LEGISLATIVE ASSEMBLY

Tuesday 12 November 2002

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

Mr Speaker offered the Prayer.

ADMINISTRATION OF THE GOVERNMENT

Mr SPEAKER: I report the receipt of the following message from the Lieutenant-Governor:

J. J. SPIGELMAN
LIEUTENANT-GOVERNOR

OFFICE OF THE GOVERNOR
SYDNEY 2000

The Honourable James Jacob Spigelman, Chief Justice of New South Wales, Lieutenant-Governor of the State of New South Wales, has the honour to inform the Legislative Assembly that, consequent on the Governor of New South Wales, Professor Marie Bashir, being absent from the State, he has this day assumed the administration of the Government of the State.

9 November 2002

ASSENT TO BILLS

Assent to the following bills reported:

Coastal Protection Amendment Bill
Fair Trading Amendment (Employment Placement Services) Bill
Murray-Darling Basin Amendment Bill

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**.

State Environmental Planning Policy No. 5

Petition praying that a moratorium be placed on State Environmental Planning Policy No. 5 developments, and that local communities, through local government, decide where such developments will occur, received from **Mr O'Farrell**.

Coffs Harbour Radiotherapy Unit

Petition praying for increased funding for establishment of a radiotherapy unit in Coffs Harbour, received from **Mr Fraser**.

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**.

State Rail Track Leases

Petition praying that the House reject the proposal by the Australian Rail Track Corporation to lease and operate freight lines, received from **Mr Mills**.

Richmond Regional Vegetation Management Plan

Petitions seeking extension of the exhibition period of the draft Richmond Regional Vegetation Management Plan, received from **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.**

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**.

Graffiti Controls

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

Homeless Services Funding

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

Surry Hills Policing

Petition seeking increased uniformed police foot patrols in the Surry Hills Local Area Command and installation of a permanent police van or shopfront in the Taylor Square area, received from **Ms Moore**.

BUSINESS OF THE HOUSE

Withdrawal of Business

Business with Precedence Notice of Motion No. 1 [Disallowance of clause 11 of the Protection of the Enviroment Operations (Clean Air) Regulation 2002] withdrawn on motion by Mr Martin.

QUESTIONS WITHOUT NOTICE

OASIS LIVERPOOL DEVELOPMENT

Mr BROGDEN: My question without notice is addressed to the Minister for Agriculture, and Minister for Corrective Services. Why did the Minister mislead the House on 26 September when he failed to reveal that he met with Al Constantinidis and a deputation from Liverpool City Council at Parliament House in October 1998 to discuss the rehabilitation and purchase of Crown land at Woodward Park which is critical to the Stardome and Oasis projects?

Mr AMERY: Honourable members will recall my last answer about that important meeting I had in the office of the Minister for Health with the deputation from Liverpool City Council. I did not mislead the House. I well recall going to that meeting. Honourable members might recall the meeting I referred to with the Minister for Health, the mayor of Liverpool and people all around the office at which we talked about this proposal at Woodward Park.

[*Interruption]*

I can tell the honourable member for Epping I did not mislead the House. I have given the House everything I have on the matter. The advice to me from the Department of Land and Water Conservation in relation to this Crown land was that the best option for Liverpool City Council, if it wanted to obtain the land, was to compulsorily acquire it under the Crown Lands Act. The Leader of the Opposition claims that Mr Constantinidis was at a meeting. I do not recall ever meeting the chap. I must say I probably would not know him.

Mrs Chikarovski: You could hardly miss him.

Mr AMERY: I have seen him on television. I do not even recall whether the Leader of the Opposition was there!

Mr SPEAKER: Order! There is far too much interjection.

Mr AMERY: I want to repeat one thing I referred to on the previous occasion. At this boring meeting the mayor of Liverpool City Council put up a proposition. I read to him the response from the Department of Land and Water Conservation. I think the meeting took about 10 minutes The Minister for Health said, "I am the local member, the mayor has asked for this meeting." Nothing untoward occurred at the meeting. It was something to do with this bit of local Crown land and I read back to them a briefing note of the requirements.

Mr J. H. Turner: You remember it pretty clearly now.

Mr AMERY: I think the Minister for Land and Water Conservation read that briefing note to the House at some later time. It appears that the Department of Land and Water Conservation did not change its view in the advice it provided to various Ministers. It is a non-issue. I have sympathy for the Ministers and others involved in this case. An organisation was trying to move a football stadium from one area to another, and that was not a problem. New stadiums have been built at Parramatta and Homebush, and a stadium in the western suburbs was moved. There is nothing inherently wrong with moving a football stadium. The fact that it was underpinned by massive legislative changes regarding poker machines has me intrigued. If that was the proposition, as the Premier has said on many occasions, it did not get up.

I remember the Minister for Health, Mr George Paciullo and a couple of staff members being at that meeting. The Leader of the Opposition said that Mr Constantinidis was also there. This issue occupies my mind for about three seconds a week after reading only the headlines in the newspaper, as I do not read any more of that rubbish. I did not mislead the House. Nothing of an untoward nature has been said about this issue in my presence; I have heard nothing of an untoward nature even as rumour. It is a non-event as far as I am concerned. The Liverpool Council was advised of the course of action it should take under the Crown Lands Act. That was the reason I was at the meeting and that message was consistently relayed to the council.

DROUGHT ASSISTANCE

Mr BLACK: I direct my question to the Premier. What is the latest information on the drought in New South Wales?

Mr CARR: This is a question I expected to be asked by the Opposition. Our State is facing a one in 100-year drought. It is the worst drought since the great drought of 1895-1903. Crops are not being planted and valuable livestock is dying. Some farmers are surviving on savings put away in the good years, but many others have very little left. Today I sadly inform the House that a record 99 per cent of the State is now drought affected or marginal. NSWAgriculture figures for November reveal that 96 per cent of the State is drought affected and another 3 per cent is classed as marginal. Australian and American climate experts are suggesting that El Niño could continue until April next year.

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

Mr CARR: The latest areas that have become drought affected include the entire Central Tablelands and the Tweed/Lismore Rural Land Protection Board area. Also experiencing drought conditions are further portions of the Gloucester, Goulburn, Hume, Molong and Wagga Wagga districts, as well as a new portion of the Gundagai district. Some farmers are now faced with the decision to persevere with their crops and hope for rain or to use them for stock feed. As the Federal Government recently pointed out, many New South Wales farmers face this drought with more assets than they had in previous droughts. That is because in 1999 the Federal Government introduced farm management deposits. More than 11,800 New South Wales farmers have deposited in excess of $547 million in farm management deposits.

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

Mr CARR: Farmers pay no tax on money when it is deposited for more than 12 months. However, they are penalised if they withdraw money within 12 months of making the deposit. Therefore, millions of dollars are sitting in accounts while farmers watch their crops wither in the ground. That is why I have written to the Prime Minister proposing, first, that farmers be allowed to withdraw farm management deposit funds within 12 months of their deposit while retaining the tax advantage; second, that the scheme be improved by lifting the maximum deposit limit above the current $300,000 and by increasing the off-farm income limit above $50,000. I wrote to the Prime Minister on 4 October asking him to make the New Start Allowance available to more than 200 farm employees who face being pushed off the land.

The New South Wales Government has committed $1 million to provide those workers with training through the technical and further education system, but they need income support as well. I am still awaiting the Prime Minister's reply. I appeal to John Howard. I have approached him because managing this drought is clearly beyond Ministers Anderson and Truss. That is why I call on him to take personal control of managing the Commonwealth's drought response. I invite him to visit drought-stricken farmers in New South Wales and look at how tough they are doing it. The scale of the drought will make it abundantly clear just how complacent has been the response by the Deputy Prime Minister and the Minister for Agriculture, Fisheries and Forestry. I was amazed by comments made by the New South Wales National Party. How many times has the State Leader of the National Party raised the drought in this Parliament? He has done so twice: Once in a speech and once in a question.

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

Mr CARR: The Country Labor member for Murray-Darling has raised it in this House six times in the past two months. Two weeks ago the Leader of the National Party, outside of Parliament—

Mr Brogden: Where it matters!

Mr CARR: Yes, where it matters. He proposed a solution to the drought: That water be transported to small towns such as Tibooburra, Milparinka and Coolabah by rail. He said it had been done before. I wonder when, because Milparinka and Tibooburra have never had rail links. Two of the three towns he proposed should be supplied with water by rail have never had the required infrastructure—the choo choo never went there, George! The third town, Coolabah, once had a railway line, and guess who closed it? It was the leader of the National Party, once the Country Party. That is not the first time that the Coalition has wanted to play with trains during a drought. The Fahey-Armstrong Government—a glorious sound, that name, isn't it—when it was on the road, or on the rail to oblivion, it had the bright of idea of using a drought train. It proposed that 20 stainless steel carriages be borrowed from a flour mill to carry water. The train travelled to Kempsey, but the scheme did not work because a rail siding could not be found at which the train could be filled, nor did any regional towns have sidings long enough to unload the water!

Mr Armstrong: Point of order: In the spirit of recording the truth in this place I make the point that they were not carriages; they were actually rail tankers, generously loaned by the Manildra mill. They were filled in Taree with the best water that New South Wales can provide, they were taken to Kempsey, and water was poured directly from those trucks for the benefit of the people of Kempsey. But most importantly, it resulted in precipitation and the need was shortly overcome.

Mr CARR: The comment adds to the good humour and air of bipartisanship that envelops this House. We came to Government and there was the train rusting away at Central—

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

Mr CARR: It made one journey and there it was, like Hermann Göring's train found on a siding by the allies. It is one of the sweet inheritances we received when we came to government. Enough of these distractions! On 10 September officials from the New South Wales Government hand delivered an exceptional circumstances application for Bourke and Brewarrina to the Minister for Agriculture's office in Canberra. The application is detailed, because under the Commonwealth's criteria it must be detailed. I have just had a glimpse at it. Page 50 sets out details of farm-level impacts and a table of wool sales through local agents in the Bourke area over five years. That is the sort of detail that the Commonwealth must go into. Page 55 sets out Australian Bureau of Agricultural Resource Economics case studies, showing selected financial performance indicators, farm debt, farm cash incomes, build-up in trading stocks, farm business profit and profit at full equity over seven years. That is the sort of detail the Commonwealth must go into.

The document shows a case study of one farm, client details to be treated confidentially. It also sets out charts showing the stocking rate as a percentage of the normal rate given no rain until February-March 2003—a horrifying prospect, I might add, but one they are telling us we must prepare ourselves for. This is the kind of detail in this document. The document refers to the probability of exceeding median pasture growth for August to October 2002. It also shows details of monthly pasture growth for January 1992 to July 1993. Under this system the State officials prepare the application.

Mr Armstrong: Point of order: I appreciate the presentation by the Premier, and I hope he will make the point that it has been signed off twice by his government since it has been in power.

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

Mr CARR: We must make the application to the Commonwealth. It was hand delivered to the Commonwealth on 10 September. There is nothing defective in it. It is comprehensive; it is detailed to a fault. I will come back to the issue of what the Commonwealth has done with the application in a moment. But not a single cent from the exceptional circumstances program is going to New South Wales farmers. That is where the Leader of the National Party got it wrong. On 11 November the Leader of the National Party said during an interview on Mid North Coast radio that the Bourke-Brewarrina exceptional circumstances application has "been processed and is being paid". However, not one farmer has been paid a cent.

Mr Souris: What are they receiving from Centrelink?

Mr CARR: They are not receiving anything under exceptional circumstances assistance.

Mr Souris: They are receiving—

Mr CARR: You are at issue with Mal Peters, the President of New South Wales Farmers, because he said the other day—and he ought to know:

> It's incomprehensible … the State Government got its application in five weeks ago for the Bourke and Brewarrina area. I think it's disgusting … surely to God we can get a bit of red tape lifted to expedite this process … I'm not sure what they're doing [referring to the Commonwealth] but it's certainly not good enough.

That is the situation. We got the application in, and the Commonwealth is sitting on it. The Commonwealth is not moving. The Commonwealth will not approve it. The Leader of the National Party said that New South Wales farmers are receiving money. It is probably news to them. Not one farmer is receiving money under exceptional circumstances assistance. The only form of assistance coming from the Commonwealth is the New Start Allowance, and even there the Commonwealth bungled the payments.

Centrelink did not get its application forms out to farmers in Bourke and Brewarrina until the last couple of weeks. Twenty-one farmers are getting $170 a week, but it is not under exceptional circumstances funding. To be fair to the Commonwealth, over the last couple of weeks it has paid $3,570 a week to New South Wales farmers. After an initial bungle, the Commonwealth started to make those payments. We have delivered 31 drought assistance initiatives since 18 July. We have allocated almost $16 million so far, and more than 3,000 farmers are benefiting from these measures in some form or another—even South Coast bee keepers, as well as graziers in the western division.

On Friday of this week a further two exceptional circumstances applications will be delivered, covering the Riverina and the northern New England region. A further three exceptional circumstances applications are

being driven to Canberra by New South Wales Agriculture officers today; they cover the North Coast, Walgett, Coonamble and the Western Division. As I have demonstrated, these are very detailed documents with extraordinary levels of financial and chronological detail, each costing $60,000 to put together. Next week yet another exceptional circumstances application will be delivered to Canberra covering another district. These applications will cover more than 7,700 farmers and 44.4 per cent of the State. As soon as these applications are completed, New South Wales Agriculture will start work on another batch.

The New South Wales Government has delivered 31 drought initiatives. With the exception of a couple of thousand dollars, the only money reaching New South Wales farmers is from the State Government. How can the Commonwealth justify receiving this document on 10 September, with all the detailed work we have put into it, and not having approved it? We did the work, the data is there; it should be ticked off. Once the Commonwealth does that, it will be the trigger for all money and subsidised loans flowing to New South Wales farming families—it is a guarantee of food on the table at least. That is why the Prime Minister must take an interest in this. I am sure that the tenor of the motion presented to the House by the honourable member for Lachlan is one that agrees with our position, because he is saying let us not criticise anyone about this. I agree with that spirit, but I urge members opposite to lend a voice to that of New South Wales farmers, whom we are supporting and sustaining, for the Federal Government to sign off on the application it received two months ago.

DROUGHT ASSISTANCE

Mr SOURIS: My question without notice is directed to the Minister for Agriculture. In view of the worsening drought conditions in New South Wales, will the Minister immediately bring forward State Government assistance to drought-stricken farmers and their families by abandoning the six-month waiting period imposed by the Government?

Mr AMERY: I will add to the Premier's comment: That makes it three times that the Leader of the National Party has mentioned the drought. The Premier has just provided a comprehensive answer on the drought issue.

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

Mr AMERY: So far as the drought is concerned I have said in this House from time to time—and Country Labor has continued to highlight this—that the Leader of the National Party has been invisible, not only in this House but in the community.

Mr Souris: Stop the politicking.

Mr AMERY: Stop the politicking? Listen to the question that he has just asked, and that is his interjection! He has been invisible because nothing he is saying about the drought is relevant to the concerns of rural New South Wales, nor to the views of the New South Wales Farmers Association or the Western Division Pastoralists Association.

I will explain the difference between the six-month criteria for State Government assistance and the criteria of between one and two years for Federal Government assistance. The national drought strategy took effect in the early 1990s. It was initiated by National Party ministers and adopted by us as a general strategy of managing droughts. The theory behind it was that we would put less money into assistance for farmers and more into drought preparedness for farmers. We would put more into preparation, FarmBis Triple A packages, risk management strategies, farm management deposits, low-interest loans, and resources into drought proofing a property in general. That resulted in the phasing out of subsidies in New South Wales and most other States by about 1997.

The underlying thread of the national drought strategy is that the only assistance that would go to farmers would go to those farmers who live in exceptional circumstances [EC] areas. It is a hard point to get across that there is drought and there are EC areas and that one does not necessarily relate to the other. EC can relate to bushfires, floods, natural disasters and so on. When we started our negotiations with the New South Wales Farmers Association it was recommended that we do not throw out all of those years of work for drought preparation. They said there still has to be a component for drought preparation and risk management investment. We are going to keep that.

The honourable member for Dubbo set up a roundtable at Dubbo about drought assistance, and the honourable member for Murray-Darling took a deputation from the Murray-Darling Pastoralists Association.

The member for Dubbo will recall the tenor of the conversation. The farmers association and the pastoralists said that assistance cannot be triggered on the day after drought is declared, because there would be no incentive to farmers for drought preparation work, nor to encourage farmers to put money in farm management deposits and invest in drought-proofing their farms.

I have correspondence from the farmers association and the pastoralists association, which recommends to us that drought assistance should take place after a certain period of time. Some correspondence—not from those organisations—suggested that drought assistance should take effect from 12 months. We consider, in accordance with the view of the Western Division Pastoralists Association, that drought preparation should be retained and assistance should be triggered at six months. So that is the reason why we have triggered our drought preparation work at six months. It is not just about saving dollars—

Mr Armstrong: Point of order: Listening to the Minister carefully, if he is suggesting farmers do not want the threshold, why were there 300 farmers at Narrabri last Friday demanding instant relief?

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

Mr AMERY: Before I was so rudely interrupted I was speaking about the reason for the six-month component. The Nationals and State governments have been contributing quite substantial amounts of money into drought preparation. If we trigger assistance on day one, the question has to be asked why would we be putting resources into drought preparation work? I believe we have to maintain the national drought strategy in that regard. In relation to the amount of money involved I might point out that the announcements made by the Premier and myself at different places around New South Wales is in relation to the most comprehensive drought package this State has ever put in place.

Mr Armstrong: What about support for businesses?

Mr AMERY: We have quite a few of those amongst our 31 drought assistance packages. The situation here is that by triggering the assistance after six months we now have more money and resources to expand the type of drought assistance packages that we put in place. For example, there never was a subsidy for taking stock to slaughter. That is now in our drought assistance package. We have greatly expanded the low-interest conservation loans, which can now be accessed for services not utilised before.

Our drought package was introduced as a result of consultation with the farmers association and the pastoralists association and also from discussions at the roundtable at Dubbo. I give recognition to the honourable member for Dubbo who teased out these policies. By retaining the strategy and introducing the six months we now offer far more resources, far more money to farmers than ever before. As the Premier points out, look at that effort compared to the action of the National Party when it comes to drought assistance. The leader of the Federal National Party is walking away from the farmers in drought affected areas and confining his debate to contributing only to the exceptional circumstances [EC] program. That is to the shame of the National Party because most of the State is not in an EC area and, as a result, those farmers not in an EC area will never even qualify for Federal assistance.

EASTERN DISTRIBUTOR CONSTRUCTION HOMES DAMAGE

Mr ASHTON: I direct my question without notice to the Minister for Planning. What is the Government's response to community concerns about the impact of the Eastern Distributor on local homes, and related matters?

Dr REFSHAUGE: I thank the honourable member for his question but I commend the honourable member for Bligh, who is not here today, for her sustained efforts on behalf of her constituents on this difficult issue. The Eastern Distributor has delivered great benefits to the travelling public and to the local people of the inner city. It has meant that the problem of long-standing bottlenecks has been solved and many people now enjoy a faster and smoother journey, particularly with the connection to the M5 East. During construction of the Eastern Distributor some buildings and some people's homes were damaged. Today I can give an assurance to everybody whose building has been damaged by the Eastern Distributor that their home will be repaired and fully paid for by the contractor for the Roads and Traffic Authority [RTA], Leighton.

I want to see these damages repaired as soon as possible so that people can get on with their lives. I told the honourable member for Bligh and her constituents that we would respond openly and sympathetically, and

that is what we have done. In March I released a report, "Office of the Commissioner's Inquiry into alleged damages from construction of the Eastern Distributor." The report found that 41 of the 63 properties assessed had been damaged as a result of construction of the project. The report recommended that PlanningNSW appoint a qualified firm to conduct a site-by-site investigation to recommend rectification works. The report recommended also that the Roads and Traffic Authority and its contractors carry out the required work to the satisfaction of an independent firm. Finally, it recommended that property owners be compensated by a one-off payment to provide for possible future minor settlement.

Unisearch led the independent team appointed to do the site-by-site inspections. Unisearch is a firm associated with the University of New South Wales and with well-regarded expertise in geotechnical and building work. In carrying out these further assessments the independent technical investigation team found that 38 of the 41 buildings were damaged as a result of construction of the Eastern Distributor. Today I am releasing to the owners the individual property reports prepared by the independent technical investigation team. The reports identify the extent of damage attributable to construction of the Eastern Distributor, required rectification work, estimated repair costs and recommendation on the need for a one-off payment. The independent technical investigation team recommended that only a proportion of damages be attributed to the Eastern Distributor due to the age and poor repair of many of the properties.

But I believe, in good faith, that we need to go further; we need to repair all the relevant damage. The team found that damage to three of the properties, identified by the commission of inquiry, was not attributed to the Eastern Distributor. Another property, not inspected by the commissioner but examined by the team of experts, was also found to be without damage. The team found that a fifth property had already been adequately compensated. I would like to make it clear that any property owners who disagree with the rectification report by Unisearch can request the independent facilitator, Milton Morris, to review it. A final recommendation will then be made to me. People's homes are their greatest asset.

It is vital that people whose lives and properties have been affected by the Eastern Distributor have the damage repaired so that they can get on with their lives as soon as possible. As well as requiring all existing damages to be repaired, I am also requiring the Roads and Traffic Authority and its contractor, Leighton Contractors Pty Ltd, to contribute an additional one-off payment of 20 per cent of the final repair costs to cover the costs of any future damage. Even though the Unisearch report has found that any future damage as a result of the Eastern Distributor is unlikely, we believe it is important to do this. It is important that the Government responds openly and sympathetically when things go wrong. We have done that. I thank the affected people for their patience and apologise to them for the disruption they have experienced. I look forward to moving quickly now to repair the damages so that everyone can get on with their lives.

WESTMEAD CHILDREN'S HOSPITAL EMERGENCY DEPARTMENT

Mrs SKINNER: My question is to the Minister for Health. Given that 2,500 children waited longer than they should for treatment at the Westmead Children's Hospital emergency department in the last month and 266 of those children waited more than eight hours for a bed, when will the Minister do more to attract nurses back to hospitals to open some of the 4,300 beds he has closed?

Mr KNOWLES: What an extraordinary question! One of the Opposition's last remaining unchanged policies from the last election denies nurses the opportunity of being nurse practitioners in metropolitan areas. In contrast, a few weeks ago I announced in this House the appointment of the first nurse practitioner in a metropolitan area—at Westmead Children's Hospital. I did so to relieve pressure on the emergency department as a result of formal advice from the Director of Westmead Children's Hospital, Professor Kim Oates, that because of fewer bulk-billing general practitioners, fewer after-hours care services, and greater anxiety about medical indemnity claims forcing doctors to send children to the Westmead Children's Hospital for a second opinion, there is an increased load on the hospital. I remember the statistics. During winter the meningicoccal scare resulted in an increased presentation of 27 per cent at the Westmead Children's Hospital emergency department.

Mrs Skinner: Point of order: My question relates to November. When was November in winter? The Minister should answer the question. These are sick children and the Minister should take their sickness seriously.

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

Mr KNOWLES: The fact remains—and it is confirmed by the Australian Medical Association [AMA] and evidence in the newspapers on the weekend again on private insurance—that rather than our emergency

departments being replaced for emergency treatment, these days they are fast becoming the only place in town because after five o'clock general practitioners close their doors and do not bulk-bill as often as they used to. They certainly do not do home visits, which have decreased by 40 per cent. I place on record the Government's appreciation of the men and women in the health work force, especially those doctors and nurses at Westmead Children's Hospital, which I visited only recently. They value the Government's work and they strongly support the fact that for the first time in the history of this country the Government has supplied a nurse practitioner, who is able to work in a metropolitan setting out of the emergency department of that great hospital.

That is the forerunner of many more to come. It will be very interesting to see whether the Opposition will copy the Government—whenever we see the Opposition's policy. The Opposition has signed up with the conservative end of the AMA by saying that nurse practitioners are okay but only if they are restricted to the country and then only in those little towns where doctors will not go. Nurse practitioners, like other nurses in emergency departments, will make a significant difference to the quality of care in our hospitals. However, things will continue to be tough unless and until measures are put back in place to encourage general practitioners—the best source of family care and the best prime point of contact, especially for small children, their mums and dads—to bulk-bill, to provide after-hours care and to make that affordable to people in the western Sydney region.

Mrs Skinner: Point of order: Doctors in New South Wales are the largest bulk-billers in the country. I have produced the figures. The Minister should not lie to this House.

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

Mr KNOWLES: It might be all right over on the North Shore but there are not too many members of Parliament from the western suburbs who are able to say that many doctors still bulk-bill. Medical clinics have taken down the after-hours and bulk-billing signs and replaced them with a sign that reads: We do not bulk bill—and, by the way, we close at half past five in the afternoon. The only place left in town is the hospital emergency department. Parents who are worried about a sick child will not wait until 9 o'clock the next morning when the good doctor is open for business, particularly if they are frightened about meningicoccal disease. If they have three sick children with runny noses they have to pay $46.25 for each child—which, at a non bulk-billing general practitioner, amounts to about $139. Parents who are stone broke or on a fixed income out in the western suburbs, trying to find their health care through bulk-billing, will quickly take their children to the free service, the last point in town: their local hospital emergency department.

COOLABAH WATER THEFT

Mr MARTIN: My question without notice is to the Minister for Land and Water Conservation. What is the latest information on the alleged theft of water in Coolabah, and related matters?

Mr AQUILINA: The responsible use of water should be the concern of the whole community. In that context I report to the House that the Department of Land and Water Conservation has been investigating a number of instances of what can only be called water thefts. Coolabah is a small town—well known to the Leader of the National Party, who stopped the train going there—in the Central West of New South Wales, 250 kilometres west of Dubbo. Water supply dried up in Coolabah at the end of August and Bogan Shire Council initiated a program of water carting, subsidised by the Department of Land and Water Conservation at a cost of $20,000. We managed to cart the water there without the train.

Unfortunately, reports show that on two occasions in October water levels in the overhead tanks were very low, just a short time after they were filled. Local investigations by representatives from Bogan Shire Council and my department estimated that two loads of water, approximately 44 megalitres, had disappeared. To date, the cause of the disappearance or the culprit has not been determined. After a series of public warnings I can now confirm that there have been no further losses. On the positive side, emergency works have been completed and water supplies to Coolabah and neighbouring Girilambone have been restored.

Recently my department was also forced to issue public warnings concerning water carting activities on the North Coast. There were reports of irregularities related to pumping river water and the condition of so-called domestic drinking water. It gives me no joy to report to the House that officers from the Department of Land and Water Conservation were forced to cancel two bore licences held by an irrigator in the Murrumbidgee region. This person had a two-year history of overuse of his water entitlement. He ignored notices to suspend pumping and was given numerous extensions, and he failed to show cause why his licences should not be

cancelled. While 99.9 per cent of Murrumbidgee irrigators are doing the right thing under extremely difficult conditions, this one person has extracted 1,801 megalitres of water to which he is not entitled in the 2002-03 water year.

Other ground water users have expressed great concern to my department that this overextraction was a clear breach of licence conditions and would result in a significant depletion of available ground water supplies. I emphasise that these are isolated cases and the majority of people are doing the right thing during these difficult times. I have also been informed by my colleague the Minister for Energy, and Minister for Forestry, who is responsible for Sydney Water, that the capacity of the Sydney, Blue Mountains and Illawarra water supplies is currently at 68.1 per cent. I urge all people to be responsible in their use of water, irrespective of where they live, to adhere to any restrictions and to be vigilant over supply. Any problems or concerns about our water use should be directed to the local water supply authority or the local office of the Department of Land and Water Conservation.

NATIONAL PARKS BUSHFIRE HAZARD REDUCTION

Mr STONER: My question is directed to the Minister for the Environment, and Minister for Emergency Services. Will the Minister heed warnings from land-holders in the Tenterfield and Torrington areas that the National Parks and Wildlife Service has contributed to recent bushfire destruction by the failure of its hazard reduction programs and its failure to keep fire trails in proper order, with logs having been placed on some trails to reduce access?

Mr DEBUS: Since the 2001-02 Christmas bushfires, fire authorities and land management authorities in this State have conducted a massive amount of hazard reduction.

Mr SPEAKER: Order! I call the honourable member for Lismore to order. The Leader of the Opposition will remain silent.

Mr DEBUS: The National Parks and Wildlife Service has conducted about 140 hazard reduction operations across more than 41,000 hectares around the State. Since January 2002, 97 per cent of the prescribed burns by the National Parks and Wildlife Service have been aimed at protecting life and property. In the Sydney Basin alone there have been 181 strategic hazard reduction operations covering 7,000 hectares. In many other parts of the State, including bushfire prone areas such as the Shoalhaven, it has been especially active in terms of hazard reduction. Since January there have been 11 hazard reduction operations in the Shoalhaven area, and there are similar examples across the State. State Forests has burnt about 48,000 hectares around the State.

Mr Stoner: Point of order: My point of order relates to relevance. The question was specifically about the Tenterfield and Torrington areas and the failure by the National Parks and Wildlife Service to keep fire trails open and to undertake hazard reduction in a specific national park—not State Forests and not all around the State.

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

Mr DEBUS: Fire management is one of the largest single financial commitments made in any year by the National Parks and Wildlife Service—more than $19 million this budget year. Within the National Parks and Wildlife Service, 900 people are trained as firefighters and 500 more act as support staff. The National Parks and Wildlife Service is recognised both nationally and internationally as a specialist organisation in remote area firefighting. Indeed, 82 per cent of the fires that began on the national parks estate in the Christmas-New Year bushfires were contained within five hectares on the park itself.

Approximately 2,800 kilometres of fire trails were maintained during the 2001-02 year, and the National Parks and Wildlife Service has assisted other authorities in maintenance work on further fire trails. Indeed, 10,000 kilometres of roads, fire trails and management tracks are maintained throughout the national parks estate by the National Parks and Wildlife Service. I can only say that the Leader of the Opposition, who one might have thought would know better, and the honourable member for Oxley have become disgracefully dishonest in their representation of the actual role of the National Parks and Wildlife Service in firefighting.

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

LOCAL COUNCILLORS STATE ELECTION CANDIDACIES

Mr GIBSON: My question without notice is directed to the Premier. What is the Government's response to community concerns about comments by the Opposition on local councillors standing for election to State Parliament?

Mr O'Farrell: Point of order: My point of order relates to relevance and accuracy. The only relevance here is that Frank Sartor, who has a full-time job as Lord Mayor of Sydney, is forcing out a good Labor member for Rockdale. Bring back George!

Mr SPEAKER: Order! There is no point of order. The Leader of the Opposition will remain silent. I call the honourable member for Myall Lakes to order for the second time. I call the honourable member for Lane Cove to order.

Mr CARR: The Leader of the Opposition said:

> Frank Sartor is being imposed on the people of Rockdale, living outside the area, by head office. People want local candidates.

My staff thought that was curious and went back to the *Manly Daily* of 8 July 2000, in which the Leader of the Opposition was reported as saying:

> When I came to Pittwater I was new to the area and there was certainly a level of disquiet about the way I arrived there.

[*Interruption*]

Mr SPEAKER: Order! The Leader of the Opposition will resume his seat. If he wishes to take a point of order he should seek the call in the proper manner. If he does not do so, he will not be given the call to take points of order. Does the Leader of the Opposition wish to take a point of order in the proper manner?

Mr Brogden: No, Mr Speaker.

Mr CARR: The elegance of understatement—the Leader of the Opposition saying:

> When I came to Pittwater I was new to the area and there was certainly a level of disquiet about the way I arrived there.

When the Leader of the Opposition, who finds Frank Sartor's preselection so objectionable, came to Pittwater he was living in Pyrmont. The only way he won a majority on the preselection panel was that the State Executive—

Mr Hartcher: Point of order—

Mr SPEAKER: Order! I warn both sides of the House that if there is any further disruption all members will be placed on three calls to order.

Mr Hartcher: Standing orders require that an attack by one member on another be by way of substantive motion. The Premier is criticising the Leader of the Opposition. This is a test of the standing orders. If he wants to do that he has to do it by way of substantive motion.

Mr SPEAKER: Order! The Deputy Leader of the Opposition is perfectly correct. However, there is a difference between criticism of a member's actions, which happens almost daily in this Chamber, and a vitriolic attack on another member. At present the Premier is commenting only on past events involving the Leader of the Opposition. That is permissible under the standing orders.

Mr CARR: Preselection was won by one vote only after the State Executive dispensed with the normal requirement that local party members form 40 per cent of the panel. It was a wonderful basis from which to attack Frank Sartor's selection. It gets better.

Mr O'Farrell: Point of order: I was once State Director and we have never had a 40 per cent local membership rule; we have a 60 per cent rule.

Mr SPEAKER: Order! If the honourable member for Lachlan and the honourable member for Ku-ring-gai wish to make personal explanations they may do so at the appropriate time.

Mr CARR: The *Daily Telegraph* of 9 April 1996 reported:

> Mr Harker's resignation has caused an uproar in party branches in the Pittwater electorate, with senior Liberal Party officials acting quickly to avert a local brawl. Pittwater Liberals are angry at what they call the outside influence of senior party officials.

The article continued:

> While Mr Brogden, a former Coalition staffer, is favoured by many senior party members, his candidacy has not been welcomed at the local party level. Mr Brogden, who has already failed twice to secure Liberal Party preselection, once in Drummoyne and the other time in Vaucluse—

Ever the local candidate, from this position of infinite strength he criticises Frank Sartor for not being a local candidate.

Mr SPEAKER: Order! There is far too much interjection from both sides of the House.

Mr CARR: I rely on the poll in Sunday's *Sun-Herald*—the people of the electorate do not seem to agree with him. I will not embarrass everyone by reading what they say about the preferred Premier. The other part of the denunciation of Sartor, this Philippic against Sartor launched by the Leader of the Opposition, was that Sartor was unqualified, was to be ruled out, because he served in local government. Look at the list of Liberal candidates for the next election who serve in local government: Steve Pringle, mayor of Hornsby; Steve Cansdell, Grafton City Council; Bob Geoghegan, Maitland council; Chiang Lim, Parramatta council.

Mr Brogden: They will all be here next year.

Mr CARR: There are some beauties on this list. Why am I bothering? For the fun of it. There is Joseph Tannous, Burwood Council; Shelley Hancock, Shoalhaven City Council; and the most salubrious of all, the duke of development, Kevin Schreiber of Sutherland Shire Council. Even yesterday's *St George and Sutherland Shire Leader* says about the battle in Miranda:

> Liberal candidate, Kevin Schreiber, 58, has a lot of political experience but carries baggage from the development boom when he was mayor.

Even the Liberal candidate for Rockdale is a councillor. There was one more: Jean Hay was standing for election in Manly. When the Leader of the Opposition was caught out on that one he had a 1½ page defence, which does not get him out of the charge of hypocrisy. Compare that with the simple eloquence of what I said about the Sartor candidacy. It was this:

> Don't we owe it to the people of New South Wales to get the best standard of representation we can? Someone who proves with energy and ideas that he can lift the performance of the city of Sydney—

[*Interruption*]

Mr SPEAKER: Order! Earlier I warned members on both sides of the House. I now place all members on three calls to order.

Mr CARR: Why is the Liberal Party so hostile to Sartor? It is because he prevented the Greiners and the Yabsleys from taking control of the Town Hall. That is the level of hostility to Frank Sartor.

Mr Tink: Point of order: The Premier's attack amounts to an attack on the honourable member for Rockdale and ought to be raised by way of substantive motion.

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

Mr CARR: The honourable member for Rockdale is very happy.

[*Interruption*]

The honourable member for Lane Cove should not start talking when I mention the name Sartor, because she disgraced herself in 1999 with her attack on him. She attacked him at the bidding of Nick Greiner, who showed little loyalty to her. Remember that? The Greiners called in the former Leader of the Opposition to serve up the attack they wanted on Frank Sartor. She was silly enough to deliver the attack on Sartor in the House and, in a flash, Greiner withdrew support for her and installed the present Leader of the Opposition.

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

Mr CARR: Let it be understood that the Liberal Party hostility to Frank Sartor, expressed by the Greiners and the Yabsleys—the people who installed the Leader of the Opposition in his job—is based on the fact that Sartor stopped the Liberals seizing control of the city of Sydney. It is as simple as that. Frank Sartor has a great record as Lord Mayor of Sydney. The appearance of the city during the Olympics was a great tribute to him, and he deserves credit for that. With his ideas and energy, he can make a great contribution in this place. It is great to see that according to the polling data the people of Rockdale share that view.

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

ROCKDALE ELECTORATE ELECTION CAMPAIGN

Mr O'FARRELL: My question is directed to the Minister for Small Business. Given that the Minister complained of propaganda, smears, misinformation, obscene phone calls and an attempt to run over her former husband, now Senator John Faulkner, in her 1998 battle against Frank Sartor, what recommendations will she make to the Premier about a clean campaign in Rockdale next March?

Mr SPEAKER: Order! I rule the question out of order as it is not relevant to the Minister's portfolio responsibilities.

Mr Hartcher: Point of order: The standing orders and previous rulings of the Chair clearly provide that Ministers can be asked questions relating to the public affairs of New South Wales. The Minister for Small Business is well capable of answering the question.

Mr SPEAKER: Order! The standing orders provide that Ministers may be asked questions about their portfolio responsibilities and that chairmen of committees may be asked questions about the affairs of those committees. The question asked by the honourable member for Ku-ring-gai is outside the portfolio responsibilities of the Minister for Small Business.

Mr Piccoli: Point of order.

Mr SPEAKER: Order! Is the honourable member for Murrumbidgee canvassing the ruling of the Chair?

Mr Piccoli: No.

Mr SPEAKER: Order! If the honourable member for Murrumbidgee is not canvassing the ruling of the Chair he may take a point of order.

Mr Piccoli: Mr Speaker, you have set a precedent by allowing the previous question to the Premier. How was that question relevant to the Premier's portfolios?

Mr SPEAKER: Order! The honourable member for Murrumbidgee is canvassing the ruling of the Chair. There is no point of order.

COMPUTERISED TOMOGRAPHIC FULL BODY SCANS

Mr ANDERSON: My question without notice is to the Minister for Health. What is the latest information on body scans?

Mr KNOWLES: Honourable members will recall that some weeks ago I reported to the House on concerns expressed by health professionals and professional health bodies about the use of full body scans for speculative health checks. The scans, which cost between $700 and $1,000, are portrayed as a preventative tool. Over the past month the Environment Protection Authority [EPA] has conducted an investigation into these machines and their use, and its results provide strong grounds for concern.

A computerised tomography [CT] scan is operated within a range of 4 to 24 millisieverts. Honourable members will remember my previous statement that an effective dose of 10 millisieverts of radiation may be associated with an increase in the possibility of fatal cancer of about one in 2,000 people. Therefore, the

prolonged exposure to radiation during a full body scan is an important issue. As a consequence, the Government has accepted the EPA's recommendations as a first step in tightening the rules about the use of CT scans for full body scans. The recommendations include conditions that will now be attached to the registration for every CT scan used in full body scanning. This week, letters will be sent to operators who advertise full body scans advising them that they will have 30 days from notification to put several measures in place.

Firstly, operators will require a referral from an independent doctor for a full body scan. Secondly, all clients are to be fully informed about the risks and the uncertain value of full body scans. They are to be given a clear explanation of what the scans are both capable of detecting and, perhaps more importantly, not capable of detecting. Thirdly, should patients wish to proceed with a full body scan, they are to sign a declaration stating they have received the advice but wish to proceed. Health experts also strongly advise that full body scanning is inappropriate for people aged under 50. The vast bulk of the 200 CT scan owners in the State operate their scanners for legitimate clinical and diagnostic purposes. Although we will write to all owners about the new registration conditions, legitimate operators are unlikely to be affected in practice.

I flag to people undertaking full body scans and to operators using CT scanners for that purpose that the measures I have announced today are a starting point. I foreshadow that we will review compliance with the new regulations over the next six months. Failure to comply with the regulations will not only put individual licences at risk but may result in the total ban of CT scans for speculative full body scans. This issue must be taken up at the national level, and I will raise it at the next health Ministers' conference. At stake in this issue is the right of consumers to be fully informed, and for medical treatments to be based on evidence, rather than on hope.

After having been fully apprised of all the issues, an individual has the right to choose to have a full body scan. However, based on all of the available evidence—from the New South Wales Chief Health Officer, the Royal College of Radiologists, and the American College of Radiology, to name just some of the expert groups—a full body scan for speculative purposes is not necessary. In fact, it may do more harm than good. CT scans are an important diagnostic tool and should only be used as part of a properly considered diagnostic process on the advice of a qualified clinician. They are not money-making toys. If, after all these warnings, people are remotely interested in having a full-body scan and exposing themselves to very large doses of radiation, they should do so only on the advice of a clinician. They should do themselves a favour and talk to their doctor first.

DEPARTMENT OF STATE AND REGIONAL DEVELOPMENT TOKYO OFFICE

Mr O'FARRELL: I direct my question to the Minister for Small Business. Will the Minister explain the impact on New South Wales business interests operating in Japan in the wake of two senior officers of the Department of State and Regional Development being sent to investigate serious allegations of embezzlement involving tens of thousands of dollars at the department's Tokyo office?

