# LEGISLATIVE ASSEMBLY

Wednesday 15 October 2003

———

**Mr Speaker (The Hon. John Joseph Aquilina)** took the chair at 10.00 a.m.

**Mr Speaker** offered the Prayer.

## GAMING MACHINES AMENDMENT (MISCELLANEOUS) BILL

### Second Reading

**Debate resumed from 19 September.**

**Mr GEORGE SOURIS** (Upper Hunter) [10.00 a.m.]: I state at the outset that the Opposition will not oppose the Gaming Machines Amendment (Miscellaneous) Bill. The bill proposes a large number of important amendments which are intended to overcome anomalies in the existing Act and makes some adjustments which are essentially agreed among the industry, the Government and the Opposition as necessary for the better management of the Act. The bill provides for revised arrangements for forfeiture and transfer of gaming machines, as that applies to large clubs particularly, and also brings large clubs into line with the rest of the industry. The bill also provides a new and welcome amendment to overcome an anomaly that was exposed by the club at Taree and the application of the new 50 kilometres limit within which a club is permitted to conduct only a class one social impact assessment.

The other provisions of the bill relate to relatively minor though important issues. I do not propose to discuss each of those 16 items because the Minister gave an explanation in his second reading speech and I have had the benefit of briefings from the director-general of the department and members of the Minister's personal staff. I express my thanks for the briefings I have received. In many respects those briefings have assisted me to understand a large number of small amendments that would otherwise have taken considerable time to discuss. It is interesting that the Government appears to be assisting the industry by the introduction of this bill. Nonetheless, the Minister, his colleagues and various other members of this Parliament are doing nothing other than ring the death knell of clubs as we know them in New South Wales.

This Government seems to have formed the adamant intention of imposing a very substantial increase in gaming machine taxes which will result in many clubs becoming non-viable or being unable to continue to assist the community in the way they have done in previous years. A week or so ago a large public rally was held at Governor Macquarie Tower and was attended by the Leader of the Opposition, Mr Brogden, me, and other members of the Coalition. It was noticeable that no Government members took the opportunity to walk with their clubs to visibly and publicly express their support. The Coalition has received many reports of Government members saying privately what seems to be the right thing to their clubs and to members of local communities, but when it comes to putting their money where their mouth is and publicly standing alongside their clubs in this great struggle, not one of them will take the opportunity to attend.

It should be obvious to the more experienced members of this House that this is a very localised, grassroots community issue involving many members of the community. The membership statistics of licensed clubs in New South Wales are well known. This issue is intensifying, not fading, and as the tax bites harder and harder year after year, community anger and discontent with this Government will only increase. The approach of the Government to the imposition of this tax has been nothing but shameful. There has been no consultation; instead, there was just a dictatorial pronouncement on the day before the budget was delivered. The magnitude of the tax is so great that many club members and many local community members have been left gasping. They wonder what this Labor Government thinks it is doing to battling communities in country and metropolitan areas that rely very heavily on clubs. In country areas, many events such as weddings, conferences and small committee meetings of sporting organisations are held at the local club because no other venue exists.

All meetings of community organisations are accommodated by the licensed clubs in this State. One wonders what this Government thinks it is doing and why this Government is targeting clubs in a way that can only hurt the very people that the club industry is trying to assist. Senior citizens and pensioners will be very

hard hit because licensed clubs provide affordable food and beverages as well as entertainment and recreational facilities. The effect of the tax will be that money will be taken out of the pockets of pensioners and senior citizens and out of the balance sheets of many community organisations and sporting clubs. The tax will also take money from local people and give it to consolidated revenue. The Coalition does not buy the very obvious budget afterthought and nonsense that has been peddled by the Premier that the tax revenue will be allocated to health expenditure.

.

