a change of environment so that they can turn around their personal situations. Similar organisations in the Fairfield area, such as the Canly Vale Tutorial Centre, which caters for students completing school certificates, have achieved great success in reversing their pupils' directions. Students from the Fairfield district also have access to Fowler Road School for Specific Purposes—a school for younger primary students. Verona School has been set up to assist students in years 5 to 8 and to get them on track in regular schools.

At the moment Fairfield council is considering the development application. I understand that it is soon to be approved, if it has not already been approved. Three staff members who have already been appointed are actively engaged in identifying students and providing for their needs. By establishing schools such as Verona, the Government is demonstrating a major commitment to existing students with behavioural problems by providing facilities and services to help them overcome their problems and either complete their education or make a successful transition to training or work.

Verona School will be well received by the Fairfield area. It will not only pay special attention to students who have behavioural problems; it will leave other schools and classrooms in a relatively tranquil and

peaceful state. That means that learning opportunities will be enhanced and a number of students in those classes who would otherwise have been disrupted will now be able to achieve more success in the learning process. This great Government initiative is important in particular to the Fairfield area. If students experience difficult circumstances at home, their capacity to learn is affected and their attitude towards learning is impacted upon. Some students have specific problems that need addressing.

The Fairfield community is happy and honoured about the Government's decision to locate Verona School in Fairfield. It reflects the Government's willingness and determination to address these issues. It was a highly appropriate decision to locate this school in the Fairfield area. Once again I thank the parents and students of Yennora Public School for their general level of commonsense and for co-operating with government changes and initiatives—a number of which they have been involved with in the past. That great group of people engages in challenges in a commonsense and intelligent way.

LAKE CATHIE SERVICES

Mr OAKESHOTT (Port Macquarie) [11.14 p.m.]: Lake Cathie community, which is located in the Port Macquarie electorate, has seen significant growth. Local government planning is directed towards expanding Lake Cathie's population in the future. I have attended several meetings with groups such as the Lake Cathie Progress Association and I have undertaken to express some of their concerns in this House, as I am doing tonight. I refer, firstly, to the fish kill at Lake Cathie, an issue that is of concern to everyone, including 300 local residents who attended a public meeting today. In this regard there appears to be a significant lack of consultation with all government agencies both at a State and Federal level.

Concern has been expressed about the lack of accurate information that is available to the local community. They have been told that a rare virus has led to the ongoing fish kill and this has been associated with an influx of sea lice that have invaded the gills of sick fish. That explanation is not washing too well in the local community. People are looking for more information. They want to know whether there are health risks if they swim in the water. With school holidays approaching—a time when many people engage in the popular recreational activity of fishing—they want to know whether it is safe to eat the fish from Lake Cathie. Tonight I call on the Government and on all agencies involved in this issue to consult with the local community. The Department of Health must guarantee that there are no health concerns either about swimming in the water or consuming fish from the area. That information must be provided to the Lake Cathie community as quickly as possible as there still is considerable confusion about the issue.

I wish to refer to another issue that was raised at a recent meeting in the Lake Cathie community. Last week a delegation led by Leslie Williams met with the Minister and the shadow Minister for education to determine the location of Lake Cathie school. I believe that the site for that school has already been selected and purchased by the department. However, currently there is an argument about census figures. The department seems to believe that 151 students leave the areas north and south of Lake Cathie to attend primary school, whereas figures put together by council and the local community suggest that 550 students leave the area—a significant difference in the number of students. I hope that that issue is clarified soon.

Following that delegation, the Minister undertook to report to me so that I can report back to the local community on his views about the school. I appreciate the fact that the Minister met with that delegation. In this regard I hope to hear from the Minister soon. Lake Cathie fire station is in need of an upgrade particularly in light of the growth being experienced in the Lake Cathie area. Ongoing discussions are being held to determine when that upgrade will take place. I have referred the matter to both the local council and the Minister for Emergency Services and I know that discussions are proceeding at present which I hope will resolve the issue.

Local residents are keen to protect Lake Cathie coastal reserve—an area that is highly regarded by them. Concern has been expressed about the fact that several rogue residents have done some land clearing of their own in this coastal reserve area, which creates a problem for everyone. Local residents must be mindful of the need to protect the coastal reserve, to support the development of the Lake Cathie coastal plan of management, to work with both Hastings council and the Department of Land and Water Conservation and to report any incidents of illegal clearing of vegetation. If people illegally clear the area—which people have done in the past—the onus is then on the department and on council to act in good faith and fine the offenders or at least to get stuck into those who are doing the wrong thing.

Private members' statements noted.

The House adjourned at 11.19 p.m.