Ms NORI: An anomaly was discovered in a payment during the regular monthly review of the October 2002 financial statements from the Department of State and Regional Development's Tokyo office. As a result, the department initiated a review of all aspects of expenditure in the office over the past three months. The review is being undertaken by the Internal Audit Bureau. An investigation of one payment was conducted by senior officers of the department. The Director, Tokyo, left the department's employ on 8 November and an interim director has been appointed. The Independent Commission Against Corruption, the New South Wales Police Force and the Australian Embassy in Tokyo have been advised and will be kept informed as the incident is further investigated. The department's response and the effective operation of checks and balances give confidence that this remote New South Wales Government operation is being effectively monitored.

Questions without notice concluded.

STATE ENVIRONMENTAL PLANNING POLICY No. 5

Ministerial Statement

Dr REFSHAUGE (Marrickville—Deputy Premier, Minister for Planning, Minister for Aboriginal Affairs, and Minister for Housing) [3.53 p.m.]: I want to inform the House of some important changes made today in relation to State Environmental Planning Policy No. 5 [SEPP 5]. Members are aware of concerns raised by residents in North Turramurra about the threat of bushfire. The bushfire season is well and truly here, and on Sunday I went to Mittagong and saw the devastation first-hand. We understand that residents living close to bushland, particularly our elderly and disabled, from time to time worry about the threat of bushfire.

This morning I travelled to North Turramurra with the member for Ku-ring-gai, the Rural Fire Services Commissioner, the Mayor of Ku-ring-gai and the Director-General of PlanningNSW. Many properties in North Turramurra have been there for a long time, including the Lady Davidson Hospital and a number of homes and retirement villages. Kur-ring-gai Council is working with the Rural Fire Service [RFS] to complete its mapping of bushfire-prone areas so it can make decisions about where development should and should not occur. The law already prohibits SEPP 5 developments in high bushfire hazard areas, and the mapping process will address that very point.

However, I am taking the law one important step further today by strengthening planning laws in relation to housing for the aged and disabled and adding tough new criteria to protect residents from bushfires. Now, all new developments for the aged and disabled must have adequate access as defined by the RFS. If they do not, they will be knocked back. Access and egress will now have to be considered by the RFS before an SEPP 5 development can be approved by a council. As I stated, these developments are already prohibited in high bushfire-hazard areas. Today's decision will mean that the RFS will be required to examine access and egress even in areas that are not deemed to present a high bushfire hazard, such as parts of North Turramurra. There may be times when an evacuation becomes necessary due to smoke, and we must ensure that our emergency services can move freely into and out of an area.

The residents of North Turramurra believe that any further aged and disabled development in the area will compromise the safety of those already living there. As a result of today's consultation with the RFS, the Government has responded to the valid issues raised by deciding that the area north of Glengarry Road will be attached to a schedule by way of an urgent amendment to SEPP 5. This will prohibit future SEPP 5 developments north of that point as a result of limited access and egress.

Under the new laws, the RFS commissioner will take access issues into account when considering developments for the aged and disabled in bushfire-prone areas. Areas with limited access and egress will be identified by the commissioner and developments for the aged and disabled will be prohibited. Councils must ensure that buildings do not breach the setback requirements in the bushfire guidelines. Finally, councils must prepare bushfire maps as a priority.

As other councils provide their bushfire maps to the RFS, the commissioner will consider whether, due to inadequate access and egress, further areas should be attached to the schedule. In addition, the Director-General of Planning will write to the Chief Judge of the Land and Environment Court to highlight these changes and the important reforms to the bushfire planning guidelines that were announced in June this year. I thank the local member, Barry O'Farrell, for raising this issue with me and I acknowledge the local residents' concerns and support.

Mr O'FARRELL (Ku-ring-gai) [3.56 p.m.]: The Minister's statement about North Turramurra and SEPP 5 generally is a victory for the North Turramurra community and for commonsense. It was very different from statements made by the Premier in an interview on 2GB this morning. He said that SEPP 5 developments in bushfire-prone areas of North Turramurra would continue until Ku-ring-gai Council came to heel on the residential development strategy. It is dangerous to play politics with people's lives. I acknowledge the Minister's decision and his acceptance of the commonsense argument, but I remain concerned that the change applies only north of Glengarry Road.

The situation around Bobbin Head Road affects the entire peninsula, and I will continue to work with residents and the Minister to resolve the issue. I have never been so grateful that the Left caucus meets on level 10 on a Tuesday morning. This morning I ran into the Minister on his way into that meeting and I reiterated my concerns about the comments the Premier made on radio and the egress and access issues at North Turramurra. I again extended to the Minister an invitation to visit the area to see the situation close up. I am delighted to inform the House that within three hours I was in a car with him heading to North Turramurra followed by Commissioner Phil Koperberg and the head of PlanningNSW. We were met outside Lady Davidson Hospital by the Mayor of Ku-ring-gai, Ian Cross, and his general manager.

While we were at North Turramurra we visited three affected sites. We went to The Landings, at which 220 SEPP 5 developments are planned for the north-west face of North Turramurra in the historic fire path—the direction from which all fires that have affected the area have come. That development was rejected by the local council but approved by the Land and Environment Court. We also visited a property on Bobbin Head Road owned by Mrs Chris Drake, an active supporter of the community's efforts to stop SEPP 5 developments in the area who has been affected by this situation. The group also visited the proposed Curugal Road site of a 95-bed nursing home.

I am grateful for the commonsense that is reflected in this decision. North Turramurra is almost 40 per cent bushfire prone and is home to 100 nursing home beds and 415 hostel beds, and 95 more are planned for construction. It also has 906 SEPP 5 dwellings and a further 240 are being evaluated. The perversity of the Government's policy is demonstrated by the fact that the Land and Environment Court has approved a SEPP 5 development at North Turramurra that includes a smoke-free room into which old people would be put in the event of a fire disaster. Commissioner Koperberg accepted the stupidity of that proposal today.

I am delighted that this issue has finally been addressed. The commissioner made the point today that the concern is fire and smoke. I believe it has always been an issue about the proper evacuation of properties in the vicinity of Bobbin Head Road in the event of a bushfire crisis. Without gainsaying in any way my acknowledgment and appreciation of the Minister's decision about not only North Turramurra but also the SEPP 5 developments across the whole community, why has it taken so long for this to happen?

If it were not for a well-resourced, articulate, media-savvy community such as North Turramurra and the support of people such as Alan Jones and Ray Hadley, would this decision have been made? If not, what does that say about other parts of Sydney and our capacity to respond to people's needs? I hope that, having listened to people about this issue, the Minister will also listen to the comments on Sunday about the effect of the residential strategy on Ku-ring-gai generally.

CONSIDERATION OF URGENT MOTIONS

Exceptional Circumstances Drought Assistance

Mr BLACK (Murray-Darling) [3.59 p.m.]: My motion is urgent because it is now time for this Parliament, from the point of view of logic and human compassion, to support New South Wales farmers and the West Darling Pastoralists Association in their demand that exceptional circumstances assistance be made available, with relaxed conditions. My motion is urgent because at present we have the dopey and doughy duet of John Anderson, the Federal Leader of the National Party, and Warren Truss, the Federal Minister for Agriculture, parading around western New South Wales and doing anything but facilitating the provision of exceptional circumstances assistance to the people who are in desperate need of assistance in this time of serious drought.

This matter is urgent because at present the Commonwealth is doing nothing to match the funding of more than $1 million a week that the New South Wales Government is providing for needy farmers through its 31-point plan. The matter is urgent because so far only 15 farmers in the Bourke and Brewarrina rural lands protection board areas are in receipt of exceptional circumstances assistance. This matter is urgent because so far the Federal Government has only acknowledged the Bourke and Brewarrina rural lands protection board areas as possibly satisfying the conditions for exceptional circumstances assistance.

The matter is urgent because today we are seeing an ongoing disaster at both town and country levels whereby people are being laid off from their jobs because headers are not being repaired, contractors are not getting their plant out, and truckies are not driving grain trucks as they should be at this time of the year. This matter is urgent because the Leader of the National Party in this place has only raised the matter on about three occasions. We have had to persuade the New South Wales National Party to support our endeavours to get the Federal National Party to move in this matter. Finally, this matter is urgent because the Commonwealth must be compelled to yield on its insistence in relation to the current exceptional circumstances conditions, to allow exceptional circumstances assistance to flow to New South Wales farmers.

Exceptional Circumstances Drought Assistance

Mr SOURIS (Upper Hunter—Leader of the National Party) [4.02 p.m.]: My motion is urgent because of the present conditions in rural New South Wales and because it is now time to stop trying to score cheap political points, as the honourable member for Murray-Darling did when claiming urgency for his motion. We ought to forget about that type of politicking because people are hurting so much that they do not really care whether the points he is making are valid. People want a bipartisan approach, an end to politicking, and a co-operative approach between the State and Federal governments.

That is the essence of my motion, and it is important that we debate it rather than the Labor Party's motion, which seeks to continue cheap, political point scoring at the expense of the farming community, the rural community, the businesses and the townspeople. I consider my motion so important and urgent that

tomorrow morning I will lead a delegation comprising myself, the Deputy Leader of the National Party, and the shadow Minister for Agriculture to the Federal Government to seek measures and ways in which co-operation can be increased so as to eliminate—

[*Interruption*]

If the honourable member for Bathurst paid attention, he would see a new approach to politics in this State, that is, seeking to co-operate. People in country New South Wales are hurting badly, and it is time they received some level of assistance. Members opposite should not be so cocky; their contribution comprises a potential maximum of only $14.6 million. The New South Wales Government had no hesitation in allocating $20 million to construct a very nice little footway over the Cahill Expressway to the Art Gallery so people could have a nice, easy access to Mrs Macquarie's Chair. That indicates the level of assistance contemplated by the New South Wales Government. If the Government were fair dinkum, it would eliminate the six-month waiting period it imposed. If it were fair dinkum, it would also seriously look at the Victorian Government's approach whereby cash assistance was made available to farmers.

I acknowledge that there is a considerable time delay associated with the State Government preparing an application for exceptional circumstances funding. An inordinate amount of time has elapsed since communities were first drought declared. It is only now that the next batch appears to be ready for lodgment. Prior to this, only one lodgment has been made. I am concerned also that the time taken by the Federal Government to assess exceptional circumstances assistance also exacerbates the problem.

Money has been flowing from Centrelink, and I accept that that is one important aspect of Federal Government assistance. But the assessment of exceptional circumstances assistance and the time taken by the Federal Government to make that assessment and approve such funding only exacerbates the inordinate amount of time taken by the State Government to prepare an application. It is time the State and Federal governments set up whatever task force is necessary to accelerate the process of the State Government preparing applications and the Federal Government assessing them. In this way people will be able to see money flow a lot quicker than has been the case thus far. We should put aside all this politicking and find a path of co-operation between the State and Federal governments so that exceptional circumstances assistance can be provided to the people who are affected by the current drought.

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

EXCEPTIONAL CIRCUMSTANCES DROUGHT ASSISTANCE

Urgent Motion

Mr BLACK (Murray-Darling) [4.07 p.m.]: I move:

That this House:

(1.) supports the New South Wales Farmers Association's plea last week to the Federal Government for immediate assistance for drought-affected farmers;

(2.) notes that the Farmers Association last week described the Federal Government's response to the drought as "incomprehensible" and "disgusting";

(3.) further notes that the State Government has provided more than 30 separate drought assistance measures; and

(4.) calls on the Federal Government to immediately provide financial assistance to drought-affected New South Wales farmers.

Ninety-nine per cent of the State is now in drought. There has been a telethon, an independently established Farmhand appeal, a fundraising concert, five separate visits by the Premier to drought-affected areas since 18 July this year, a number of which have been to my electorate, and more than 30 separate supported assistance measures from the State Government—yet absolutely nothing from the Federal Government. Indeed, only 15 successful exceptional circumstances applications have so far been recorded in the Bourke and Brewarrina rural lands protection board areas. To call the Federal Government's inaction unbelievable is a major understatement. In contrast, Country Labor has lobbied on behalf of farming communities, moved urgency motions, spoken in Parliament, and agitated for support. We have been there for them.

New South Wales farmers and their elected representatives, the New South Wales Farmers Association, have thrown their hands in the air; they have had enough of the Federal Government. In an interview on Steve

Price's 2UE breakfast program last Tuesday, 5 November, the President of the New South Wales Farmers Association, Mr Mal Peters, described the failure of the Federal Government to come to the aid of New South Wales farmers as nothing short of incomprehensible and disgusting. That is what the association is saying about the response of the Federal National Party. In the interview Mr Peters also urged the Federal Government to loosen the purse strings on exceptional circumstances funding. This is exactly what he said:

> As of last week not one dollar of Federal money had flowed to farmers, so, I mean that is extraordinary.
>
> The State Government has got its application in five weeks ago for the Bourke and Brewarrina area.

I look at the publicity that Mal Peters got for that statement and, rather than quote from a newspaper such as the *Barrier Daily Truth*, whose veracity the Opposition might query, I will quote from the Dubbo *DailyLiberal*. The headline states: "Delays to drought help 'disgusting': farmers" and there is a photo of Mal Peters. In the article Mal Peters is quoted as saying:

> I think it's disgusting. I mean, surely to God we can get a bit of red tape lifted and expedite this process.

The article went on:

> Federal government delays in helping drought-ravaged farmers was putting the survival of country towns at risk, a farm leader said yesterday.
>
> NSW Farmers Association president Mal Peters said it was disgusting the delay farmers were facing in getting access to Exceptional Circumstances (EC) relief.
>
> He warned farmers would soon start shooting prime breeding stock because the drought had hit so hard.

Regrettably, that is occurring now, especially with dairy cattle in the south.

> Mr Peters said it was a major disappointment that the EC applications had yet to be approved.
>
> "We're urging the Federal Government to loosen the purse strings and let this EC process occur", he said.

Not to be outdone, the editorial in the Dubbo *Daily Liberal*, hardly the raging organ of some socialist organisation and certainly not the mouthpiece of Country Labor, stated:

> New South Wales Farmers Association president Mal Peters didn't mince words this week when he described the Federal Government's contribution to drought relief so far. "Incomprehensible... disgusting... extraordinarily disappointing".

The New South Wales Farmers Association has had it, and it said so: Enough is enough! Let me again remind the House that New South Wales Agriculture had delivered the EC application for Bourke and Brewarrina on the morning of 10 September. That is two months ago, and still there is bugger-all. It is as if it was lost in the Federal Parliament's mailroom. Only 15 EC applications have been granted so far. We may as well have sent it to the moon. I know they say Rome was not built in a day but that is ridiculous. The Federal Government must immediately provide financial assistance to drought-affected farmers. It is a simple as that.

Last week we finally heard something from the Federal agriculture Minister, Mr Warren Truss. He said that the Federal Government was only days away from approving the first EC application for drought-ravaged areas. In fact, on 17 September he stated that EC assistance would immediately flow and that those to whom it was not granted would still get six months, as opposed to a further two years for those to whom it was granted. There may be some welfare payments and subsidies to farmers but what was the response of the Deputy Prime Minister, this dopey Been and Gone John Anderson? I quote what he said: "I personally think the guidelines are a little too inflexible and slow". I again quote from the Dubbo *Daily Liberal*. The heading is "Total stuff-up in EC funding for farmers". The article stated:

> Exceptional circumstances funding for drought-stricken farmers is taking too long and there has been a "total stuff-up in the paperwork" according to Parkes MP, John Cobb.

John Cobb is a former president—until it saw the light—of the New South Wales Farmers Association. The article went on to state:

> Look, there had been a total stuff-up with the paperwork but in the past fortnight family payments have been getting through and that has been backdated.

The article quotes the number of applications, but still only 15 have been granted. The State Government and farmers have been jumping up and down about the way exceptional circumstances applications have been processed by the Federal Government. After months of inaction the Deputy Prime Minister is now saying, "Yes,

we have dragged our feet on EC". One thing is for sure, the State Government is doing all we can do to quicken up the snail's pace of the Federal Government. Six teams are now working on preparing EC applications for additional areas covering part or all of 19 rural lands protection board [RLPB] districts, a move that could assist a further 9,200 farmers and graziers.

Those areas are the majority of the Grafton and Kempsey RLPB areas; the northern New England RLPB area north of the Bruxner Highway; an area comprising the Walgett RLBP, most of the Coonamble RLPB and western portions of the Coonabarabran and Narrabri RLPB areas; an area comprising substantial portions of the Hillston and Condobolin RLPB areas, together with northern portions of the Hay and Narrandera RLPB areas; most of the Riverina RLPB and the southern portion of Balranald; and, lastly and most importantly to me, the remainder of the Western Division, excluding all but the southernmost portion of Cobar RLPB, the area around Euabalong. Believe it or not, things get worse for the Federal Government. I thought someone in my office must have been mistaken when they read out the comments by the Deputy Prime Minister and Leader of the National Party, who said the drought was not causing a financial crisis for most farmers. He said:

> It's not an immediate cash drought. It is for some, but for a lot it's not.

Some farmers might have assets but in far too many graziers' homesteads there is no cash flow at all. That is why we have got Farmhand. That is why we have got various organisations taking aid out to those areas. Mr Anderson must be joking. He said:

> As farmers will freely tell you, most farmers had a good year last year.

According to the modern-day National Party, farmers should be gliding through the worst drought in living memory; it should not even bother them. Our farmers are facing the most challenging time of their lives and we on this side of the House are standing by them. Over the past four months the Government has introduced more than 30 separate measures from subsidies on the transport of water and fodder to $1 million in direct cash assistance. We are not sitting on our hands. A lot more needs to be done. One thing is for sure: the State Government will continue to look after farming families and rural communities. We want to ensure that farmers are in the best possible situation to make the most of the rains when they come.

Mr SOURIS (Upper Hunter—Leader of the National Party) [4.17 p.m.]: I move:

> That the motion be amended by leaving out all words after the word "That" with a view to inserting the following:
>
> "this House:
>
> (1) recognises the plight of rural communities in New South Wales caused by the continuing drought;
>
> (2) calls on the Government to stop politicking; and
>
> (3) calls on the State and Federal governments to work co-operatively to accelerate assistance for farmers and rural business."

As I said when outlining the reasons my motion should have priority, it is imperative that we debate this matter in a bipartisan manner with a view to enhancing the assistance available to farmers and rural communities in drought-ravaged New South Wales. The mood of rural New South Wales was demonstrated by the approximately 250 desperate people who attended a meeting in Narrabri last Friday. The meeting clearly expressed disappointment with the assistance measures being provided by both the New South Wales and Federal governments. I was disappointed to learn that no representative of the New South Wales Government was present at the meeting in Narrabri.

For the record, the honourable member for Barwon and the honourable member for Tamworth, both members of the National Party, were present and have reported the outcome of the meeting to the Liberal-National Coalition. I understand the meeting in Narrabri passed a resolution requesting that the representatives of those present be granted a meeting with both State and Federal governments to streamline the exceptional circumstances program. I call on the New South Wales Government to heed the call of the Narrabri meeting and to agree to discuss reforms of the exceptional circumstances program.

On previous occasions the House has been informed that the Federal Government has been attempting to reform the exceptional circumstances program for two years but that the New South Wales Government has refused to sign up to the new arrangements. Indeed, the New South Wales Minister for Agriculture said on ABC New England North West this morning, "We're quite happy with the changes to EC." The reason given by the

Minister for the refusal of the New South Wales Government to sign up to the proposed EC reforms was that the Federal Government has requested an increased funding commitment from New South Wales.

Surely we have reached a point in this drought where the New South Wales Government is willing to chip in a bit more money to speed up the assistance that is available through the exceptional circumstances [EC] program and to make EC assistance more generous. Contrary to what the Minister said on radio this morning, the total funding commitment of the Federal Government to the EC program will not decrease if the reforms are agreed to. The beneficiaries of EC reform will be farmers and rural communities, not the Federal Government. For that reason I again request the New South Wales Government to sign up to the EC reforms as a matter of urgency.

Indeed, I suggest that the New South Wales Government should forget about petty politicking and blaming the Federal Government for all drought-related problems. It should open a transparent line of communication with the Federal Government to ensure that the greatest possible level of assistance reaches farmers and rural communities. Farmers who are desperately handfeeding livestock do not want to hear the New South Wales Government blaming the Federal Government for a lack of help, particularly when the New South Wales Government could do more in its own right.

Much has been made of the introduction of the New South Wales Government's drought assistance measures. However, I assure the House that the impact of those measures on the ground is far less than the Government will have us believe. The various State transport subsidies are providing little benefit because each rural lands protection board must wait six months after being declared drought-affected before assistance is available. That must be coupled with the high cost of fodder and the already significant levels of destocking. Although those assistance measures are appreciated by those who have accessed them, it is clear to those of us who live in the country and who see the effect of the drought every day that more needs to be done.

At last count more than 20 rural lands protection areas still do not have access to the New South Wales Government's assistance measures. With 98 per cent—or 99 per cent, as the Premier said today—of the State being drought-affected and getting worse by the day, surely the Government could agree to waive the six-month waiting period for drought assistance. That would greatly assist those rural lands protection board areas that have yet to qualify. I understand that the New South Wales Government has so far spent a relatively small amount of the $14.6 million forecast to be spent on drought assistance measures. That is significant in the light of the comment of the Premier that the drought has the potential to send the country into recession.

The latest figures I have seen indicate that the New South Wales Government has allocated, but not spent, the $14.6 million plus the $1 million from Farmhand. That is a total of $15.6 million. I ask the Minister to clarify the amount of funding spent by the New South Wales Government on drought assistance to date. The House and the people of New South Wales are entitled to know the funding commitment of the New South Wales Government to drought assistance, especially if it persists with its strategy of attacking the Federal Government. I ask the Premier to cease telling untruths to the people of New South Wales about the Federal Government's commitment to exceptional circumstances assistance in Bourke and Brewarrina. The Premier said on radio 2UE this morning that no Federal money had reached Brewarrina and Bourke. This is simply untrue, as money is flowing to farmers in that area in the form of welfare assistance payments through Centrelink.

I also raise again for debate the call by the Coalition for direct cash assistance to be made available to farmers. We believe that the New South Wales Government should provide up to $20,000 to farmers to help subsidise their income and the skyrocketing price of fodder. The Victorian Government has made such grants available. A couple of weeks ago the Minister responded by saying that such assistance would be a substitution for other drought measures. I assure the Minister that many farmers have not been able to access any drought assistance measures on offer by the New South Wales Government. Direct cash assistance would enable them to pay bills to local businesses, purchase fodder and provide means of protecting their livestock.

I anticipate that the Government will again respond by saying that it has already implemented transport subsidies and, therefore, it does not need to provide direct cash assistance. I do not believe that is a valid argument because the transport subsidies are not sufficient to save many farmers. As Steve Price said this morning on radio 2UE, the transport subsidy equates to approximately $150 out of a $6,000 truckload of feed. I am concerned that this morning the Premier was caught out on this when he was interviewed by Mr Price. The Premier said that the transport subsidy put the bank account into a positive balance. If he believes that $150 out of $6,000 will put the bank account back into a positive balance, he has even more to learn about the drought than I had previously thought.

The equation is simple. Farmers need cash to pay for fodder and to keep vital breeding stock alive. Farmers need to spend cash to enable rural businesses to remain viable. The New South Wales Government has the capacity to provide the cash but will not do so. It is that lack of understanding and unwillingness to examine a greater New South Wales financial contribution to drought assistance that is leaving farmers and rural communities struggling to cope with the extreme environmental conditions. If the New South Wales Government is convinced that farmers have been so greatly assisted by its transport subsidies, I suggest that it combine the transport subsidy and proposed direct cash assistance into one program.

Why could the Government not make a total of $20,000 assistance available to farmers by combining the transport subsidies and direct cash assistance? I suspect that such an approach would prove once and for all that transport subsidies are a poor replacement for cash assistance when times are as bad as they are at the moment. On behalf of farmers and rural communities throughout the State, I implore the State Government to stop the politicking, to work with the Federal Government in a bipartisan manner and to upgrade its drought assistance measures. In addition, the House must examine the emotional stress that the drought is placing many farmers and rural business people under. I call on the New South Wales Government to immediately provide a 24-hour counselling service to help those affected by the drought to deal with the emotional strain of it.

While breeding stock and crops are hugely important, the health of our rural citizens is most important of all. Unfortunately, the current conditions are so extreme that the mental and physical health of our farmers, rural business people and their families is being severely tested. It is incumbent on the New South Wales Government to provide, at the very least, a telephone counselling hotline through which affected people can receive appropriately trained assistance at any time of the day. Such a hotline should, of course, receive substantial promotion so that its availability is widely known. Tomorrow I intend to lead a delegation comprising the Deputy Leader of the National Party, John Turner, and the shadow Minister for Agriculture, Ian Armstrong, to Federal Parliament to speak to the Deputy Prime Minister and the Minister for Agriculture, Fisheries and Forestry, in an endeavour to find ways to accelerate the exceptional circumstances process and increase bipartisanship so that farmers receive assistance far earlier than the cumbersome process of application and assessment currently allows.

Mr MARTIN (Bathurst) [4.27 p.m.]: I have great pleasure in speaking in this debate. All members representing country electorates will be aware of the impact of the drought, which may well be the worst in 100 years. The Central Tablelands was expected to be one of the last areas to be severely affected by the drought. Unfortunately, it has now been officially drought declared. Last week I travelled around the southern part of my electorate and although several pockets around Oberon, Black Springs and Abercrombie are not severely affected, they will deteriorate in the next couple of months.

The Leader of the National Party asked the Government to set up a hotline. On 22 July a hotline, 1800 814 647, was established for financial, technical and family advice services. The Premier has been on the ground meeting, listening and responding to concerns. Suddenly the de facto member for Darling Point announces that a delegation will visit Canberra tomorrow. The honourable member for Murray-Darling asked why that action was not taken four months ago. Perhaps the criticism by Steve Price on radio has sparked some reaction. Obviously, John Anderson is upset—and I do not know whether the criticism is over the top—but suddenly the triumvirate is heading off to Canberra. I wish them good luck. I hope they take the strong message from this House that a more positive and timely response is required of the Federal Government. Governments can always do more in relation to drought relief. However, it is beyond the capacity of any government to fully compensate for loss sustained through drought. Honourable members are aware of the severe impact the drought is having on farming families.

The drought will impact on many boarding schools throughout the country areas of New South Wales as well as Sydney, because families will not be able to afford to send their kids to those schools next year. There will be a host of problems down the line. Any criticism that the Government has not done enough is unfair. The Government has reacted from day one. To date I have not seen John Howard in the areas affected by drought. I accept that he has had to attend to other pressing matters. However, it is time he got involved because, obviously, John Anderson and Warren Truss are not taking the message back to Cabinet.

The convener of Country Labor in this Parliament, Tony Kelly, exposed the muck-up with the payments from Centrelink. Suddenly, Warren Truss was on regional radio the next day saying that that was not right and that the payments were flowing through. However, half an hour later he was back on regional radio saying that the bureaucrats had mucked up the application form; the form was not ready so it was a bureaucrat's fault. I suggest that the flow referred to by the Leader of the National Party is a trickle rather than a flow, but

something seems to be happening. Obviously we need to look at the whole process of exceptional circumstances applications. Any criticism that the Government has been tardy in submitting exceptional circumstances applications is wrong and hypocritical.

Earlier in the House the Premier demonstrated the complexity of the process and the details that are necessary for each application. Indeed, the application forms contained all sorts of clauses that can knock people out. We all agree that perhaps we need to look at the application form, and that the Government needs to be more reactive. The Government has done more to help farmers than any other government in the history of drought in this country. The Leader of the National Party said that subsidies are not beneficial to farmers. Many farmers in drought-affected areas would say that the subsidies, including water subsidies, have made a huge difference. So whilst we can always say we could do better, we must be united in this Parliament. Government members have been saying that for a long time. Members opposite have suddenly woken up to the fact that it is getting embarrassing. They need to take to Canberra the strong message contained in the motion.

Mr ARMSTRONG (Lachlan) [4.32 p.m.]: Reference has been made to an interview on the Steve Price radio program last week. I draw the attention of honourable members to the interview with the Premier this morning by the same Steve Price. I exhort honourable members to read the transcript of that interview, because it shows that the Premier was in considerable difficulty when Steve Price took him to task about what the Government is doing to assist those affected by the drought. One fact that has not come out this afternoon is that the Government—and this is supported by the Opposition—has allocated $240 million in this year's budget for contingencies such as drought. That is factored in; it is part of the Government's responsibility in terms of drought. I am simply saying that the Government cannot claim that it does not have the money or the incentive. All droughts are different. No two droughts have been the same in the country's history. The current drought is different because it is so extensive; it extends across the land mass and all climatic zones in the State.

My 91-year-old mother can remember back to 1944 when as a little kid I used to walk across the mud around the dam to tie a rope around a sheep that needed rescuing. I had a little grey pony called Silver; my mother would lead the pony and I would pull the sheep out. In those days there were no motorised pumps and that sort of thing. It was very different but we managed—and we manage now. In the present circumstances people are simply asking for a bit of a leg up from the Government. The attitude of Government speakers in this debate is somewhat hypocritical because last Friday—I am sure my colleague the honourable member for Tamworth will speak on this matter—in Tamworth there was a meeting of some 300 farmers. The meeting was chaired by Mr Philip Kirkby from WaveHill at Narrabri.

At the meeting were Mr John Manchee from Yamburgen at Narrabri, two members of the Guest family, and many others. They are all very old families in the area. The people at the meeting decided to tell the Government what is happening. Why the hell did the Government not know what was happening? Members might like to know that Narrabri will not become eligible for Government assistance until February of next year. The Government will leave farmers out there. Government members continue with their rhetoric and politicking in this House, yet under the Government's rules the people of Narrabri will not be eligible for assistance until February of next year. What would be the case under a Coalition government? Last Wednesday I announced that a Brogden-Souris government—that is assuming we are elected to government next year—would, first, abolish the six-month waiting time after a declaration of drought when the local pastures protection [PP] board approves of that declaration. We trust the PP boards.

A Coalition government would sign up to the new joint State-Commonwealth arrangements regarding business—in other words, we would pay the 17 per cent—and we would rewrite the criteria for eligibility for exceptional circumstances assistance. We would accept the presentations of the rural lands pastoral protection boards as prime evidence because we value their opinion. The Federal Minister, Mr Truss, has welcomed all of that. He is prepared to rewrite the rules regarding eligibility for exceptional circumstances assistance. What is wrong with the Government? Since Labor has been in government, the Minister has signed up twice for exceptional circumstances assistance. Government members cannot blame the Commonwealth because the Minister has signed on the dotted line, together with the other States. That is the bottom line.

Mr Amery: We've got a big choice!

Mr ARMSTRONG: We pay the Minister big money because he has to make those choices. Today no mention has been made of the immediate plight of small business. Unlike many people, I have done some research today. The real impact of this drought has been biting into cash registers in country towns in the sale of white goods, machinery and books, and in nursery sales. That is where the drought is really hurting.

Cootamundra shire has 7,200 residents, 6,000 of whom live in the town. Under the previous Government small business was paid a direct interest subsidy, which was as much as $5 million in 1994. The Government is not paying any subsidy along those lines to small business.

It will give small business $3,000 to develop a business plan or it will provide payroll tax relief. However, one needs about $600,000 of payroll per annum to be eligible for payroll tax relief. That means it is probably only the abattoirs in most towns that are employing a sufficient number of people to be eligible. To put it simply, the Government is ignoring small businesses up and down the main streets and side streets of most country towns, and they are feeling the real effects of the drought. Unemployment is starting to creep into many of the towns in drought areas. I ask the Government to realise the urgent necessity of small business keeping rural economies alive and maintaining essential services within those towns as service communities for the agricultural sector. [*Time expired.*]

Mr NEWELL (Tweed) [4.37 p.m.]: Two governments in New South Wales have the resources to help the worst affected farming families and rural communities. They are the State and Federal governments. Let me put on the record the response of each government to the worst drought in living memory. First, let me look at the response of the Federal Government. None—that is the response! Not one single cent has come from the Federal Government. No doubt later this year or perhaps early next year when the Prime Minister is out and about on his annual jaunt around Australia, as is his wont, he might take the time to tour rural New South Wales to see the impacts of this drought.

Until now the Prime Minister has not visited drought-affected areas or shown any interest in doing so. He has left it to his two Ministers, Truss and Anderson, who are being criticised across New South Wales for their poor efforts in communicating to the Cabinet in Canberra the needs of rural New South Wales. No doubt John Howard will put on that little old hat—he tends to look like a springhead nail when he puts on that country disguise—and go out and share his compassion with rural New South Wales. I ask members to compare that attitude with the drought assistance measures announced by the New South Wales Government since 18 July this year.

The Government has announced a total of more than 30 separate measures which have directly helped more than 3,000 farmers, and they should all be put on the parliamentary record. On 18 July in Bourke the Premier announced the first six assistance measures: a 50 per cent subsidy for the transport of domestic water to assist isolated land-holders maintain an acceptable standard of living for their families; a 50 per cent subsidy for the transport of stock from drought-affected properties to slaughter; additional funding of up to $25,000 to each rural financial counselling service in those areas most severely affected by drought; the deferral of repayments of Rural Assistance Authority loans where temporary repayment difficulties as a result of the drought can be demonstrated; setting up a drought telephone inquiry hotline which is available 12 hours per day, seven days per week; and a support package developed by the Department of State and Regional Development for small businesses in regional areas that rely on the agricultural sector, which has been affected by the drought.

Just 11 days later, on 29 July, at the drought roundtable in Dubbo, the Premier announced a further 11 measures, including a 50 per cent subsidy to help meet the cost of transporting fodder to preserve core breeding stock; a 50 per cent subsidy to help meet the cost of transporting water for core breeding stock; a 50 per cent subsidy to transport stock to and from agistment properties, when they can be found; waiving lease payments for farmers on Western Lands leases and waiving Wild Dog Destruction Board fees; deferring collection of outstanding payments of the ovine Johne's disease levy from farmers in drought-affected areas; providing a new allocation of $1 billion for an emergency feral pig and fox eradication program; fast-tracking National Parks and Wildlife Service licensing requests from drought-affected farmers wanting to immediately reduce kangaroo numbers on their properties; easing restrictions applying to B-double trucks on rural council roads in drought-affected areas to reduce transport costs and time for farmers; negotiating with the Australian Wheat Board for farmers in drought-affected areas to buy feed grain from the nearest silo; working with the Federal Government to fast-track exceptional circumstances applications in the worst affected areas—which triggers Centrelink payments and business loan subsidies; and calling on the Federal Government to provide additional tax concessions for farmers planting deep-rooted perennials such as old man saltbush as long-term protection against drought.

Less than one month later, on 26 August at the Cobar Cabinet meeting, the Premier announced that he would extend transport, water and fodder subsidies to include core production stock; extend the criteria for special conservation loans to include dam desilting, major repairs to stock water systems, piping and storage of stock water and planting of perennial species such as lucerne and old man saltbush; extend the criteria for

accessing the transport subsidies to include full-time farmers who have had to find work off farm to supplement their income in order to survive; and provide free transport for fodder that has been purchased through drought appeals. The Premier also announced that the West 2000 Board would meet to consider providing more funds for piping of stock water and for future exclusion fencing.

On 30 August in Goulburn the Premier announced a 50 per cent transport subsidy to honey producers for the transport of sugar solution to feed nectar-deprived bees and the waiving of permit fees charged to honey producers for access to national parks and State forests. At the Young Farmers Forum in Sydney on 10 September he announced $1 billion in State Government assistance to provide TAFE-based training for 200 farm employees to keep them on farms during these difficult times in the worst drought-affected areas of the State. At the Country Labor conference in Cooma on 14 September he announced the removal of the current 1,500 kilometre restriction on subsidies for the transport of fodder as well as making farmers eligible for special conservation loans for hay and grain storage facilities that will help farmers to better drought-prepare their properties. While more needs to be done, Country Labor has lobbied the Minister and the Government to make sure that more money becomes available. Although I have outlined a number of programs, had time permitted I would have been able to outline many more.

Mr BLACK (Murray-Darling) [4.42 p.m.], in reply: At the outset I acknowledge the contributions made by the honourable members representing the electorates of Bathurst, Tweed and Lachlan, as I regard those contributions as being worthy. Let me reply to some of the comments by the current Leader of the National Party in this place. Today he said he will go to Canberra tomorrow. He is going to get out of the Point Piper penthouse and journey to Canberra to put the case—

Mr Souris: Point of order: I find that an offensive remark and I ask the honourable member to withdraw it. I do not live at Point Piper or Darling Point, and it is totally offensive that he should continue to imply that. I ask you to direct him to withdraw the remark. I live in country New South Wales and have done so all my life.

Mr DEPUTY-SPEAKER: Order! The Leader of the National Party is making a personal explanation. However, I ask the honourable member for Murray-Darling to withdraw.

Mr BLACK: I will withdraw the remark about the penthouse. The Leader of the National Party probably does not know what a penthouse is. He is doing a mea culpa; he is going to Canberra to say that farmers and graziers, who used to be his friends, are criticising him because he has done nothing for the past six months to fix the nonsense that is coming from the Federal Government about exceptional circumstances [EC] assistance. I do not understand how he can say he is going to Canberra with the honourable member for Myall Lakes and the honourable member for Lachlan to call for changes. What have members on this side of Parliament been doing for the past six months? Of course, we have been calling for changes! It is ridiculous that graziers have to fill in a 16-page form that many cannot complete. It is an outrage that when graziers apply for EC assistance they have to go to Centrelink to have their identification checked. The Leader of the National Party could get rid of the requirement that people from Bourke have to satisfy Centrelink that they are real people.

This Government is putting in $1 million a week—I do not know where the $14.6 million comes from—and it is open-ended. There is no doubt that more and more people will become eligible under the State regime. The figure will increase as more areas are included for State assistance. The Leader of the National Party talked about a meeting at Narrabri last Friday. Phillip Kirkby, the spokesman for the Narrabri EC steering committee, said that it was hoped that a committee could sit down and prepare a long-term plan, and liaise with government to deliver drought assistance and strategies. Mr Kirkby said:

> What people don't realise is it will take up to three years to get over this [drought] and we need a three-year plan.

The National Party is just waking up to this. The *Northern Daily Leader* of 6 November reported:

> Mr Kirkby said the two National Party State Members of Parliament from the region "have been conspicuous in their absence and silence" …

That is worth repeating:

> Mr Kirkby said the two National Party State Members of Parliament from the region "have been conspicuous in their absence and silence" …

The honourable member for Tamworth interjects, but I can tell him that if the people of Narrabri had a Country Labor representative they would be getting much better representation than they are now. I now refer to town issues and representation. Under the Commonwealth Government workers are being laid off. I agreed totally with the honourable member for Lachlan—and this is not a first, by the way—when he asked why towns should be singled out as opposed to the rural sector. They are being singled out with the assets test. According to the Commonwealth Government people who have assets and live in town have to go through the assets test before receiving assistance, such as Newstart, but in the bush the assets test is covered, as it should be, by the farm or station. John Hassan, the owner of Hassan's Mill and Produce, grain merchants of Condobolin, is asking for drought assistance. [*Time expired.*]

Amendment negatived.

Motion agreed to.

DROUGHT ECONOMIC AND SOCIAL IMPACTS

Matter of Public Importance

Mr ARMSTRONG (Lachlan) [4.49 p.m.]: I ask the House to note as a matter of public importance the economic and social impact of the worsening drought in New South Wales. The previous debate on the drought was notable for many reasons, in particular, because none of the Government members who spoke referred to water. Water is the critical component in a drought, and in terms of the social and economic impact it is the Achilles heel of drought. In the Lachlan electorate, which I represent, last January 125,000 megalitres of water were released from Wyangala dam, the major dam in the area, into the river. The water, which was released for environmental reasons, created an unnatural flow at the wrong time of the year. It flooded a number of creeks and tributaries in the Condobolin district and created an artificial set of circumstances that worked against the environment and the irrigators.

More importantly, if the 125,000 megalitres had not been released there would be 20 per cent more water in Wyangala dam. Consequently, this season Lachlan irrigators have been allocated 3 per cent of their water entitlement. If an irrigator is entitled to 100 megalitres of water, he receives three megalitres plus any carryover from last year. Out of a total of 400,000 megalitres from last year, 126,000 megalitres were carried over. This year's production of summer crops, particularly lucerne—which has the highest protein content and is probably the most valuable of all feeds during drought for broadacre feeding, such as cattle and sheep, and for the intensive industries—has been cut by two-thirds. If the 125,000 megalitres of water had not been released, it would be reasonable to assume that the Lachlan Valley would have produced another 30,000 tonnes of lucerne hay this year.

The lucerne brings income into the valley and provides considerable fodder for the intensive industries and broadacre industries. It also has a social and economic impact on our country towns. Towns such as Cowra, Forbes, Condobolin, Lake Cargelligo and Hillston would have benefited considerably from an increased production of lucerne. The jobs of specialist workers, such as mechanics who service heavy machinery and irrigation equipment, would not be in jeopardy, as they are at present. As the water has dried up, so have the jobs and the purchasing power of many people in country towns. The winter crops have failed in most areas across the State. The impact of the failed crops has just started to be felt in the last month. Down south in the Cooma district, this situation would not generally occur until October, November, December and running through to the end of January and early February.

So there is a double whammy: the water cutbacks—and the Lachlan is atypical of the inland system—and the collapse of the winter cereal crops. This situation has occurred as a result of government policy and nature. As I said previously during debate in the House, Narrabri will not be eligible for government assistance until 1 February 2003, nor will divisions B and C. This afternoon the Premier made much about the honourable member for Dubbo. But the honourable member's electorate will not be eligible for assistance until February next year. I invite members of this House to come to the country with me for a couple of days. I will give them a rough idea of the state of affairs in the middle of January, let alone in February, unless we get some rains between now and then.