The only way that the hypothecation can be truly accepted and trusted is sure knowledge, for a large number of years ahead, of what the Health budget would have been without the tax, and therefore the level of enhancement the tax is now purported to provide. The tax increase was very much an afterthought after the budget had been delivered. None of it was included in the Treasurer's Budget Speech, and none of it is included in the forward estimates. It was very much an afterthought by the Premier, a couple of months later. Indeed, I believe it is a bit of a scandal that a brochure that is so blatant, misleading and political has been produced and peddled out to the community to justify the tax increase, on the basis of an afterthought that this money will be ascribed to the Health budget.

No-one can tell whether a future tax raised from gaming will have increased the Health budget beyond what it otherwise would have been. No matter what happens, the budget allocation for Health will increase each year, simply because of increases in wages. The budget allocation for the Health portfolio, which has a large number of employees, as does Education, will increase by more than the increase in poker machine taxes. Therefore the Government will be able to say, "See, we have put all that money into the budget." But the reality of it—and the reality of hypothecation generally—is that, in essence, that masks a reduction in other areas or in general consolidated support for the Health budget. It does not mean that the budget allocation for Health will be more than it would have been otherwise; it simply means that there will be an attempt by the Government to claim, falsely, that the budget increase—which would have occurred in any event—was afforded by the increase in gaming machine taxes. It is simply nonsense, and absolutely no-one is buying it. Indeed, no-one involved in Treasury matters with any pride would buy that sort of nonsense.

We know precisely what happens to so-called hypothecated revenue. How would anyone be able to prove in 10 years time that the Health budget had been enhanced by the increase in the gaming machine tax beyond what the health budget would otherwise have been? It is absolute nonsense. It is shameful that the Premier is peddling this so hard, when he knows it is a false premise. He knows that he is peddling fake information and it is designed to con the people of New South Wales into supporting this iniquitous tax.

This issue will not go away; it will simply increase more and more. Recently a large meeting took place at South Sydney Juniors Rugby League Club. This weekend in Albury during the Clubs New South Wales annual conference there will be a large demonstration against the Government's decision, and in a few weeks time the rugby league clubs will also express discontent at their annual conference at Tweed Heads. Labor members of this House who intend to simply accept this and allow the Premier and the Treasurer to throw this sort of venom at the clubs and the club movement are simply doing their communities and themselves a disservice.

Labor members ought to be ashamed of themselves for going through the charade of 34 of them voting against the Premier in a caucus meeting but then, the very same day, when presented with an identical motion put in this Parliament, all 34 of them, shamefully, voted against that motion. Only hours beforehand they put on a great show for everyone in the caucus room when they voted for the very same motion. The vote counts only when it happens in this Chamber; it does not count when it is done behind closed doors. If Labor members think the club movement has bought that little bit of a stunt, they are greatly mistaken.

This week all Labor members received documents from the clubs. Did they notice the pictures? Did they notice the anger in people's faces at the rally? They should take note. Labor members are being given plenty of opportunities—indeed, they are being given quite a lot of rope and lifeline by the clubs—to reverse this dreadful decision. They should not let the opportunity pass, because ultimately it will be the death of this Labor Government. The community anger is so great, and the issue is growing so much that it is a vote changer; it is a threat to government. A government of this nature, which has now displayed so much arrogance and disinterest in the welfare of the community it purports to represent, is a government that is on its last legs.

**Mr PAUL GIBSON** (Blacktown) [10.15 a.m.]: I support the Gaming Machines Amendment (Miscellaneous) Bill. Before speaking to the bill I wish to respond to comments made by the shadow Minister, the honourable member for Upper Hunter. It is a fact that the Leader of the Opposition indicated his support for

this tax increase on many occasions. It is also a fact that he indicated that he would not reverse the tax increase. Yesterday in this House the Leader of the Opposition had the opportunity to do both of those things but did neither of them. It must be remembered that this aspect of the bill went through in the budget debate, and members opposite voted for it!

A lot of misinformation has been given about the tax increase. I have met on many occasions with the managers of the clubs in my electorate. I have been to the rallies, which have been attended by 1,200 or 1,500 people, and I have been the only member there. I have not seen Opposition members at any of these large rallies—except when they are held in the eastern suburbs. Opposition members are only too keen to turn up to the rallies when they are held in the eastern suburbs, especially if they have the opportunity to march. At one rally, I thought it was the war veteran's march, with George and his mates marching. The only thing they were not carrying was their banner; they did not have their flag up.

The facts are these. The figures provided to the Government by the clubs show that there was a $2.5 billion surplus out of poker machine profits. With that money, I suppose the Government could run the Police Force for a year, or it could build 12, 13 or 14 new hospitals. As the Minister said in this House yesterday, clubs are non-profit organisations. The clubs capital works allocation for the coming year is $643 million. Yet, the capital works allocation for Health, to build our hospitals and so on, is $420 million. Surely members would not suggest that the building of new waterfalls, the replacement of carpet every six or 12 months, and the provision of new poker machines every 12 months—to the tune of $643 million—is the way to go.

I have met with the club managers in my electorate on many occasions. I have asked them to provide me with the figures for each individual club so we can have a look at them. However, they have never once come back with those figures. The manager of the Seven Hills-Toongabbie Soccer Club told me that if the tax increase comes in, the club's doors will close by 2005. I asked him for his figures, and I also put a little bet on the side. I bet him a house in any suburb in Sydney he wants to nominate that if the tax comes in, his club will not close by 2005. When I looked at his club's figures, I saw that the club has a turnover of $3.9 million. That club will hardly be affected by this new tax system.

Much has been said about the marginal tax rate. No club pays marginal tax; all clubs pay actual tax, even those with the largest profit margin. No tax whatsoever is paid on the first $200,000 profit; a 10 per cent tax rate is applied to profits of between $200,000 and $1 million tax, a 25 per cent tax rate is applied to profits of between $1 million and $5 million, the tax rate increases to 35 per cent for profits of more than $5 million, and for profits of more than $10 million the tax rate increases to the highest category. But they all pay actual tax, not marginal tax. Every time a club argues about tax it has stated the marginal tax rate that it expects to pay. I have news for them: no club pays marginal tax, they all pay actual tax. I have asked the clubs in my area to examine their figures, but those figures have not been provided to me.

.

It is true that some club managers in this State are paid more than George Bush, who runs arguably the most powerful nation in the world today. If honourable members agree that club managers should be paid more than the President of the United States of America I suppose they could use that fact in support of their arguments. At least 10 club managers are paid more than our Prime Minister; either those chief executive officers are overpaid or our Prime Minister is hugely underpaid. One club has decided to give its chief executive officer a $700,000 house as part of his package to run the club. It is time that commonsense prevailed. As has been noted, I put up a compromise to the clubs, but the clubs never reported back to me with their compromise. The reason for that is because they are not interested in reaching a compromise; they are interested only in playing politics.

The shadow Minister for Gaming and Racing said that this burning issue would continue for a long time. Clubs have forwarded copies of petitions that were signed in those clubs. One club in my electorate has placed the protest petition next to the place where the workers pick up their wages, and the workers cannot pick up their wages until they sign that petition. However, very few people are up in arms about this tax. To date I have received about 3,000 petitions, mostly form petitions prepared in clubs, objecting to the Government's proposal. I have received nearly 1,400 individual letters, from the ordinary Joe Public, supporting the Government's proposal. At the end of the day this is a political campaign, there is no doubt about that. As honourable members would remember the clubs ran candidates against members of this House in 1995; and they were very unpopular then, because Fred Nile beat them. They were dead last on the ticket. The next election is 3½ years away, and the clubs are not winning the race. The public is starting to understand the Government's point of view. I do not totally agree with the tax rate but—

**Mr Russell Turner:** You can't have two bob each way.

**Mr PAUL GIBSON:** I am not having two bob each way at all. There is no doubt that the super clubs have to pay more tax. Penrith Panthers, with an annual turnover of $153 million, has said that rugby league is going to fall over if this tax is applied. According to the Panthers' balance sheet, in one year it spent only $2.5 million on rugby league yet it has the hide to say that rugby league will collapse. Panthers' budget has a heading "Other Items" under which $15 million was allocated, but it does not explain what that expense is. It is about time that a bit of sense came to this debate. I believe that public opinion is starting to turn. The biggest club in my electorate is Blacktown Workers Club, with a membership of 40,000, in an area of 267,000 residents. One in five residents is a member of a club. Similar figures would apply to other clubs, and many people belong to more than one club. Some club members may work in the area but not live there.