The Government has failed to recognise many of the reasons why this drought is so extreme. In many places people are in a dreadful mental state. That is understandable when one considers the pressures they face. This morning and this afternoon I contacted some of the major banks to ascertain the current financial

circumstances. Although it is not necessarily good news, there is some comforting news. Westpac informed me through its agribusiness section that it does not have any non-performing farm accounts. That is a great tribute to the management capacity of the farmers. They have worked with the bank and, obviously, the bank has worked with them. Westpac said: "Customers have come into the drought in a strong credit position due to good livestock and wool prices.

Westpac is committed to assisting its rural customers through this drought and now has an active education program for its rural customers and is running seminars to tell farmers how they can save interest on loans." However, Westpac said that farmers should talk to their bank before it is too late. That means if they need $250,000 next week, they should go to the bank this week and not leave it until the day they need the money. The Corporate Affairs Division of the National Bank informed me, "No bad news. Agribusiness customers are holding up well. Seasonal conditions in northern New South Wales are severe. However, there are not great numbers coming in asking for money at this time."

Although the ANZ Bank does not have a huge share of the agribusiness market, it repeats that not a great number of farmers have sought additional funding. All of these banks said that whether this situation continues depends on the ongoing seasonal conditions. The banks have indicated they are prepared to support their customers through the drought. About one month ago I spoke to the two major credit providers for the purchase of machinery. They said the same thing: farmers who believe they will be unable to make a seasonal payment should advise the creditors early and, in the majority of cases, they will be given favourable consideration to roll over the payment for another season.

I ask the Government to forget about politics in the short term. That request has been repeated in this House many times. As honourable members know, I do not mind a political debate, but in the short term let us fix the problems and indulge in politics later. I ask the Government to recognise the social and economic impacts on country areas. The social impact of the drought was well articulated in Narrabri last Friday and in the *Northern Daily Leader* a couple of days later when it reported on the psychological effect of the drought on families. There is talk of suicides. I do not know whether anyone has committed suicide because of the drought, but I know that the pressures are enormous, particularly on those who have not previously experienced drought. It is dreadful to see kangaroos and stock dying and crops drying up. If people knew when it was going to finish the psychological impact would not be as dramatic.

The drought has been hard on children because they see mum and dad under enormous pressure. Perhaps the family cannot take holidays this year as they normally do in January or February after the crops have been harvested. Those kids are finding it tough. I ask the Government to consider the plight of children affected by the drought, particularly those in isolated areas of western New South Wales, and to provide assistance through the relevant departments. I repeat my request that the Government consider small businesses in country towns. Country towns such as Condobolin, Tullamore, Nyngan and Narrabri will lose their small business people, and many will not return. Every time a country town loses a couple of students from the local school, the ratio of students to teachers is reduced. The school then loses a teacher, and the town loses a policeman. The purchasing power of those public servants, who bring new money into the community and return taxation to the town, is gone.

I ask the Government to recognise that we have a collective responsibility to maintain the populations in country towns, particularly to retain the people with essential or unique skills and those who understand the life of country towns. Last week I called on the Minister for Tourism to provide a special package to encourage people to undertake their tourist activities in inland New South Wales. The rural areas have wonderful tourist facilities, but they are suffering because of the negative talk. Once again I call on the Government to provide a $5 million or $6 million package to encourage people to go to rural New South Wales over the Christmas holidays. This will keep the tourist facilities—such as Dubbo Zoo, the Japanese Gardens at Cowra and the aircraft museum at Temora—and the motels and restaurants operating and viable.

Drought is a part of the Australian landscape. It is not something out of the box; we experience it about every 10 years. I call on the Government to: first, appreciate the social impact on country towns; second, support tourism in country New South Wales; third, acknowledge that small business is suffering; and, fourth, understand the social consequences associated with drought.

Mr AMERY (Mount Druitt—Minister for Agriculture, and Minister for Corrective Services) [4.59 p.m.]: I thank the honourable member for Lachlan for raising the economic and social impacts of this drought, which have been the subject of considerable debate in this place and around the State. I find it difficult

to disagree with anything he has said on this occasion. It is true that this drought is different; for example, it is unusually widespread compared with previous droughts. The media often speculates about whether this is the worst drought in the past 30 or 40 years. The climatic data available indicates that it is more severe and widespread than the 1994-95 and 1982-83 droughts. Droughts have many components, and the honourable member for Lachlan referred to water availability. That might appear to be an obvious issue, but it is not as simple as that; the availability of water changes from drought to drought. For the record, we are facing the worst climatic conditions since 1980.

Other aspects of the drought have yet to come to fruition. Is the financial situation worse than that experienced in 1994-95 and 1982-83? I spoke to two farmers in the Brewarrina area within five minutes, and one said that this is not as bad for him as the 1994-95 drought and the other one said that it is much worse for him. It is different for different people. It is hard to assess the damage or whether the situation is worse. However, climatically—that is, taking into account the number of rain-free days, the average rainfall and so on—this drought is worse than the two previous severe droughts. The honourable member for Lachlan made an interesting reference to what the banks have said about this situation.

In 1994-95 commodity prices compounded the impact of the drought and caused greater financial hardship. Honourable members will recall the farm mediation debate in this place at that time. Financial hardship was severe and the drought was compounded by awful prices for beef, lamb and wool. The wool stockpile dominated discussion. The honourable member said that it was a tribute to farmers that the banks said they had no non-performing loans. Farmers have gone into this drought far more prepared than they have been in the past. Federal and State governments are working with farming communities and financial counsellors to implement drought-preparation strategies. We have taken on board that droughts occur every 10 years or so, sometimes more and sometimes less frequently.

Drought must feature in farmers' risk management assessments. Over the past five or six years money has been allocated to drought preparation, including farm management deposits. More farmers now put money away in the good years to carry them through the bad years. Obviously that money will run out as the drought gets worse. However, like the banks, we must acknowledge that farmers' financial circumstances and ability to manage their loans have been enhanced by a stronger emphasis on drought preparation. Members opposite have raised the six-month criteria on numerous occasions, and I addressed it during question time. It would be easy for the Government to present a drought package including the six-month criteria, cash and so on.

However, we must not destroy the good work of the past seven or eight years. The honourable member for Lachlan has highlighted how much more effectively farmers are managing their properties. If we were to trigger these assistance packages on the day a drought was declared, we would be indicating that the Government would come to the rescue immediately with broad-ranging funding assistance. The Government looked at that issue. We attended the honourable member for Dubbo's roundtable discussion and the meeting with the farmers at Governor Macquarie Tower, and a West Darling pastoralist talked about using the six-month criteria. Everyone wanted to send a signal that government assistance, whether it be Federal or State, should not overshadow implementation of risk management processes to deal with drought.

Farmers should allocate money to farm management deposits and invest in dams, pipes, silage and so on. The honourable member for Lachlan might think I am misusing his point, but farmers are still servicing bank loans because they have done drought preparation work. Farmers have worked with governments and industry bodies and are better prepared to deal with droughts. This drought has presented a very unusual pattern with regard to water availability and the situation with regard to livestock is also very different. In 1994-95, farmers sent livestock to other parts of the State or to other States for agistment. Governments have provided transport subsidies for farmers in the past, but we are now having difficulty finding areas in which stock can be agisted.

It is hard to send stock elsewhere because many other areas of Australia are also affected by drought. That is why there has been pressure on travelling stock routes and so on. In the past fodder has been available in Queensland and Victoria. However, neighbouring States are also suffering and fodder reserves have dried up. Fodder is being transported to this State from far greater distances than occurred in 1994-95 and 1982-83. Criticism has been levelled at the Government's decision to waive the 1,500-kilometre restriction on the transport of fodder. The cost of bringing fodder from South Australia and now from Western Australia is now being picked up by the subsidy scheme. That has not happened during previous droughts.

This Government's drought packages have not been rolled out on day one; they have been tailored to address the changing drought pattern. The transport of fodder, agistment and water availability are all very

different. Support packages are designed to address the changing nature of the drought. We cannot adopt strategies used during previous droughts because they will miss the target. I agree with the honourable member for Lachlan—who should be the Leader of the National Party. This Government acknowledges that the drought is affecting businesses in rural New South Wales. When farmers stop spending money everyone else is affected. I support the comments made by the honourable member for Lachlan.

Mr CULL (Tamworth) [5.09 p.m.]: It is disappointing to hear today that 99 per cent of New South Wales is now either in drought or about to be declared drought affected. The drought is having a serious impact on all New South Wales regional communities. At the end of the day we are talking about people's lives, their families and their future. We are talking about good, honest people, people who have developed this great nation of ours, and we should not desert them in their time of need. We all remember the times when this great country rode on the sheep's back. It is now timely that this country and our community pulled together and supported rural and regional communities. We need to do that now, not in February, March or April next year. Rural and regional communities are crying out for help, and they need that help now.

As the honourable member for Lachlan said, last Friday I had the opportunity to address a meeting in Narrabri. I might add that not one representative of Labor or Country Labor bothered to turn up to the meeting, which was attended by 300 farmers and business people who were there to express their concern about the impact of the drought on their lives and livelihoods. At the meeting you could feel the enormous amount of tension, frustration and desperation of the people in attendance. Many of the people had tears in their eyes, because they are concerned about their future, their prospects, and their families.

Several motions were moved at the meeting, one of which called for closer liaison between the regional group and the Federal and State governments. I believe that the group has written to the State Government requesting a meeting with the Minister. I hope the Minister takes the opportunity to meet with the group as soon as possible. I also encourage all members of this House to take the time to visit regional areas of the State that are affected by the drought. We cannot assist the people in drought-affected areas by simply debating the matter in this House. Members need to go to the affected areas, talk to the families, look at their farms, and see the situation they are in, so they have a better understanding of their predicament. The people of rural communities want results. They are fed up with the politicisation of the issue, and I do not want to defend that. We need to work together so we can come up with policies that deliver results.

Mr McBride: It's a bit late.

Mr CULL: It is never too late. These people need help now. We must not overlook the human aspect of this drought. The headlines in our local newspapers tell us that five men aged between 19 and 42 have taken their lives because of the stress associated with the drought. Yet the Government does not listen; it can only point the finger. I have a letter from the rural chaplain of the local Salvation Army branch. The letter has been sent to all branches around the State, because the chaplain is very concerned about the situation that local farmers find themselves in, the "emotional disaster imminent", as he refers to in his letter. The letter reads in part:

> All of my area is in a record breaking drought. In some places it has broken all records …
>
> Some areas have only had one source of income in the last five years …
>
> People have used up all of their resources, which includes very large sums of money …

These people do not know what their future will be because at this stage they are not receiving any assistance from governments to provide fodder for their stock and put food on their tables. In May this year Warren Truss approached the New South Wales Government and urged it to accept reforms to speed up the process in relation to exceptional circumstances assistance. However, the State Government was not prepared to negotiate to speed up the process. As part of the process, grants would have become available to rural communities and the business community.

It was interesting to hear the honourable member for Murray-Darling say that money will flow for the business community as soon as we have an exceptional circumstances declaration. That is not the case, because the State Government has not agreed to the proposed changes put in place by the Federal Government which would have allowed that to occur. The message we need to get through to the Government is that it is not just the farmers who are hurting: the business people are also hurting. We need to recognise their predicament.

I also received a letter from Chesterfield Australia Pty Ltd, one of the largest machine distribution companies in the north-west of the State. One can imagine how many tractors and other machinery the company

is selling at this time. The company is seeking Government assistance to carry it through in its time of need. It wants both the State and Federal governments to get together and deliver some sort of policy that will ensure the company is able to retain its skilled staff and work force so that when this terrible drought breaks, it will be able to continue its business. I urge all members of this House to visit the regional areas of the State, instead of sitting in their Sydney offices, so they can better understand the real situation.

[*Discussion interrupted.*]

BUSINESS OF THE HOUSE

Routine of Business: Suspension of Standing and Sessional Orders

Motion by Mr Whelan agreed to:

That standing and sessional orders be suspended to allow three additional speakers to the matter of public importance for five minutes each and for private members' statements to be proceeded with at the conclusion of the matter of public importance and the consideration of Government Business Order of the Day No. 2 [Holiday Parks (Long-Term Casual Occupation) Bill].

DROUGHT ECONOMIC AND SOCIAL IMPACTS

Matter of Public Importance

[*Discussion resumed.*]

Mr McGRANE (Dubbo) [5.15 p.m.]: I thank the Leader of the House and the honourable member for Lachlan for allowing an additional three speakers on this very important matter of public importance. As has been outlined today and on many other occasions, the present drought is ongoing. The motion seeks to remove politics from the toing and froing between the State and Federal governments in relation to who is responsible for the economic and social impact of the drought. The State Government has thus far implemented a long list of measures to assist the livestock industry in New South Wales, and they are working and are ongoing.

Now we come to the real crunch of the financial stress that has been caused in regional New South Wales: the lack of grain harvest. Last year the New South Wales grain harvest was 8.9 million tonnes. This year the forecast is 2.2 million tonnes. However, this forecast, made on 29 October, is probably optimistic. As numerous speakers have said, the people associated with the grain industry are the ones who are seriously affected by the drought. They include contract harvesters and the people involved in grain storage. This, in turn, has a serious effect on employment, small businesses, and the farming and grain industries.

The problem will be exacerbated in January and February, when rural communities have to repay their loans and negotiate finances with the banks. This year rural communities will have little money to meet their loan repayments. Traditionally, in the past the lending authorities for the farming and grazing industries were the banks, but these days many other financial institutions lend money to the industry and those associated with it, such as the grain harvesting and trucking industries. It is therefore imperative that the State and Federal governments consider implementing measures to guarantee that these people will be able to somehow defer their loan repayments.

I suggest a system of providing carry-on, low-interest loans, which could be tied into the bond rate, to provide some type of guarantee that interest will be maintained at a low level. These carry-on loans should also be made available to small businesses, which are the backbone of rural communities. Of course, the problems faced by rural communities will not go away until the drought breaks, and the prediction in that regard is somewhat grim. When the drought breaks, there will also be a need for the grazing industry to refinance so it can restock. It is important that money is then made available at interest rates that people can afford. These are measures that the Federal Government should be more involved in, because it has the financial resources to help regional communities get back into production as quickly as possible after the drought breaks.

Regional Australia is the engine room of Australian production. Our gross national export products are hinged around the three industries of grazing, grain and mining. Regional New South Wales needs as much help as possible to make sure all those sectors are viable. It is with a great deal of support that I feel that this motion is bringing all parties together to try to take the political ingredients out of the equation. Whilst people say they are trying to do that, they still seem to be making political statements, and that is not good for the real people we are dealing with who need help.

Mr TORBAY (Northern Tablelands) [5.20 p.m.]: I welcome the opportunity to discuss this matter of public importance put forward by the honourable member for Lachlan. I believe it is appropriate that this House discuss the social and economic impacts of the worsening drought in New South Wales. In recent months I spent a lot of time touring the Northern Tablelands, and quite significant concerns were raised with me. I concur with the honourable member for Lachlan about the social impacts of the drought, not only on the farming and business communities but also on the broader community. The people I spoke to told me they are in a desperate situation. Having visited the farms and looked at the surrounding areas, I agree that the circumstances are the most difficult I have seen in my time in public life.

It is appropriate that the House debate issues in a uniform way, because it is clear that for many years State and Federal governments have been unable to deliver an appropriate response to these crises when they happen. The views of the honourable member for Lachlan and the leader of the National Party, who in an earlier debate spoke about a bipartisan approach, are also to be applauded. Somebody forgot to tell the honourable member for Tamworth that it is appropriate that we consider these measures at a State and Federal level.

Talk of hardship has led to greater concerns being raised with me about social impacts, and I have had to refer those matters to other agencies. This drought is having a very significant impact on families; it is having a very significant impact on neighbours, on partnerships, and on social contributions to communities. I do not believe that I have seen people in more desperate circumstances than they are at the moment. We need a response that is going to answer the concerns raised. If we provide support at a State and Federal level, the negative impacts will be much shorter. If we do not provide support, the negative impacts will continue.

The people who have been speaking to me from farming communities, from industry, and particularly from abattoirs have said that the number of breeding stock going through the abattoirs paints a very dismal picture for the future. They say that it is going to take a long time to recover. The honourable member for Ballina is nodding. I am sure he is aware, perhaps more than many others in this Parliament, that the effect of the flow-on is that for those without breeding stock the breaking of the drought will not herald the end of the bad news; in many cases the bad news will continue for much longer.

It is appropriate that this House work with the Commonwealth to determine an appropriate response. We have heard a lot of debate about exceptional circumstances funding and the Commonwealth's position and the processes. I was pleased to hear the honourable member for Lachlan say that the process needs to be changed. Let us not have an argument about who did what, what happened before, and what is happening. The crisis is now, the process needs to be changed, and the State and Commonwealth need to respond to that. That is the message that is coming through in this debate and I hope it is delivered, because in many cases the current procedures are designed to prevent access to support for a community that is suffering more than it has for almost 100 years.

I acknowledge that the State Government has put measures in place, but they are not enough. I acknowledge that the Commonwealth has said there is an exceptional circumstances process, but it is a total disaster. It is really not good enough to issue a press release saying, "We support you," or to say, "Look, the exceptional circumstance process was delivered to us," yet not respond to application forms from New South Wales because the Deputy Prime Minister has set up a committee to consider, presumably, whether there is a drought. We have to respond much more effectively than that if we are to have any credibility in supporting our farming communities, our business communities, our regional communities, and the whole State of New South Wales—because we are all dependent upon it.

Mr R. W. TURNER (Orange) [5.25 p.m.]: Up until the past two or three weeks the Orange electorate had relief from some of the disasters occurring in other electorates further to the west, but we are now very quickly catching up with the rest of the State. In fact, we have had no meaningful rainfall whatsoever in the past seven weeks, which is very unusual for our area because it normally has 600 to 800 millimetres per annum. We now find that the Young and Carcoar Rural Lands Protection Boards [RLPBs] and the Molong RLPB have all been drought-declared, along with the rest of the State. While sections of those RLPBs may have been only moderately affected, they are very quickly catching up, and some people are now saying they are in a worse situation than they were in the 1981-1982 drought, which is the worst I have been through.

I hope it is the only one of that magnitude that I experience, because I had to hand feed sheep for nearly 12 months and I was very thankful for the support we received at that time, in the form of subsidised grain. Unfortunately, there are no similar subsidies in this drought. Prices are increasing dramatically. In my area, and particularly down around Cowra, three or four weeks ago some reasonable looking wheat crops were coming to

head, but the bulk of that is either being baled or put to stock because it is not worth stripping. Canola, which is normally a very good crop in our area, does not look too bad in the paddock, but some crops are returning only point one of a tonne to the hectare; they certainly are not achieving the cost of production. They are some of the consequences the farmers are facing.

Some months ago my area looked fairly good. One of the consequences of this drought in my area is the price of fodder, not only to farmers who can afford to buy it but, more particularly, also to some of the small industries in the suburbs of Orange and Cowra, where someone might have a pet horse or train three or four horses in a small way. I spoke to a lady in Cowra last week who has been training racehorses with her husband for 40-odd years. She was paying about $60 for a large bale of lucerne hay, but she is now paying $300, if she can get it. Fortunately she can get it in that area because some of the lucerne is being irrigated. That is a 500 per cent increase in the cost of feeding her horses, with no extra prize money if she happens to win a race.

My area has a considerable number of poultry farms and dairies and an intensive pig industry. They are all facing a huge increase in the cost of production, with no way of passing it on. As a former poultry and egg producer, I know that the cost of production has nothing to do with the price one receives. The price is based on wholesale and retail supply and demand, and the producers have very little ability to pass on the extra costs they are incurring.

Pig, poultry and dairy producers with reasonable sized businesses will pay thousands of dollars per week more because they now pay $370 a tonne for wheat, double what they were paying 12 months ago. Horticulture industries are also starting to feel the pinch. Although they are limited to 10 per cent of the run-off on their orchards, sadly some orchardists will run out of water, even though they have a good crop of apples, stone fruit or cherries without hail damage or late frost. Because the soil no longer contains any moisture, those orchardists are now 100 per cent reliant on irrigation. Although we sympathise with farmers further out west who have had to offload a substantial proportion of their stock, we must also consider the hardship being experienced by other intensive industries.

Mr ARMSTRONG (Lachlan) [5.30 p.m.], in reply: I thank honourable members from both sides of the House for participating in the debate. Parliaments can be unanimous when it comes to a crisis, and it has been generally agreed that this drought is a crisis. Although drought is a natural, recurring event in this country, this drought is unique because of its broad impact across the community. Speakers have referred to the effect of drought on small business, individuals, farms and inland rivers—although it is starting to have an impact on coastal rivers as well—but they have not referred to the secondary impact of drought on industries such as the fruit and vegetable industry, and the horticultural industry, which in the county of Cumberland is worth about $300 million a year. Many nurserymen catch their own water and they are now under considerable pressure.

Mention has not bee made of customers who rely on products such as canola, which would normally be harvested at this time of the year, and other cereals. Manildra Mills in the Central West is a magnificent local operation, but one wonders how that company will continue to supply its customers and generate further export income. The Minister referred to the difference in the financial conditions between this drought and the 1994 drought. In 1994 interest rates were double what they are now and our exchange rates were approximately 15 per cent or 20 per cent higher. The lower exchange rates have improved our commodity prices, leading to a better financial position, and lower interest rates have assisted businesses to remain viable.

I wish to reiterate my core points: that the economic infrastructure of rural communities is under attack by this drought, that is, the silent, creeping exodus of people. The honourable member for Barwon informed me in the past hour that he has spoken to people about payroll tax. I said previously that large employers with a payroll of more than $600,000 a year would receive a benefit. Shearing contractors or contractors who supply abattoir workers, chippers in the cotton industry or pruners in the grape industry are all subject to payroll tax and they are under great pressure. This applies also to workers compensation, which cannot be blamed on the drought.

Governments have the prime responsibility to deal with both good and bad times, and this Government is faced with a real challenge. The Opposition will support the Government in its positive moves if it believes they are in the interests of the broad community. However, the Opposition retains the right to criticise the Government if it does not fully understand the nature of a crisis. I would like to think we can minimise the pain and suffering of individuals affected by the drought through understanding their isolation, and minimising the impact on country towns, livestock and pastures so that recovery is expedited.

Real loss occurs when the rains first come after a drought. Whilst many stock will die, and have died, in this drought, the real losses will be in the first couple of weeks following the drought breaking because of the poor nutritional condition of the stock. Sheep will die like flies unless the situation is well managed. We must ensure that our farmers retain a positive state of mind and that they are in a financial position to plan ahead to maximise opportunities and minimise losses that occur, sometimes in outrageous proportions, once the drought breaks. My wish is that we will not need to debate this matter again, but I suspect we will. I call upon the Government to acknowledge that this issue is more than about politics; it is about the economy, country people and decency.

Discussion concluded.

HOLIDAY PARKS (LONG-TERM CASUAL OCCUPATION) BILL

In Committee

Consideration of the Legislative Council's amendments.

Schedule of amendments referred to in message of 30 October

No. 1 Page 10, clause 14, line 27. Insert "(except clause 25)" after "Schedule 1".

No. 2 Page 12, clause 16, line 9. Insert "(except clause 25)" after "Schedule 1".

No. 3 Page 32, Schedule 1, clause 3. Insert after line 19:

(2) The size of the site is [*fill in the dimensions of the site or its area in square metres*].

Legislative Council's amendments agreed to on motion by Mr Whelan.

Resolution reported from Committee and report adopted.

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

Pursuant to resolution private members' statements taken forthwith.

PRIVATE MEMBERS' STATEMENTS

CENTRAL COAST PRESCHOOL FUNDING

Mr McBRIDE (The Entrance) [5.37 p.m.]: I draw to the attention of the House preschool funding in my electorate and on the Central Coast. A group called the Central Coast Coalition of Community Based Pre-schools was formed on the Central Coast in response to the Early Childhood Summit convened by the country children's services peak organisation on 28 February. The coalition organised a forum for children to be held tonight at the Niagara Park Community Centre to discuss the funding of local community-based preschools on the Central Coast. The meeting is to be chaired by Laurie Maher, the director of Central Coast emergency accommodation.

On Tuesday 14 October I met with representatives of the coalition, including Monique Le Clerq, the Director of Long Jetty Preschool, and Melissa Mehan, the parent representative for preschools. On 15 October the Minister for Community Services, Carmel Tebbutt, during a Cabinet visit to the Central Coast, met with representatives from Berkeley Vale and other preschools. Currently on the Central Coast there are 17 community-based preschools and 20 council-operated child care centres. They are all community-based and operate on a not-for-profit basis. There are 35 to 40 commercially based centres. All are licensed by the Department of Community Services.

However, preschools are ineligible for Federal funding. In order to receive Federal funding preschools must be opened for a minimum of eight hours per day, but this does not mean that all children must attend for the whole period. Community-based preschools are ineligible because they only operate six hours per day, 42 weeks per year. Parents who use services approved under the Federal system can receive childcare benefits for up to 20 hours care and for up to 50 hours work-related care each week. Parents are eligible for Federal funding

if they have three dependent children and an income of not more than $88,344. So the minimum benefit is paid up to that rate. However, for community-based preschools State Government funding is only to assist families on low incomes and extends only to level 3. That applies to people earning between $27,478 and $40,794. As honourable members know, there is a great discrepancy between the criteria for Federal funding and the criteria for State funding.

In addition to the State Government's funding for subsidies, centres also receive annual operational funding to assist in meeting budgets, et cetera. State-funded capital grants are offered to all child care centres and are assessed against the criteria by the Department of Community Services [DOCS], which tries to ensure that all centres get a turn. Fundamentally, the issue is the inequity posed by the Commonwealth Government's subsidies. Families using traditional model preschools do not have access to the same level of Commonwealth benefits as families using other children's service types. That is clearly unfair to New South Wales families. The Government is strongly of the view that Commonwealth entitlements should be available nationally in an equitable and unbiased fashion. This inequitable situation has been raised with the Commonwealth Government on many occasions, with little success so far.

The issues raised by the Coalition are summarised in correspondence from Long Jetty Pre-School, which claims that the amount of operational or recurrent funding received from the State Government is inadequate and, because of that, fees will have to rise continuously. It wants the State Government to outline its commitment to State-funded preschools so that it knows what the future is. If the State Government is saying that the Federal Government needs to allocate more funds to the State budget, the preschool says that the State Government should be lobbying the Federal Government to achieve that. Long Jetty Pre-School has raised the issue of fundraising to offset rising costs. It claims that funding cuts are applied to actual services and has raised other issues relating to funding shortfalls.

I point out that since I have been the local member I have been an advocate and supporter of preschools. In 1999 $5,000 was allocated to The Entrance Preschool, but in 1997 some $226,000 was allocated to Long Jetty Pre-School for the construction of a new purpose-built centre. That was an ongoing process. The application for funding and assistance with the building program was provided by my electorate secretary, Anne Sullivan, who is a former director of Gosford community services. We were lucky because Long Jetty Pre-School had been allocated a section of land; we used leverage on the land to get funding for the preschool. Long Jetty Pre-School is the only community preschool that has been built in the area in the past decade. I point out also that my seven children attended preschools from Canley Vale preschool through to Wyong council preschool. Both Barbara and I are experienced consumers of preschool services and advocates of the continuation of the services on the Central Coast. [*Time expired.*]

ALBURY ELECTORATE COMMUNITY ACTIVITIES

Mr GLACHAN (Albury) [5.42 p.m.]: Over the almost 15 years that I have had the great privilege of being the member for Albury in this House and serving the people of that area my wife, Helen, and I have been invited to many local community activities. We have always been delighted to receive the invitations and to support those community events. In recent times there has been a great flurry of invitations: when people have realised that I have announced that I will not be contesting the next election they have kindly invited Helen and I to many activities and given us the great privilege of opening a number of shows, et cetera. I take this opportunity to thank those people who have been kind enough to issue those invitations to us.

On 5 October I had the great privilege of opening the Culcairn show. Culcairn is an important part of the Albury electorate. I thank the President of the Culcairn Show Society, John Knoble, and the Secretary, Joan Wood, for that invitation and their hospitality on the day. On 26 October we were asked to present the prizes and awards at St Thomas Anglican Church Flower Show in Howlong. That was a great opportunity for us, because we are both keen gardeners. We were delighted to see the exhibits and the standard of the roses on show, considering the dry time we have had. Interestingly, all gardeners would know that this year the roses have been absolutely magnificent despite the dry time. Conditions have been against them but they seem to have managed extremely well. The St Thomas Flower Show was a wonderful show, and I pay a great compliment to the people of that area on the roses they exhibited that day. In particular I thank Ron and Judy Wilkins, who were instrumental in organising the show, and I thank them for inviting Helen and me.

On the next day we appeared again, this time at the Burrumbuttock Flower Show. I thank Maureen and Graham Beasley and Cathy Lillyman—she is the unofficial mayor of Burrumbuttock—from the Burrumbuttock store, for inviting us to that show. Once again the roses were marvellous. We were thrilled to present awards and

to be involved in that show. Just two weeks ago, on 2 November, the Albury Show Society gave me the honour of opening the Albury show. I thank the President of the Albury Show Society, Andrew Dunn, and the Secretary, Noelene Bell, for inviting us, for the wonderful lunch we enjoyed with them and for giving Helen and I the opportunity to take part in the proceedings that day. The Albury show is an important show on the show society calendar. The success of that show was a great credit to the committee. There was a record crowd and some wonderful exhibits, and everyone involved in that three-day show enjoyed that involvement.

On Friday night I opened a new gallery at Culcairn and the Culcairn Lions Club art exhibition there. I thank the President of Culcairn Lions Club, Mrs Skinner, for the invitation to be there and to have the honour of opening the new gallery and the exhibition. Only last Saturday Helen and I were entertained at lunch at the Holbrook show. The president, Steve Bunyan, and his secretary, Shirley Beasley, took care of us, and I had the great privilege of opening the Holbrook show. I must point out that Holbrook is not in my electorate now but it was for a number of years. I had the great privilege of representing the people of the Holbrook district in this House for some time, and I thought it was wonderful that they should think of me. It was gracious of my colleague the honourable member for Wagga Wagga to allow me to be in his electorate that day and to open the Holbrook show.

While I was there I was approached by the secretary of the Jingellic Show Society, who honoured me by asking me to open the Jingellic show in March. I must point out that Jingellic is not in my electorate either, but it was for some time. It has a magnificent showground that sits adjacent to the Murray River. It is a lovely little setting with magnificent long-established trees. It is a great privilege for me to be invited by the people of the Jingellic Show Society to open their show. Helen has been asked to judge a number of sections at that show as well. We are both looking forward to it. We are most appreciative of all those who are thinking of us as we approach retirement. We have been delighted to serve them and look forward to being at the next Jingellic show. Although Jingellic is not in my electorate, as I said, I thank the people of Jingellic for giving me the great honour of opening their show.

Ms NORI (Port Jackson—Minister for Small Business, Minister for Tourism, and Minister for Women) [5.47 p.m.]: I thank the honourable member for Albury for his contribution. Listening to him made me somewhat nostalgic, because I have attended a few country shows. The honourable member has shown the nature of country and regional New South Wales and the wonderful glue that keeps a community going. The local show, whether it be a rose show or a farm or agricultural fair, is very much part of that. Wearing my hat as Minister for Tourism, I hope that one day some of those fairs and shows can perhaps be expanded to become tourism events that people from the cities can visit and enjoy. That would also provide some economic benefit to country areas. It is nice to hear that some parts of New South Wales still have a sense of community and are continuing that tradition.

PORT STEPHENS ROYAL VOLUNTEER COASTAL PATROL

FINGAL BAY PARKS AND RESERVES COMMITTEE

Mr BARTLETT (Port Stephens) [5.48 p.m.]: As we approach the end of the year I shall mention two volunteer groups in my electorate of Port Stephens that are doing outstanding work. Recently I was privileged to go to the Royal Volunteer Coastal Patrol at Port Stephens to present four members with 15-year national medals as volunteers of the Port Stephens division. To get a 15-year national medal one has to be operational in risky activities and undergo continuous training. The first of the four members of the group I acknowledge is Kevin Clark, a foundation member of the division and the original divisional commander. He served many years in the radio room and on rescue vessels. He now spends many hours on maintenance work. Peter Fisher is the chief engineer responsible for maintaining the lifeboat engines so that they are available at all times for rescue and training. He is continuously involved in training crews on all aspects of the engine room and training and certifying selected crew members as marine engine drivers.

Another member of the group is Rod Reeson. Since joining the patrol he has accepted each position through to divisional commander. He currently holds the positions of senior skipper on the lifeboat in the division and senior regional officer north. As senior skipper he is involved in the training of crew. When the yacht *Excalibur* was in trouble recently, the lifeboat was at sea and under his command for 16 hours in terrible conditions. John Weir has been the radio officer since joining the patrol. During his working life he was involved with radios with the Department of Civil Aviation. John builds and maintains the panels and communication equipment necessary for the radio base and the lifeboats. As I said earlier, I was privileged to give those four members of the Port Stephens Royal Volunteer Coastal Patrol their 15-year national medals, and I commend all the volunteers of the Port Stephens division of the coastal patrol.

The second group I acknowledge is the Fingal Bay Parks and Reserves Committee. About five kilometres from the coastal patrol building at Shoal Bay lies the village of Fingal Bay, which boasts a population of some 1,500 people. The southern part of Fingal Bay is a protected headland that is part of Barry Park, which covers some eight hectares. The Fingal Bay Parks and Reserves Committee has had two programs running in this park during for the past five or six years. The first was the bitou bush removal program and the second was the stairway project. The first objective of the group was to clear away much of the bitou bush that was completely taking over Barry Park, as it has taken over much of the coastal area of Port Stephens. The objectives of the group included looking after erosion control, regenerating the bushland area after the bitou bush was taken out, eradicating weeds and improving litter control systems and stormwater management. To a great extent the group has achieved that. More than half of the bitou bush has now been removed from the park, which is a huge improvement on what it was previously.

The second reason I praise the group is its work in the north-east corner of Barry Park, which is bounded by an interesting ocean rock platform and ocean pools that contain a diversity of marine life and growth. The committee has built a stairway down to the rock platform to make it easier to access as well as to stop further degradation from people clambering down the slope. I do not have sufficient time to note all the volunteer committee members, so I will list some of them. Helen Brady, Fred Carr, John Francis, Arthur and Margaret Heiler, Bill Hughes, Dawn Rawlings, Ian Rawlings, Graham Weekes, Marilyn Weekes, Ron Woolley and 20 other members make up the Fingal Bay Parks and Reserves Committee. The committee has done a tremendous job and I acknowledge its performance on behalf of Parliament.

Mr FACE (Charlestown—Minister for Gaming and Racing, and Minister Assisting the Premier on Hunter Development) [5.53 p.m.]: I thank the honourable member for Port Stephens for raising these important issues. The Port Stephens Royal Volunteer Coastal Patrol does a marvellous job in maintaining the service it provides on Port Stephens, a large waterway. In recent years its role has increased considerably as Port Stephens has become a tourist mecca of tremendous magnitude. The service provided by the patrol, which in years gone by was mostly a weekend and holiday pursuit, has almost become a round-the-year service. That has resulted from the popularity of the waterway, the development that has taken place along its shores and the increased permanent population that now lives in what was formerly a holiday resort catering to many itinerant people.

The work done by the patrol and by the many people associated with it who raise money for fuel for the vessels is incredible. I place on the public record my sincere appreciation and that of the Government of their efforts. Only the other day I was in Fingal Bay, talking with Roy Clark from the Fingal Bay Bowls Sports and Recreation Club. He remarked on the work that has been done by the Fingal Bay Parks and Reserves Committee on what is now a popular beach. It is obvious for all to see. Fingal Bay was also once a sleepy village where people used to go for their holidays. They still do, but in increased numbers. The committee has done some important work in preventing erosion along the foreshores of the bay. I congratulate those two organisations.

LISMORE ELECTORATE LIONS CLUBS

Mr GEORGE (Lismore) [5.55 p.m.]: Tonight I pay tribute to Lions clubs within my electorate. I believe I can claim to be the only member of Parliament to have in his electorate three Lions clubs that have celebrated fifty years of Lionism. As a charter member of the New South Wales Parliamentary Lions Clubs, I am pleased and honoured to be the member of Parliament who has those three clubs in his electorate. Recently Rhonda and I attended a celebration at Casino Lions Club, which received its charter in December 1952. At that time the club had 18 members and its president was Col Raphael. Currently the club has 28 members. Casino Lions Club is number nine in Australia. It has hosted two successful district conventions. It has contributed to district activities and has been part of the district Cabinet at various times. It has been represented at all district, multiple and international conventions. It also had a Leo club which, sadly, folded when a lot of young people had to move away for further education or employment.

Casino Lions Club has been an active member of the community. It has made its mark in Casino by the projects it has undertaken. It has supported the Casino and District Memorial Hospital; it raised more than $36,000 from the community to build a chapel at the hospital. It has raised funds in the community to assist Casino's three homes for the aged. Its club members have supported the Windara nursery. It has supported Casino Beef Week and, in recent years, Primex. To mark 50 years of Lionism in Casino the club presented Casino with a picnic area on the eastern entrance to the town. That has been well received. The council was pleased by and honoured with that memento celebrating 50 years of Lionism in Casino.

In late September, Rhonda and I also had the pleasure of attending the Kyogle Lions Club, which received its charter on 28 August 1952. It held its first meeting on 1 November 1952. Lismore Lions Club, being

the first Lions Club in Australia, sponsored the Kyogle club, which in turn sponsored the Casino club. Lions was not well known in Australia, with only three clubs. Bill Tresize, a Lismore businessman, formed the first club in Australia in Lismore. He contacted some Kyogle businessmen, who met and agreed to form a club, the fourth club in Australia. When Kyogle received its charter it had 24 members. The membership has seldom been below 30 and currently the club has 44 members in a town of 3,500 people. That speaks volumes for it. Of its 44 members about 15 have 25 years or more service.

I had the pleasure of attending the golden jubilee dinner. It was a wonderful night of fellowship, celebrating many years of service to the community by members of Kyogle Lions Club, past and present. The Kyogle club is undoubtedly unique in that four of its charter members are still active. They are Jack Hurley, Alan Brown, John Shirley and Jock Croker. I will claim that as another record. I was honoured to present to them, together with three other members—John Roberts, Ron Andrews and Keith Marsh, who have over 45 years service—the Premier's Community Service Award in recognition of their dedication and efforts.

On the night I was also pleased to present a letter from the Minister for Roads in support of the Lions Road, a marvellous project undertaken by the Kyogle Lions Club. The road provides a link between Kyogle and Beaudesert through Rathdowney and directly to Brisbane. Earlier in the year the Minister granted $60,000 to the club. On behalf of the club, which was $10,000 short, I made further representations to the Minister who allowed me to present the club with a letter advising of a further $10,000 grant. It was greatly appreciated by Lions Club members. I also had the honour of launching a book by Jack Hurley called *The Lions Road*, which relates a detailed history of the way a dream became a reality. The sale proceeds will go to the northern region Westpac lifesaver rescue helicopter, which is based in Lismore. Congratulations, Casino and Kyogle Lions clubs, you have made an outstanding effort to celebrate 50 years of Lionism in the area.

Ms NORI (Port Jackson—Minister for Small Business, Minister for Tourism, and Minister for Women) [6.00 p.m.]: I thank the honourable member for Lismore for his comments about the good work of the Lions Clubs in his electorate. Recently I met the world president of Lions and his wife, who were visiting Sydney. I had a pleasant interchange with them and was presented with an honorary membership, of which I am very proud. It will be of interest to all Lions Club members to know that the Government is pitching for the 2010 world conference of Lions to be held in Sydney. That conference would be beneficial for a range of reasons. About 25,000 delegates will attend, and I am looking forward to all that money coming into town. Equally as important, the conference will give prominence to the principles and aims of the Lions movement, which are simply to help others in their communities in a modest way, as the honourable member for Lismore has described. It will be great to have so many visitors in town spending their dollars and giving a high profile to an organisation that has dedicated itself to altruism.

COMBINED SCHOOLS COUNTRY FAIR

Ms ANDREWS (Peats) [6.02 p.m.]: I draw the attention of the House to the first Combined Schools Country Fair, which was held on Sunday 22 September on the Woy Woy peninsula. The venue for the huge event was Umina Oval. The guest of honour, the Minister for Education and Training, was met on his arrival by the captains of Brisbane Water Secondary College: Ian Willis, Erin Stebbing, Chris Duffy and Melissa Oliver. Brisbane Water Secondary College, one of two collegiate systems now operating on the Central Coast, came into being at the commencement of the 2002 school year. The collegiate consists of the former Umina and Woy Woy high schools. The decision to establish the collegiate is proving to be a wise one and has the overall approval of the majority of teachers, students and parents.

The teaching fraternity in the Peats electorate and elsewhere was well represented at the country fair. Invited guests included Mr Bill Low, District Superintendent of Schools; Mr Wayne Ible, Principal of Henry Kendall High School; Mr Pat Lewis, Principal of Brisbane Water Secondary College; Ms Pam McAlister, Deputy Principal of Woy Woy Campus of Brisbane Water Secondary College; Mr Frank Gasper, Principal of the Umina campus of the Brisbane Water Secondary College; Mr John Blair, Principal of Umina Public School; Mr Gordon Fraser, Principal of Empire Bay Public School; Mr Warwick Hannon, Principal of Woy Woy Public School; Ms Suzanne Nichols, Principal of St John the Baptist School; and Ms Gail Gill from the Catholic Education Office. EnergyAustralia, the main sponsor of the event, was represented by Mr Graham Lucas.