Some people may have moved to other areas but retained their club membership in their former residential area. It is a false statement by the clubs that this issue is so big that everyone in the area is up in arms about it. I have tried to represent the clubs to the best of my ability, but there has been no backup from the clubs or from the Registered Clubs Association of New South Wales. At a recent public meeting at Blacktown Workers Club, David Costello gave a speech containing information that was totally different from the information he gave on the ABC on the previous Thursday. On that night I asked, "Which David Costello do we have here tonight? Is it the David Costello who is telling the truth or is it the David Costello who is telling furphies?"

**Mr Russell Turner:** Which Paul Gibson do we have?

**Mr PAUL GIBSON:** The real one. The same as always, whether you like it or not. Many people would say that they are lucky there is only one. As I said, sense should return to this debate. There are just reasons why large clubs should pay more tax. Honourable members should remember that two-thirds of clubs will not be affected—one-third will pay no tax, and one-third will pay less tax than they currently pay—and the remaining one-third will pay more tax. There is no doubt that some clubs will go bust, but they would have in any event. I was in the hotel and club industry for 20 years before I came to Parliament. More clubs went bankrupt between 1960 and 1980 than at any other time in history. It was not because the Government of the day brought in extra taxes, but because there were too many small bowling and soccer clubs in the suburbs. There was no way that those many clubs could survive. Some bowling clubs have a membership that has not diversified as their membership ages, and consequently their number of members is declining. Those clubs cannot survive, as we would acknowledge.

Honourable members should remember that the colleagues of the Opposition, the Federal Government, brought in the GST and we have paid it for three years to the tune of nearly $70 million. David Costello will make representations to the Federal Government about this tax. I have heard on the grapevine that in a week or two the Federal Government will announce that it has done a deal with the clubs to look after the GST. I hope it has, because it is about time that the Federal Government pulled its weight as far as clubs are concerned.

**Mr Anthony Roberts:** I wish I could move that the member's speaking time be extended.

**Mr SPEAKER:** Order! I regret to advise that under the standing orders the honourable member for Lane Cove cannot move that the speaking time of the honourable member for Blacktown be extended.

**Mr PAUL GIBSON:** We have just wasted half a minute. The bill makes some changes that will affect hotels with approved amendment devices [AADs]. Currently a hotelier may apply for the Liquor Administration Board to surrender authorisation to keep AADs in exchange for poker machine entitlements. The Gaming Machine Act allows one entitlement to be allocated in exchange for a block of three AADs from metropolitan hotels, and one entitlement to be allocated for a block of two AADs for country hotels. These are referred to as an exchange block. The Act also allows for pooling off AADs between different hoteliers in order to make up an exchange block. It is a matter for the hoteliers who make up an exchange block as to which hotelier is allocated the entitlement that results from the exchange.

The intent of this pooling arrangement is to facilitate exchange of AADs that are left over after other AADs have been exchanged. These leftover AADs have become known as remnant AADs. Some hoteliers have applied to the Liquor Administration Board to approve the exchange of AADs that are not remnant and have sought to pool each of their AADs individually with other hoteliers to form an exchange block. If approved that would result in a significant number of additional poker machines being kept in a hotel without the social impact assessment that is usually needed before such an increase in poker machines can be approved.

This is clearly against the spirit and intent of the legislation. Therefore, the bill makes clear that a hotelier's capacity to pool AADs with another hotelier in order to build up an exchange block of three in the case of metropolitan hotels and two in the case of country hotels, applies solely to the remnant AADs. Most hoteliers who have exchanged AADs with poker machines have done so with the original intent and spirit of the legislation. It would be unfair for those hoteliers to allow a few benefits from the exploitation of unintended loopholes in the legislation. A key objective of the social impact assessment procedure in gaming machines is to limit the placement of gaming machines and communities that are considered vulnerable to gaming or related machines.