The Country Fair was well supported by the local community, with more than 15,000 people in attendance throughout the day. It was the first occasion on which the sole independent school on the Woy Woy peninsula—that is, St John the Baptist School—had been invited to join with the State schools in a community event. The main purpose of the Country Fair was to unite the educational community, with fundraising taking

second place. The Country Fair succeeded on both fronts. The proceeds from the fundraising will be distributed evenly between the participating schools: Ettalong Public School, Empire Bay Public School, St John the Baptist School, Umina Public School, Brisbane Water Secondary School and Woy Woy Public School.

Each school was represented on the combined Parents and Citizens and Parents and Friends Committee. I want to name the members of the committee as they did a magnificent job in organising the Country Fair. The chairperson of the committee was Liz McMinn, the secretary was Jenny Jackson, and the treasurer was Carmel Meany. The members of the committee were Liz Blake, Maureen Pratt, Melissa Logan, Sue Hill, Meg Pendrick, Bruce Graf, Lorraine May and Lyn Hyde and students Suzie Wrang and Chris Duffy, school captain of the Woy Woy campus, Brisbane Water Secondary College. Bruce Donaldson, Principal of Ettalong Public School, served on the committee and played a pivotal role in ensuring the success of this community event. Bruce also did an excellent job as the master of ceremonies for the official opening by the Minister for Education and Training.

I had the pleasure of introducing the Minister, who paid tribute to all those involved in organising the Country Fair. The Minister also acknowledged the dedication of the teachers to the education of young people in the local area. The Minister conveyed his congratulations to the large number of students in attendance, particularly members of the combined schools choir, which also included students from Kariong Public School. The choir, which was conducted by Karen Morrow from Point Clare Public School, sang a beautiful rendition of "Teach Your Children Well" as the Minister and the invited guests walked onto the stage. Later, as part of the official proceedings, the choir sang "Somewhere Over the Rainbow" and "I'm a Believer".

Assisted by a number of students the Minister cut a large cake, which was symbolic of this festive occasion. The Country Fair was one of the most successful events held on the Woy Woy peninsula. The continuous entertainment throughout the day showcased the talent of many students attending local schools. It was encouraging to see many organisations and State government agencies openly supporting the Country Fair. In particular I want to mention EnergyAustralia; the Rotary Club of Woy Woy, whose members worked untiringly all day trying to keep up with the huge demand for steak and sausage sandwiches; the members of the various parents and citizens and parents and friends associations; the police and community youth club at Umina Beach; local police, particularly the two police officers from Brisbane Water Local Area Command who patrolled the oval all day on their newly acquired bicycles; Volunteers in Policing; members of the Gosford sub-branch of the Vietnam Veterans Association, who had their Nambus on display; Central Coast Area Health; and the St John's Ambulance.

I reserve a special thank you for Liz and Ray McMinn, a community-minded couple, who, in addition to being caring parents to nine children, somehow find time to make an invaluable contribution towards the education of young people on the Woy Woy peninsula. To all those who helped to make the inaugural Combined Schools Country Fair such a great success, I convey my heartiest congratulations and I look forward to attending the next Combined Schools Country Fair.

Ms NORI (Port Jackson—Minister for Small Business, Minister for Tourism, and Minister for Women) [6.07 p.m.]: It seems to be an evening for members to praise the voluntary efforts of those in their local communities. I am pleased that the honourable member for Peats is able to tell such a good tale about her electorate. I commend her as a local member, as I commend all local members who take the time and make the effort to speak in this Chamber and record in *Hansard* the good work of average Australians getting on with the job of doing good works for their local community.

SUTHERLAND SHIRE SKATEBOARD FACILITIES

Mr KERR (Cronulla) [6.07 p.m.]: I have spoken a number of times in the House about skateboard facilities in the Sutherland shire. For some years I have spoken about the need for a skateboard facility in the eastern end of the shire. I have spoken to young people about this project, and petitions have been prepared and signed by young people. Sutherland Shire Council is currently considering a proposal for a skate facility. One of the four locations being considered is Jacaranda Road, Caringbah. However, the site is not appropriate as it is a residential area and many of the residents of Jacaranda Road are over 60 years of age and do not want such a facility to be constructed in their area. It is important that potential noise, vandalism, traffic and parking is taken into account wherever the facility is placed. It is important that local residents' views be heard on any proposal about skateboard facilities.

A long-term resident of Jacaranda Road wrote to me objecting strongly to the facility being located in the street, which is also home to the leisure centre swimming pool. Of course, that facility attracts a large

number of cars. Given that we are facing a long, hot summer, the demand for parking in that area will be enormous—it is at a premium at the moment. My constituent pointed out that residents put up with parking on footpaths and driveways, which is very dangerous. The residents in her complex cannot see out because of the cars, litter is dropped out of cars, walkways are vandalised and graffiti is splashed on doors, fences and posts. She believes that it would be inappropriate to locate a skateboard facility in the street. The parking situation at the nearby swimming pool must be monitored and addressed. Young people certainly deserve a skateboard facility, and it would be very popular if it were provided. However, locating it in Jacaranda Road would be inappropriate.

Mr McMANUS (Heathcote—Parliamentary Secretary) [6.12 p.m.]: I speak not only as the Parliamentary Secretary but also as a shire member. The observations of the honourable member for Cronulla are correct. Engadine and Bundeena have skateboard parks and negotiations about a similar facility are being conducted with the community at Helensburgh. Although I acknowledge the concerns of residents of Jacaranda Road, it is important that councils conduct full community consultation. Young people need and regularly use these facilities and they form an important component of their culture and social life. I understand the concerns of the honourable member and residents and hope that the council takes into account all the issues in determining where to locate the skateboard facility.

Ms ANDREA MURRAY DRIVERS LICENCE THEFT

Mr LYNCH (Liverpool) [6.14 p.m.]: I wish to advise the House of the circumstances confronting a constituent of mine, Ms Andrea Murray. Ms Murray has been through a nightmare experience. The nightmare commenced on 11 December 2001 when her drivers licence, credit cards and other documents were stolen. She appropriately reported the circumstances to the police and the Roads and Traffic Authority [RTA]. She obtained an event number from the police and notified all the other people who would have an interest in the situation because of the items that were stolen. She was issued with a duplicate licence and, of course, it carried the same licence number. Having done the things she had to do, Ms Murray then got on with her life.

However, her equanimity was severely disturbed many months later—in August this year—when she received a telephone call from a Nowra police officer inquiring whether she was the Andrea Murray who had purchased a car in Shell Harbour. She assured him she was not. Several weeks later she received a notice of suspension of drivers licence from the State Debt Recovery Office [SDRO]. The suspension was to come into effect on 31 October 2002. That was the first that she had heard anything relating to a threat to her licence. The penalty notice enforcement order related to a fine referred to the SDRO by the Infringement Processing Bureau. The infringement notice concerned was "park without current ticket".

This offence occurred at 1.52 p.m. on 14 March 2002 in Macarthur Street, Ultimo. The registration number of the vehicle was XPD 435. Ms Murray was not only not the owner or driver of the vehicle, but she also had nothing to do with it. The registration number of her vehicle was different and she had been sent no earlier notification of the fine. The notice was sent to her as a nominated owner; that is, the RTA-registered owner of the motor vehicle concerned was someone else who nominated Ms Murray as the owner. The registered owner was a car yard at Warilla, which appears to have been the car dealership from which the car was purchased. The dealership appears to have nominated Ms Murray as the person who purchased the car. The RTA checked the licence details and the SDRO notice turned up at my constituent's address.

It is clear with hindsight what occurred. Ms Murray's stolen licence was used by a person who impersonated her. That person, using the stolen licence, purchased a motor vehicle and it ended up in the name of Ms Murray, although the impersonator had the car and Ms Murray knew nothing about it. We have arranged to have a stay put on the suspension of Ms Murray's licence and she has lodged an application for the enforcement order to be annulled. I understand that the SDRO has now advised of a hearing date. I urge the relevant Minister to support any application Ms Murray might make to court to have any action against her revoked.

However, Ms Murray's problems do not end there. The impersonator had been using Ms Murray's licence and had purchased a car in her name. The next obvious question was what else had she done? For example, had she borrowed money in Ms Murray's name or bought anything else in her name? Accordingly, and sensibly, Ms Murray obtained an individual credit report on herself. It revealed that a number of financial transactions had fraudulently occurred resulting in Ms Murray having been recorded as borrowing various sums. This occurred because her duplicate licence number and date of birth were on the old licence. The credit check noted that on 7 March 2002 General Motors Acceptance issued a loan in the amount of $18,240 to Ms Murray.

That fraudulent transaction was used to fund the purchase of the vehicle from Warilla. The loan is now in default, but is noted on her credit reference. Also in March this year, Austar United Broadbrand Pty Ltd approved a $1,200 package for a mobile phone and an Austar pay TV variety package in Ms Murray's name. That was also fraudulent. An application was also made to GE Capital Finance Australia for a Coles-Myer customer account, but the outcome was more positive in that the application was refused. Ms Murray's credit reference also revealed some other disturbing information. According to the reference, her last known employment was with Sin City Swingers Pty Ltd. Of course, that was news to her and it also was fraudulent.

As Ms Murray said, one can only imagine what that employment involved. Ms Murray is currently trying to have the details appropriately altered. I urge the various credit providers and reference bodies to make the appropriate alterations to their records. I also urge the appropriate Minister to review the policy of issuing duplicate licences bearing the same licence number. If the duplicate licence had a different number, it would provide at least one mechanism by which one could check whether it had been stolen. Clearly, relying on the photograph is ineffective. The person who bought the car using Ms Murray's licence apparently had black frizzy hair and very different facial characteristics. However, the licence was the only identification the car yard required to sell the car and issue the loan. One suspects that the dealer saw the money and did not want to investigate very closely.

QUEANBEYAN RESPITE CARE SERVICES

Mr WEBB (Monaro) [6.19 p.m.]: I wish to address an issue that has been brought to my attention recently. Mr and Mrs Herrington visited my electorate office in Queanbeyan in a desperate state seeking assistance regarding obtaining respite care for their 20-year-old intellectually disabled daughter. Apparently they have been informed that the two weeks or several weekends a year that they have been receiving in respite care has been reduced to one week. My electorate staff contacted various officers of the Department of Ageing, Disability and Home Care in Wollongong and also the Commonwealth-funded Southern Highlands Carer Respite Centre and were informed that what the Herringtons said is correct.

The Southern Highlands Carer Respite Centre pays full price for beds in the Australian Capital Territory—that is, $180 a day. It has been informed that those beds will be prioritised and that New South Wales residents will no longer be on an equal footing with Australian Capital Territory residents. Beds will be allocated to New South Wales residents only if places are not required by Australian Capital Territory residents. The situation is becoming critical for all families in Queanbeyan and the surrounding districts. As at the beginning of 2003, no beds will be available in Australian Capital Territory group houses for New South Wales families.

It is imperative that the New South Wales Government, through the Department of Ageing, Disability and Home Care, purchase or provide group homes for respite care as a matter of urgency. I have been advised that a group home known as Elm Way in Jerrabomberra, in Queanbeyan, has been owned by the department for some time but remains vacant. Last year I asked the Minister for Community Services a question on notice regarding respite care for young people with disabilities, but, regrettably, the Minister's answer did not sufficiently explain why the group home known as Elm Way remained vacant.

It appears that the Minister may have been confused about whether Jerrabomberra was located in the Australian Capital Territory. In her answer she stated that she had been in touch with the Strathallen Relatives and Friends Association, which is based in Goulburn, and also the Australian Capital Territory, regarding its call for the provision of respite services. The Elm Way group home is well located in Queanbeyan, which currently has a population of some 34,000. It is set in a very pleasant and relaxing, semi-rural environment, it is close to essential health services, and it provides important health services to the Queanbeyan district.

It is the responsibility of the State Government to provide adequate health and educational services to the people of New South Wales. Currently the New South Wales Government relies on a co-operative relationship with the Australian Capital Territory. For high-risk health needs, that is appropriate. But New South Wales is now being told that the Australian Capital Territory has its own waiting lists and priorities, and New South Wales people must fall into line and basically come a poor third.

A similar situation is evident with regard to health services. There are universities and private schools in the Australian Capital Territory which New South Wales people can attend, but New South Wales has an obligation, which it upholds, to provide public school education for all people in New South Wales who require it. However, respite care for young people with disabilities is a major cross-border anomaly. With regard to the

case I have referred to, it is simply not good enough that these people are provided respite care one week a year for their 20-year-old intellectually disabled daughter. The Government must take measures to seriously address this matter and provide urgent and adequate respite care services in the Queanbeyan district, not more than 100 kilometres away in Goulburn or in the Australian Capital Territory.

INTEGRAL ENERGY SHOALHAVEN BUSINESS AWARDS

Mr W. D. SMITH (South Coast) [6.23 p.m.]: The South Coast commerce and industry sectors continue to rapidly expand, with our businesses making a significant impact on markets statewide and internationally. This was affirmed at the recent Integral Energy Shoalhaven Business Awards 2002. This year there were 20 nominations for Small Enterprise Business of the Year, and Aerospace Training Services took out the award. Aerospace Training Services opened for business more than six years ago with the aim of providing quality maintenance training to the Australian aviation industry. The company employs 12 staff, four full time, three part time and five casuals. The main activity at Aerospace Training Services, which is based in Nowra and has access to the resources of the Naval Aviation Museum, is the training of aviation engineers from a two-unit Higher School Certificate course through to licensed aircraft engineers.

The Higher School Certificate program, which encourages young people with a passion for aviation to stay at school, started in the Shoalhaven but has expanded to Newcastle. Mr Ken Mitchell, who has extensive Royal Australian Navy training and experience, is a director of Aerospace Training Services and a senior instructor, and his wife, Theresa, is the training manager. Also nominated in this category and offering stiff competition were Dymocks Booksellers of Nowra, Gardcheck Cleaning and Restoration Services Pty Ltd and the Ulladulla Printing Service Pty Ltd. Dymocks husband and wife team Ted and Moira Downes opened the Nowra franchise in November 1990. The Dymocks Nowra store was the inaugural recipient of the Dymocks Star Performer Award, in recognition of the highest standards having been met within the Dymocks franchise network.

Dymocks Nowra has provided stable employment to a professional team of seven local people over the past 12 years and is a credit to the business community of my electorate. Gardcheck Cleaning and Restoration Services has celebrated its twentieth anniversary in business with yet another productive and successful year. George Szymoniczek, who remains the sole owner and director, established Gardcheck in 1982 when he left the Royal Australian Navy. Gardcheck provides contract cleaning services for many local organisations. Harry Ray, now Gardcheck's chief executive officer, was the company's first full-time employee in 1991, with turnover at just over $100,000 in the early 1990s. George and Harry have witnessed a period of rapid growth since the mid-1990s, with sales growth averaging 20 per cent since 1995 and staffing at five full-time and 17 part-time employees—a great example of locals assessing the market and determining the need for such a service.

This year Ulladulla Printing Service has already collected awards in recognition of the success of its southern Shoalhaven business. Ted Wild, the owner of Ulladulla Printing Services, collected the Business Person of the Year Award and the printery was named Milton-Ulladulla Trade Business of the Year at the annual Milton-Ulladulla Business Awards presentation. Turnover growth for the past year is up 28 per cent. Although most business is generated locally, Ulladulla Printing Service's work has spread to most Australian States and internationally to the United States of America, France, Japan, China and Korea. A major aspect of Ulladulla Printing Service's development was the appointment of Bill Drury to the manager's position in January 2002. An apprentice with the company from 1989 to 1992, Bill has dedicated his professional career to Ulladulla Printing Services.

This year's medium to large enterprise category had grown from three nominees to eight, which is yet another example of the South Coast's thriving commerce and industry sectors. The winner in this category was Nowra Chemical Manufacturers Pty Ltd. John and Faye Lamont took a gamble in 1977 when they sold their Sydney family home to establish Nowra Chemical Manufacturers. Like other Shoalhaven businesses enjoying growth and expanding markets, Nowra Chemical Manufacturers has steadily increased staffing levels from 27 full-time, four part-time and seven casuals in 1999-2000 to 33 full-time, six part-time and three casuals in the current financial year.

Another outstanding nominee in this category has been serving the Shoalhaven community since 1886. I refer to the *South Coast Register*, our local newspaper. Going against the trend, last year the South Coast register recorded a circulation growth of 10.5 per cent, the second highest from the Rural Press stable of 92 paid newspapers, which is outstanding growth for a regional newspaper. With a current work force of the equivalent of 40 full-time employees, the *South Coast Register* supports local employment by training a local cadet, providing him with a university qualification, and employs two new apprentices.

There were eight nominees for Business Person of the Year, with Chris Sievers, the General Manager of Air Affairs Australia Pty Ltd, taking out the honour. Air Affairs' products are always in the firing line, but that makes Mr Sievers a happy man. Air Affairs Australia manufactures and distributes aerial tow targets, target reeling machines, target scoring systems, and specialist defence and aviation equipment for the training and calibration of Defence Force systems. The company has grown from three contractors to employing 25 staff.

Mr McMANUS (Heathcote—Parliamentary Secretary) [6.28 p.m.]: I congratulate the honourable member for South Coast and the companies in his electorate that have won awards. As a person who travels to the South Coast regularly, I am aware of the commitment of the businesses in his electorate. A few weeks ago I attended Jervis Bay, on behalf of the Premier, to pay tribute to the veterans who were involved in nuclear testing. At that time I was not aware that there was a need for a wreath. I rang Ulladulla Florists, who were very pleased to be able to provide a wreath at very short notice. I can say it was one of the loveliest wreaths I have presented in relation to Veterans Affairs issues. I would appreciate it if the honourable member for South Coast would convey my sentiments to Ulladulla Florists.

BELROSE PRIMARY SCHOOL

Mr HUMPHERSON (Davidson) [6.29 p.m.]: There are times when Ministers have an obligation to stamp on bureaucrats who have gone beyond the pale. I wish to bring to the attention of the House a matter relating to Belrose primary school in which I believe the bureaucracy within the National Parks and Wildlife Service has gone far beyond the pale. For the past decade the school council and community of Belrose primary school have sought the support of government, in every respect, to dispose of what was always designated to be a surplus part of the school grounds. The area in Ralston Avenue, Belrose, was originally zoned for a community centre. It has become overgrown with weeds, and rubbish has been dumped in the area. After observing the relevant processes the school managed to get the support of the Government to sell off the land and for the proceeds to be used to build a badly needed hall. This school is in an area that is growing. As well as the school hall there was to be a covered learning area, an administration block—because it has no permanent administration block—and a canteen.

After obtaining all the approvals from the Department of Education and Training the council concurred with the land being rezoned residential. The land was subdivided, and in the subdivision process the National Parks and Wildlife Service raised concerns. Those concerns arose after the school community did the right thing and, as part of their education obligations, brought in some environmental experts to look at some of the flora on the site that was proposed for redevelopment. The school asked the environmental experts to identify shrubs and plants which could be relocated as part of an education program for the children. In doing so, they found a single grevillea calyi, a threatened species, and, as a result, the National Parks and Wildlife Service objected to development of the site.

Warringah Council indicated that it had no concerns, that the plant is prevalent in the area and can be readily propagated, and the school community was allowed to go ahead with the tender, with the support of Government, for the sale of the land. When tenders closed about two months ago the successful tenderer was told by National Parks that it would not be allowed to develop the site. After offering $3.1 million—which would have not only facilitated all of the improvements the school needed but would also have provided extra money to the Government to be utilised elsewhere—that tenderer walked. Subsequently, the land had to be retendered, and in the last week or so the best tender offer that came in was only $1.6 million. So for the sake of one plant, which was actually dead—at a cost of $1.5 million to taxpayers and the school community—the project is in jeopardy.

I acknowledge that the school community has done the right thing. Warringah Council has been very supportive, and the Department of Education and Training and the Department of Public Works have also been supportive. It is the National Parks and Wildlife Service and the Minister for the Environment who have left the community wanting. This shrub, grevillea calyi, is not only prevalent around bushland in Belrose, Terrey Hills and Duffys Forest, it is also readily propagated, as all the local nurseries would confirm. When there have been other developments in the area they have propagated the plants and replanted them in those areas. The school community offered to propagate the grevillea calyi in other parts of the school grounds, to involve the children and teach them about enhancing the future prospects of threatened species. But National Parks, through an ideological and overzealous pursuit of its position, declined to support that idea.

I appeal to the Minister and the Premier to step in because the school community will not get the facility it desperately needs because of a plant that is dead. Not only is it dead; the only way it will propagate in that location is if there is a fire literally in the backyard of the school. This school is in the middle of a suburban

area. It is simply ludicrous. There are one or two bureaucrats within the National Parks and Wildlife Service who have been hell-bent on trying to stop this development on ideological grounds. Everyone has an interest in seeing this development proceed. The school desperately needs those facilities—it has a strongly growing school population—and yet a plant that no longer exists has brought this whole project to a standstill. I ask members of this House and the Ministers responsible to help. If we do not get something happening, this whole school community will miss out.

CROWDY HEAD-HARRINGTON ROYAL VOLUNTEER COASTAL PATROL

Mr OAKESHOTT (Port Macquarie) [6.34 p.m.]: I refer to a matter of significance to the Harrington community and to Manning Valley in general. In September 1999 the marine radio base at Old Bar was closed and there became an urgent need for a replacement base in the area. Failure to provide a replacement base would have created an enormous black spot in the Manning Valley area because the nearest marine radio bases would have been at Forster, 42 kilometres south of Harrington, and Laurieton, 41 kilometres to the north. The local community, with the help of the Lions Club, the bowling club and other organisations, raised approximately $3,500 to purchase a caravan which they equipped with a marine radio and set up the Crowdy Head-Harrington Division of the Royal Volunteer Coastal Patrol.

Every now and then an issue arises that grabs one's attention, and this is one of those issues— a Royal Volunteer Coastal Patrol set up in a caravan within a caravan park, facing a brick wall. It is in desperate need of funding and support. I believe the Government should get behind this operation. These volunteers are doing fantastic work on behalf of the local community. As at April this year the base had monitored the radios for 6,491 hours and received 38,745 calls, and there has been further work in the past six months. That is a significant amount of work on behalf of the local community. As many members of this House would know, the local area of Crowdy Head and Harrington are both very popular for boating, fishing, and all general beachside recreational use.

In peak periods—which we are about to enter—the population of the area can increase 300 per cent, with the majority of holidaymakers involved in either outside estuary or beach fishing. A very large number of yachts also transit the area, and need constant weather reports and tracking facilities. As many people would also know, the Harrington Waters estate development has nearly doubled the population size of Harrington in what has been a somewhat sensational and significant facelift for the local community. It has been kindly sponsored and supported by John Laws, who has fallen in love with Harrington in general.

One of the safest harbours on the coast is located at Crowdy Head, seven kilometres from Harrington. It offers excellent launching ramps for recreational boating, with a spacious trailer parking area. It is also a safe haven for most vessels in bad weather. Four local fishing clubs in the area regularly use the local waters, as well as visiting clubs from as far away as Sydney. There is huge potential for future growth in the area and large developments are currently under way to provide over 800 additional homes. This will obviously increase the number of vessels that will use the waterways. Council has done some costings and drawn up initial plans, and it appears that around $180,000 is needed. Council has agreed to contribute 50 per cent of that amount.

I call on the State Government to contribute the remaining $90,000 towards this project. If honourable members visited the site and saw the volunteers trying to manage and support all marine and recreational boating activities in the area from a caravan at the back of the caravan park, I am sure they would agree that this project is worthy of the support of this House. I would encourage either the Minister for Transport, through the waterways portfolio, the Minister for Emergency Services, through the VRA funding, or the Premier himself, through any discretionary funding he can access, to support this $90,000 project and support the challenge faced by the Royal Volunteer Coastal Patrol of Crowdy Head-Harrington to provide safety of life at sea for those sailing and boating in the Manning area.

Private members' statements noted.

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

LAW ENFORCEMENT (POWERS AND RESPONSIBILITIES) BILL

Second Reading

Debate resumed from 17 September.

Mr TINK (Epping) [7.30 p.m.]: The primary purpose of the Law Enforcement (Powers and Responsibilities) Bill is to consolidate, restate and clarify the law relating to the powers and responsibilities of police and other law enforcement officers. Currently police powers are found in many different Acts. It is

desirable to incorporate them into one piece of legislation. The Opposition supports that general thrust of the bill. However, a number of issues that cause me some trouble will be the subject of proposed amendments. The Opposition will not amend part 9, which deals with police powers in relation to detention, and investigation and questioning after arrest. In fact, we will devote ourselves to the objects of that part in the coming months. Part 9, which encompasses what is currently covered in part 10A of the Crimes Act—police powers of detention after arrest—is the Government's response to the decision of the High Court in Williams, after which it was generally accepted that police powers of arrest needed clarification.

The Government's attempt some years ago to provide clarification, reproduced in this bill without amendment so far as I can see, created enormous difficulties for police. Experienced police of all ranks, up to and including former Assistant Commissioner Geoff Schuberg, who is now an adviser to the Minister for Police, have told me that the provisions have blown out the time for processing even a simple arrest from 30 minutes to something like three hours, which is contrary to the public interests of the timely and speedy processing of people under arrest. The Government's response to the problem troubles me, and I have been very critical of it. It appears that the Government has tried to avoid the concept of police arrests altogether for a number of offences that are listed in the Crimes Legislation Amendment (Penalty Notice Offences) Act. Police are now empowered in 13 of the busiest commands in the State to issue penalty notices for very serious offences, including assault under section 61 of the Crimes Act, theft under section 117 of the Crimes Act and some important offences under the Summary Offences Act including offensive language, which has been in the news in the past 48 hours as a result of some offensive words directed at a police officer that became the subject of an unfortunate decision by Magistrate Abood.

The Crimes Legislation Amendment (Penalty Notice Offences) Act seems to be designed to go behind police powers of arrest, which is the wrong way to go. The Government, by decriminalising section 61 assaults and section 117 larcenies that should be dealt with by way of arrest, is really avoiding the central problem. It is extremely disappointing to note that the Government does not seem to have entertained in the legislation any way of simplifying police powers of detention after arrest. Four years ago I attended the Biennial Conference of the Police Association in Wollongong. In the presence of the then Commissioner of Police, Mr Ryan, the then Minister for Police, the Hon. Paul Whelan, and in front of 400 or so delegates from the Police Association I made an offer to the Government that we would not stand in its way if it wanted to redraft the legislation. In fact, we would support it on a bipartisan basis.

Originally, we accepted that the Government was well intentioned in trying to come to grips with the consequences of the Williams decision—we gave the Government credit for that—but we pointed out that it had created probably more problems than it had solved if our feedback from senior police officers of all ranks was right. It had to be done again. Unfortunately, nothing happened. Earlier this year, with the Police Force and the Police Ministry under new management—respectively Commissioner Moroney and Minister Costa—I went to Wollongong and stood in front of 400 police delegates and made exactly the same offer. If Commissioner Moroney and Minister Costa wanted to have another go at the legislation we would back any reasonable proposals. It is about as close to a blank cheque on legislation in a major policy area as anyone is likely to find. It is unfortunate in the extreme that after two offers, that now span a number of years, legislation with no changes whatsoever has been resubmitted to this House.

The Opposition will be addressing that issue in forthcoming months. Police officers should be able to process people who are under arrest without necessarily in all cases having to go through the very convoluted procedures in part 9 which I understand have been lifted from part 10A of the Crimes Act. I indicate that the Opposition will be doing more, not by way of amendment to this bill but by devising Coalition proposals in forthcoming months. The Government's approach is basically to decriminalise offences to avoid the arrest procedure for assaults under section 61 of the Crimes Act and larceny under section 117 of the Crimes Act, and that should not be done. The Government's proposal is to decriminalise offences, which in my opinion cannot and must not be decriminalised, simply to avoid a problem.

I foreshadow that the Opposition will move amendments in relation to clause 26, "Power to search for knives and other dangerous implements". The clause contains what I described as a double-barrelled warning and is, on my reading, a restatement of the double-barrelled warning in section 28A of the Summary Offences Act. In my view, there should not be any need for a double-barrelled warning. One warning should be enough. Part 14, which refers to police powers to give directions, also provides for a double-barrelled warning. This provision has been the subject of debate in the Parliament in the past and is a restatement of the current provisions in section 28F of the Summary Offences Act. The Opposition's view on this matter has not changed. One warning is sufficient, and the Opposition will be proposing amendments in line with that view. Sadly, in

view of events that have occurred in the past 12 months—and more particularly in the Australian context over the past month—and in view of the Premier's intimations on more than one occasion that it is not a case of if, but when, a terrorist attack will occur, it will be necessary to re-examine the provisions of clause 42, "Power to search vessels and aircraft and seize things without warrant", and clause 43, "Power to board vessels".

The Opposition's proposal is simply to provide police with powers in respect of vessels and aircraft that are similar to the police powers in respect of motor vehicles, except when there is no correlation between a vessel and an aircraft or a motor vehicle, and to put those powers on an equal footing. The Opposition's third amendment has been the subject of some public debate, namely, in relation to a police officer's powers of arrest in parts 8 and 9. The bill repeals section 352 of the Crimes Act but restates most of its provisions, except for a crucial element. This bill leaves out the power to arrest when a police officer has a reasonable suspicion that an indictable offence is about to be committed. Part 8, in clause 99 (1), provides that a police officer may arrest if the person is in the act of committing an offence, has just committed an offence, or has committed a serious indictable offence for which the person has not been tried. Under those circumstances, police will be empowered to arrest without warrant in accordance with this bill. That is a restatement of current legislation, except that powers given to a police officer under section 352 of the Crimes Act are applicable to a person who is lying or loitering on any highway during the night whom a constable, with reasonable cause, suspects of being about to commit any serious indictable offence.

The Opposition takes the view that, because police officers need a power to arrest without warrant, an appropriate provision needs to be part of this bill; moreover, police officers need the limitation in section 352 removed. This bill provides those powers of arrest and there is no temporal limitation. In the light of events that have taken place over recent weeks, the need of police officers for clarified and reinforced powers to make arrest without warrant is obvious. Debates in this Chamber and publicly have been characterised by a fair degree of confusion. Clause 4 of the bill states:

> Unless this Act otherwise provides expressly or by implication, this Act does not limit:
>
> (a) the functions, obligations and liabilities that a police officer has as a constable at common law...

A difficulty arises from consideration of the Attorney's second reading speech. The Attorney stated:

> I turn now to powers relating to arrest. Part 8 of the bill substantially re-enacts arrest provisions of the Crimes Act 1900—

The key words are—

> and codifies the common law.

The Attorney stated clearly in his second reading speech that part 8 codifies the common law. In my view, any saving provision in clause 4 is negated. It is very clear from the second reading speech, upon which a court may rely in interpreting this legislation, that part 8 is a codification of the common law. The Minister said it is, and if a provision is not in the bill, it is not the law. The Minister for Police has attempted publicly to suggest that there is no problem because the common law continues. The Premier's Department media monitoring unit's midday radio summary for 24 September 2002 states under the heading "Police powers":

> MINISTER COSTA: Police retain the power to arrest on suspicion. It is a basic power of the office of constable. I would not do anything to reduce the power of police. In fact, police have asked for this.
>
> 9.30 a.m.
> 2GB Ray Hadley Show.

With great respect to the Minister for Police, that power has gone, and it has gone because the Attorney says so. The Attorney's second reading speech states in black and white that part 8 codifies the common law. We are not talking about part 1, part 3, part 5, part 9, or any other part except part 8, clause 99, "Power of police officers to arrest without warrant". If the police had those powers in the common law before, they are now gone. The Opposition does not think that they should be gone. It should not be a matter of debate, implication, divining provisions from heaven, distilling powers, reverting to common law principles or mucking about with fine interpretations of a second reading speech. This is the sort of power that the public of this State expects to be set out in black and white in the police powers legislation.

The matter is as simple as that. The Opposition's amendment is designed to do precisely that and at the same time reinforce and enhance the power under section 352 of the Crimes Act to make it clear that the

provision is not limited in its application by time. At any time of the day or night and at any time of the year, police will be able to arrest a person, without warrant, if a police officer suspects on reasonable grounds that the person is about to commit a serious or indictable offence.

With the exception of the foreshadowed amendments, the Opposition is of the view that it is important for police powers to be gathered into the one Act. The Opposition will deal with the Williams case at another time in another place. Fundamentally, the Opposition disagrees with the Government's view that the problems in the Williams case will be solved by issuing penalty notices for serious offences under the Crimes Act; we believe that the Government must put in place a better system of police powers of arrest in relation to different classes of offences.

Mr TRIPODI (Fairfield) [7.50 p.m.]: I support the Law Enforcement (Powers and Responsibilities) Bill because it will make the job of law enforcement officers considerably easier. No longer will their powers and responsibilities be buried in hard-to-locate casebooks and diverse statutes. Police will be able to find the powers they use routinely in the Law Enforcement (Powers and Responsibilities) Act. Personal search powers are now located in part 4 of the bill, instead of being partly in the Summary Offences Act 1988, the Drugs Misuse and Trafficking Act 1985, and the Crimes Act 1900.

For example, the new regime of tiered searching exemplifies this consolidation process. While this search regime is an innovation, police powers in relation to searches have not been restricted or extended. Police must make a decision as to what is the most appropriate search to conduct, taking into consideration what they are searching for and the seriousness and urgency of the circumstances. For example, only in exigent circumstances will a police officer have the power to conduct a strip search immediately.

Safeguards relating to personal searches, while protecting civil liberties, also better define the searches that police may undertake. For the first time there will be legislative guidance regarding the manner in which searches may be conducted. The safeguards are drawn mainly from the common law, and the inclusion of these safeguards will ensure the integrity of the criminal justice process, facilitating the admission of evidence in criminal hearings. For example, police must not question the person searched in relation to a suspected offence at the time the search is being conducted. This will ensure there is no suggestion of coercion in relation to any admission and ensure the integrity of any information that a searched person gives to police.

The bill makes some minor amendments as a direct response to operational difficulties encountered by police. Under the Police Powers (Vehicles) Act 1998 police are required to seek the authorisation of a senior police officer before setting up a roadblock. However, from time to time an emergency may arise when the public may be put in danger if a roadblock is not established immediately. Accordingly, clause 37 makes a minor amendment to provide that a police officer may exercise vehicle roadblock powers without obtaining authorisation from a senior officer where, first, the officer suspects on reasonable grounds that it is necessary to do so, and, second, the seriousness and urgency of the circumstances require the powers to be exercised. The officer must, of course, notify a senior officer as soon as practicable after exercising the power. This bill is innovative and forward looking, and I commend it to the House.

Mr DEBUS (Blue Mountains—Attorney General, Minister for the Environment, Minister for Emergency Services, and Minister Assisting the Premier on the Arts) [7.53 p.m.], in reply: I thank the honourable member for Epping and the honourable member for Fairfield for their contributions to the debate. The Law Enforcement (Powers and Responsibilities) Bill will put in one piece of legislation the law enforcement powers that are routinely exercised by police officers. It not only consolidates existing legislative provisions spread throughout numerous Acts but also codifies the common law.

The bill exemplifies principles of transparency and accountability. It will protect civil liberties while balancing the interests of the community in law enforcement. It will clarify police powers, setting out in plain language and in a sensibly structured form the powers, manner and circumstances in which the powers may be used. The objective of the bill is to simplify police powers, without extending or limiting existing powers, so that those powers will be better understood not only by police but also by members of the community.

I turn now to various issues that have been raised. The honourable member for Epping, and indeed others, claimed that the bill reduces police powers because it repeals a power of arrest under section 352 (2) (b) of the Crimes Act 1900. This section allows police to arrest any person lying or loitering in any highway, yard or other place during the night and whom police reasonably suspect of being about to commit a serious indictable offence. As I said when the Opposition first raised this matter, this provision could have been written

by Charles Dickens. It is outdated, it is redundant, and it is a power that police do not use because it is operationally ineffective. This arrest power has no related offence. It allows police to arrest a person who is not even in the process of committing an offence. If the police have arrested a person but there is no offence, they cannot then process that person and bring him or her before the court. All they can do is release the person.

Therefore, this power serves no useful purpose. The insistence by honourable members opposite that this power should be re-enacted displays an ignorance of the operation of criminal law, and particularly operational policing. The bill is aimed at police powers that are actually used. The removal of this power will have no negative impact on present policing practices. Rather, it will simplify the law and remove a power that police do not use.

The bill retains the power of police to arrest without warrant where a person is in the act of committing or has committed any offence under any Act. Police retain the power of arrest without warrant where they have a reasonable suspicion that a person has committed an offence under any Act. This means that a police officer may use his or her discretion to exercise the power to arrest a person reasonably suspected of committing the offence of trespass. The bill sets out the ample powers and wide discretion of police to respond to offenders and to pre-empt offending behaviour.

The bill codifies the common law power of police to enter premises to prevent a breach of the peace or to prevent significant physical injury to a person. The bill re-enacts existing police powers to enter and remain on premises where they reasonably suspect that a domestic violence offence is imminent or is likely to be committed. The bill retains the power of police to issue reasonable directions to persons engaged in prohibited conduct—a reform introduced by this Government. I note that failure to comply with a move-on direction is an offence for which a person may be arrested. The task force that oversaw this reform process—two of the five members of the task force were from NSW Police—carefully deliberated over an extended period about the consolidation of police powers into this bill.

The exposure draft bill was released in May 2001 and its commentary specifically explained why this power was not to be re-enacted. No submissions were received requesting that that power be re-enacted, certainly not from any member of the Opposition. It is completely misleading to suggest that the repeal of this outdated and useless power will prevent police from protecting the community from offending behaviour. Rather, it is a reform in keeping with the spirit of the legislation, which is to simplify and rationalise in one comprehensive document the powers and responsibilities of police. In Committee we will consider a number of Opposition and Government amendments. However, it may simplify the debate if I respond at this time to the Opposition's foreshadowed amendments and state the rationale for the proposed Government amendments. I refer first to the Opposition's proposed amendment to the so-called move-on powers in clauses 26 and 198. The Opposition proposes a repeal—

Mr Tink: Point of order: I should like something clarified. The Minister has referred to Government amendments. Is he talking about the bill, or is he talking about amendments to the bill?

Mr DEBUS: To the point of order: I am talking about the bill. I should table the amendments.

Mr Tink: Further to the point of order: I did the Leader of the House the courtesy of giving him the Opposition amendments before this debate resumed. I expect the Minister to give me the same courtesy of advance notice of Government amendments to his bill and to allow debate on the bill to be adjourned, if necessary, so that we can consider the amendments.

Mr ACTING-SPEAKER (Mr Mills): Order! The Minister is about to table the amendments.

Mr DEBUS: I will do that, too. I table copies of Government amendments Nos 1 to 13 for the information of members. If the honourable member for Epping needs time before we go into Committee so he can consider those amendments, the Government will be happy to accommodate him. The Opposition's proposal to amend the move-on powers, by repealing the requirements that police issue a second direction and a warning that failure to comply is an offence, ignores the circumstance that these requirements in fact assist police. They ensure that the person being asked to move on clearly understands the powers that police have in this respect and that a failure to comply with the direction may constitute an offence. The person may then more readily co-operate with police.

Recently the Government amended the law to clarify that if the police are dealing with a crowd they may deliver the first direction by way of a broadcast. However, to ensure that an individual who has not moved

on has received a direction, a second warning or direction must be given to the individual. This ensures that the law is not exercised unfairly. Accordingly, the Government will not support those amendments. The Opposition also proposes amendments to clause 42, which deals with the power to enter and search vehicles, vessels and aircraft. The bill re-enacts existing police powers; it does not extend police powers. Under clause 42 (b) and (c) police already have the power to search when they suspect that a vehicle or vessel is connected with an indictable offence, which includes indictable offences under the Drug Misuse and Trafficking Act 1985. More than that, police may conduct such a search irrespective of whether it is in the vicinity of a public place or school. So, both of the proposed amendments to clause 42 are unnecessary. I referred earlier to the extraordinarily arcane offence involving a person lying or loitering in a highway or yard.

As I said, the Government is proud and pleased to introduce this bill. It proposes a number of amendments as a consequence of the consultation that has occurred. For the reasons I have outlined, the Government will not support the amendments that the Opposition will move in Committee. I accept that it may well be appropriate to defer the Committee stage, rather than demand, effectively, that the shadow Minister respond to the Government amendments without having sufficient time to contemplate them. I have indicated the Government's great satisfaction with this bill. It has done something that might have been done any time in the past 20 or 30 years: to enable both the police and the community to better understand the powers and responsibilities of the police in their dealings with the public, it has drawn them together in one bill. I commend the bill to the House.

Motion agreed to.

Bill read a second time.

WATER MANAGEMENT AMENDMENT BILL

Second Reading

Debate resumed from 23 October.

Mr D. L. PAGE (Ballina) [8.07 p.m.]: I lead for the Opposition on the Water Management Amendment Bill. The Coalition notes the wide-ranging amendments in this bill, which come about largely as a result of the lessons that have been learnt from the practical implementation of the Water Management Act 2000. I indicate at the outset that the Opposition will not oppose the bill, although it proposes two amendments which I will detail later in my contribution. The Minister dealt in his second reading speech with the detailed provisions of the bill, which are mostly of a clarifying and technical nature. Therefore I do not propose to traverse those elements of the bill. As I said, these amendments are of a clarifying and technical nature, and at the outset I record my appreciation of the departmental officers who briefed me on the nature of the technical amendments to the Water Management Act.