What we are talking about there is the class 2 social impact statement [SIA], and many hoteliers have been held up for 20 months. The Government is saying that there has to be a better way to look at this matter and to hurry the process up. The bill will provide legislation in order to do that. Members of the public and business people cannot be left hanging for 20 months while a decision is made. I commend the bill to the House. [*Time expired*.]

**Mr IAN ARMSTRONG** (Lachlan) [10.30 a.m.]: Parliaments, and this one in particular, always have rumours circulating around the corridors. It is part of the character of this place. Over the past couple of weeks, and particularly during the last week of the last sitting, a rumour was circulating that a vacancy could be coming up in the Carr Government ministry very shortly. A couple of names were mentioned of people who might be going to vacate their positions, but not many names were mentioned as to who might be the new Minister if a vacancy occurred. I believe that this morning we have seen an unashamed bid for the next ministerial guernsey. Given the strength of the honourable member's presentation this morning—in complete contrast to his physical position in caucus a couple of weeks ago—I suggest that he is clearly announcing that he is available for any ministry or any job that might come up. He has turned complete turkey on his own team. This morning those people who have supported him so strongly in the past have been shafted in a glorious fashion. The member for Bankstown—

**Mr Paul Gibson:** He doesn't even know where I come from!

**Mr IAN ARMSTRONG:** I correct the record: The member for Blacktown—

**Mr Grant McBride:** Western Sydney.

**Mr IAN ARMSTRONG:** He will be west of Sydney well and truly if he keeps changing his mind every couple of weeks, because his constituents certainly want to know where he is. He should remember the adage that you can fool some of the people some of the time but you cannot fool all of the people all of the time. He cannot vote one way and pretend he is a champion one week and then come into this Chamber and change his mind a couple of weeks later.

Let us get down to what this issue is all about. My colleague the shadow Minister for Gaming and Racing talked about the hypothecation of the increased taxes going into health, as the Premier and the Treasurer announced in recent weeks. The simple fact is that nobody out there on the streets believes them. I have not seen an editorial anywhere that has supported them and said, "Well done, and we believe you." In the past two years we have witnessed possibly the largest increase in this State's revenue in any 12-month period in our history, from increased land tax, payroll tax, and stamp duty from a record turnover of property in both metropolitan and agricultural areas and in virtually every town and village across the State. We have not seen anything like it since the 1950s. The Government is awash with new capital that four years ago it would not have expected to have—capital that came as a bonus after the Olympic Games, which it claimed was paid for at the time. The Government says that it paid for the Olympic Games but still wants to hypothecate this massively increased taxation revenue. The Government has to do a lot more smart talking before anybody will believe it.

The people of New South Wales do not like being taken for dummies, and that is what the Government is trying to do. The Government is trying to sell them a used car without an engine in it. The bottom line is that it will not wash. The bottom line is that the Government has a responsibility to maintain and develop ongoing infrastructure for health facilities. That is a core responsibility and is one of the first budget items that every government in this State has to address. When Treasury goes to talk to the Treasurer and the Premier goes to the Cabinet, one of the first comments after "Good morning" is "We have funds this coming budget to develop so many new hospitals and to supply so many new beds; we have the funds to upgrade so many existing facilities and expand services to accommodate the increase in population." They are the primary responsibilities of any government.

The honourable member for Blacktown went to great lengths to try to tell us how the Government was doing the right thing but it did not have the support of the clubs. I challenge the honourable member for Blacktown and any other member of the Australian Labor Party—they can be my guests, and I am quite happy to host a lunch and buy them a beer—to come with me to Coolamon, Ganmain, Junee, Young, Temora, Grenfell—

**Mr Grant McBride:** Gibbo was born in Young.

**Mr IAN ARMSTRONG:** That is right, he was born in Young. What is he going to say to a golf club that has only one employee and nine volunteers to keep it going? The club is technically not insolvent but it struggles from month to month to pay its accounts. The club building dates from circa 1950-1955 and is in definite need of upgrading. The club has had one professional for something like 19 years and he is about to retire. Young is a growing town and currently has a population of about 10,200 people. However, the bowling club, in a lovely old building, is struggling because the Government is not going to rebate the GST funds to those sorts of clubs. Last Tuesday I was in Ganmain, just south-west of Wagga Wagga. A regional meeting of the Country Women's Association was held at Ganmain Sports Club. About 200 women attended the meeting, which started at 9 o'clock in the morning. Why was it held at the sports club? Because it is the only building in town capable of being called a hall. What about at Coolamon? The same thing. What about at Young? The same thing. The clubs provide the major public facilities.

Parkes has experienced enormous economic activity over the past three or four years because of its location at the intersection of the Newell Highway and the transcontinental rail line. Fairly major freight operations such as Freight Container Ltd have come there. Major developers currently hold an option on Parkes airport and if they exercise that option at about the end of November we may well see an international freight airport developed there. There is a lot of land speculation throughout the district. Within the past couple of months these developers have put options on 6,000 to 7,000 acres of farmland around the airport, and there is a lot of house speculation. Investors have come in from Sydney and bought eight or 10 houses and/or units and/or blocks in that town.

There is a similar situation in Forbes, which is only a 20-minute drive away. But what about the clubs? There is an RSL club and a leagues club that are both about the same size. The leagues club got itself into financial difficulty about 12 months ago, so the RSL club said it would have a look at the leagues club. Meanwhile the leagues club entered into a venture with the Newtown Jets. That venture did not come off but the leagues club put in $600,000. So what is the position today? The leagues club has been placed in administration and so is the RSL club. The golf club and the bowling club are both hanging on. In Forbes the golf club was taken over 12 months ago by the RSL club because the golf club could not function. The West Wyalong RSL club took over the golf club there about four or five years ago, but it lost $90,000 in that venture last year. The audited losses are in writing and I am quite happy to give the document to anybody who wants to see it.

The situation in towns such as Harden, Cootamundra, Young or Grenfell is replicated right across the State. Unless local clubs can sustain both their sporting activities and their cultural and social contributions, many towns will lose much of their heartland. When a new policeman, a new school teacher, a new doctor, a new lawyer, or a new accountant comes to town, the first questions asked may well be: "Do you have a golf club? Do you have a bowling club that Mum and Dad can go to when they come up to visit us? Do you have junior sport? Who sponsors junior sport?"

.

Crookwell club maintains holiday units on the South Coast—it has done so for years—for older people. It costs older people about $10 a week to have a holiday on the South Coast. A widow can obtain advice and assistance from a club when she has to organise her husband's funeral. Clubs often provide social assistance to people in difficulty; it is part of their community responsibility. I do not think the Government has thought through the adverse effect that this legislation will have on the broader community—on community responsibilities and the assistance that is provided to older people. The Government has not given any thought to the importance of clubs other than as a potential source of tax revenue.

The Government does not realise that clubs have a social and cultural responsibility in these towns. They provide a community facility that in many cases is not provided by either the shire or the government, that is, a common meeting place where lectures can be held. Today my wife is attending a course on the usage of chemicals in Cowra. That course is being held at one of the clubs. People often do not realise the sorts of services that are provided by clubs. The Government would do well to listen to what ordinary people in the community are saying about the effect that clubs are having in their communities. Coogee bowling club,

Cootamundra golf club and Junee golf club all recently received top-up funding from local government. Subsequently, Coogee bowling club closed down and the other clubs are surviving on handouts.