The bill provides for water sharing plans, the registration and transfer of access licences, and access license and work approvals, and it clarify certain definitions in the Act. The legislation will permit water sharing plans to take into account activities outside the plan area, and it will permit plans to apply to only part of a water management area. They are practical and sensible amendments, and the Opposition supports them. The legislation develops the access license register and enhances its operation, including a Corporations Law displacement provision to ensure the register's priority. As honourable members will know, the Water Management Act originally separated land title from water title to facilitate water trading. Therefore it is necessary to develop a robust register of water entitlements. While this legislation gives us a much more robust register, it does not equate with the Torrens register of assurance fund guarantee of land title. However, that may come in the future.

Obviously we would like to see the same sort of assurance in relation to water title as we have in New South Wales with land title but we recognise the limitations that exist at the moment in developing the register and getting the surety of water title that will evolve over time. We hope that when the system is properly developed the Government will feel sufficiently confident to be able to guarantee water title in the same way as it is currently able to guarantee land title.

Providing a robust register for water has also been identified by the National Competition Council as a critical component in ensuring greater security for irrigators. It is also regarded as being an important part of a lender's security when loans are made to irrigators based on water entitlements. More detail is required to deal with the current security and charges so that the existing commercial arrangements between lenders and their clients are not jeopardised or altered unfairly to impact on either party through the transitional process.

The New South Wales Irrigators Council, the Australian Bankers Association and the New South Wales Farmers Association have raised the issue with me, and I understand that work is continuing and that discussions are occurring with the Government on the matter. It is hoped that the Government can accommodate a united position on this critical issue. It would be beneficial to all parties if the Minister could acknowledge the importance of accommodating an agreed position.

The legislation also clarifies the method of dealing with access licences, including the transfer, conversion and assignment of rights. This includes empowering the Minister to develop overarching principles for different dealings or trade in water access licences and water allocations. It appears that these principles will be able to dictate conditions in plans or amending provisions in plans, including draft water sharing plans that have just gone through the public exhibition phase. While it may be relevant to have overarching principles, for example, to implement interstate agreements on trade, it is important that stakeholders be allowed the opportunity to work with the Government to draw them up. Significantly, these principles must be in tune with or not override the current trading rules in draft water sharing plans that have been established and, in some cases, operating for a considerable time.

The legislation specifically permits the phased introduction of the new licensing and approval system, including legislative protection of existing regulations during the phase-in period. This is a sensible amendment, which gives the Government time to address each water management area in detail and not rush communities through the process of developing plans. This is particularly important as only 37 water-sharing plans have been drafted to date and many areas are still to begin the planning process. The phase-in should also allow the Government to consult fully and openly with the key stakeholder groups on the implementation process and the development of regulations and administrative processes.

We support the idea that the Government has the flexibility to be able to gazette plans as they come on line. We see this as a sensible, practical arrangement so that those who are ready can be gazetted and those who need more time will have it. The bill also expands joint land-holder schemes and allows for supplementary access licences in all types of water sources. I will not speak to the definitions; they are technical and I do not see great difficulty with them or their clarification. They do what is intended, which to clarify exactly what the terms mean. The Coalition will not oppose the bill but we want to make a number of general points. We remain concerned about water trading and the potential for water barons to emerge in the marketplace. We understand that the Minister can veto any trading in the water market but we are concerned that no principles guide the Minister in deciding whether to approve a particular water trade.

Generally the Opposition supports the concept of water trading because it allows water to be traded up to its best and most efficient use. However, we are keen to ensure that the benefits of water trading—and this is important—stay in the region or general area where the water is traded. I am concerned about the prospect of people with lots of money entering the water market, buying up access entitlements, and using water trading in the same way as they use any other commodity. If people with significant resources buy up access licences, sit on them for several years, and subsequently make a speculative profit, they might take that water away from the communities that depend on it. They might prevent those communities from using the water and deriving benefits from trading in it.

The Government and the director-general have given assurances that this sort of thing cannot happen, but I suggest to the Government that some people in the marketplace have the capacity to buy access licences and are not concerned about the use-right element of the licence. In other words, the argument is put that if you buy water you must use it. That seems to be commonsense to the normal farmer, but speculators are quite happy to hang on to a water licence for several years and not use it.

In a drought like the one we have at the moment—the worst drought in 100 years—it is conceivable that people who are speculating on water entitlements could release licences onto the market and make substantial profits. We want to have trading but we want to make sure that the benefits of trading stay in the rural communities where the water is, that the benefits will stay in the community through increased employment and economic activity, rather than go to somebody lying on a beach on the Sunshine Coast who is basically just a water trader. We will have to see how that unfolds, but I would like to think that the Opposition can join with the Government in making sure that water is maintained for its highest and best use and that water trading provides a benefit for people in regional areas and that the benefits stay in those regional communities.

The Coalition continues to have serious concern about the way the Government has carried out its water reform agenda: the lack of adequate social and economic impact statements, what I regard as an

inadequate ACIL report, and the lateness of the State water management outcomes plan. The Minister is new in the job but even he would acknowledge that it was unfortunate that at State level the State water operating management plans were late in providing guidance to the water management committees in drawing up water management plans. That tardiness was exceeded only with native vegetation, whose statewide plans took even longer to prepare.

There has been insufficient time for some areas to properly consider the draft water management plans. The absence of property rights at the beginning and end of the plans is a matter of major concern. People believe the Government will take away water entitlements prior to the commencement of the plans because it will not have to pay any compensation under the legislation. Similarly, there is a real concern that in years eight, nine and 10 of the water management plan, people will have water security for only one, two or three years. If they go to a bank to borrow money over a 10-year to 15-year period, the bank is likely to decide that they do not have any real water security. I acknowledge that there is a compensable water right within the 10-year plan, but many people are concerned about their situation in years eight, nine and 10.

The Government needs to develop better water security arrangements for what is to happen after the expiration of the water management plans. One option is to have the legislation require a review which will enable a rollover of the plan if the irrigator is operating in accordance with a sustainable development regime. If at the end of, say, five years the review shows that water is being used on a sustainable basis, an amendment to the bill could provide for a rollover of the 10-year plan. Such a measure would ensure certainty in the marketplace.

The Coalition has been concerned about the lack of scientific data on which decisions are made. I am not naive enough to believe that we have the perfect answer for every water or river flow situation in New South Wales. But it is important that the scientific basis that underpins the plans is credible and that the information is made available to all those involved in the development of the plan and affected by the plan. A major concern is the deteriorating relationship between the Government and the community on natural resource management generally, including water management. The Government needs to have a relationship of trust with water users. With one or two exceptions, water users are responsible about the use of their resource. It is important that they are given greater input into water management plans.

The Government claims that the bill contains housekeeping amendments arising from the practical implementation of the Water Management Act 2000. We believe that the Government has missed an opportunity to further amend the Act to provide communities with greater input into the development of water management plans. The Coalition proposes to move amendments that reflect constituents' concerns with the practical implementation of the Act. The amendments, which primarily concern water management committees, will ensure that all community representatives on water management committees live in the area to which the water management plan applies. In addition, we want to limit voting rights on water management committees to community representatives, should a vote be necessary, with agency representatives providing technical advice only.

It is important that the people responsible for drawing up the plan are community representatives who live in the area to which the plan applies. We understand that agency representatives may need to fly in from a nearby area because their agency headquarters or regional office makes it impractical for them to live in the area. The community representatives—whether they are environmental, farming or local government representatives—should come from the community to which the plan applies. It is not acceptable that the agency representatives jump on a plane, fly in from Sydney, make important decisions that impact significantly on the local area, jump on the plane and fly back to Sydney.

Our first amendment will ensure that a water management plan has credibility in that the committee representatives are community representatives, not people from outside the area to which the plan relates. The representatives should be local people who have a vested interest, either from an environmental or economical perspective. The second amendment we propose to move provides that community representatives, not agency representatives, should have the right to vote. In saying that, I do not criticise the agency officers, who play a significant role by providing technical advice. But a major problem in the water management plan process has been the agency representatives having the same voting rights as others on the committee. That situation has led community representatives to the view that the committees are a snow job. In some cases community representatives feel that the Government has an agenda, that it has advised the agency officers what it wants, that the consultation process with the community representatives is a token exercise and that the will of the Government will prevail.

If the Government wants a community to have ownership of its water management plan or its native vegetation management plan, the local people must have a sense of pride and feel confident that the plan they have delivered to the Minister, which they hope he will sign, is one that the community has put together. At present, that feeling does not exist. There is a strong view that the bureaucrats are running the show in the water management and vegetation management areas. Under this legislation the bureaucrats have a vote that is equal to the vote of community representatives. The community representatives hold the view that the plans are being forced on them and they have no real sense of ownership.

I ask the Minister to seriously consider this issue. He is an experienced Cabinet Minister who has been in politics for a long time. He would be the first person to recognise that in government the elected representatives, the community representatives, are the ones who have to make the hard decisions and the bureaucrats provide the technical advice. It would be abhorrent to the Minister if a Cabinet decision was made by a departmental head. With these committees, we are talking about agency representatives who are lower down the hierarchy; they are way down the line. Many of these agency representatives hold differing views. The attitude of one Department of Land and Water Conservation officer on water or native vegetation management issues can vary significantly from the attitude of another.

The agency representatives are welcome. We want and encourage them to be a part of the committees. They are the technical experts and can provide advice to the committee. The committees want consensus wherever possible and most of the time a vote is not necessary. But if a decision is necessary that requires a vote, in the same way that the Cabinet makes decisions based on the advice it receives, similarly the committee for water management or native vegetation should decide the issue. The Coalition is committed to the principle that if a vote is necessary, only the community representatives should have the right to vote. The bureaucratic representatives on the committee should provide advice and take part in discussions, but if a matter needs to be resolved by way of vote the community representatives should make that decision. The Coalition intends to move those two amendments.

As I have indicated, it is important in natural resource management generally that the community feels a sense of ownership. Under this legislation, they do not. Our amendments are not radical. Some people believe we are trying to hand control of these committees to people who might not act responsibly. I have not seen any evidence of that. I have seen people who want to protect the resource and who understand the relationship between the decisions made today and the long-term sustainability of the resource, whether it be water or land. It is time we had more faith in the local people to make decisions. At the end of the day, if the Government does not like the decisions, the Minister can reject them, and he probably will in some cases.

I am not opposed to ministerial power, but I am concerned that the plans might be dominated by government employees running the Government's agenda. Notwithstanding instructions from above, the advice given by committees varies significantly. The easiest way to deal with that is to say that the officers are welcome as committee members but that they are not entitled to vote. That is the Opposition's position. The Government regards this bill as an opportunity to tidy up many problems in the Water Management Act 2000. Members on this side of the House acknowledge that and generally support the Government's amendments. However, the bill also give the Government the opportunity to deal with the two issues I have mentioned. I have foreshadowed Opposition amendments to provide that community representatives on the water management committees must live in the area to which the plan applies and that only the community representatives will have the right to vote.

Mr SOURIS (Upper Hunter—Leader of the National Party) [8.33 p.m.]: I support my colleague the shadow Minister for Land and Water Conservation and his proposed amendments. The Water Management Amendment Bill amends the Water Management Act 2000, but it does not address the real damage the Act is causing in rural and regional New South Wales. If the Sydney Labor Government had any understanding of country New South Wales, it would significantly amend the Act to make it workable. Instead of being the desperately needed rewrite of the Water Management Act 2000, the bill before the House merely tinkers around the edges and offers no relief to water users and communities bearing the brunt of the Sydney Labor Government's draconian water reforms.

Honourable members should make no mistake, the Sydney Labor Government's water reform process is ripping the heart out of rural and regional New South Wales. Some water users are facing cuts to their water allocation of over 90 per cent. Put simply, such cuts in entitlements will render farms unviable and will starve rural communities of jobs and investment. The Liberal-National Coalition has consistently highlighted the considerable flaws in the Government's water reforms. In particular, it has identified the considerable social and economic impacts of the water reforms. It has consistently called on the Government to undertake extensive socioeconomic impact assessments before cuts to water entitlements are implemented.

To illustrate the extent of the expected impacts, the New South Wales Irrigators Council, Cotton Australian and the Ricegrowers Association estimate that the implementation of water sharing plans under the Water Management Act 2000 will cost country New South Wales over $1.7 billion and approximately 4,500 jobs. Typically, the Sydney-centric Government has ignored the concerns of water users and rural communities and has ploughed ahead with its plans to cut the water available for productive use. The only mention the Government has made of social and economic impacts was the ACIL Consulting report, which was a con job. The report was a product of a Government desperate to cover up the social and economic damage it is causing in country New South Wales.

The report drew the extraordinary conclusion that only 48 jobs will be lost and that there would be a reduction of only $3.7 million in the contribution of agriculture to the New South Wales economy as a result of the Government's water sharing plans. Every water user and country community knows that those findings bear no resemblance to the reality in country New South Wales. The Government deliberately gave its consultants an unrealistic time frame, which forced them to rely on secondary sources rather than conducting their own surveys. It is a slap in the face for country areas for the Government to claim that the water sharing plans, resulting in some farmers losing over 90 per cent of their water, will cost the agriculture sector only $3.7 million.

Furthermore, the claim that the net employment loss across New South Wales will be 48 jobs does not ring true. The New South Wales Coalition has received feedback directly from water users and country communities confirming the expectation that thousands of jobs will be lost directly and indirectly. Already the uncertainty in country New South Wales as a result of the Government's water reforms is costing jobs and sapping economic confidence from our communities. The inaccuracy of the ACIL report is highlighted by the findings of another socioeconomic analysis commissioned by the Department of Land and Water Conservation that suggests that water sharing plans in the Namoi will lead to the loss of 190 jobs. Inexplicably, the ACIL report suggests that only three jobs will be lost in the Namoi Valley. A similar study of the Gwydir Valley found that 300 jobs will be lost in that valley.

The Government has blindly accepted the ACIL report because it is what it wants to hear. If the Government had bothered to listen to country communities, it would have realised that the reality on the ground is very different from the findings of the ACIL report. The water reform process is causing severe social and economic dislocation. In contrast to the Government's approach, the New South Wales Coalition is committed to conducting comprehensive socioeconomic impact studies based on transparent methodology, and including reference to primary sources. It will adopt a triple bottom line approach to natural resource management so that the social and economic impacts of policy decisions are balanced against the projected environmental benefits. Our approach will ensure that the debacle that is the current water reform process will be rectified. We will not allow farmers and country communities to be sacrificed in a blind pursuit of environmental ideals.

The shadow Minister for Land and Water Conservation has foreshadowed that the Coalition will move amendments to the bill to restructure water management committees to better reflect the views of stakeholders and people directly affected by water sharing plans. We are committed to overhauling water management committees to ensure that agency representatives operate in an advisory capacity only. We do not believe agency representatives should vote in the formation of water sharing plans. We also believe that people who sit on water management committees should live within the area covered by the plan. If Sydney Labor is silly enough to oppose those amendments, we will ensure the relevant amendments are made as soon as we are elected to government in March.

The Water Management Act 2000 is one of the most damaging pieces of legislation ever to be imposed upon the people of rural and regional New South Wales. In concert with other overly restrictive natural resource management legislation, such as the Native Vegetation Conservation Act, the Threatened Species Conservation Act and the Wilderness Act, the Water Management Act 2000 imposes a grossly inequitable environmental burden on landholders, water users and rural communities. In government the New South Wales Coalition will reverse that big-stick approach to natural resource management and form a partnership with farmers and water users to ensure that farming practices are sustainable.

We value and commend the work of the community representatives who have battled long and hard to develop water sharing plans. Equally, however, we recognise that many of these community representatives have been hamstrung by the Water Management Act 2000. The Coalition's amendments to the bill are the first step in the journey of rectifying the flaws in the Act. The Coalition is committed to many more amendments to the Act to make it workable and to avert the significant social and economic impacts the Coalition and farming

groups have predicted will result from the implementation of water sharing plans. The Government's failure to make meaningful changes to the Act through this bill confirms its reluctance to do anything to ease the impacts of the flawed water reforms on water users and rural communities.

Mr PICCOLI (Murrumbidgee) [8.39 p.m.]: I support what has been said by the previous two speakers on the Water Management Amendment Bill. Because of the imminent gazetting of water sharing plans it is opportune that this amendment bill is being debated now. I take this opportunity to urge the Minister to have the plans, certainly those for the Murrumbidgee Valley and the Murray Valley, gazetted as soon as possible. The two river management committees have worked extremely hard over a long period to come up with those waters sharing plans. The committees are community driven, and the irrigator representatives and environmental and agency groups have put in a great of effort to come up with a plan that is endorsed by the community.

There is a great deal of concern amongst irrigators that the process is being subverted by some organisations that are not even members of the river management committees that have sought to work outside the process established by the Water Management Act to influence the Government to further allocate water to improve the environment. Today Matt Linnegar, the Executive Director of the Ricegrowers Association of Australia, issued a press release echoing those concerns. He said:

> Our communities through representatives on Water Committees had in good faith developed Water Sharing Plans in partnership with government through their agencies. In some cases this process has been developed over a number of years with all parties reaching an agreed position that fairly reflects the diverse views of the community.
>
> Whilst we are unaware of the final outcome of government deliberation on these Plans what has become all too clear is a last ditch effort to influence government from groups with no real connection to our communities in an eleventh hour grab for water.

The matter is of grave concern, because the water sharing plans have had a great deal of publicity in the Murrumbidgee and Murray valleys. At this time it is particularly important, because of the drought and low water allocations. The plans were submitted to the Government on the basis that a community plan would be formulated and in anticipation of the Government adopting the plans. The rumours around the corridors now are that other groups have tried to influence the Government. The irrigators have been able to approach the Minister for Land and Water Conservation about the matter, but they have had a great deal of difficulty in accessing the Minister for the Environment. Unfortunately, it seems that some of the other groups who are trying to take water off irrigators have not had the same difficulty accessing the Minister for the Environment. That is a matter of great concern to me, as I represent the large irrigation areas of the Murrumbidgee and Murray valleys. I take this opportunity to urge the Minister to use all his power and influence to ensure that the plans are gazetted without additional interference and without the inclusion of the Minister's notes that were part of the draft plan.

I wish to respond to the comments of the honourable member for Ballina, the shadow Minister for Land and Water Conservation, regarding trading. Trading has caused ructions in the irrigation industry. Some people blame trading for some of the woes that many irrigation farmers are currently facing. I certainly agree that the way in which trading was implemented some seven years ago caused some of the problems that irrigation farmers face today, with many water users facing significant cutbacks in their access to water. The restrictions on trading are important. I agree with the honourable member for Ballina that we do not want people sitting on a Surfers Paradise beach, talking on a mobile phone and trading away people's livelihoods. I am sure the Government does not want that either. However, on a micro level the Murrumbidgee Irrigation Area has specific trading rules that other irrigation areas do not agree with because they restrict the amount of water that can be traded into and out of the irrigation area.

Whilst I have no choice but to support water trading now that the genie is out of the bottle, some restrictions are certainly needed in relation to water trading. Water is not a commodity that can be traded willy-nilly without consequences. There are significant consequences of water being traded out of communities. For example, there are stranded assets within irrigation areas when a farmer no longer has access to the water at the end of a channel. The channel no longer has any use and it is therefore regarded as a stranded asset. However, we face the real prospect of communities no longer having access to water, resulting in stranded communities. Already there are many stranded communities in country New South Wales. When we drive through towns, we see perhaps a service station, a corner store and a lot of empty shops. We do not want to see more of that as a result of water being traded out of those communities into areas where perhaps people are prepared to pay more for their water. The restrictions that some irrigation areas have on water trading are extremely important, having regard to the social consequences of water trading.

A couple of weeks ago the Minister for Land and Water Conservation made some comments during the debate on the Murray-Darling Basin Amendment Bill relating to additional flows down the river. In my

contribution I made a point that simply ensuring that extra water flows down the river would not necessarily lead to positive environmental outcomes. The Minister, as is his prerogative, did not agree with me. Some communities along the rivers complain that there is too much water flowing down the rivers in the Mitta Mitta valley in Victoria and the Tumut River in New South Wales. Perhaps they are legitimate concerns. The environmental outcome of too much water is a negative environmental outcome. Upstream of Narrandera, there is something like a 25 per cent increase in the flow in the river since the Snowy-hydro scheme was introduced, because of the additional water from the Snowy River that comes down the Murrumbidgee River. However, it is regarded as the most degraded stretch of the Murrumbidgee River. The fact that the river has more water flowing through it has not improved it environmentally.

In my contribution I sought to make the point that the important issue is what we do with the water we use for the environment. Farmers are constantly urged to use water more efficiently. Irrigation groups and irrigation companies, particularly those in my electorate, have argued for a long time that the Department of Land and Water Conservation and environmental groups need to look at what we do with environmental water. I do not say that what they do with environmental water is what we as a community do with it, because I am sure all members of the House acknowledge that we want to have healthier rivers.

The important issue with water is using water to fill wetlands more efficiently and more effectively. Simple measures can be taken, for example, cleaning out channels to facilitate the flooding of wetlands, lagoons and billabongs. A flow of only 5,000 megalitres a day, and not 20,000 megalitres a day, is needed if the connection between the rivers and billabongs is improved. In relation to additional flows, there is also thermal pollution. Simply putting more cold water down the river will not necessarily lead to increased biodiversity or improved habitat for fish species.

There are serious issues associated with increasing flows. Instead of addressing water management by taking water from irrigators to increase flows down the rivers, we need to focus our attention on what we do with environmental water. Every megalitre of water we take from irrigators hurts not only the farmer but also the community. Nothing hurts farmers and the community more than the thought that the water is not being used to its maximum potential. For the sake of farmers and those communities I urge the Government and all the groups who lobby on behalf of the environment to consider the views of those communities and to ensure we do everything possible to get the greatest outcome from the environmental water we use.

Mr ARMSTRONG (Lachlan) [8.49 p.m.]: The Water Management Amendment Bill is extremely important. The timing of its introduction probably could not be better in recognising the importance of water to the environment, to the economy of rural New South Wales, and to supporting the industry in this State and Australia which is the biggest employer and the largest user of materials, namely agriculture. It is apt to use an old axiom, I think from the south of America, that whisky is for drinking and water is for fighting about. It has been like that since the days of the Bible, and I suspect it will be the same long after all in this place tonight have passed on.

However, in saying that, I should add we have a collective responsibility to try to improve the current management of water. The bottom line is that society has made some irreversible changes to nature's management of water, particularly through the damming of rivers, the deterioration of our land mass and the intrusion of such things as salinity. There is a lot of talk about the environment, how we could better use water and how water should be used for the enhancement of the environment. I am quite sure that 99 per cent—or take your own figure—of water users, be they industry, domestic, local government, State government bodies, irrigators or whatever, want to do the so-called right thing.

However, the amount of scientific research available to us to help achieve that aim is limited. Our scientific knowledge of water is reasonably limited because the period that we have had accurate records is very short compared to the length of time that our river systems have been in place. The area with which I am most familiar obviously is the Lachlan—the area where I live and an area encompassed by my electorate. For the past 10 years or so the Lachlan River has been under review and revision by successive Ministers, the Department of Land and Water Conservation, et cetera. At last count, something like 160 models had been done of the Lachlan River, but nobody can tell us which is the right model. That must be one of our most vague pieces of science.

The Melbourne University has done some wonderful work on the Lachlan, but it also cannot say unequivocally that its scientific research has identified the factors that determine the history or the future management of the Lachlan. I hope this bill is only intermediary legislation and that, as we learn more about the fundamentals and about the practical management of water both for water-based industries and the environment,

we will be prepared to make changes to accommodate that scientific evidence as it comes forward. The challenge for the Government tonight is not to regulate water, not to regulate its use or inhibit the relationship between the community and water. It is to have undertaken more scientific research that can be quantified and substantiated. That is the consideration lacking in this whole debate. That is why I hark back to the South American saying that water is for fighting about. Until we have more knowledge, that will always be the way, unfortunately.

As the Premier said today, and I do not think there is any argument, the current drought is one of the worst droughts, if not the worst drought, in 100 years. There is no doubt it is a very bad drought. But it is irrefutable that if this drought had happened 60 years ago there would not have been any flow at all in the Lachlan, the Murrumbidgee or any of the minor river systems within the Murray-Darling Basin. That is because historically they have consisted of a chain of waterholes in most summers, but particularly in droughts. That is all part of our environment; the environment was designed that way. This dry period started in the Lachlan River system about 18 months ago, when our rainfall fell to well below average. Indeed, about 12 months ago it fell to more than 75 per cent below the average rainfall.

Since the early part of last summer the Lachlan river system would have been a chain of waterholes. Alas, on the very best of advice and scientific evidence, and with all that lovely rhetoric that the Government has used, supported by the departments, in January this year the decision was taken to release 125,000 megalitres of water as a charge down the Lachlan river system. That was an absolutely artificial flow. In no way does that replicate the normal natural flow. In no way does it mimic natural flows. That water flooded the creek system below Forbes, in the Lachlan region, creating an artificial series of events there. It also inconvenienced farmers, who had to pull their pumps from waterways for fear that they would be washed away. That was an event totally out of tune and out of accord with nature.

I raise this matter for two reasons. One is that it was a waste of water. It did not achieve very much because there were virtually no water fowl and the environment did not expect it. Nobody sent a telegram to say, "We are going to send you some water." They had all left town, they had gone somewhere else. The scientists forget they all work in their own little divisions: one division works in water, one in fish, one in water fowl, et cetera. They do not get together and say, "How are you doing?" They have to learn to send each other faxes, emails or otherwise communicate with a view to exchanging information and ideas. But that water went down the tube. It was wasted. In the process about 125,000 megalitres of water was discharged from Wyangala Dam. That 125,000 megalitres of water, if it were still in the dam today, would be very useful for the environment and productivity in the Lachlan. I spoke about that earlier and I will not repeat it.

I suspect that even the scientists and the most naive and conscientious person in the Department of Land and Water Conservation now realise the folly of that action because, come the end of February, we might just need that 125,000 megalitres of water. When I hear talk now that Wyangala Dam is below 30 per cent of its capacity, and when I hear talk that there may be a review of high-security water licences before this drought is over, I think we could well learn what fighting over water is all about. That review is simply not on. I make it patently clear tonight that there is no way in the world that people in the Lachlan or other sensible people will accept a review of high-securities licences. They are absolute in that resolve. I would like the Minister to reinforce that position tonight.

I put a simple proposition to the Minister and the Government. The people of the Lachlan River, and I suspect of the Murray-Darling, are happy and wish to work in harmony with the environment and embrace environmental management. That is because they appreciate that unless we do husband the environment properly we will not reverse some of the deterioration that is occurring within those systems. The proposition I put forward is that when there is once again a surplus of water—and that will occur as sure as this drought will end one of these days—more water will be made available for the environment, be it contained or otherwise. Let us really work on the environment.

Conversely, when less water is available the environment should be prepared to give some water to support the water-based industries within that system. If water-based industries are to have a rollercoaster ride, lurching from high water usage and high profitability to zero profitability and maybe financial losses due to lack of water, there will not be a sustained, continuous improvement in environmental management. It is undeniable that the people best equipped and certainly the most motivated to enhance and sustain the environment are the land-holders within those systems. I urge the Government to think about a simple philosophy of the environment getting more water in the good times and more water being made available in the lean times to sustain water-based industries. If we do that we will have proper investment.

My colleague the shadow Minister, the honourable member for Ballina, spoke earlier this evening about the portability of licences. I would indicate that whilst the Opposition supports the principle of portability of licences on a permanent basis—subject, in the case of the Lachlan, to the Lake Cargelligo barrier, and also to temporary transfer on a seasonal basis—it does not support the concept of allowing, in my colleague's words, water barons. There is no point in allowing somebody to wind up their estate and become a water broker, a water dealer, using a licence as an asset of significant value.

It would be like floating taxicab number plates or hotel and tobacconist licences on the stock exchange to create a market for them—an auction would be held every morning for taxicab plates, every afternoon for tobacconist licences, and every third day for hotel licences. That is what will happen to water licences—indeed, it has almost reached that stage. For instance, this week the permanent transfer of a Lachlan water licence is worth about $360 a megalitre, whereas a seasonal transfer is worth about $130 or $140. The Lachlan Valley is one of the cheaper valleys because it does not have a large cotton, rice or high-value industry—the rice industry is a rather experimental industry.

However, in four months a permanent transfer of $140 or $160 has doubled. A temporary transfer has increased from $15 in February to more than $100 in November. That is not a bad profit and would be very tempting to someone who had a few quid. A person could withdraw a couple of hundred thousand dollars from his or her superannuation fund and become a broker. That may even be appealing to a retired Minister. I hope that the Minister takes note of my comments because I would not want him to aid and abet what could be a fundamental mistake on a matter of principle. Water is not a product for trading. It is an essential resource that is available to the environment and to water-based industry, and the Government and the Opposition must ensure that it never goes beyond those parameters.

Water is not a trading commodity; it is as simple as that. The Government can trade in sardines, shares, hides, skins or grains but not water. I ask the Minister in reply to give the Opposition an assurance that it will not allow water to become a tradable commodity for the sake of trading as opposed to the practical use of water for the individual, the environment and the broader community. We have heard considerable rhetoric in the past few years about compensatable water rights. If the environment, the Government or someone else wishes to take water for environmental purposes, it should be compensatable. I have no problem with that because it will happen from time to time.

However, I do have a problem when government, for one reason or another, takes part of the assets of a community and—although it might compensate the individual owner of the licence—does not acknowledge that every time 10 per cent of water is moved from a community it potentially affects 10 per cent of the investment, growth and sustainability of that community. Water is as important to a community living around a river as gold is to Kalgoorlie or timber is to Tumut. If 10 per cent of timber were taken from Tumut, the community would march in protest. If 10 per cent of the goldmines in Orange were closed down—and the Premier loves to talk about this—again the community would protest.

Now and again the Government puts forward the proposition that it will take 10 per cent of water from Forbes, Condobolin, Hillston, Balranald or Narromine, compensate the farmers, and that will do. That will not do because it takes away the fundamental capacity of that community to develop and be sustainable, which successive governments have encouraged. I hope that the Government acknowledges that the legislation is important to the individual. If we do not look after the individual, the community and the environment, we will not have a sustainable water industry. If we do not fully explore opportunities for finding more water by using modern exploratory engineering techniques, droughts of the magnitude of the present drought will continue in the future. This legislation is only passing legislation in a whole process of trying to reach a commonsense approach to water. [*Time expired*.]

Ms HODGKINSON (Burrinjuck) [9.04 p.m.]: In speaking to the Water Management Amendment Bill I acknowledge that it amends the Water Management Act 2000. However, it does not properly address the damage caused to the regional community by the introduction of the Water Management Act—and my electorate is no exception. We need legislation that is workable. The Water Management Act was passed in November 2000 and provides the legislative basis for some provisions of the draft water sharing plans. It further develops provisions for the register of access licences and clarifies certain definitions in the Act. The Minister suggested that the bill arose from practical experience of the Water Management Act, demonstrating that some provisions require clarification or modification.

The bill gives a legislative basis for elements of draft water sharing plans and permits plans to take into account activities outside the plan area. It allows those plans to apply to the whole or part of a water

management area. It also allows conditions to be imposed on access licences as part of the plans. Although the bill clarifies the trading rules, develops a stronger register of access and licences, and amends definitions, several arguments can be made against the bill. Many of those arguments have been highlighted by the shadow Minister for Land and Water Conservation and other members. One such argument relates to transfer of mortgages from the current system to the new register now that water and land have been separated.

The honourable member for Lachlan rightly referred to concerns about the trading of community assets. Water is our most precious resource and legitimate concerns have been expressed about monopoly of those assets, and the community no longer having an asset they previously had. Woe betide the Government that takes those assets away from communities! To do so would indeed result in a hullabaloo and cannot be taken lightly or flippantly. Water is extremely valuable, particularly in regional New South Wales. Indeed, my comments do not relate only to members representing regional electorates because Sydneysiders are finally recognising that we have a drought and some are curtailing their water use.

The drought is hitting people hard in my electorate and feed stocks are a concern. Recently I hosted a visit by the shadow Minister for Land and Water Conservation. We travelled throughout the electorate of Burrinjuck, including Wee Jasper Reserve, to inspect the continuing degradation of the banks of the Tumut River, which is a real concern to fishermen and landowners. This afternoon I received a call from Russell Skerritt from "Cleveden", Gundagai, who expressed concern at the lack of action taken on his section of the river. Although some action as been taken on the side of the river on which Michael Piper, of "Brungle", lives, last year a beautiful old oak tree belonging to Russell Skerritt was washed into the river. He estimates he is losing approximately an acre a year.

It is of considerable concern that so much valuable land, for which he paid a premium price 10 years ago, is now being washed into the Tumut River—a river that has changed from a recreational trout fishing river into basically a canal. We acknowledge the necessity for water to flow through to the Murrumbidgee Irrigation Area, which produces food and provides significant economic benefits for the whole country. However, this must be achieved through the proper means. As well as the other matters raised by local members, the Minister might consider the need to recognise that land is being washed down the Tumut River, creating degradation along the banks of the river. The shadow Minister and I spoke with local farmers about that matter. We also went to Gundagai and addressed the council and other community representatives about water issues, and we also addressed a meeting of Yass farmers and businessmen at the Yass Soldiers Club on Tuesday 15 October.

That meeting was interesting because many of the people there have had direct involvement with water management committees. One concern expressed consistently by farming representatives on water management committees—whether they were the upper Murrumbidgee water management committee, the lower Murrumbidgee water management committee or any other water management committee—has been the underrepresentation of farmers on those committees. Often only two or three members of a committee are farmers; they may be the only locals associated with that committee. For some committee meetings, Greens are flown in from Sydney and Aboriginal representatives are not from the local area. In some cases I have been told bureaucrats are caucusing before the meetings; if they cannot rubber stamp a predetermined outcome they say they will take away the concerns raised at the meeting and return at the next meeting.

Time and again farmers express frustration at not being able to get the message across to the bureaucrats that the current system cannot work. Farmers and landowners have significant commitments and often work more than 12 hours a day; they put their valuable time into the decision-making process, which is supposed to have local content, only to have their views dismissed or ignored. That goes to the heart of the shadow Minister's foreshadowed amendments. This evening the honourable member for Ballina referred to an amendment to limit voting rights to community representatives, should a vote be necessary, with agency representatives providing technical advice only. I could not support that more heartily. Opposition members have consulted country communities which unanimously support this excellent amendment. I have not heard a single local representative speak against that proposed amendment.

The Opposition proposes an amendment to ensure that all community representatives live in the area to which the water management plan applies—according to the wording of the bill—"as far as practicable". It is important that bureaucrats be able to provide advice to these committees, and the Opposition welcomes that. Indeed, that is necessary. Although these committees need that responsible advice, when it comes to voting on water plans, no-one knows the local area like the local community. A person from a different area should not tell a local community how it should be running that local area. A person from outside the area cannot possibly know all the ins and outs of a local area as he or she has come from a different location with different needs.

The shadow Minister put it well when he referred to Cabinet. Cabinet members are responsible for their decisions and the decision-making process. They cannot put the onus on the bureaucrat who provided advice. Cabinet must take responsibility for its actions, as should the water management committees. The Opposition's proposed amendments are sensible, practical and workable. I hope the Minister will support the amendments because they have been put forward with the genuine intention of providing a workable document that will benefit the communities that need it the most. There are five major water storage areas in my electorate of Burrinjuck: Burrinjuck Dam, Wyangala Dam, Jounama Pondage, Blowering Dam and Talbingo Reservoir.

Also in my electorate are the Lachlan River, the Murrumbidgee river and the Yass River, as well as many other different river systems. Therefore, water is a fundamental and underlying thing in the back of the minds of all the people who live in my electorate. I am disappointed that over the past year or so the Department of Land and Water Conservation has shown a lack of interest in water supplies to country towns. In February last year stage two water restrictions were imposed on the Yass water supply, and Yass is now running out of water fast. What plans has the Department of Land and Water Conservation made to ensure that country towns have sufficient water? Has the department raised the level of the weir? Has it made further provision for sufficient water supplies to country towns? No, that has not happened.

Goulburn has had water restrictions since August this year, and many other towns throughout New South Wales are facing serious water restrictions. The township of Bigga is out of water, and many towns and villages have insufficient water supplies. What has the Department of Land and Water Conservation, which has responsibility for this matter, done about that? The department must have known about this matter for many years, because there have been several media reports. Although the department is a conscientious organisation, time and again the Labor Government has shown a lack of interest in relation to country water supplies. It is simply not good enough. If the Government has an ounce of self-respect it will adopt the well thought out amendments foreshadowed by the shadow Minister for Land and Water Conservation.

I acknowledge the presence in the gallery tonight of members of the Wahroonga Rotary Club. I thank them for taking an interest in regional water in New South Wales. The Opposition's proposed amendments are well thought out and thoroughly researched, and there is tremendous support for them in country New South Wales. No-one in country New South Wales would oppose these amendments. The Opposition is engaging local communities; it is enabling them to have a say on water sharing plans and on what happens in their communities, rather than have them dictated to from on high, from an ivory tower somewhere in Sydney. Country communities have a right to say something about their water sharing plans.

The honourable member for Lachlan referred to the environmental flows that have been set, and it is important that I refer to them as well. We have seen environmental flows down the Murrumbidgee River and many other river systems across New South Wales in the middle of summer. The honourable member rightly pointed out that in the summer months river systems across New South Wales are simply a series of puddles; they are not used to having six feet of water run through them. Where is the environmentalism in that? It is a waste of water. We must ensure that we have sensible environmental flows, not flows at the whim of someone who does not understand the river system.

I commend the shadow Minister for proposing these amendments and for his work on this bill. I thank him for taking a genuine interest in my electorate, including spending two days with me in the electorate. He visited not only Tumut and Gundagai but also Yass and Goulburn. I think he now has further understanding of the issues that water users in southern New South Wales face. I trust that the Minister will heed the message the Opposition is sending in its amendments.

Mr SLACK-SMITH (Barwon) [9.18 p.m.]: Recently in Cobar the next member for Murray-Darling, after the March State election, Marsha Ispester, quoted Mark Twain and said, "Whisky is for drinking and water is for fighting about." She believes that it will remain that way for a long time to come. My electorate of Barwon, the second-largest electorate in New South Wales, covers the river valleys of the McIntyre, the Gwydir, the Namoi, the Castlereagh, the Macquarie, and the Bogan. All these rivers are very important to the financial future of my electorate. Although the Opposition will not oppose the Water Management Amendment Bill, water trading is something we must keep a close eye on. It is very important that water stays in the region and that there are no inter-valley transfers of water.

If my neighbour can produce an income of $1,000 per megalitre of water and I can produce only $500 per megalitre, it should be possible for him to buy some of my water, so water trading is important. With a State resource like water we must make sure we get the absolute maximum benefit for every megalitre of water in

New South Wales. We must make sure also that waste water from sewerage works in country towns is used in production and irrigation. That must be encouraged. I congratulate the Federal Government on its approach in utilising that scarce resource to create income in regional New South Wales.

Volumetric allocation is coming very slowly, and we must speed up the process. If an entitlement to irrigate 50 acres or 100 acres of land was converted to a volumetric entitlement, a person with an efficient irrigation system who can produce X-amount of dollars per megalitre of water must be entitled to increase the area to get the maximum return per megalitre of water. The Government has failed to recognise the social and economic impact of what it is doing by restricting irrigators in regional New South Wales according to the entitlements purchased years before.

Being an irrigator, I understand that I purchased from the State Government an entitlement to so many megalitres per year. If that water is not available, I will receive a reduced annual allocation. Given that I paid for it, when there is adequate water I very much resent any restriction on my entitlement to allow the water to go through to the so-called "environment". I understand that the environment is important, but throughout New South Wales the Government forms water committees whose major participants are not stakeholders or people from the regions, but extreme greens from Sydney.

I can give a typical example of what happens when a water committee meeting is held in the Namoi, the Gwydir, the McIntyre, the Bogan, the Castlereagh, or the Macquarie valleys. A group of people, including bureaucrats, arrive late to the meeting. They have lunch. They have to leave early to catch the afternoon flight back to Sydney, And, and no matter what happens in that meeting they report to the Government exactly what they want to say. The stakeholders in New South Wales, the farmers and the people who live in regional New South Wales, are voted out completely on water committees. That is an absolute disgrace.

The former Deputy Premier of New South Wales, the Hon. Wal Murray, told me today that under the Native Vegetation Conservation Act, the Threatened Species Act, and the Water Act, people in regional and rural New South Wales are being treated in exactly the same way that Robert Mugabe is treating his people in Zimbabwe. The Minister is taking no notice at all of the stakeholders and the people who live in regional New South Wales. He has been taken over by the extreme greens of Sydney, and if he compares them with the so-called veterans of Zimbabwe he will find the same thing is happening here as it is there.

The stakeholders have fought very hard to achieve property rights, that is, land title and water entitlements. I believe that 99.9 per cent of the stakeholders and people who own land in New South Wales are responsible. One gets the occasional outlaw but it is important to understand that we have a greater stake in this than any other person in New South Wales, because it is our future. If I wreck my land I go broke. It is as simple as that. My land will be worthless, with no resale value and therefore I will not have any money if I decide to sell. The majority of people in New South Wales who live on farms want to hand them down to the generations to come. I bought my first property in 1965 and I can say quite proudly that it can now produce almost double what it did then. We are the true green people of New South Wales. If we do not do it right, we go broke. That is the biggest incentive I know.

There are more than 300 Federal and State government Acts, laws and regulations we have to comply with. I do not believe that any other organisation or person has those restrictions. All we want to do is get on with the job, produce, and make our land better than it was when we first took it over. Many farmers have done that, it is a logical thing to do, but we now have a drought. Everyone talks about Brewarrina, Walgett, Lightning Ridge and Collarenebri when talking about the drought. All those places are in my electorate. My home town has had its lowest rainfall in more than 100 years.

Before there were dams the Namoi River ceased flowing for more than two years. These "environmental flows" are going through our rivers to the wetlands of the Gwydir and to the marshlands of the Macquarie, and those environments should have no water at all, simply because there is a drought. Yet the constant flow of water to both of those areas is cutting a distinctive path, and instead of having a flood, and then a drying out, we are creating artificial environments that should never be there.

It is rather sad that the Government has been completely taken over by the extreme greens, who care little for the stakeholders and people in the regions. The stakeholders have the greatest stake in the future of water management. They are the ones who know what is going on, but they are being dictated to. With due respect to the Minister, who is a good bloke, he has been poorly advised. I do not have any problems with him personally; he is a good member for Riverstone. The Minister and I go back a long way and I have dealt with him with regard to a school in Pilliga and in his electorate.

It is important that the Minister is made aware that the stakeholders in regional New South Wales, particularly in my electorate, are very concerned that their agenda has been bushwhacked and taken over by people who do not have any financial stake in the future of these valleys. Those people believe they have the God-given right to take over and prove to the people in these areas that they are right. Unfortunately, the Minister seems to be swallowing their advice.

I believe that the irrigators are the best managers because if they do not do it right they go broke, and that is not a nice feeling. Many people—particularly those on water management, native vegetation management, and other committees—have told me of the frustration they feel about their agenda being completely bushwhacked by people who swan in, do not listen to them, leave, come back to Sydney and make the policy. They get paid for doing absolutely nothing. Many native vegetation plans have been bushwhacked by these so-called city-based extreme greens.

A lot of land-holders have thrown up their hands in horror and said they cannot participate because everything they say is annihilated by people who live outside the area, fly in, fly out—after lunch, of course—and get paid to do it. With any luck I will win the next election. If I do not, I will put my hand up for one of those great jobs. They have no responsibility, they can say what they like, they push their agenda, and they are not accountable to one single person.

People in New South Wales are angry and frustrated about the actions of these people. We probably have the best farming practices in the world. Farmers in New South Wales produce more food and fibre per head of population than farmers in any other country in the world, and they do it without any protection whatsoever. That says a lot about what our farmers are doing in an ancient landscape. We have our problems, but we are fixing them. Not long ago, in 1995, this Government indicated to the Macquarie Valley irrigators that they could pump as much water as they liked because there was plenty of water. All of a sudden, in the past 12 months it told them, "Stop! You have done all your developments and paid all your money, but stop pumping or you will be severely restricted."

Mr CULL (Tamworth) [9.33 p.m.]: I am pleased to have the opportunity to talk about the Water Management Amendment Bill. As has been said by previous speakers, the Coalition does not oppose the bill, but we propose to move some important amendments with regard to the committee structure. Our two amendments, which have already been outlined, provide that committee members must live in the area to which the plans apply and that community representatives are the only ones who have the ability to vote on issues that relate to the committees. The bureaucrats will only be there to provide advice.

When we look at what has happened in some of the other agricultural-related industries, particularly the vegetation committees, we realise that unless we have the support of the local communities on the voting ability of the committees we do not get the right outcomes. None of these reforms will work properly unless we have the full support of the farming community. That issue has been highlighted in many other areas. I hope that the Government takes note because it is important that the community has a say and that it becomes part of the process and is not isolated from it.

At present there is concern amongst some of the communities. I represent many irrigators in the Namoi Valley, which is a hotspot for the impact of the water-sharing plans. One area of concern is that the reports from private areas and from the Government are contradictory. The Australian Council for Educational Research [ACER] report indicated that the water-sharing plans would only impact on the State with a loss of 48 jobs and approximately $3.8 million worth of income. The reports implemented by some of the user groups within the community indicate that 4,500 jobs will be lost with a $1.7 billion loss of income. The tremendous variation between those two assessments highlights the huge discrepancy between the views of the people on the ground and the bureaucrats. It also highlights the importance of the committees comprising people on the ground, because they understand the impact of the changes on their local communities.

One of my concerns throughout this process, and again I refer to the Namoi Valley, is that the Government has not given the communities the opportunity to express their views about the impact of the water-sharing plans not only on their farmers but also on their local communities, which rely upon the activities within their regions. On several occasions I have asked the Government and the Minister for Land and Water Conservation to come to Gunnedah and talk to our local farmers, so they can gain an understanding of the impact of the water-sharing plans. I also wrote to the committee that the Minister set up to assess the social and economic impact of these water-sharing plans within the regions. The response from the committee was that it was outside its terms of reference.

When assessing the social and economic impact of water-sharing plans and the effect on our local communities, the committee needs to talk to the people who will be affected. There is no better place to do that than the Breeza Plain, where farming families are in a desperate situation. Farmers from that area will visit the Minister this week to express their concerns at this late stage that the Government has not listened to them about the effect these water-sharing plans will have on them, their families, and their livelihood. These people have been in the irrigation industry for many years and they depend on it for their sole income. Further, the value of the industry to the local community cannot be underestimated. It is important that we listen to these people because they reflect what is happening to all local farmers.

I have a copy of a case study of a farmer on the Breeza Plain. I will not state his name. The study highlights the impact of the water-sharing plans and the effect they will have on individual farmers within our communities. The Government tells us that they will not have a major impact. This farmer, who has about 1,000 acres, had a 972-megalitre water licence. He agreed to voluntary cuts of 35 per cent, which these water-sharing plans do not acknowledge in any way. After the water-sharing plans come into place, this farmer will be cut back to about a 300-megalitre water licence. When he was operating at full capacity his farm supported 35 local businesses and his annual farm expenditure was about $1.3 million. We can see the flow-on effect of these farming communities on the local communities and the economic activity they create. When this farmer's allocation is cut to 300 megalitres of water, he will have lost an allocation in the vicinity of 600 megalitres of water.

What alternatives does this farmer have to build up his irrigation licence? He does not have access to river flows, so he is stuck with bore licences. The only way he can increase his allocation is through water trading. He has just spent $800,000 developing his farm, that is, installing infrastructure such as earth dams, channelling, piping and so on. When his allocation is cut back to 300 megalitres, none of that will be of any use. To build up his licence, he will have to go into the open market and purchase more allocation. What will that cost? Water is changing hands at about $1,500 a megalitre, but no-one knows the exact cost. To make his farm viable, he will need to purchase about 600 megalitres, which will cost about $900,000 on top of the $800,000 he has already spent. Obviously these people are carrying a huge debt and they will never be able to do that.

Mr Martin: Did he use that 900 megalitres?

Mr CULL: Yes, he did. It is a very efficient farm and a good case study of what happens. What I have said is correct: he had 900 megalitres and he used the lot. The family grew vegetables, cotton and wheat-every agricultural grain crop they could grow. The farm supported three families and employed 12 people during the peak harvesting period. All that will be lost. This Government has not acknowledged that these water-sharing plans will have an impact on local people. They are desperate and are asking members opposite to listen to them. When this is taken away they will lose their capital investment and their families will lose their livelihood and future.

The Government will not adequately compensate them or provide an adjustment package that will repay them for what they will lose. That is important. I stress that members on this side have asked members opposite to visit the Gunnedah region to talk to these people and try to understand the impact this will have on them. This situation is not unlike that applying to the drought that we spoke about earlier today. Many of these farmers are in an emotional state because their livelihood will be lost. I do not like to think about their future, but we must acknowledge the situation. It is incorrect to say that these water-sharing plans will have no impact on local communities.

I encourage the Government, even at this late stage, to listen to what these people have to say, because they reflect what is happening and what will happen. They are concerned not only about the adjustment package, which is well below what is considered adequate in the Namoi Valley, but also about the tax position they will face and the real loss of water. They have taken voluntary cuts of 35 per cent, but that has not been considered. They are also very concerned about the loss of capital value in their properties. After the water-sharing plans have been implemented, most of these farms will be reduced to dryland value. That represents a huge capital loss and the Government is expecting these individuals to carry that burden without adequate compensation. I ask the Minister to listen to what they are saying. They are reflecting what they feel in their hearts: they are very concerned about their livelihoods and the livelihoods of their families.

Mr WEBB (Monaro) [9.45 p.m.]: I acknowledge the work that the shadow Minister for Land and Water Conservation, the honourable member for Ballina, has done on this issue and I support what the Leader of the National Party and the members representing the electorates of Lachlan, Burrinjuck, Tamworth and Barwon

have said. Interestingly, the Leader of the National Party, the honourable member for Lachlan and the honourable member for Burrinjuck all referred to water catchments. The honourable member for Tamworth referred to the Namoi River and the important areas in which farming production, communities, and the history and fabric of our State are tied up with water. It is ironic that we are discussing water management when today we had a debate about drought and the Federal Government and State governments trying to come to terms with providing aid. We have recently witnessed the breaking down of the Snowy scheme and the release of 38 gigalitres of water into the Snowy River, which flows through my electorate. That scheme, which is 52 years old, harnessed water and made it available across the south-east of New South Wales and northern Victoria.

Many economic factors must be considered when dealing with water. This Government has focused solely on environmental outcomes and has not taken into account the full socioeconomic impact of its water management reforms across the State. It is talking about trading in water. I cannot understand how one can trade water from one area to another, and I have been associated with a high rainfall grazing property all my life. The ability to catch and use water is the most important property right, and those elements are intrinsically linked. If reforms are to be introduced, the Government must take account of local experience. It is difficult, in fact, almost impossible, for outsiders to implement water management plans if they do not take into account local experience, ownership and knowledge.

I have said on several occasions in recent months that the farming and grazing communities of New South Wales are suffering severely from a bureaucratic drought imposed by water reform, threatened species, and native vegetation legislation that does not take into account the full social, economic and agricultural impacts of the desired outcomes. The problems that farmers experience in overcoming that bureaucratic maze of red and green tape are a far greater barrier to production and the ongoing viability of farming in New South Wales than this drought, which we know will break sooner or later.

Eventually the rains will come and rivers will flow and water will be available again for agricultural production. In the meantime, farmers need real dollar support so that their properties remain viable. That is a simple issue for the Commonwealth and State governments to resolve. However, they cannot resolve an environmental approach to water and natural resource management reform that does not take into account logical input from people with knowledge and a vested interest.

I will briefly refer to a couple of other relevant issues that this State has an involvement in but has ignored. I refer to the Queanbeyan, Molonglo and Murrumbidgee rivers, which supply water to Canberra. The salt flowing into the Murrumbidgee River from Canberra is a concern to many people beyond that area, and this Government has a role in that regard. The Murray-Darling Basin River Act and the Seat of Government Acceptance Act must be taken into account. This Government has a responsibility to work with the Australian Capital Territory and Commonwealth governments to ensure that water in those catchments and environmental flows, if they are important downstream, are taken into account. My family's property is on the Murrumbidgee River, which flows through the electorate of Monaro, which is an important, high rainfall catchment area for the rest of the State. The people who pioneered those high-rainfall areas some 170 years ago must have prior call on that water. It is all very well to say we have now developed in other areas, but farm dams, irrigation and small towns all depend upon rainfall.

We cannot remove the link between land rights and water rights. It is all very well to talk about water sharing, but we must ensure the efficient use of water in high-rainfall areas. We must also take on board the previous rights that governments have granted people to invest in water and agricultural production, to ensure that towns and communities operate efficiently. It is certainly not good enough for the Government to say, "Don't worry about it, there will only be 48 jobs lost, the impact of what we are trying to do will not be very high." The people who have invested in farms and businesses in country towns know full well that the water in those towns is linked directly to the rivers of those towns, and that the job losses and agricultural production losses associated with water mismanagement will be significant.

Mr GEORGE (Lismore) [9.51 p.m.]: The Water Management Amendment Bill amends the Water Management Act 2000 but it does not address the very real damage the Act is causing in rural and regional New South Wales. I support the honourable member for Ballina, the shadow Minister for Land and Water Conservation, who led magnificently for the Coalition on this bill. He foreshadowed the Coalition's amendments to the bill, which seek to restructure water management committees to better reflect the views of stakeholders and people directly affected by water sharing plans. The Coalition is committed to overhauling water management committees to ensure that agency representatives operate in an advisory capacity only. We do not believe that agency representatives should vote on the formation of water sharing plans. We also believe that

people who sit on water management committees should live within the area covered by the plan. We value and commend the work of the community representatives who have battled long and hard to develop water sharing plans. Equally, however, we recognise that many of these community representatives have been hamstrung by the Water Management Act.

I have received correspondence, as has the Premier, from the Coopers Creek water users group in relation to the development of a draft water sharing plan for Coopers Creek. The group believes that members of the Northern Rivers Water Management Committee used their positions to gain an unfair advantage that resulted in a self-interest bias in the report to the Minister. When the committee called for submissions, members of the committee put forward submissions and then voted in favour of them. Members of the public who made submissions were not, of course, able to vote for them.

Therefore, committee members used their positions to put a biased opinion to the Minister. That was a major concern, especially given that only two or three members of the 17-man committee were farmers. The group was also concerned that the socioeconomic report did not specifically address the impact on Coopers Creek commercial irrigators, and that there was no attempt in the report to obtain local data or access the impact on local industries. These committees do not have the interests of local farmers at heart, some of whom have been in the area for generations, as the honourable member for Monaro said.

A few days ago the honourable member for Ballina and I attended a meeting of the Northern Region Organisation of Councils. All the relevant Ministers were invited to attend, as well as the shadow Ministers. The honourable member for Ballina was the only shadow Minister who attended; no Minister attended. In any event, we had to face the music. I thought it was ironic that one of the local residents from Goolmangar, Gerard Mackney, said, "Everyone seems to want to charge for the water. Who owns this water?" No-one could answer him. He said, "I would like to know who owns it. Everyone wants to charge for it now, but last year during the floods when I had eight feet of water over my place, no-one wanted to claim it then." That is the feeling in the community: everyone wants to claim the water when it is scarce, but no-one wants to claim it when there is a flood. Mr Mackney's concern was justified. Enough has been said about this issue; I cannot add anything more. I urge the Minister to support the amendments, because the people who depend on water need them.

Mr FRASER (Coffs Harbour) [9.56 p.m.]: I support this important legislation, and I support the amendments foreshadowed by the honourable member for Ballina because they are a step in the right direction. The amendments provide that the majority of the members of water management committees must be local land-holders, landowners and water users. They must be in charge of their own destiny and be given an opportunity to manage what has historically been a right. I am the first to admit that over the past 200 years or so mistakes have been made in water use management.

Mr D. L. Page: Mostly on government advice.

Mr FRASER: As the honourable member for Ballina said, most of those mistakes have been made on government advice. When we look at the agricultural sector across the board, the people who are seriously affected today by, for example, salinity have in the past acted with the support and advice of governments. Yet, when there is a problem such as salinity, the Government walks away and does not wish to own up to the problem or assist farmers. At the same time, it seeks to visit on this generation of farmers the sins of their forebears. The Government expects today's farmers to fix up the problems that have occurred over generations.

The same thing occurs on the North Coast with problems associated with agricultural chemicals and the contamination of soil in areas zoned for residential housing. Why is the soil contaminated there? It is contaminated because the Department of Agriculture has said, "We cannot have beetle borer in the banana crop because it will cost the industry too much money; you must spray with arsenic." Although the Government created the problem by insisting that farmers spray their crop, which otherwise would have been fine, now it does not want to know about it.

We have a new Minister for Land and Water Conservation. Over the past eight years his Government has had an opportunity to be somewhat visionary in its approach to water usage, but it and other governments have not acknowledged that the availability of water in Australia, which is one of the driest countries in the world, has changed. We cannot go back to where we were 200 years ago; we cannot go back to where we were 40,000 years ago prior to the Aborigines settling here and starting their burning regime. There is now evidence to show that the rivers have deepened and the estuarine systems have changed purely because of the burning regime the Aborigines introduced 40,000 years ago.

We cannot go back to that time. As its name suggests the bill is about water management: let us try to deal with the problems we have now and manage out water sustainably in the future. As many speakers have said, both in this debate and previously, we are in the grip of one of the worst droughts this country has experienced; it is phenomenally bad. As the honourable member for Ballina can attest, on the North Coast we are probably experiencing a bit of a green drought, but there is no water in the creeks.

For the past week or ten days representatives of the Department of Land and Water Conservation have been telling people in Dorrigo that they cannot pump water out of Beales Dam or Rocky Creek. It is getting so desperate that I can state now that someone will be shot up there. The farmers who rely on income from their crops are having their water entitlements taken from them because the town of Dorrigo needs water. I suggest that irrigators there are taking water out illegally. Others know that and they cannot get what is rightfully theirs. It is dividing a community that is normally rock solid. Instead of being divisive, why are we not being vigilant? Why are we not looking at major onstream storages?

We have altered the estuarine system in this country to such an extent that we should now take the opportunity of creating major storages that will not drought-proof New South Wales but will make us drought resistant. Our farmers and our rural communities should be given the opportunity to manage the present systems. If we do that we can manage the environmental flows. They are marvellous words. I have yet to hear anyone define an environmental flow. As the honourable member for Lachlan said, on many occasions in the past the Lachlan River has been dry, yet it now has water in it. That indicates to me, and it should indicate to all of us, that we have changed the river system. If we have changed it, we cannot go back to the way it was hundreds of years ago. However, we can manage it in such a way that even during a drought we can improve the ecology of those river systems. That can be done through a gradual release of water—not a release of 125,000 megalitres in one hit, which created major problems downstream, as the honourable member for Lachlan stated. However, management practices can be looked at.

In 1992 I proposed a dam on the Nymboida River that would hold 2 million megalitres of water. I put the plan out for public consultation a couple of weeks ago. That dam could have been gravity fed from the Tweed to Newcastle. It could have kept the population up there in water for 200 years and given us an opportunity to run water down through the Clarence and the Nymboida river systems in a time of drought with better than natural flows. The floods 18 months ago and the uncaptured water that ran out to sea were of no use. In fact, the environment was damaged. If we could harness and manage the water generated in a flood I suggest the bad practices of the past could be minimised. Instead of introducing a bill that restricts farmers and their communities and creates problems within those communities, as the present bill does, we could introduce a system of water management that benefits the whole community.

The amount of water on earth is finite. The important matters are how we use it and how well it is cleaned in domestic and commercial use before it is returned to the natural system. Why are we not being a little visionary and taking the water, using what we need, returning it to the system and, at the same time, improving the estuaries and the lot of both our farmers and our city dwellers? The sad thing is that we have heard today in the House, I think from the Premier, that Warragamba Dam is full to 68.1 per cent of capacity. There is no reason at all why the people of Sydney should have water restrictions imposed on them, but on the North Coast, for example in my electorate, we have had water restrictions year in year out.

The Minister knows we are fast tracking, to use his words, the water supply system of the people of Coffs Harbour and the Clarence Valley. A system should have been in place—a system that was approved prior to Labor taking government eight years ago. The dam at Kangaroo Creek or the dam on the Nymboida River should have been built. Now another dam may be built. I challenge the Minister, although this is probably not the right debate in which to do it. It is funny that we are now talking about reversal of pumps, and I wonder whether the new dam at Karangi will ever be built or whether it is the Government's intention to pump the water from the Nymboida Dam at Karangi back up to the Clarence, Maclean and Yamba areas when they need water?

If a visionary said the dam that was proposed in 1993 would be built on the Nymboida, that dam would be financed by private sector funds. It would have generated 100 megawatts of electricity and it would have provided drought security and given the North Coast water management practice that it has never had before. But the Minister for Local Government refused; he was scared of the green vote. In this debate the problem is that the Government listens to the precautionary principle put forward by extreme Greens from the Sydney metropolitan area and the people in regional New South Wales pay for it. In Sydney cars can be hosed, footpaths can be washed and people can have 15-minute showers. I have a 30,000-gallon tank and at the moment I probably have 10,000 gallons left. We have had no real rain for six to eight weeks. One of my creeks is dry. On

the weekend I had to cut a fence to let cattle into another paddock. I am only a hobby farmer. Our creeks are dry and people are suffering, but in Sydney they are not. The people in regional New South Wales should be given the same opportunities Sydney people have.

I walk around the Domain almost every morning and the sprinklers are on. At 11 o'clock the sprinklers will be watering the lawn. That is why it is nice and green in most places. We do not have green parks like that around the North Coast unless we have reused water. We also have an opportunity to urge farmers to consider better irrigation systems such as drip-fed irrigation to improve their water usage and to reduce salinity. We need to make sure that we can at least make New South Wales drought resistant but, at the same time, we need to make sure that the people of Sydney have flow restrictors on their water or better irrigation systems in their yards. Let us make it equitable for all Australians. Let us take this opportunity to introduce equitable legislation and improve the health of our community and the management of our water irrigation and farm use.

Not long ago we read in the paper that someone bought a water licence 27 years ago for $170 and it is now valued at $2 million. That is wrong. That is not management; it is trading. We need to get back to basics and ensure that the Pratt report on the Murrumbidgee Irrigation Area is adopted and that the visions are worked through with government, the private sector and farmers to ensure that we use our water more wisely, that we achieve better productivity, that the gross domestic product increases, and that we leave something for future generations. That will give us an opportunity to manage for the benefit of the environment, the farmer and the city. It will ensure that Sydney does not burst at the seams and that people can move to regional New South Wales knowing they have a secure water supply, which regional New South Wales does not have at the moment.

I implore the Government, instead of taking this big-stick approach, to consider the issue without being influenced by minority groups that do not understand it. Something that has been altered cannot be preserved. We need to improve the system. I believe we can do it but we need courage and vision. We should not look at what we have done but at what we can do to improve the lot of water users in New South Wales generally and the good that will do for the nation.

Mr AQUILINA (Riverstone—Minister for Land and Water Conservation, and Minister for Fair Trading) [10.09 p.m.], in reply: I thank all honourable members for their contributions, although I disagree with some issues raised by a number of members and I will deal with those in detail shortly. First, I want to reiterate the specific intentions of the bill. Honourable members would be aware that the bill introduces a number of important reforms to the Water Management Act 2000 that aim to clarify, facilitate and streamline the operation of that Act. This bill is not new legislation; it is amending legislation. It finetunes legislation to reflect the experience gained from attempts to implement water sharing plans over the past two years. The bill will give the Act greater flexibility and provide expanded options for water users. Indeed, honourable members opposite encouraged the Government to do that, although one would not think so from their remarks.

Amendments relating to water sharing plans will broaden opportunities available to water users, permit the plans to take into account matters outside the plan area and permit the plans to apply to the whole or part of a water management area. That is something that the original legislation did not allow. The amendments will also clarify how mandatory conditions are imposed on access licences. In his introductory remarks the shadow Minister for Land and Water Conservation said that only 37 water sharing plans were being prepared. However, they cover approximately 80 per cent of all the State's water, be it normal streams and rivers, regulated rivers or ground water. His statement implied that the Government is making only a small dint in the management of New South Wales water, but that is not the case. This amending bill is major legislation that covers the vast majority of water usage in this State.

The bill will develop rules for the operation of the access licence register and provide a system of priorities that should encourage lending against the licences, a measure that would be welcomed by holders of access licences. The amendments will introduce transitional provisions to protect the interests of existing right holders and permit their rights to be registered. It is important that the rights of existing holders are not lost in the process. The bill safeguards the interests of those people. In relation to transactions with licences, the amendments will differentiate between the many meanings of the word "transfer". It is important to be precise from a legal perspective, and that is what the bill aims to do. The bill will clearly specify the rules of assignment on conversion of category, on change of water source, on division of licences and change of point of extraction. I make those explicit points because this is the reason for the legislation. Members opposite were not specific but spoke generally from a somewhat emotional point of view as representatives of their electorates.

That is understandable, but the bill is all about specifics: the law, enabling water users to make better use of their water and widening their options so that they can talk with people trained to interpret the legislation and understand precisely what are their rights. The amendments will facilitate separate trading of extraction share components and clarify the system of transferring water allocation between accounts, known as temporary transfers under the current system. That is an important measure, as temporary transfers must be specifically clarified. In relation to licences and the approval system, the amendments will permit the phased introduction of the new system. That was not possible under the original legislation, which specified that the system must be introduced immediately. That meant that the introduction of water sharing plans would have had to be delayed until the whole system was ready. This bill enables the new system to be phased in in a logical and orderly fashion.

The bill extends the use of supplementary access licences to all water source types and modifies the obligation over all registered rights of access to a neighbour's land before granting approval for works on that land. This is precise, detailed legislation that will clarify many issues raised by water users. The bill will increase the flexibility to impose embargoes on smaller areas and extend the system of joint land-holder schemes to drainage authorities. Not one of the 10 Opposition speakers addressed any of the specific issues, nor did they suggest ways in which the bill might be improved. The Government would have been willing to listen to any suggestions on how these legal and technical matters could have been enhanced to improve the rights of water users.

Mr D. L. Page: I referred to the register.

Mr AQUILINA: Yes, I will make some reference to that shortly. The honourable member for Lachlan said that he hoped this was transitional legislation. What legislation is not transitional? Legislation needs to be amended on an ongoing basis, particularly groundbreaking legislation such as this, as we become more accustomed to the way in which legislation is being implemented and as we become aware of issues that arise once the legislation is put into practice. The Government aims to do that and if the Government does not amend this legislation, other governments will do so in the future as the practice becomes more refined and different needs become apparent.

The amendments deal with definitional matters that will clarify and give greater certainty. Additional matters of this nature arose in the consultative process and the Government will move amendments in the Legislative Council to reflect those. This bill is largely of a technical and mechanical nature, but it is important amending legislation to the groundbreaking Water Management Act 2000. These amendments are important if our water management system is to function properly. No-one is saying that this amending legislation will make the matter perfect. However, we are saying that this is a big improvement on the legislation introduced in 2000. As we become more aware of the issues during implementation of the plans and putting into practice many important ideals, everyone will be entitled to make suggestions and provide contributions.

I shall address some of the issues raised by various members. The honourable member for Ballina spoke about the conversion of existing rights. A process to protect existing rights when the Water Act licences are converted is being developed in consultation—the honourable member stressed the point about consultation—with the New South Wales Irrigators Council, New South Wales Farmers and the Australian Bankers Association. It is appropriate that those organisations are able to sit down individually, and hopefully collectively, to provide more detail, suggestions and legal refinement in relation to the conversion of those existing rights. Work is progressing and, with close consultation between the interest groups, it is expected that the process will soon be in place. However, I will not suggest that that will be the final issue.

No doubt—and I stress this point again—we will become more aware of the detail when the legislation is implemented. We reserve the right to make better use of the information to which we have access, information that is provided to us more often than not by the users themselves, and to implement it. Programs for checking the type, volume, value and nature of transfers are also being developed. The access license register, which is a public register, will make this information available to everyone. In response to an interjection by the honourable member for Ballina, one great aspect of this legislation is its transparency: it is accountable and open. Establishment of the register is an important aspect, and the fact that it will be open to the public is important.

The honourable member for Ballina said that trade must be monitored. Indeed, the honourable member for Ballina, the honourable member for Lachlan, the honourable member for Tamworth and the honourable member for Murrumbidgee said that they want this legislation monitored. No-one is denying that

implementation of the legislation needs to be monitored, although it might be inconsistent with the push for free and unfettered trading coming from his Federal colleagues. The honourable member for Ballina should take up this matter with his Federal counterparts. It is important that they also get the message that it is impossible for this State or any other State in Australia to implement water legislation with desired impacts that can then be overridden by the Commonwealth, which would give free rein to the issues raised by members opposite.

I appeal to members opposite. Presumably they are closer to the ears of the Prime Minister and the Deputy Prime Minister in relation to being able to implement these measures. We do not want the so-called water barons to whom they referred to become a reality. The Government will monitor that, and the Minister, irrespective of whether it is me or another Minister , will be able to have a good say because of the veto powers contained in this bill. Another matter raised by the honourable member for Ballina and several other members related to the membership of committees.

Many general and inaccurate statements have created the impression that these committees will be at the mercy of people who, as soon as they hear that a committee meeting is being held, will hop on a plane, duck out to a regional centre, make a decision totally contrary to the needs of the local area, have lunch, and then hop on a plane again and leave the district. This is the impression honourable members opposite create. What nonsense! I ask them to sit down and count the actual members on the 37 committees. By far the majority of members of the water sharing committees are local people, including local farmers, local Aboriginal people, local government representatives and local Green representatives. Only a small number of members of the committees will be from outside the area.

I emphasise that members of the Opposition are wrong on that point. They can make all the general statements they want, but the facts do not bear them out. The few outsiders complement the local knowledge and can make a valuable contribution. Indeed, many committee members tell me that they welcome the outside contribution that has been made, not from people who form the majority of the committee but from people who complement the committee and make a complementary contribution. Their assistance cannot be dismissed. By and large I acknowledge that most Opposition members, including the honourable member for Ballina, spoke from their local knowledge and understanding, and I acknowledge their commitment to their local electorates. However, that stands in stark contrast to the puerile contribution of the Leader of the National Party.

The Leader of the National Party came in here for a brief period, read a speech no doubt written for him by some political hack, did not understand what he was saying and then, having made his contribution—small and inadequate as it was, without any sense of feeling, emotion or commitment to what he was saying—walked out of the Chamber again. At least most members opposite who spoke in the debate stayed in the Chamber to hear the rest of the debate, but that was not the case with the Leader of the National Party. In his so-called political attack he referred to the ACIL report. He said that the findings in the ACIL report were ludicrous. I put it to the House that the ACIL report, which is on the public record, was made up from information on the public record, and its findings have been well and truly argued in a public forum not once, not twice, but on several occasions.

As I think the *Land*—that great newspaper from rural New South Wales—put it, the ACIL report contained unwanted good news for the National Party. Why? Because it systematically tore apart the National Party nonsense about the $1.7 billion and 4,500 jobs, using a multiplier of something like five, that would be lost as a result of implementing these water reforms. The extreme finding in the report to which the Leader of the National Party referred was not the case at all. The details of the report can be verified in the public context. The ACIL report stands on its own merits and on the public and freely available data on which it was based.

[*Debate interrupted.*]

BUSINESS OF THE HOUSE

Extension of Sitting: Suspension of Standing and Sessional Orders

Motion by Mr Aquilina agreed to:

That standing and sessional orders be suspended to extend the sitting beyond 10.30 p.m.

WATER MANAGEMENT AMENDMENT BILL

Second Reading

[*Debate resumed.*]

Mr AQUILINA: I have dealt with most of the matters raised generally by members opposite. I shall deal with two final matters. One matter is the socioeconomic impact of the water sharing plans. Listening to members opposite one would think that this Government had done nothing to try to assess the socioeconomic impact of the water sharing plans. I made a commitment to every water sharing plan committee that they would receive a minimum of $20,000 to work out precisely what the socioeconomic impact would be. At last count only 14 out of the 37 committees had taken up the offer. To hear members opposite one would think that the Government is trying to ram through these plans and this legislation, and not do anything to assist local communities to assess the socioeconomic impact of the plans.

The final matter I wish to refer to is that which was raised by the honourable member for Coffs Harbour. He talked about water management. This is a recurring theme. After all, we are dealing with the Water Management Act. It is all about management. So often when the Opposition talks about management it talks about dams—that is the only form of management it recognises. It talks about building more dams and greater regulation, but there are many more ways to manage water. This legislation brings in the management issues that are so very vital, evidenced at no greater time than this time of drought. Times of stress, such as those we are experiencing now, show up the benefits of real management. Had water been better managed in the past, there would be not tens, not hundreds, but thousands of water users today and the rural sector of New South Wales would be much better off than it is now. It will be better off in the future because of the Water Management Act and this amending legislation.

Motion agreed to.

Bill read a second time.

In Committee

Clauses 1 to 4 agreed to.

Schedules 1 to 3 agreed to.

Schedule 4

Mr D. L. PAGE (Ballina) [10.33 p.m.]:, by leave: I move Opposition amendments Nos 1 and 2 in globo:

No. 1 Page 30, schedule 4. Insert after line 9:

[3] Section 13 Membership of committee

Omit "should, as far as practicable," from section 13 (3).

Insert instead "must".

No. 2 Page 35, schedule 4. Insert after line 17:

[29] Schedule 6 Water Advisory Council and management committees

Insert after clause 12 (3):

(4) In the case of a motion proposed at a meeting of a management committee, the only members of the committee who are entitled to cast votes are those referred to in section 13 (1) (a)-(e).

Both of these two simple amendments are designed to give the community a real voice in water management. The first will ensure that all community representatives on water management committees live in the area to which the water management plan applies. By the second amendment we want to limit the voting rights of water management committees, should a vote be necessary, to community representatives, with agency representatives providing technical advice only. I will now turn to the amendments to explain briefly the rationale for them.

Mr Aquilina: Point of order: I spoke during the second reading debate about the need to be specific in relation to this somewhat technical legislation. The amendments moved by the honourable member for Ballina relate to water management committees under the principal Act. They are not the subject of this bill. They attempt to amend clauses in the Water Management Act, which is not what is being debated here. They are not pertinent to the bill as the bill does not contain proposed amendments relating to water management committees. Therefore, I ask, as there is no such clause in the bill being dealt with today and the amendments are outside the leave of the bill, that you rule the amendments out of order.

Mr D. L. PAGE: To the point of order: The Minister in his second reading speech made it very plain that these amendments are tidying-up amendments of the Water Management Act. The amendments I have moved are further tidying-up amendments that go to the heart of what communities in New South Wales want. If the Government is going to deny me the opportunity to move these amendments, simple as they are, designed to give the community a decent say in water management, it will stand in contempt. Not only is it going to deny the community an opportunity to have a say, it is going to deny us, the representatives of the rural community, the opportunity to put forward amendments designed to reflect what the people are saying to us about reforming the Water Management Act. If the Minister wants to take a technical point to deny us the opportunity to move these amendments, shame on him. The people will see this as a weak issue. This is an issue that we and the people in the country believe in passionately.

The TEMPORARY CHAIRMAN (Mr Lynch): Order! The honourable member for Ballina is straying from the point of order.

Mr Aquilina: To the point of order: This is not a question of whether the Government wishes this. We have no choice. What the honourable member for Ballina has moved is not amending the legislation before the Committee at the moment.

Mr Fraser: To the point of order: The Minister, in his response to the second reading debate, mentioned the amendments that the honourable member for Ballina had foreshadowed. He raised issues with those amendments, talked about the committee structure, acknowledged that it was part and parcel of the legislation, part and parcel of the debate. Yet now that the amendments have been put the Minister wishes to deny the Opposition the opportunity to put the amendments. He responded to the amendments and gave an indication that he would allow the amendments to be put in Committee and would argue against them. He now seeks to have them ruled out of order. I submit the amendments should be put and that the honourable member for Ballina be allowed to speak to them.

Mr Armstrong: To the point of order: It is part of the democratic process that any member may move an amendment. If the amendment is objected to on the numbers in Committee it is defeated. I put it to you that it is within the province of the rules of this place to accept or reject the amendments put forward by the honourable member. It is not up to the Government, otherwise that defeats the whole democratic process.

Mr Aquilina: You know better than that.

Mr Armstrong: I know exactly what I am saying. If the honourable member for Ballina decides to put his motion in this manner, that is up to him. The Minister may support or reject the amendment when it is put to the Committee. He does not have the right to be judge and jury without hearing the democratic voice of the Committee.

The TEMPORARY CHAIRMAN (Mr Lynch): Order! I have been advised by the Clerk that the amendments moved by the honourable member for Ballina are out of order as they are not relevant under Standing Order 224, which requires that amendments be relevant to the bill. These amendments are not relevant to the bill; they are relevant to the Water Management Act. In accordance with the advice of the Clerk, I also indicate that the key to the interpretation of Standing Order 224 lies in the phrase "relevant to the subject matter of the bill..." By extension, the longstanding practice is that the rule of relevance to the subject matter of the bill does not permit amendments to sections of the Act that the amending bill does not propose to vary. Therefore, I rule the amendments out of order.

Schedule 4 agreed to.

Schedule 5 agreed to.

Bill reported from Committee without amendment and passed through remaining stages.

BUSINESS OF THE HOUSE

Routine of Business: Suspension of Standing and Sessional Orders

Motion by Mr Whelan agreed to:

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

(1) Government Business Orders of the Day Nos 6, 8 and 9;

(2) the introduction and progress up to and including the Minister's second reading speech of Government bills, notice of which was given this day for tomorrow;

(3) no quorums or divisions; and

(4) at the conclusion of the above business the House to adjourn, without motion, until tomorrow at 10.00 a.m.

BUSINESS NAMES BILL

Second Reading

Debate resumed from 24 October.

Mr DEBNAM (Vaucluse) [10.42 p.m.]: I indicate at the outset that the Opposition will not oppose the Business Names Bill. This is a significant update of important legislation to businesses operating in New South Wales. As the Minister for Fair Trading indicated in his second reading speech, the update recognises the significant growth in online business activities, as well as changes in technology. The bill replaces the old Act and makes a number of significant changes. It exempts Internet-based businesses from the requirement to register and display business names and links the requirement to carry on business to the trader rather than to the business name. Further, the bill abolishes the fee to update details on the Register of Business Names and increases the penalty for failing to update details.

It clarifies the role of the director-general in refusing to register or in cancelling the registration of a business name and provides the Administrative Decisions Tribunal with jurisdiction to review decisions of the director-general with respect to the registration of a business name. Further, the bill abolishes the requirement for interstate traders who register a business name in New South Wales to have a registered agent in New South Wales. This review is driven, as are many other reviews, by the national competition policy. Apart from being a major update of important legislation in New South Wales, it allows the Government to continue to claim it is doing the right thing under the national competition policy and ensures the flow of funds from Canberra to New South Wales. As I said at the outset, the Coalition will not oppose the bill but we will monitor the way the Government implements it. As I have said in debate on a number of other pieces of legislation, the Government does not have a good record on regulating or implementing changes. We will watch the implementation of this bill very closely.

Mr AQUILINA (Riverstone—Minister for Land and Water Conservation, and Minister for Fair Trading) [10.44 p.m.], in reply: I thank the honourable member for Vaucluse for his contribution to this debate. Whilst I do not agree with all his comments, I acknowledge that the Opposition supports the bill.

Motion agreed to.

Bill read a second time and passed through remaining stages.

PAWNBROKERS AND SECOND-HAND DEALERS AMENDMENT BILL

Second Reading

Debate resumed from 30 October.

Mr DEBNAM (Vaucluse) [10.45 p.m.]: As with the previous bill, this bill is a rewrite stemming from the Government's obligations under the national competition policy to review all legislation that restricts competition. There are more than 1,300 licensed pawnbrokers and second-hand dealers in New South Wales. Regulation of the industry has long been considered important in combating the market for stolen goods. This

rewrite complies with the Government's obligations under the national competition policy. The legislation seems to strengthen the regulation, maintain consumer protection and enhance law enforcement provisions. As the Minister for Fair Trading said in his second reading speech:

> This bill enhances the existing pawnbroking and second-hand dealer licensing regime. It ensures that the objectives of the legislation—to restrict the trade in stolen goods, to provide consumer protection to those who use pawnbroking services and to provide a mechanism to facilitate the return of stolen property to rightful owners quickly and equitably—continue to be met in the most efficient and effective way.

I indicate again that the Coalition will not oppose the bill in this House or in the other place. However, we will monitor the Government's implementation of the new legislation.

Mr AQUILINA (Riverstone—Minister for Land and Water Conservation, and Minister for Fair Trading) [10.47 p.m.], in reply: I thank the Opposition for its support for this legislation.

Motion agreed to.

Bill read a second time and passed through remaining stages.

STRATA SCHEMES MANAGEMENT AMENDMENT BILL

Second Reading

Debate resumed from 30 October.

Mr DEBNAM (Vaucluse) [10.48 p.m.]: I indicate at the outset that the Opposition will not oppose this bill. I will raise a couple of points that I would like the Minister to respond to in his reply or the Government to deal with in the other place. There has been an increasing prevalence of high-rise multi-unit dwellings, which has led to an increase in the employment of on-site caretakers, who typically own or reside in one of the lots in the strata scheme. As the Minister for Fair Trading indicated, caretaker arrangements are most common in the inner city and some coastal areas of New South Wales. When a caretaker's contract is initiated, the developer frequently has controlling interest in the scheme. The caretaker rights are frequently sold by the developer for lengthy periods of more than 20 years, which gives the eventual owners of the units little say in a range of measures which are of prime interest to them. This bill addresses a number of concerns that we have all been aware of in particular blocks of units.

The Opposition supports the amendment to reduce the proposed duration of a contract to no more than 10 years. It is sensible to consider contracts that may be the cause of difficulty for residents and to allow people to take their case to the tribunal if they consider the caretaker's behaviour to be harsh, oppressive, unconscionable or unreasonable. That will obviously be played out in the tribunal for some time, given that a number of bodies corporate will use that provision to take to task existing management contracts.

Having said that the Opposition will not oppose the bill, and that it is a sensible proposal, several concerns have been raised with me fairly late in the piece. The Institute of Strata Title Management has taken exception to clause 40 (a) because it calls for all new contracts to have the caretaker live on site. The institute cannot understand why the caretaker should have exclusive possession of a lot or common property. It has provided a suggested amendment, and if the Minister does not have a copy of the institute's letter I will make it available so that he can address that objection.

Another objection was raised by people involved in establishing concierge-type management arrangements. It has been suggested that this bill will frustrate the establishment of that type of management arrangement. The Minister's advisers may be in a position to provide advice on whether that is simply an incorrect interpretation of the bill-I am sure it is an unintended consequence if that is the case-or to explain why that will not happen. With the exception of those two points, the Opposition will not oppose the bill, but seeks the Government's advice either in reply or in debate in the other place.

Mr NEWELL (Tweed) [10.54 p.m.]: The Strata Schemes Management Amendment Bill is important for my electorate of Tweed, which has an increasingly large number of strata management schemes. At the current rate of registration, within the next decade New South Wales will have at least 85,000 strata management schemes—it currently has more than 62,000 schemes. A significant proportion of the residential accommodation that will become available will be in strata scheme arrangements. It is important that legislation is responsive to the management and administration of today's and tomorrow's strata schemes.

The issues covered in the bill and those to be dealt with in stage two of the reforms to be introduced in 2003 will go a long way towards the achieving the effective finetuning of the legislation. The concept of strata titles first emerged in 1961 with management and dispute-resolution provisions being introduced in 1974 in the Strata Titles Act 1973. The Strata Schemes Management Act 1996 represented a major overhaul of the laws relating to the administration of the strata titles scheme. The Act was the subject of a national competition review, which revealed that the benefits of any anti-competitive provisions outweighed the costs. The review also addressed a number of emerging issues and considered the legislation in general terms.

I will deal with those emerging issues as they relate to the electorate of Tweed. The report was released and 80 submissions were received in response. This bill, which represents stage one of the proposed reforms, deals in particular with onsite caretaker-manager contracts, and proxy and priority voting. They are important issues in my electorate because of the contrast between the way in which the New South Wales legislation and the Queensland legislation deal with strata scheme management.

This bill will regulate onsite caretaker management arrangements for the first time. Those arrangements have been the subject of controversy and angst for my constituents, and the legislation must address that issue. It provides that contracts will be limited to a maximum duration of 10 years. Current contracts will be allowed to run their course and contracts entered into by developers will not be able to go beyond the first annual general meeting of the owners' corporation. An owners' corporation in dispute with a caretaker-manager will have access to the Consumer, Trader and Tenancy Tribunal if it believes that the contract is harsh, oppressive, unconscionable or unreasonable, that the charges are unfair, or that the caretaker is unsatisfactory.

I could provide a number of examples from my electorate that fall into that category. I make particular mention of the Benora Point Caravan Park, which has been a source of great angst. Residents have found themselves disadvantaged because a number of absentee landlords have handed their proxy vote to the strata management agent or caretaker, who have run affairs to suit themselves. This legislation will go a long way to putting the brakes on that behaviour.

I have been awaiting the introduction of this legislation for some time and I look forward to the introduction of stage two in 2003 to enhance the work this Government is doing to protect people's rights. Undoubtedly, the many cases in which management has used proxy votes to suit itself have resulted in a great deal of anxiety. The Minister has visited my electorate and met with a number of people who have concerns about this issue. He has attempted to address that situation in a fair manner in this legislation. The bill also provides that the priority voting rights of mortgagees can be exercised only when dealing with important issues such as insurance budgeting, the fixing of levies, and expenditure above a prescribed amount. In addition, two days written notice of an intention to use a priority vote is required, otherwise it will be invalid.

I must admit that I am disappointed that the legislation does not limit the number of proxy votes that can be used by strata management agents or caretaker-managers. As I have indicated, the bill provides that proxy votes cannot be used by agents or caretakers to financially or materially benefit themselves. Although some members might have voiced objections, it would have been easier to address the issue by limiting the number of proxy votes. That issue has arisen in some strata schemes in my electorate particularly because the Queensland legislation limits the number of proxy votes that can be used by agents or caretakers to achieve financial or material benefits.

The legislation does introduce some improvements, but, as I said, I would like to see it go much further. I ask the Minister to examine the introduction of a limiting provision in the second round of amendments to this legislation to be introduced in 2003. The bill is a positive move by the Government to identify shortcomings in the Act. We have to keep on top of new matters that emerge. The bill deals with issues that are in need of reform. In the interests of that large segment of our community whose day-to-day life revolves around strata schemes, the bill deserves to be supported. As I said, the bill will address issues which are going to become more and more relevant as our style and manner of living and looking after real property changes in the years ahead.

Mr AQUILINA (Riverstone—Minister for Land and Water Conservation, and Minister for Fair Trading) [11.00 p.m.], in reply: I thank the honourable member for Vaucluse and the honourable member for Tweed for their contributions to the debate on this important legislation. I thank the Opposition for supporting the legislation. The honourable member for Vaucluse wants further clarification in relation to two issues. I thank him for providing, in the interim, a copy of a letter addressed to him dated 8 November from the Institute of Strata Title Management Ltd which I had not seen before.

The letter relates to clause 40A, which provides for a caretaker in the event of exclusive possession of a lot or common property. I am advised that that is the way in which contracts are constructed and that is why the legislation was drafted in this way. As I did not have access to this correspondence before, there may matters of which we were not aware that the institute wishes to raise. I will obtain further details between now and when the bill is debated in the Legislative Council.

In relation to the second matter raised by the honourable member, I am advised that the bill will not prevent concierge-type arrangements, but it will limit the maximum term to 10 years rather than allow an open-ended 25 years arrangement. The honourable member for Tweed made an important contribution about a matter that particularly concerned him. Indeed, I specifically visited his electorate to interview a number of persons who reside in strata management-type units about how their situation can be improved. I believe that this legislation substantially answers most of their concerns.

The honourable member for Tweed spoke of limiting the number of proxies, as in Queensland. Basically, the legislation introduces a number of provisions which substantially curtail the way in which proxies are used, and ensures that proxies cannot be used for the personal financial benefit of the caretaker, something that some constituents of the honourable member for Tweed claim may be the case in their strata title units. Given that I have undertaken to obtain further information from the Institute of Strata Title Management Ltd, I thank the Opposition, and the honourable member for Tweed, and I commend the bill to the House.

Motion agreed to.

Bill read a second time and passed through remaining stages.

RETAIL LEASES AMENDMENT BILL

Bill introduced and read a first time.

Second Reading

Ms NORI (Port Jackson—Minister for Small Business, Minister for Tourism, and Minister for Women) [11.04 p.m.]: I move:

That this bill be now read a second time.

The majority of the amendments in this bill arise from the application of the Retail Leases Act to Sydney airport. Until 30 June 1998 retail leasing at Sydney airport was subject to Commonwealth legislation. On that date the Commonwealth Government withdrew its legislative coverage of retail leases at the airport. As a result, Sydney airport became subject to the provisions of the New South Wales Retail Leases Act, as well as several other New South Wales Acts. That change had the potential to have a significant impact on three areas associated with airport activities: retail activities at the airport; Sydney airport and related construction work; and Sydney 2000 Olympics. To address these issues and to ensure an orderly transition from Commonwealth coverage to State coverage, this Government introduced the Retail Leases (Sydney Airport) Regulation in 1999.

The regulation exempted from the operation of the Act premises at the airport that are not used for retail businesses, and so would not be covered by the Act were they not in a retail shopping centre complex; exempted from the operation of the Act premises within a master concession that have a total aggregate lettable area greater than 1,000 square metres; conferred exemptions from various provisions of the Act in their application to Sydney airport, which impacted on existing construction agreements and commitments in relation to the Sydney 2000 Olympics; exempted Sydney airport from provisions of the Act, or modified those provisions, to the extent that they inhibited application of the then current commercial tendering and rent determining processes applied to retail shop concessions at the airport; and was an interim measure which ceased to operate on 31 December 2000 in respect of leases entered into after that date.

Sydney Airports Corporation Ltd [SACL] sought protection from some provisions of the Act going forwarded from 30 December 2000. Under the auspices of this Government, a committee comprising representatives from SACL, the Property Council of Australia, New South Wales Branch, the Australian Retailers Association and the Real Estate Institute negotiated their way through the issues raised by SACL. These negotiations dealt with resolving the tensions between Sydney airport as an operational airport with the need to meet stringent operational requirements—including safety and security—and Sydney airport as a shopping centre complex. These amendments to the Act dealing with the Sydney (Kingsford Smith) Airport, flow from negotiations after due consideration was given to ensure the amendments were good public policy.

The amendments give a definition of "airside" at the international terminal—airside being that part of the international terminal to which access is limited to persons, other than authorised persons, who hold a boarding pass. This definition flows through to other amendments, some of which apply only to airside tenancies. Approximately 70 per cent of retail sales are made on the airside of the international terminal. The amendments provide that consent to an assignment of an airside retail shop lease can be withheld if the proposed assignee has inferior skills to the existing tenant. Airside retailers at Sydney airport need to be able to respond quickly to international changes because its competitors are other major airports such as Heathrow, Los Angeles, Singapore and Auckland—not local off-airport shopping.

An assignment of an airside shop lease at Sydney (Kingsford Smith) Airport may be withheld if the proposed assignee's skills for competing in the international airport retail market are inferior to those of the existing, assigning, tenant. The amendments exempt from the operation of the Retail Leases Act—the Act—leased premises in which non-retail activities are conducted at the airport terminals. Retailing at the airport is only an adjunct to the main business of the airport—which involved passenger movement—unlike shopping centres where the emphasis is retail selling.

The amendments exempt some leases of one or more areas within the airport passenger terminal leased by the same lessee, aggregating 1,000 square metres, or a larger area. Leases of shops with lettable areas totalling 1,000 square metres or more are presently exempt from the operation of the Act. The amendments are designed to exempt smaller sized areas forming part of a master concession at the airport aggregating 1,000 square metres or more, leased by the same lessee. The master concessions are the food concession and the duty-free concession. The amendments exempt airport lessors from paying compensation to lessees for interruptions to their businesses necessitated by airport or airline safety and security or by regulatory requirement. Airport lessors who are required to implement airport and airline safety and security measures, and satisfy regulatory requirements—which are not known when leases are entered into—need protection from compensation claims made by lessees whose businesses are adversely affected because of the imposition of such measures.

The amendments exempt lessors of airside retail shop leases from the confidentiality constraints of section 50 of the Act. Section 50 of the Act provides penalties for lessors who divulge turnover figures provided by tenants except in defined circumstances. Airside tenancies are put to tender. To ensure equality in the tendering process the previous tenant's trading figures are disclosed. The bill contains some other minor amendments. The first of these deals with amendments to the Retail Leases Act made under the Intergovernmental Agreement Implementation (GST) Act 2000. Those amendments included a provision that required an agreement between a retail lessor and lessee—for the recovery of GST from the lessee—to comply with the Australian Consumer and Competition Commission price exploitation guidelines.

These price exploitation guidelines were a transitional measure. They expired on 30 June 2002, which was the completion date for the new taxation system transition period. As a result of the expiry of this transitional period, the reference to the guidelines is removed by these amendments. The second minor amendment is to make clear that where the lessor and the lessee have agreed that the GST will be recovered as an outgoing, the outgoing is assessed as a percentage of the rent and not on a square metre basis. This amendment will ensure that a lessee will only pay the appropriate amount of GST on the rent. The third minor amendment is to ensure that the Registrar of Retail Tenancy Disputes can use a wide range of alternative dispute processes to resolve retail shop lease disputes, and that the protection of the Act applies to the person conducting the alternative dispute resolution process. As a package, this amending bill ensures that the Retail Leases Act will continue to meet the needs of the retail leasing industry. I commend the bill to the House.

Debate adjourned on motion by Mr Maguire.

BUILDING AND CONSTRUCTION INDUSTRY SECURITY OF PAYMENT AMENDMENT BILL

Bill introduced and read a first time.

Second Reading

Mr IEMMA (Lakemba—Minister for Public Works and Services, Minister for Sport and Recreation, and Minister Assisting the Premier on Citizenship) [11.14 p.m.]: I move:

That this bill be now read a second time.

Just over three years ago this Parliament enacted the Building and Construction Industry Security of Payment Act 1999. The Act was the first of its kind in Australia. It has set a benchmark for dealing with payment problems in the building and construction industry and similar legislation has already been adopted in Victoria. I

understand other States are also considering adopting a similar approach. The main purpose of the Act is to ensure that any person who carries out construction work, or provides related goods or services, is able to promptly recover progress payments. The Government wanted to stamp out the practice of developers and contractors delaying payment to subcontractors and suppliers by ignoring progress claims, raising spurious reasons for not paying or simply delaying payment.

Reports received by my department indicate that the Act is proving very successful in reforming these practices. But changes can be made to make the Act even more effective. The purpose of this bill is to enact those changes. The changes were foreshadowed in a detailed discussion paper I released on 5 September 2002 to coincide with the formal review of the Act required at this time. The responses to that discussion paper were overwhelmingly supportive of the proposed changes. Proposed changes encompass new features to the Act, modifications to existing provisions, and drafting changes to clarify the intent of the Act.

The Act was designed to ensure prompt payment and, for that purpose, the Act set up a unique form of adjudication of disputes over the amount due for payment. Parliament intended that a progress payment, on account, should be made promptly and that any disputes over the amount finally due should be decided separately. The final determination could be by a court or by an agreed alternative dispute resolution procedure. But meanwhile the claimant's entitlement, if in dispute, would be decided on an interim basis by an adjudicator, and that interim entitlement would be paid. However, some claimants have had difficulty enforcing payment of the debt due under the Act. To enforce payment, the claimant has had to obtain a judgment of a court. At present this involves taking out a summons in the appropriate court. The respondent has 28 days to lodge a defence or cross-claim. Then there is a hearing before a magistrate or judge, who has to decide whether to enter summary judgment for the statutory debt or set the matter down for a full hearing.

By raising in court defences such as that the work does not have the value claimed or that the claimant has breached the contract by doing defective work, some respondents have been able to delay making a progress payment for a long time. Those respondents have forced claimants to incur considerable legal costs. They have effectively defeated the intention of the Act. To overcome the problem, the bill clarifies that in court proceedings by a claimant to enforce payment of the debt due under the Act, a respondent will not be able to bring any cross-claim against the claimant and will not be able to raise any defence in relation to matters arising under the construction contract. A respondent who wants to raise these matters must do so in a payment schedule in response to a payment claim under the Act, or in separate proceedings.

Cash flow is the lifeblood of the construction industry. Final determination of disputes is often very time consuming and costly. We are determined that, pending final determination of all disputes, contractors and subcontractors should be able to obtain a prompt interim payment on account, as always intended under the Act. To reinforce this determination, the bill provides that after an adjudication the respondent must pay the claimant the adjudicated amount. The existing legislation gives the respondent the options of paying the adjudicated amount or providing security for payment of the amount. Experience has shown that where respondents have taken the security option, they have then not taken steps to expedite the final resolution of the dispute.

The result is that cash flow to the claimant does not occur, and the claimant has achieved little through the adjudication process. Removing the security option will overcome this situation and ensure that a reasonable interim payment, assessed by an independent party, is made within a short time frame. In addition, the bill includes another important measure for ensuring a claimant can more easily enforce prompt payment of the adjudicated amount. The bill provides that after an adjudication a claimant can ask the Authorized Nominating Authority, who nominated the adjudicator, for a certificate as to the adjudicated amount. The claimant can file that certificate in an appropriate court and automatically obtain judgment for the adjudicated amount.

Under the new procedure there will no longer be need for a summons and a hearing before a magistrate or judge. Claimants will be able to obtain judgment for the adjudicated amount without the need to engage a solicitor. A claimant will be able to obtain judgment on the day that the claimant files the adjudication certificate with the court. These measures not only will expedite recovery of progress payments but will considerably reduce the cost of doing so. If a respondent applies to the court to have the judgment set aside after an adjudication, the respondent will have to pay into court as security the unpaid portion of the adjudicated amount. This will defeat the practice of using legal proceedings to simply delay payment.

There will be some instances where a court may set aside the judgment. The respondent may be able to demonstrate to the court that the requirements of the Act have not been complied with; for example, that there has not been a valid adjudication. But in proceedings to set aside the judgment the respondent will not be

entitled to bring a cross-claim or to raise any defence in relation to matters arising under the construction contract or to challenge the determination by the adjudicator. Adjudication is an expedited procedure. The adjudicator has only 10 business days in which to make a decision. There will be instances when the progress payment determined by the adjudicator will be more or less than the entitlement finally determined to be due under the contract. However, it is better that progress payments be made promptly on an interim basis, assessed by an independent party, rather than they be delayed indefinitely until all issues are finally determined.

Presently, when a respondent fails to pay the claimant by the due date for payment under the contract, the claimant's only recourse to enforce payment is to commence proceedings in a court. The bill will give the claimant another option. The claimant will be able to opt to have an adjudicator determine the amount of the progress payment that is due. This is an "optional adjudication". The claimant will still be able to proceed to adjudication earlier if the respondent provides a payment schedule and the scheduled amount is less than the amount claimed. The benefit to the claimant of proceeding with an optional adjudication rather than commencing proceedings in a court is that the claimant will then be able to use the adjudication certificate to obtain judgment expeditiously and without a court hearing. The claimant will be able to initiate an optional adjudication when the respondent fails to provide a payment schedule within time and fails to pay the amount claimed, or the respondent provides a payment schedule but fails to pay the whole of the scheduled amount.

The changes are not only designed to prevent abuses of the intent of the legislation by respondents. We recognise the potential for claimants to abuse also the intent of the legislation. Consequently, the bill restricts claimants to one payment claim under the Act in respect of each reference date. Reference dates will be either dates specified in the construction contract for making progress claims or, if not stated, the last day of each month of the year. There will also be a limit upon how long after construction work is completed that a claimant can continue to make payment claims under the Act. The period will be 12 months after the last work was carried out or the goods or services were last provided, or a later date if provided for under the contract.

If the scheduled amount is less than the claimed amount, the Act presently allows the claimant five business days in which to initiate an adjudication. This period will be extended to 10 business days. This reflects the fact that a claimant frequently is unaware there is a payment dispute until the payment schedule is received and the proper preparation of an adjudication application can take more than five business days. Another time which will be extended is the time for the respondent to make payment after an adjudication. Presently, it is two business days. This will be extended to five business days to provide a more reasonable time to organise payment and to ensure work is not suspended prematurely.

A significant new feature is the provision in the bill that interest must be paid on the unpaid portion of a progress payment. Interest will be at the higher of the rates of interest provided for in the construction contract or the rate applicable to Supreme Court judgments. This will stamp out the practice of including a very low rate of interest in a construction contract. A low rate of interest is an incentive to delay payment. We want to remove any such incentive. To further enhance security for payment, the bill provides that, if a progress payment becomes due and payable, the claimant is entitled to a lien. The lien is for the unpaid amount and is over any unfixed plant or materials supplied by the claimant to the respondent for use in connection with the carrying out of the construction work. The lien will not override a pre-existing entitlement of a third party.

Under the bill, authorised nominating authorities are given an enhanced role. Henceforth, all adjudication applications must be made to an authorised nominating authority chosen by the claimant. A respondent will no longer be able to dictate in the construction contract that a particular authorised nominating authority must be used. Authorities will be entitled to charge fees for dealing with adjudication applications and related matters. The Minister will be able to limit the number of authorised nominating authorities and to set the upper limit of fees which may be charged by an authorised nominating authority. The bill provides that the adjudicator's determination must include the reasons for the determination unless both the claimant and respondent request otherwise.

The bill also puts a stop to "adjudicator shopping". This is the practice of a dissatisfied claimant making repeated adjudication applications until the claimant gets the adjudication decision that the claimant wants. Henceforth, if one adjudicator has decided that work, or related goods or services, have a certain value, in a subsequent adjudication the adjudicator or any other adjudicator will have to give the work, goods or services that same value. An exception is where the claimant or respondent satisfies the adjudicator that the value of the work, goods or services has changed since the previous adjudication. If the adjudicator's determination includes a clerical mistake or minor error or miscalculation, the adjudicator may correct the determination.

The Act has provision to enable an unpaid claimant to suspend work but there is no reference to when the claimant must recommence work. It is proposed to allow the claimant up to three business days to resume

work after the claimant has been paid all moneys due under the Act. The bill further provides that if, as a consequence of the suspension, the respondent removes from the construction contract any part of the work or the supply of goods or services, the respondent is liable to pay the claimant's loss or expense arising from such removal. That loss or expense can be included in a progress claim.

Under the present Act the costs of the adjudicator are shared equally unless the adjudicator finds the adjudication application or the adjudication response was wholly unfounded. Experience has shown that there are many instances where the adjudication application or response was not wholly unfounded but was, nevertheless, so unmeritorious or ill-prepared that the responsible party should be made to pay more than half the costs. Under the bill the adjudicator will be empowered to determine how costs should be apportioned. This includes fees paid to an authorised nominating authority, for example, on lodgment of an adjudication application or for an adjudication certificate, that are provided for in the bill.

As previously mentioned, authorised nominating authorities will be empowered to issue adjudication certificates which can be used to obtain judgment. Such certificates can also include the amount of interest and adjudication costs payable by the respondent to the claimant. In the light of the enhanced role of authorised nominating authorities, the bill provides an authority with protection for anything done, in good faith, in the reasonable belief that it was done in exercising the authority's functions under the Act. Notices served under the Act will also be able to be served in a manner provided for under the construction contract.

To further enhance the remedies available to a claimant, the bill incorporates an amendment to the Contractors Debts Act 1997 to provide that the Contractors Debts Act covers all debts arising under the Building and Construction Industry Security of Payment Act. The Contractors Debts Act establishes a debt recovery procedure that allows a claimant to whom money is owed to seek payment of that money from a principal who engaged the defaulting respondent. This amendment will ensure all claimants under the Building and Construction Industry Security of Payment Act will be able to avail themselves of this procedure.

Minor changes have been made to remove possible ambiguities, for example, to ensure that progress payments include milestone payments, that progress claims under the Act can be made under construction contracts that have no provision for progress payments, and that progress claims can include the final amount claimed and retention moneys. The voiding of contract provisions that seek to contract out of the Act is extended to include any contract provision that can be construed as an attempt to deter a claimant from taking action under the Act. The proposed amendments will not affect payment claims made before the commencement of the amending Act. Such claims will be dealt with as if the amending Act had not commenced.

Debate adjourned on motion by Mr Maguire.

SECURITY INDUSTRY AMENDMENT BILL

Bill introduced and read a first time.

Second Reading

Mr GAUDRY (Newcastle—Parliamentary Secretary), on behalf of Mr Iemma [11.31 p.m.]: I move:

That this bill be now read a second time.

I seek leave to have the second reading speech incorporated in *Hansard*.

Leave granted.

The Government is pleased to introduce the *Security Industry Amendment Bill 2002*.

The Government introduces this Bill in order to strengthen the security industry—an industry of 38,000 guards protecting icons and infrastructure across the State.

This Government has identified, with the hard work and diligence of NSW Police, opportunities for organised criminals and terrorists to manipulate the current security licensing process.

As part of the Government's enhanced counter-terrorism capability, we are seeking to minimise such opportunities, decrease the risk of criminal activity within the security industry and to increase enforcement of current licensing requirements.

It is considered that improvements must be made in the proof of identity procedures employed for the issue of security licences.

The authority conferred by a security licence permits the holder to engage in security activities with access to a wide range of high risk facilities including banks, airports and government buildings.

This enables fraudulent licence holders to develop "inside knowledge" which may then be used against the employer. Also, the holding of a certain security licence gives some in the industry the ability to be licensed for and have access to firearms.

Given the level of trust placed in licensed security personnel, the Government believes it must be in a position to ensure all possible measures are taken to guarantee the identity and bona fides of licence holders.

Identifying Unlawful Carriage of Firearms By Security Guards

NSW Police have identified a need for frontline police to be able to instantly identify when a licensed security guard is carrying a firearm without the proper authority. Under the current law, embodied in the *Firearms Act 1996* and part 7 of the *Firearms (General) Regulation 1997*, only those security personnel with a licence for guarding premises or property are permitted to obtain a firearm licence for the genuine reason of security.

Firearms are not able to be owned by individual security personnel, but must be owned by the security company which must store the firearms safely and keep precise records of usage.

Security personnel who are licensed to carry firearms are only authorised to do so for the purposes of their work, and must return firearms to their place of safe storage after the period of duty.

Arrangements for off-duty possession of pistols by security personnel can be made only with written authorisation of the Commissioner of Police.

Despite these laws, in practice it is difficult for frontline police to determine whether carriage of a firearm by a security guard in public is bona fide.

Individual guards, if questioned by police, may simply claim that they are on their way to their place of work. It is therefore proposed to require that security personnel must be wearing their security uniform whilst carrying their security firearm.

The penalty for breaching this requirement will be seizure of the firearm, suspension of the individual's security licence, and the issue of a "show cause" notice on the master licence holder as to why the master licence should not be suspended due to unlawful issue of a firearm to an off-duty security officer.

There are very few circumstances where security personnel need to be out of uniform to perform their duties. In these few cases, such as the covert delivery of large sums of cash or jewellery, it is proposed that the commissioner may issue special authority for the carriage of firearms when not in uniform. Such personnel must carry this authority with them when going armed.

Identifying Security Industry Firearms Used to Commit Crime.

The bill introduces a power for the random ballistic testing of security industry firearms by NSW Police to identify those which have been used in firearm crime.

The NSW Police Integrated Ballistics Identification System [IBIS] is a computer system which allows police to match cartridge cases, bullets, and bullet fragments to the firearm from which they were shot, enabling police to solve firearm related crimes.

It is proposed that Police be provided with the power to randomly test security industry firearms against the IBIS system to ascertain whether the firearms have been used in the commission of a firearm crime, and to store details of the test for future reference.

This will bring the security industry into line with the requirements for police. All police firearms are progressively being tested using IBIS and the data stored for reference purposes. The principles and objects of the *Firearms Act* in section 3 of the Act include "to confirm firearm possession and use as being a privilege that is conditional on the overriding need to ensure public safety, and to improve public safety by imposing strict controls on the possession and use of firearms."

Possession of a firearm by a security company or a security guard should therefore only be granted, or continue, on the condition that the controls in place balance the needs of public safety.

Unlawful Loaning by Companies to Criminals

The unlawful loaning of a firearm is an offence under section 7 of the *Firearms Act 1996*, which provides that a person must not possess or use a firearm unless authorised to do so by a licence or a permit.

In addition, a person who uses a firearm for any purpose other than in connection with the genuine reason for which their licence was issued, or who contravenes any condition of the licence, is guilty of this offence. Persons who provide their licensed firearm to an unlicensed individual may therefore be prosecuted for an offence under section 7.

Under current law there is no clear power for police to enter security company premises and test the company firearms for compatibility with evidence which has been left at the scene of the crime. This enables police to potentially link security guns which had been loaned out or used by a member of the company to a crime which had been committed with that gun. This would at the very least provide police with sufficient grounds to query from the licence holder why the security licence should be permitted to continue if sufficient control is not being exercised over weapons held under that licence.

Unlawful Use of Firearms by Employees.

Currently, security companies cannot be assured that the firearms used by their employees are not being used by those employees to commit crimes. Test firing of security guns into the IBIS would allow for comparison with the shell casings were left at the scene of the shooting.

The ability to randomly test security company firearms using the IBIS would allow police to identify any guns which have been used in crime. Police, with the cooperation of the security company, can then investigate further to identify those guards within the company who are involved in the commission of criminal acts.

The instigation of a random testing regime by NSW Police would mean that all security companies would be subject to testing of their firearms. Currently, a search warrant is required to perform forensic testing of security industry firearms. However this alerts the principals of the company to police interest and provides time to destroy or "lose" relevant firearms. A general power to test security firearms at any time is less likely to have such a specific impact.

In addition, testing of all new firearms entering the industry will have a preventative effect.

It is therefore proposed to amend the *Firearms Act 1996* to require that security industry master licence holders must allow IBIS testing of all firearms held subject to their security licence.

The testing of security industry firearms will be phased in over 18 months, commencing with targeted and random testing of companies and testing of all new firearms entering the industry; and progressing to testing of all security industry firearms.

In addition, it is proposed to ensure that any modifications which are made to an IBIS tested security industry firearm which would change the characteristics of any firing occurring post the change, such as a barrel or firing pin change for example, must be reported to police.

A re-test will then be required to ensure that the ballistics record retained by police matches any future firings from the gun.

In order to facilitate such testing on a random basis, police should also be provided with a power of inspection of security company firearms and firearm safe storage facilities at any time and without notice.

Currently, police may only inspect firearm safe storage upon arrangement with the licence holder—*Firearms Act* section 19(2)(c).

The risk of the firearms being utilised for criminal purposes is higher in circumstances where there is increased access by different persons to the firearms.

To assist with enforcement, police should also be provided with the ability to remove from company premises those records required under law to be kept for the purposes of copying them.

Currently, although provided with the power to examine and copy such records, police are not able to remove the records for external copying where the company denies them the use of company photocopiers.

Similar to section 110 (3A) of the *Liquor Act 1982*, police should also be able, where they consider it necessary to do so for the purposes of obtaining evidence of the commission of an offence, seize any registers, books, records or other documents relating to the business conducted by a security master licence holder and require any person to answer any question relating to any such registers, books, records or other documents or any other relevant matter.

Verifying Security Licence Applicants' Identity.

Currently, section 18 of the *Security Industry Act 1997* allows the Commissioner to take fingerprints of security licence applicants in order to confirm the applicant's identity. However this power only applies where there is a reasonable doubt as to the applicant's identity and proof of the applicant's identity cannot be confirmed by any other means that are available in the circumstances. Fingerprints obtained via this power are also required to be destroyed as soon as they are no longer needed in connection with the application to which they relate.

These provisions were included in the Act in an attempt to balance the public interest of ensuring that licence applicants were identified, against the personal privacy interests of the applicant.

However, NSW Police has advised that this provision is failing to prevent fraudulent applications for licences, and failing to identify those persons who apply for a licence utilising fake identification documents. As it currently stands, the section acts against the greater public interest in favour of the interests of licence applicants who are fraudulently applying for licences.

At least one security company has been involved in producing false security licences and training certificates, as well as false identification documents.

In addition, NSW Police has identified a pattern for applications to be made by persons who have legally changed their name, in order to circumvent the criminal records checks.

For example, a person with a disqualifying criminal history may change his/her name with the Register of Births, Deaths and Marriages, obtain identification documents in this name and then apply for a security licence without reference to the previous name.

Similarly, a licence holder who has a licence revoked can legally change their name and make application for licence under a different name, thus legally obtaining another security licence.

Administrative mechanisms to address this are being discussed with the Register of Births, Deaths and Marriages. However indications at this stage are that the register will not release the contents of its database to Police on privacy grounds, and Police are similarly restricted from releasing the contents of the security licensing database.

In any case, whilst name changes made within NSW could theoretically be identified via reference to the New South Wales Births, Deaths and Marriages records, this would only pick up persons who have changed their name within this state. Persons with a disqualifying criminal history who change their name outside New South Wales could not be identified without reference to all state and territory registries.

Establishment of identity is a significant problem for police. For example, Police records indicate that to March 2002, 22,971 offenders had been fingerprinted as part of the implementation of the new LiveScan electronic fingerprinting technology. Of those, 1,438 have been identified as providing false particulars. That is, 1,438 people lied to police about their identity when they knew they were to be fingerprinted. This constitutes 6 per cent of the offenders fingerprinted.

Police suspect that identity fraud is being perpetrated within the security industry licensing system. Identity fraud amongst security licence holders is a high risk situation, as it is an indicator of propensity towards criminal activity which poses both a financial and a public safety threat to the industry and to the public.

Security guards are employed to protect large sums of cash and expensive merchandise, as well as property and persons. Access to security systems which ensure the safety of goods, as well as physical access to the goods themselves, provides significant opportunity for theft.

The recovery of a RTA licence production machine from a crime syndicate highlights the likelihood that the industry is being targeted by organised crime as a means of obtaining easy access to premises and goods. Licence production machines are used by the RTA to produce driver licences; security industry licences; and firearm licences.

There is clearly considerable risk for the industry from the illegal manufacture and sale of fake security licences, as they would enable criminals to gain access to premises and goods under the guise of legitimate employment as a security guard.

NSW Police has advised that the only means of reducing this risk to manageable levels is to provide for mandatory fingerprinting and photographing of all security licence applicants. Without fingerprinting and photographing of all security licence holders, the high financial risk to industry and to public safety will continue.

It is therefore proposed to adopt similar requirements for security personnel as for police, by amending section 18 of the *Security Industry Act 1997* to provide for the mandatory fingerprinting and photographing of all security licence applicants and licence holders. All police are fingerprinted and their records retained during the course of their employment. Upon cessation of employment, police officers can make a written request to have their records removed, at which time this application is assessed and either granted or denied.

As an interim measure until such time as the new LiveScan digital fingerprint technology is installed statewide, fingerprints of applicants will be taken manually at police stations.

Once the roll-out of the PhotoTrac digital photograph capacity is complete, the applicant will also be photographed at the police station. The photograph will then be attached to the NSW Police issued photographic advice form, which is sent to the successful applicant.

The applicant then takes this form to the RTA, who will check the photograph against that on the advice form and then issue the licence. As an interim measure it is proposed that a copy of the digital image stocks held by the RTA of security industry licence holders be transferred to NSW Police.

This will allow operational police access to the images to verify the identities of security guards, and assist with identifying where a licence has been forged or the photograph substituted.

Retaining fingerprints and photographs of security licence applicants and licence holders will allow them to be checked against unsolved crime databases, as well as allow future applications to be verified against both criminal records and previous applications for security licences.

This will mean police can easily identify where a person has changed their name after being refused a licence in order to apply under the new name.

Mandatory Refusal of Licence Based on Fit and Proper Person Grounds.

Currently, section 15(1) of the *Security Industry Act* provides that the Commissioner of Police must refuse a security licence application if the Commissioner is satisfied that the applicant is not a fit and proper person to hold the class of licence which is being sought. However, there is no definition of "fit and proper person" in the legislation.

As a result, the current security licensing system allows persons who are not fit and proper persons, because they are suspected but not charged or convicted of criminal or terrorist links, access to sensitive information and premises as a result of being granted a security licence.

The difficulty from a licensing perspective is that such persons of concern have not been subjected to a charge which would automatically preclude them from obtaining a security licence.

This may be due to the fact that victims are afraid to lay charges against the person, or that they withdraw charges following threats against them. The only basis the commissioner could refuse a security licence under these circumstances would therefore be on the grounds that the applicant is "not fit and proper" or it is "not in the public interest" that he/she receive a licence.

The intention of the *Security Industry Act* is to ensure that high standards of integrity and conduct are maintained within the security industry. Entry to the industry is restricted by the licensing system in order to protect the public interest by diminishing the likelihood of criminal activity within the industry. For this reason, persons convicted of specified offences are barred from working in security.

It is the view of NSW Police that persons who are known to have extensive links to organised crime figures, who are members of an outlaw motor cycle gang linked to organised crime, or who are suspected of offences relating to drug trafficking, murder or other violence offences, should be regarded as "not fit and proper" to hold a security licence.

However, the determination of whether a person is "fit and proper" is contextual, as has been recognised in common law. For example, in Australian Broadcasting Tribunal v Bond, Justices Toohey and Gaudron found that:

"The expression "fit and proper person" standing alone, carries no precise meaning. It takes its meaning from its context, from the activities in which the person is or will be engaged and the ends to be served by those activities. The concept of "fit and proper person" cannot be entirely divorced from the conduct of the person who is or will be engaging in those activities. However, depending on the nature of those activities, the question may be whether improper conduct has occurred, whether it is likely to occur, whether it can be assumed that it will not occur, or whether the general community will have confidence that it will not occur. The list is not exhaustive but it does indicate that, in certain contexts, character (because it provides indication of likely future conduct) or reputation (because it provides indication of public perception as to likely future conduct) may be sufficient to ground a finding that a person is not fit and proper to undertake the activities in question."

The Deputy President of the Administrative Decisions Tribunal has also held that there should be some 'nexus' between the conduct complained of and the activities to which the licence relates. This would apply, for example, in the case of a security guard who is reported to be associated with criminals with convictions for the armed robbery of banks. It is therefore considered that there is insufficient direction within the Security Industry Act to ensure that the balance is maintained between the interests of public safety in ensuring a crime free security industry, and the interests of individual licence holders in retaining their licences to work within the industry.

To this end, it is proposed to clarify the definition of "fit and proper person" in section 15 of the Act such that it can be clearly seen to include, but is not limited to, circumstances where:

- criminal intelligence is held on a licence applicant-holder which has a relationship to the duties performed under the licence applied for/held;

- which cause the Commissioner of Police to conclude that improper conduct is likely to occur if the person were to be granted/continue holding a security licence; or

- which cause the Commissioner of Police to not have confidence that improper conduct will not occur if the person were granted/continued to hold a security licence.

Clearly, it is in the public interest that persons thought by police to present a public safety or a criminal risk are not given special access to premises, persons or goods under the security licensing system. This should apply even where the person has yet to be charged with a specific criminal offence.

Mandatory Revocation of Licence For All Reasons A Licence Must Be Refused

Currently, section 16 of the *Security Industry Act* provides that the Commissioner must refuse to grant an application for a licence if he is satisfied that the applicant, has been convicted in the preceding 10 years or been found guilty (but with no conviction being recorded) in the previous 5 years, of a prescribed offence, or has been removed or dismissed from a Police Force in the preceding 10 years.

The disqualifying offences are prescribed in the Regulation in clause 11 and include:
(a) Offences relating to firearms or weapons
(b) Offences relating to prohibited drugs
(c) Offences involving assault
(d) Offences involving fraud, dishonesty or stealing
(e) Offences involving robbery
(f) Offences involving industrial relations matters - In the case of an application for a master licence only

Under section 16(3-4), the Commissioner must also refuse to grant an application for a licence if:

he is of the opinion that the applicant is not suitable to hold a licence because the applicant has been involved in corrupt conduct; or
he is of the opinion that a master licence applicant (or, if the applicant is a corporation, any person who is a director or who is concerned in the management of the corporation) has, within the period of 5 years before the application was made, been declared bankrupt.

However, despite the Commissioner being required by the legislation to refuse all applications for a security licence which meet these disqualifying provisions, there is no similar requirement in relation to revocation of existing licences.

Section 26 (1)(a) of the Act currently states that a licence may be revoked under these same conditions. This means that the decision is at the discretion of the Commissioner, and is open to being overturned on appeal.

It is necessary that section 26 is amended to render it consistent with section 16 and to make it mandatory that the Commissioner revoke a licence for any reason for which a person would be refused a licence of that class.

The current situation not only represents a risk to public safety, it is inequitable and anti-competitive for persons seeking to enter the security, and is unfair on the licence holder who, at the time of re-application following expiry of the licence term, must be refused a new licence under the provisions of section 16.

It is therefore proposed to amend section 26(1)(a) of the Act to provide that the Commissioner must revoke the licence under the conditions.

Mandatory Revocation of licence for not undertaking firearm safety training

The Bill includes amendment of the *Firearms Act 1996* to provide for the mandatory revocation of firearm licences for security guards who fail to undertake required firearm safety training.

NSW Police has advised that there are currently a large number of security guards who are licensed to carry security firearms who have failed to attend an annual firearms safety training course.

Clause 69(2) of the Firearms (General) Regulation 1997 requires that a security guard who possesses a firearm must undertake, at least once a year, an approved firearms safety training course.

It is vital to public safety that all security guards who are authorised to carry firearms as part of their work complete safety training. Like police, security guards carry firearms in public places, and may be called upon to use them in pursuit of their duties.

In order to avoid endangering the general public, security guards should therefore be required to pass an annual firearms safety re-accreditation course.

The Bill will make it mandatory for the Commissioner to revoke a security guard firearm licence where the holder has failed to undertake annual safety training.

The effect of this will be to ensure that a security guard automatically loses the authority to possess and use a security firearm if he/she does not attend mandatory safety training.

There will not be an avenue of appeal in relation to the revocation, however the security guard's security licence will not be affected and the guard may thus continue to work within the industry, albeit without access to a firearm. If the guard requires a firearm for his/her duties, he/she may attend safety training and reapply for a security firearm licence.

Extending the Time for Proceedings for Offences

Currently proceedings for offences under the security legislation must be commenced within 6 months of the date of the alleged offence, as section 56 of the *Justices Act 1902* provides that:

> "an information or complaint may, unless some other time is specially limited by the Act dealing with the matter, be laid or made at any time within six months from the time when the matter of the information or complaint arose."

However, a separate, longer period is required in relation to offences against the Security Industry Act, to allow for the enforcement of breaches of the Act and Regulations which are identified close to the period of six months from the time of offence or outside this time.

It is therefore proposed to adopt the 3 year time limit for initiating proceedings for offences which currently applies in respect of certain offences in the *Liquor Act 1982*.

The offences specified in section 145(2A) of the *Liquor Act* as qualifying for the 3 year time limit are of the same nature as those within the security industry licensing regime, and are directly relevant to maintaining the integrity of the licensing scheme.

Without the ability to enforce breaches of licensing conditions which are discovered after a reasonable period of time has elapsed, the aims of the licensing scheme to increase safety, integrity, ethical conduct and the quality of service provided to the public cannot be upheld.

Permanent Residency Requirement

NSW Police have identified a high risk that persons who are not permanent residents of Australia who obtain a security licence may be more easily targeted to be involved in criminal activity or activity which otherwise poses a threat to the public.

There is currently no legislative restriction on granting a licence to persons who are not permanent residents of Australia. In consequence, people who are temporary residents or who hold overseas student visas are not restricted from obtaining licences.

When granting a security licence to a person other than a permanent resident, Police rely on the production of a visa to satisfy the mandatory integrity requirements required under the security legislation.

The administrative cost associated with obtaining criminal history checks on all overseas applicants is prohibitive, as is the timeframe for obtaining relevant record checks from overseas law enforcement agencies.

However NSW Police has found that it cannot rely on the understanding that visas are only issued to persons without an overseas criminal record.

In addition, the requirements for obtaining a visa do not include the extensive criminal record checks that are required of Australian permanent residents who apply for a security licence. NSW Police is concerned that a number of overseas persons with records which would exclude them if they were permanent residents are potentially being issued with a licence.

Not obtaining criminal history checks is inconsistent with the requirements imposed on permanent Australian residents, and presents both a criminal threat to the industry as well as a threat to public safety. This is particularly the case as, once licensed, a security guard may obtain access to firearms in order to perform his/her security duties.

To reduce this threat it is proposed that legislation be amended to provide for the issue of security licences only to persons who are citizens or permanent residents of Australia.

This is consistent with the requirements for police officers. Section 94 of the *Police Act 1990* provides that a person is eligible to be appointed as a member of NSW Police only if the person is an Australian citizen or a permanent Australian resident.

A permanent Australian resident is defined as a person resident in Australia whose continued presence in Australia is not subject to any limitation as to time imposed by or in accordance with law.

To ensure the integrity of the licensing system, it is proposed to adopt similar requirements for security industry licence holders.

It is proposed that the permanent residency requirement would be phased in over time. Those persons who are not currently permanent residents would be allowed to continue until their licence expires, and no new licenses would be issued to non-residents.

Enforcement by issue of Infringement Notices

Currently the *Security Industry Act* does not allow for the issue of infringement notices. Enforcement of the Act and Regulations is by way of summons or court attendance notice, both which require court attendance by the offender and police, or by way of suspension of licence which may be appealed to the Administrative Decisions Tribunal. This is both uneconomical and inefficient.

The practical effect detracts from enforcement of minor breaches, due to the perception by officers that the minor nature of the breach is outweighed by the impost on police and court resources currently required to enforce it.

The ability to issue infringement notices allows police to use their discretion to deal with minor matters in an appropriate way. In the case of minor offences which do not impact adversely on public safety, it is appropriate to use penalty notices.

A penalty notice system is an ideal way of enforcing minor breaches of the less serious conditions or some regulatory type offences in the Act. It provides a simple and effective method of encouraging licence or permit holders to comply with the letter of the law.

The availability of penalty notices will result in a higher level of enforcement and compliance. This will benefit both the industry and the consumer, by ensuring that standards are maintained and safety measures obeyed.

It is proposed that the Bill provide that police be permitted to issue infringement notices for certain offences. The relevant offences and penalty levels for the notices are to be determined following consultation with industry and then placed in the Regulation.

As is the case with other penalty notices, the Infringement Processing Bureau will be responsible for initial enforcement of the penalty notice. The *Fines Act 1996* is also being amended to apply its enforcement provisions to the new infringement notices, if payment is not made to the IPB.

The *Fines Act 1996* provides that a penalty reminder notice may be served on a person who has not paid the penalty amount. Continued failure to pay results in service of a fine enforcement order. Enforcement action that may then take place by the State Debt Recovery Office.

I commend this Bill to the House.

Debate adjourned on motion by Mr Maguire.

CHILD PROTECTION LEGISLATION AMENDMENT BILL

Bill introduced and read a first time.

Second Reading

Mr CRITTENDEN (Wyong—Parliamentary Secretary), on behalf of Mr Carr [11.37 p.m.]: I move:

That this bill be now read a second time.

The Carr Government has a proud record of protecting children, a record unequalled by any Government in the history of Australia. In 1998 the Government introduced four key child protection Acts: the Children and Young Persons (Care and Protection) Act; the Commission for Children and Young People Act; the Child Protection (Prohibited Employment) Act; and the Crimes Legislation Amendment (Child Sexual Offences) Act, which

inserted section 11G of the Summary Offences Act. This bill makes amendments to the schemes established under the last three of those Acts, as well as to the Child Protection (Offenders Registration) Act. The four Acts amended by this bill are all based on the fundamental principle that the protection of children from abuse must be the paramount consideration.

All of these Acts link to provide a holistic scheme for better managing persons who pose a risk to child safety. Part 7 of the Commission for Children and Young People Act operates to require all preferred applicants for paid child-related employment to be screened to determine their suitability to work with children. In its first two years of operation, just under half a million preferred applicants for employment have been screened in New South Wales and over 14,500 organisations have registered to screen their employees.

During this time 472 people have been subjected to risk assessments, and 169 of these have subsequently been rejected for child-related employment. The Child Protection (Prohibited Employment) Act makes it an offence for persons found guilty of serious sex offences to work in child-related employment, whether or not a formal conviction is recorded against them. The Crimes Legislation Amendment (Child Sexual Offences) Act inserted section 11G of the Summary Offences Act to make it an offence for convicted child sex offenders to loiter near schools or other places frequented by children. Since 1999, 23 charges have been laid under section 11G, with the average sentence being 12 months imprisonment and the maximum sentence being two years imprisonment.

The Child Protection (Offenders Registration) Act, which has been in operation since October 2001, requires certain offenders against children to keep police informed of their name, address, employment, motor vehicle and travel details for a period of time after their release into the community. This information is held on the Child Protection Register under the auspices of NSW Police. As at 5 November, 636 offenders have registered with police, an initial compliance rate of over 95 per cent. The register has been successfully used in a number of investigations. In one matter a 12-year-old girl who was the victim of an attempted abduction reported that her alleged assailant was wearing overalls and carrying a construction hat. This information was matched against the register, which showed a person had registered as a construction worker. This information was important because that person was subsequently identified and charged.

I will now address the substantive provisions of the bill. The bill ensures effect is given to the Government's original intent that all convictions for offences that attract the operation of the four Acts can be considered for the purposes of those Acts, irrespective of the sentence and the age of the conviction. Section 579 of the Crimes Act provides that a person who entered into a recognizance for any offence, and who did not breach that recognizance or receive a conviction for an offence punishable by imprisonment within 15 years of that recognizance, cannot have their conviction considered for any purpose. Recognizances have now been replaced with good behaviour bonds. Section 579 operates in addition to the spent conviction provisions of the Criminal Records Act, which prevent sexual and other offences from becoming spent.

This means some old convictions for extremely serious offences against children cannot be considered for employment screening or prohibited employment purposes. It may also prevent some old convictions from being considered in determining reporting periods under the Child Protection (Offenders Registration) Act, although this has not been a problem to date. This runs contrary to the intention of all of the Acts. Accordingly, schedules 1 [3], 2 [2], 3 [7] and 4 [2] amend the four Acts to exclude the operation of section 579 of the Crimes Act. The Government has obtained Crown Solicitor's advice that the Acts, other than the Commission for Children and Young People Act, do not apply to offenders who are convicted of an offence where it is proven beyond reasonable doubt that they intended to sexually assault a child or commit any of the other offences that attract the operation of the Acts. For example, a person who commits the offence of assault with intent to have homosexual intercourse with a child under 10 under section 78I of the Crimes Act is not required to register with police or prevented from working with children or loitering near places frequented by children.

These offenders pose a serious risk to child safety and should be covered by the legislation in the same manner as offenders who attempt, conspire or incite the commission of relevant offences. The Crown Solicitor's advice also queries whether the definition of "relevant criminal record" in the Commission for Children and Young People Act extends to conspiracy and incitement offences, which are covered by the other three Acts. Schedules 1 [1], 1 [2], 2 [1], 3 [5] and 4 [1] amend the four Acts to ensure that they all apply similarly to relevant attempt, intent, conspiracy and incitement offences. Transitional arrangements are necessary for the Child Protection (Offenders Registration) Act as, unlike the other Acts, it does not have full retrospective operation. Schedule 1 [9] to the bill extends registration obligations to all those under correctional supervision for intent offences as at 15 October 2001, and those sentenced for offences after that date.

Necessary transitional arrangements have also been made for the Child Protection (Prohibited Employment) Act. Items [4] to [6] of schedule 1 to the bill provide additional flexibility to the offender reporting requirements under the Protection (Offenders Registration) Act. Police have asked that they be able to take information at locations other than police stations, if they are satisfied with that arrangement. Schedule 1 [7] to the bill will enable three officers responsible for the register to give certificate evidence in proceedings for failure to report to police, or for giving false information to police under the Child Protection (Offenders Registration) Act.

Certificate evidence provisions are common and the amendment will limit the circumstances in which police are required to attend court, although the defence will still be able to cross-examine relevant police if it wishes to call them. Items [3] to [6] of schedule 2 to the bill make changes to the application process for persons seeking an exemption from the Child Protection (Prohibited Employment) Act. The Commission for Children and Young People will be provided with the power to grant exemptions in those cases where it does not consider that the applicant poses a risk to the safety of children. This will streamline the application process by preventing needless delays caused by the current requirement to institute proceedings in the Industrial Relations Commission or the Administrative Appeals Tribunal when the commission, which is a party to those proceedings, does not oppose the application.

These bodies may still hear applications that have not been granted by the commission and applicants can still choose to have their matter heard before either of those two bodies. Items [1] and [2] of schedule 3 enable the commission to access the information it needs to assess whether a prohibited person continues to pose a risk to child safety. The commission already has information access powers for the purposes of relevant Industrial Relations Commission or Administrative Decisions Tribunal hearings. Schedule 3 contains a number of amendments to the employment screening provisions of the Commission for Children and Young People Act.

NSW Police has received legal advice that the complaint and employee management provisions of part 8A and part 9 of the Police Act 1990, which are unique to police, may not fall within the definition of "relevant disciplinary proceedings " under the Commission for Children and Young People Act. Schedule 3 [6] to the bill amends the Act's definition of "relevant disciplinary proceedings" to remove any doubt that the Act applies to police. This approach is supported by NSW Police and the Police Association of New South Wales. Schedule 3 [4] is a minor amendment to clarify that the holders of remunerated positions fall within the definition of employment. Whilst the courts takes a broad definitional approach to employment arrangements in beneficial legislation such as the Commission for Children and Young People Act, the amendment will ensure that there can be no question that holders of certain statutory offices are employees for the purposes of the Act.

Employment screening has been phased, with screening to date having been confined to relevant criminal record and disciplinary information. The Commission for Children and Young People Act also makes provision for a relevant apprehended violence order [AVO] to be considered for screening purposes and enables the commission to collect and maintain a database of such orders. Relevant apprehended violence orders are confined to final orders made by a court under part 15A of the Crimes Act, where the application for the order is made by a police officer or other public official for the protection of a child. Whilst the Commissioner of Police is empowered to provide the Commission for Children and Young People with relevant criminal record information under section 38 of the Commission for Children and Young People Act, the Crown Solicitor has advised that the Act does not empower the Commissioner of Police to provide the commission with relevant AVO information.

Items [9] and [11] of schedule 3 to the bill enable AVO information to be provided to the commission and for this information to be used in screening, as has always been intended. There is no specified time limit in the Commission for Children and Young People Act for employment screening checks to be completed. Consequently, neither employers nor employees have any certainty that they have met their statutory obligations under the Act. Schedule 3 [8] to the bill ensures that employers will have fulfilled their obligations upon receipt of the screening result from an approved screening agency. The bill improves the operation of, and consistency between, four key child protection Acts. It will clarify and strengthen the mechanisms for checking the background of people seeking to work with children in New South Wales. This bill demonstrates the Carr Government's strong stance on child protection and its ongoing commitment to improving the safety and welfare of children. I commend the bill to the House.

Debate adjourned on motion by Mr Maguire.

MOTOR ACCIDENTS COMPENSATION FURTHER AMENDMENT (TERRORISM) BILL

Bill introduced and read a first time.

Second Reading

Mr GAUDRY (Newcastle—Parliamentary Secretary), on behalf of Mr Aquilina [11.46 p.m.]: I move:

That this bill be now read a second time.

As honourable members will recall, the Motor Accidents Compensation Amendment (Terrorism) Act 2002 was passed during the budget session of Parliament. The Act amended the Motor Accidents Compensation Act 1999 to temporarily exclude liability arising from a terrorist act involving a motor vehicle from the compulsory third party [CTP] motor accidents insurance scheme. The exclusion of terrorist acts currently applies from 1 January 2002 until 1 January 2003. After the 11 September 2001 terrorist attacks in the United States of America, international reinsurers withdrew unlimited liability cover for terrorist-related losses. The motor accidents scheme terrorist exclusion was introduced in response to these changes in the international reinsurance market.

In introducing the amendments last session the Government indicated that the action of reinsurers had serious potential to impact on the viability of the New South Wales green slip scheme as it left CTP insurers exposed to a potential liability that could not be covered by reinsurance. The Government also indicated that should no viable alternatives develop during the remainder of this year, it would be necessary to extend the terrorism exclusion further into the future. The New South Wales Motor Accidents Authority [MAA] has been closely monitoring the reinsurance position and assessing the requirements for further action.

Following the withdrawal of terrorism cover on all lines of insurance business post-September 11, the market is slowly reintroducing cover for domestic lines of insurance, such as motor vehicle and home insurance. However, the market is not offering cover at an affordable price for commercial lines or third party liability lines such as CTP or personal injury insurance. Arising from discussions with reinsurers and information available from international sources, the MAA is of the view that terrorism cover for CTP reinsurance will remain unavailable for the foreseeable future. Indeed, following the terrorist bombings in Bali last month terrorist acts, as with acts of war, may become completely uninsurable.

On 25 October 2002 the Commonwealth announced its proposal for a national scheme for replacement terrorism insurance, to commence from 1 July 2003. Whilst State statutory schemes are not at this stage part of the Commonwealth's planned national scheme, the Commonwealth has indicated that subject to discussions with State and Territory governments the national scheme may be extended to include State workers compensation and CTP schemes. The Government will take up the Commonwealth's offer to discuss the inclusion of the New South Wales CTP and workers compensation schemes within the national scheme.

The reinsurance market conditions, which necessitated the introduction of the terrorism exclusion for the motor accidents scheme, remain unchanged. There will be no alternative national scheme in place before 1 July 2003 at the earliest. The terrorism exclusion approved by this Parliament in the last session is only in place until 1 January 2003. Accordingly, it is necessary to extend the terrorism exclusion for a further period. The Motor Accidents Compensation Further Amendment (Terrorism) Bill proposes to extend the terrorism exclusion until 1 January 2004. I commend the bill to the House.

Debate adjourned on motion by Mr Maguire.

STATUTE LAW (MISCELLANEOUS PROVISIONS) BILL (No 2)

Bill introduced and read a first time.

Second Reading

Mr CRITTENDEN (Wyong—Parliamentary Secretary), on behalf of Mr Carr [11.52 p.m.]: I move:

That this bill be now read a second time.

The Statute Law (Miscellaneous Provisions) Bill (No 2) continues the well-established statute law revision program that is recognised by all members as a cost-effective and efficient method for dealing with amendments

of the kind included in the bill. The form of the bill is similar to that of previous bills in the statute law revision program. Schedule 1 contains amendments arising from policy changes of a minor and non-controversial nature that the Minister responsible for the legislation to be amended considers to be too inconsequential to warrant the introduction of a separate amending bill. The schedule contains amendments to 31 Acts. I will mention some of them very briefly.

Schedule 1 amends the Adoption Act 2000 in a number of respects. The amendments remove references to approved Aboriginal adoption consultative organisations and replaces them with references to persons approved by the Director-General of the Department of Community Services to provide advice and assistance to Aboriginal families or kinship groups in relation to care options for Aboriginal children. These amendments are made because it is difficult to locate Aboriginal adoption consultative organisations. The concept of adoption is traditionally unknown in Aboriginal societies. It has also acquired offensive historical connotations to many Aboriginal people through the removal and placement of Aboriginal children in non-Aboriginal families. For consistency, the same amendments are made in relation to Torres Strait Islander adoption consultative organisations.

Schedule 1 also amends the Real Property Act 1900 to give statutory force to the Registrar-General's current administrative arrangements in relation to the lapsing of certain caveats. As many honourable members will know, in this context a caveat is a notice on a certificate of title for land that prevents the taking of certain specified action in respect of the land—for example, the registration of a transfer of ownership of the land—if that action would affect the rights relating to the land that are claimed by the person who lodged the caveat, the caveator. At present the Act requires a person seeking the lapsing of a caveat to serve on the caveator a notice prepared by the Registrar-General warning that the caveat will lapse unless the caveator, within a specified time, obtains an order of the Supreme Court extending the operation of the caveat. The amendments to the Act require lodgment with the Registrar-General of evidence of service of the warning notice on the caveator. The Registrar-General may refuse to take any further action in relation to the proposed lapsing of the caveat, if that evidence is not provided.

A further amendment relates to the lodgment of certain caveats. The Act requires the caveat to specify an address in New South Wales at which notices may be served on the caveator. Frequently caveats are lodged by solicitors on behalf of their clients, and the solicitors provide a document exchange number as the address for service of notices. However, persons who are not members of the document exchange cannot use the exchange to serve a notice. The amendment ensures that, if a document exchange number is specified as the address, an alternative non-document exchange address must also be specified. Schedule 1 also amends the Ombudsman Act 1974. The amendments will permit relevant agencies, which are specified in a schedule, to refer complaints among themselves and to share information held by them. However, information may be shared only to the extent that the sharing is reasonably necessary to enable the agencies concerned to carry out their functions.

The initial relevant agencies are the Community Services Commission, the Health Care Complaints Commission, the Legal Services Commissioner, the Ombudsman, the President of the Anti-Discrimination Board and the Privacy Commissioner. The schedule of relevant agencies may be amended or replaced by proclamation. Schedule 1 also amends the Unlawful Gambling Act 1998. Section 15 of that Act creates the offence of possessing, or permitting the use or operation of, a prohibited gaming device. The Act is amended so as to permit State-owned museums and similar institutions to hold, display and demonstrate the operation of such gaming devices in certain circumstances without being guilty of an offence under section 15. Schedule 1 also changes the name of the Education (Ancillary Staff) Act 1987 to the Education (School Administrative and Support Staff) Act 1987 and makes consequential amendments to that Act and to the regulation made under it. The changes give statutory recognition to terminology that has been used by both the Department of Education and Training and the Public Service Association since late 1996. The new name more accurately reflects the range of work undertaken by the staff concerned.

Schedule 1 also amends the Public Trustee Act 1913. At present, the person appointed to the position of Public Trustee is appointed for an indefinite term. The amendment provides that the appointee is to be appointed for a specified term, which is not to exceed five years. However, there is no limit on the number of times that the appointee may be reappointed, if otherwise qualified, to the office. The last schedule 1 amendments that I will mention are the amendments to the Occupational Health and Safety Act 2000 and the Passenger Transport Act 1990, which are both amended in relation to penalty notices.

The Passenger Transport Act 1990 is amended to permit the regulations under that Act to prescribe different amounts of penalties for different offences or classes of offences, and to prescribe different amounts of

penalties for the same penalty notice offence—for example, according to whether the offender is a corporation or a natural person, or according to the circumstances in which the offence is committed. The amendment to the Occupational Health and Safety Act 2000 makes the second amendment only, since that Act already provides that the regulations made under it may prescribe different amounts of penalties for different offences or classes of offences.

Schedule 2 deals with matters of pure statute law revision consisting of minor technical changes to legislation that the Parliamentary Counsel considers are appropriate for inclusion in the bill. Examples of amendments in schedule 2 are those arising out of the enactment or repeal of other legislation, those updating terminology, those inserting missing words or omitting superfluous words, those correcting typographical errors and those correcting numbering. Schedule 3 repeals a number of Acts, provisions of Acts, and statutory rules. The schedule repeals Acts, including amending Acts, enacted in 2001 or earlier that contain no substantive provisions that need to be retained or that are no longer of practical utility. The schedule also repeals certain uncommenced provisions of Acts. The Acts that were amended by the Acts being repealed are up to date on the legislation database maintained by the Parliamentary Counsel's Office and are available electronically.

Schedule 4 contains provisions dealing with the effect of amendments on amending provisions, savings clauses for the repealed Acts and a power to make regulations for savings and transitional matters, if necessary. The various amendments are explained in detail in explanatory notes set out beneath the amendments to each of the Acts concerned. Rather than repeat the information contained in those notes, I invite honourable members to examine the various amendments and accompanying explanatory material, and, if any concern or need for clarification arises, to approach the Government regarding the matter. If necessary, arrangements will be made for Government officers to provide additional information on the matters raised. If any particular matter of concern cannot be resolved and is likely to delay the passage of the bill, the Government is prepared to consider withdrawing the matter from the bill. I commend the bill to the House.

Debate adjourned on motion by Mr Maguire.

CRIMES LEGISLATION AMENDMENT (CRIMINAL JUSTICE INTERVENTIONS) BILL

Bill introduced and read a first time.

Second Reading

Mr STEWART (Bankstown—Parliamentary Secretary), on behalf of Mr Debus [12.02 a.m.]: I move:

That this bill be now read a second time.

The Crimes Legislation Amendment (Criminal Justice Interventions) Bill provides a legislative framework for the operation of intervention programs. The legislation enables programs that have been developed to reduce causes of offending behaviour to be given a formal legislative basis. As honourable members would be aware, intervention programs, or diversion programs as they are sometimes known, currently operate in a number of settings across the State. At times such programs are funded by State agencies and are bound by strict conditions; in other instances they are run by committed local people with varying degrees of accountability and resources. Magistrates have referred offenders to a variety of such programs with much success, and they have a clear discretion to do so. Often they know of the existence of a program first hand; in other instances they must rely on the representations of legal counsel and prosecutors as to the suitability and existence of programs in any one location or region.

This Government acknowledges the value in providing an opportunity for a person to participate in a program that seeks to address the underlying causes of their offending behaviour. It is indisputable that there is an enormous benefit to both the offender and the community in attempting to stop a person from offending through addressing these underlying issues, rather than merely delaying their offending through temporary incarceration. This is particularly so when an offender receives a custodial sentence of six months or less. I am speaking here of people who have committed offences at the lower end of the scale, not serious violent offenders, sex offenders, murderers or drug importers.

Indeed, not only has the Government acknowledged the effectiveness of this approach to minor offenders; it has also been actively promoting this approach. The highly successful trial of circle sentencing, the establishment of the New South Wales Drug Court and the development of traffic offender programs are all examples of criminal justice intervention initiatives undertaken by this Government.

However, it has become apparent that there is a need to provide a formal legislative framework or basis for the operation of such programs; not just government-run programs but also community-based programs, such as community aid panels. A framework will promote consistency, accountability and confidence that programs are being conducted appropriately and for the right type of offenders. Referral to an intervention program will be available at a number of points in the criminal justice process: as a condition of bail after being charged with the offence; as a condition of bail during an adjournment in court proceedings but before any finding as to guilt has been made; as a condition of bail after the person has pleaded guilty or been found guilty by the court but before the person is sentenced; as a condition of being discharged from the offence; or as a condition of a good behaviour bond imposed as the sentence, or as part of the sentence, for the offence.

This is not a radical step. Referral to programs for treatment or rehabilitation is already available under section 36A of the Bail Act 1978. In addition, courts have long been able to exercise their discretion under section 11 of the Crimes (Sentencing Procedure) Act 1999—previously known as a Griffiths bond—to release an offender pending sentence in order to assess the offender's behaviour and capacity for rehabilitation before imposing the sentence. A court has also been free to impose conditions on a good behaviour bond under section 10 of the same Act. This legislation consolidates and refines these existing options and provides a comprehensive regulatory framework for the operation of intervention programs across the State.

I turn now to the key elements of the Crimes Legislation Amendment (Criminal Justice Interventions) Bill. Principally, the bill amends three Acts: schedule 1 amends the Criminal Procedure Act 1986, schedule 2 amends the Bail Act 1978 and schedule 3 amends the Crimes (Sentencing Procedure) Act 1999. Schedule 1 to the bill contains the amendments to the Criminal Procedure Act 1986 and inserts a new part 9, headed "Intervention Programs". The object of the new part is to provide a framework for the recognition and operation of programs of certain alternative measures for dealing with persons who are alleged to or have committed an offence, to ensure such programs apply fairly to all persons and the programs are properly managed and administered, and to reduce the likelihood of future offending behaviour by facilitating participation in such programs.

These objects clearly reflect the intention to provide a clear and certain structure for the operation of programs to ensure that such programs are applied equitably and address the underlying causes of offending behaviour. Proposed section 175 (2) lists the purposes that an intervention program may perform. These purposes give an indication of what types of programs are intended to be covered by the legislation, including treatment or rehabilitation programs, restorative justice programs and those programs that promote the reintegration of offenders into the community. This includes the current programs of circle sentencing, community aid panels and traffic offender programs. It is not intended to extend to those post-sentence programs being conducted by the Department of Corrective Services or those being supervised by the Probation and Parole Service.

Honourable members will note that these provisions reflect a fair balance between the need to promote respect for the law and to acknowledge the position of victims and the needs of the offender. This balance is further reflected in the acknowledgement of two important aspects of the criminal justice system: the rights of victims, and the positive impact that successful rehabilitation can have on making our communities safer and more peaceful places in which to live and work. I do not think that any member can argue with these two principles: the acknowledgment and protection of the position of victims in any criminal justice process is essential to all sense of fairness and decency. Similarly, to break successfully the cycle of criminal behaviour in which some people find themselves trapped has an undeniable benefit to the individual concerned and society as a whole in terms of human and social costs. Consequently, there is considerable value in enshrining these principles in legislation.

Not all offenders will have the opportunity to participate in such programs. Proposed section 176 states that offences in respect of which an intervention program may be conducted include summary offences and indictable offences that may be dealt with summarily. Section 176 (2) lists a number of exceptions. An offence involving malicious wounding or grievous bodily harm, under sections 35 and 35A (1) of the Crimes Act, cannot be dealt with through an intervention program. This reflects the Government's recognition of the community concern relating to violent crime. Similarly, offences involving sexual violence, such as offences under division 10 of the Crimes Act, and those concerning child prostitution and pornography, are not covered by this legislation for the same reasons. Other offences that are specifically excluded include an offence of stalking, any offence involving a firearm and offences involving drug supply. Proposed section 175 states that the regulations may declare a program an intervention program for the purposes of the legislation.

The regulations can also make provision for a range of other matters concerning the operation of an intervention program or programs, such as eligibility or restrictions on participation, applicable offences, the

processes for assessing suitability of offenders, the provision of reports, the persons, bodies or organisations who may participate and the nature of their involvement, the objectives or guiding principles of an intervention program, how intervention plans may be developed and implemented, monitoring and evaluation of an intervention program, the issuing of guidelines, and so on.

The approach will not be one size fits all. Indeed, it cannot be. Intervention programs vary in purpose, in the types of offenders that they deal with and in the way they are conducted and managed. For example, the Traffic Offenders Program is conducted in a very different way to a sentencing circle. In providing for the regulations to make provisions for a range of matters concerning the operation of programs, the legislation ensures a flexibility of approach that accommodates a variety of programs and does not unduly restrict their development or stifle innovation.

The causes of crime are complex. The ways in which we address these causes are, by necessity, also complex, cutting across portfolio and agency boundaries. Under this bill, perhaps more than any other legislation, an interagency approach is required to prepare these regulations to ensure that they are considered, informed, and represent a whole-of-government approach to tackling crime. The Attorney General's Department will establish a Criminal Justice Interventions Unit that will be responsible for co-ordinating the preparation of the regulations. It will also establish mechanisms to ensure that judicial officers and legal representatives have greater access to information concerning intervention programs. It will work with both community groups and other government agencies in relation to standards for operation. This will promote greater certainty and consistency in the operation and application of programs.

I turn now to the machinery aspects of the bill, namely schedule 2 and schedule 3, which amend the Bail Act 1978 and the Crimes (Sentencing Procedure) Act 1999 respectively. The key amendments to the Bail Act 1978 concern sections 36A and 37. Section 36A already provides for bail to be granted on condition that an accused agrees to an assessment of his or her capacity and prospects for drug or alcohol treatment or rehabilitation, or actually participates in such a program. The bill simply includes the additional option of assessment for participation, or participation, in an intervention program to the section.

Section 37 currently relates to restrictions that may be imposed on bail conditions. This bill adds "reducing the likelihood of future offending being committed by promoting the treatment or rehabilitation of the accused person" to the list of purposes for which a condition can be imposed. A breach of a condition imposed under this amendment would be dealt with in the same way as a breach of a bail condition is currently dealt with. Schedule 3, which amends the Crimes (Sentencing Procedure) Act 1986, contains the amendments relating to participation in an intervention program as part of a conditional discharge or good behaviour bond.

Item [2] of schedule 3 amends existing section 5, which requires a court to provide reasons why no penalty other than imprisonment is appropriate when imposing a custodial sentence of less than six months. The bill amends that section by making it a requirement for the court also to provide reasons for not referring a person to an intervention program or other treatment or rehabilitation program. Through being required to provide reasons, the court will have to give careful consideration to the value of incarceration and rehabilitation. Its discretion to sentence as it sees fit is of course in no way impeded by the amendments.

The other key amendments refer to existing section 10 and section 11 of the Act, which relate to conditional discharge and to deferral of sentencing. The amendment to section 10 allows a court to make an order discharging the person on the condition that he or she participates in an intervention program. The court may make such an order only if it is satisfied that it would reduce the likelihood of the person committing further offences by promoting the treatment or rehabilitation of the person. If the person complies with the intervention order—that is, he or she completes the program and any plan that may be part of the program—the court can discharge without a conviction. If a person fails to comply, the court may re-sentence the offender for the original offence. In doing so the court may take into account any time spent in the program and any level of compliance with an intervention plan.

The types of matters that a court may take into account are outlined in the amendments to section 24 and are generally consistent with those already pertaining to good behaviour bonds. The mechanisms for informing the court of non-compliance and progress will generally be articulated in the regulations pertaining to the relevant program or programs. The procedural aspects of intervention orders as a condition of a good behaviour bond are contained in proposed sections 95A to 95D of the Crimes (Sentencing Procedure) Act 1999. Section 95 of the current Act specifies the conditions that must or can attach to good behaviour bonds.

The new sections regulate the circumstances in which participation in an intervention program is a condition of a bond, including referral of offenders for assessment as to suitability, the right of offenders not to

participate in a program, and the consequences of not participating. Section 95A (3) makes it clear that the amendments do not limit the power of the courts to impose conditions concerning participation in rehabilitation and/or treatment programs other than those that are intervention programs. In other words, it does not interfere with current judicial discretion to refer for treatment and other rehabilitation that currently exists under the Act.

Item [5] amends section 11, which relates to the deferral of sentencing for rehabilitation or other purposes. The current section 11 is a legislative articulation of the court's discretion in relation to sentencing. The amendments make explicit that deferral of sentencing can occur for the existing purpose of rehabilitation or other purposes, but also for assessing an offender's capacity for participating in an intervention program or for his or her actual participation in such a program. The purpose of explicitly stating this is to make clear the Parliament's intention that it supports referral not just for rehabilitation—commonly thought to mean alcohol or other drug programs—but also for those interventions programs which address the underlying causes of a person's offending.

This amendment in no way detracts from the court's existing discretion to refer for treatment or rehabilitation that is not an intervention program. Clause 6 of schedule 2 makes that clear. Item [13] inserts a new part 8C, which is entitled "Sentencing procedures for intervention program orders". The part is procedural in nature, outlining the requirements relating to the court's satisfaction that the offender is suitable for the intervention program, the requirement that a court explain the obligations under the intervention program order to the offender, the non-compellability of participation in an intervention program and the offender's right not to participate, the consequences for an offender who does not proceed with an intervention order, and the circumstances in which a court may revoke an order.

In closing, I reiterate that this bill does not detract or fetter judicial discretion in any way. It simply articulates an option in relation to sentencing summary and indictable offences dealt with summarily. The bill does not create new programs; it will simply provide a framework for the effective operation of existing programs and trials that will provide greater certainty and clarity. I commend the bill to the House.

Debate adjourned on motion by Mr Maguire.

DEFAMATION AMENDMENT BILL

Bill introduced and read a first time.

Second Reading

Mr STEWART (Bankstown—Parliamentary Secretary), on behalf of Mr Debus [12.20 a.m.]: I move:

That this bill be now read a second time.

This bill amends the Defamation Act 1974 to give effect to the principal recommendations of the report of the Attorney General's task force on defamation law reform, released in July of this year. The main focus of the amendments is to strike a balance between the free flow of information of matters of public interest and importance, and the protection of reputation. The amendments are both procedural, and involve changes to the substantive law. Broadly speaking, the aims of the amendments are to provide effective and appropriate remedies for those whose reputations are harmed by the publication of defamatory material; to ensure the law does not place unreasonable limits on the publication and discussion of matters of public interest and importance; to promote speedy and non-litigious methods of resolving disputes; and to avoid protracted litigation wherever possible.

To emphasise the importance with which the Government regards these aims, they will form a statement of objects to clarify the purpose of the Act. The inclusion of such a statement will send a clear message that the Defamation Act should not be interpreted in a way which unreasonably limits discussion on matters of public importance, and that litigation should be considered to be a dispute resolution method of last resort. A clear priority of these proposed amendments is to divert those cases that can be dealt with by other means away from extended litigation. In order to achieve this aim, the bill inserts a new part into the Act, entitled "Resolution of disputes without litigation". As the title suggests, the object of this part is to encourage the early settlement of disputes involving the publication of defamatory matter.

I am strongly of the view that the speedy and public vindication of a person's reputation, through a revised and strengthened offer of amends procedure, is the preferable way to resolve defamation cases. The

Defamation Act currently provides for an offer of amends process, but it is not being used extensively. This appears to be because it is only available in respect of innocent publications and because it may be difficult to comply with some of the practical requirements of the process. Proposed section 9D sets out how the new process for making offers of amends will work. A publisher will be able to make an offer of amends to a person aggrieved by a defamatory or purportedly defamatory statement. The offer must include a number of elements, including an offer to publish a reasonable correction and apology, and an offer to pay the expenses reasonably incurred by the aggrieved person.

The publisher may also decide to include an offer to pay compensation in appropriate cases. Any offer must be made within 14 days of the publisher being told by the aggrieved person that the matter in question is or may be defamatory or within 14 days of the publisher serving a defence to an action for defamation on the aggrieved person. I have no doubt that, in a fair proportion of cases, the initial offers of amends will be largely acceptable to aggrieved parties, but will require some negotiation and finetuning before they can be reasonably accepted. For this reason, the bill provides scope for negotiations to continue beyond the 14 days, provided any renewed offer of amends represents a genuine attempt by the publisher to address matters of concern raised by the aggrieved person about an earlier offer.

The bill ensures that once a publisher performs its part of a settlement offer, including paying any agreed compensation, the aggrieved person cannot begin or continue a defamation action. Further, the bill provides that it will be a defence to an action in defamation if the publisher made an offer of amends that was not accepted, that the offer was reasonable in the circumstances, it was made as soon as practicable after the publisher became aware that the publication in question may have been defamatory, and the publisher was ready and willing to perform the offer before the trial. As a further incentive to settle defamation proceedings before they reach the courts, the bill provides that costs penalties will apply to an unreasonable failure to resolve a matter.

The normal costs rule is that the successful party recovers costs on a party-party basis. Typically, this amounts to about 60 per cent to 80 per cent of their actual legal costs. Both the Supreme Court and the District Court have a general discretion as to the amount of costs to be paid by parties, including the award of indemnity costs. Indemnity costs are usually awarded where there has been a flagrant breach of procedural rules by the unsuccessful party and can amount to 80 per cent to 90 per cent of actual costs. In practice, indemnity costs are seldom awarded. The bill adds section 48A to the Defamation Act which requires the court to consider an order for costs on an indemnity basis where it forms the view that there has been an unreasonable failure on the part of either the plaintiff or the defendant to resolve the matter.

For example, a plaintiff would be at risk of an indemnity costs order if he or she were not to accept an offer of correction or apology where the offer was reasonable. A defendant would be at risk of an indemnity costs order were it not to make a settlement offer when it would have been appropriate to do so. There is understandable concern about wealthy parties, whether plaintiffs or defendants, using their deep pockets to wear down opponents of modest means to discourage them from continuing, or indeed even commencing, defamation proceedings for fear of a ruinous costs order. It is not unheard of, for example, for property developers to commence proceedings known as SLAPPs—strategic lawsuits against public participation—against individuals or community groups to silence their opposition to a proposed development.

There is also anecdotal evidence of some wealthy individuals pursuing every procedural avenue open to them despite the prospects of success being slim and despite their legal fees far outweighing any potential damages award. The object in such cases is to intimidate the defendant into settling the matter at the risk, however slight, of losing the case and being subject to a large costs order. Such tactics can have the serious consequence of either constraining free speech or allowing a reputation to be irreparably damaged. While the addition of section 48A (2) into the Act will provide greater discretion to a judge than currently exists in awarding costs in instances where parties have been recalcitrant, section 48A (1) makes it abundantly clear that in awarding costs the court may take account of the way the parties have conducted their cases.

The court will be able to take into account such matters as whether either party has used its significantly more powerful financial position in a way that hinders the effective discharge of justice and the relationship between the quantum of any costs order and the quantum of damages awarded in any particular case. In this context, I thank the honourable member for Manly, who highlighted this issue in his private member's bill dealing with costs in defamation cases and who has worked very constructively with the Attorney-General's Department in finalising the bill currently before the House. In keeping with the Government's objective to ensure that the Defamation Act promotes the right balance between the free flow of information on matters of public interest and importance and the protection of reputation, the bill inserts new section 8A, which provides that a corporation does not have the right to sue for defamation.

The law of defamation rightly protects reputation and the interest that individuals have in their honour, dignity and standing in the community. A corporation's interest in reputation, on the other hand, is purely financial. When corporate bodies are defamed there are other possible actions available to them, such as the torts of injurious falsehood or passing off, as well as remedies under the Commonwealth Trade Practices Act for misleading and deceptive or unconscionable conduct. While the remedies available to corporations under the Trade Practices Act would ordinarily be against their commercial rivals rather than against media organisations, there is sufficient protection available to corporations to safeguard their economic interests. Unlike most individuals, these organisations frequently have the ability to engage in counter-advertising and to run effective publicity campaigns to protect their public profile.

Of course small, family-run businesses will not have the same resources as large companies to pursue counter-advertising or publicity campaigns to protect their reputation. However, small family companies are almost always inextricably linked to the individual directors running them, and the bill makes it clear that individual members of corporations will still be able to sue in their own right rather than in the company name. This will apply in every case when an individual is personally defamed, regardless of whether the corporation is large or small. I note that, while the bill provides that corporations—including those constituted for governmental or other public purposes—will no longer be able to sue for defamation, local councils and government departments have not been able to sue for defamation since 1994 when the Court of Appeal handed down its decision in *Ballina Shire Council v Ringland*, which followed an earlier decision by the House of Lords in *Derbyshire County Council v Times Newspapers.*

The current section 22 of the Defamation Act provides a defendant with a defence of qualified privilege when certain conditions are met, including when the conduct of the publisher was reasonable in the circumstances. There are currently no criteria set out in the Act to provide guidance on what is reasonable, and I appreciate that publishers need a practical means of interpreting what is and is not reasonable. Accordingly, the bill adds section 22 (2A) to the Act, which sets out the factors that a court may take into account when determining whether a publisher has acted reasonably. These factors include the extent to which the matter published is of public concern; the extent to which the matter published concerns the public functions or activities of the plaintiff; the seriousness of the imputations; the extent to which the matter distinguishes between facts, suspicions and allegations; whether it was necessary for the matter to be published expeditiously; the sources of the information and the integrity of those sources; and any attempts to verify the information or to get the plaintiff's side of the story.

The Defamation Act currently includes a defence relating to the publication of fair protected reports. Schedule 2 of the Act explains that protected reports relate to reports on the public proceedings of Parliament, courts and other public bodies. In the interests of greater clarity and certainty about the scope of protected reports, the bill inserts a new section 25A into the Act that extends protection to accurately reported third party statements. Specifically, this includes the publication of reports of media conferences given or media releases issued by, or on behalf of, public officials or public authorities in their official capacities. The new section also protects subsequent reports based on earlier reports of media conferences if the person making the subsequent report is not aware that the earlier report is unfair.

To encourage plaintiffs to seek to vindicate their reputations at the earliest possible opportunity, the bill will insert a new section 14B into the Limitation Act 1969. The new section will shorten the limitation period for bringing a defamation action from six years to one year, with a discretion to extend the period in appropriate cases. To ensure that the one-year limitation period is not extended by the courts to an unreasonable extent, the bill provides for a new section 56A of the Limitation Act that will enable the court to extend the limitation period, when the interests of justice require, to a maximum of three years from the date of publication.

Finally, a significant number of defamation actions are now heard in the District Court as well as in the Supreme Court. Last year 48 claims for defamation were filed in the District Court, while 62 claims were filed in the Supreme Court. To ensure consistency between the availability of juries in the District Court and Supreme Court, the bill will insert the equivalent of part 6, division 2, section 86 of the Supreme Court Act into the District Court Act. This will ensure that juries continue to be involved in defamation actions in the District Court unless the court orders that any prolonged examination of documents or scientific or local investigation is required and cannot conveniently be made with a jury or unless all parties consent to the order. I commend the bill to the House.

Debate adjourned on motion by Mr Maguire.

The House adjourned at 12.35 a.m., Wednesday.