There is a problem. The $10,000 or $15,000 GST rebate that the Government takes from those clubs every year equates to half the salary of a club employee—the last paid employee in the case of Cootamundra club. At the moment Junee golf club does not have any paid employees. Four volunteers maintain the course and they do a good job. However, they will not do that forever. The Government must think about its community responsibilities. It should think outside the square, put aside the emotion and look at the hard, cold facts. Clubs are part of the character, economy and social structure of our community. They maintain a quality of life in suburbs and towns across the State. A lot of lies have been told about this issue. The Government's promise to give every cent from a new tax on clubs to health would have to go down as one of the great porkies of this century.

**Mr Alan Ashton:** John Howard has not given us a dollar.

**Mr IAN ARMSTRONG:** The Government backbenchers who are attempting to draw an analogy should think about their responsibilities to the community. They draw their salary, as do I, from New South Wales Treasury. Instead of trying to shift responsibility for this problem onto someone else they should talk about what they are doing to try to alleviate it. Government members protest too much. The hypocrisy of Government members is without peer. Half of them go into caucus and vote against legislation and they then come into this Chamber and do not support what they voted for in caucus. In bush talk that means that they have no guts and they cannot be trusted.

**Ms MARIANNE SALIBA** (Illawarra) [10.44 a.m.]: Opposition members referred in debate on this bill to the word "hypocrisy". The hypocrites who sit on the Opposition benches have criticised the State Labor Government for not providing assistance to clubs when their counterparts in the Federal Government imposed a GST on those clubs. What hypocrites! This bill will clarify a number of provisions that relate specifically to large-scale clubs. This legislation is not about poker machine tax or about the GST; it is about placing a limit on the number of poker machines that are provided by clubs. People in our community have a gambling problem. Members of the community need an assurance from this Government that it is doing something about that. This Government must have control over what is going on in this State.

The gaming machines regulation lists 18 large-scale clubs. When the Government's gaming machine policy reforms came into effect in April 2002 those clubs had more poker machines on their premises than the club cap of 450 gaming machines per club that was generally allowed. Under this legislation those 18 clubs are treated as a special group. Rather than force those clubs to reduce gaming machine numbers to below the cap of 450, which would have a significant impact on many of them, a phased-in reduction scheme was introduced specifically for them. The scheme required a 10 per cent reduction of their gaming machine numbers over five years. To facilitate that reduction, a number of special arrangements were put in place. Those special arrangements include exempting large-scale clubs from the requirement to forfeit hardship gaming machines before any other entitlements can be shared and excluding large-scale clubs from the forfeiture exemption for the transfer of gaming machine entitlements when venues are located within one kilometre of each other.

While it is important that these special arrangements are in place to ensure that the shedding and transfer of entitlements is done efficiently, the bill will clarify that these special arrangements cease to apply once each large-scale club has met its requirements under the Act for the reduction of gaming machine numbers. The bill also clarifies the end date by which time all the required 10 per cent reduction in gaming machine numbers must be reached. I am advised that a regulation was put in place a short time ago to give clubs extra time each year to transfer their required number of entitlements. That was important, as there has been some delay in the consideration of social impact assessments that are required before other clubs may purchase the entitlements that are being shed by large-scale clubs. However, to allow the extra time to get rid of entitlements each year it is now required that the legislation clarify the end date by which time all entitlements must be got rid of—even those which were given additional time to be transferred under the regulation.

A key objective of the social impact assessment process in the Gaming Machines Act is to limit the placement of gaming machines in communities that are considered vulnerable to gaming-related problems, which is an issue in the community. The end date is 2 July 2007, which is three months after the end of the five-year period. I note that the end date has not changed from when these provisions were originally introduced, but it has been restated to accommodate the regulation. The bill also seeks to ensure that large-scale clubs cannot increase their gaming machine numbers. Given that those large clubs had greater numbers of gaming machines

than the cap allowed, the legislation had to be drafted to accommodate that. However, an unintended consequence of the current drafting of this provision has been identified that effectively would allow large-scale clubs to apply for more gaming machines once they have reduced their numbers by the 10 per cent that is required under the Act.

The bill clarifies that once a large-scale club has met its 10 per cent reduction requirements under the Act, the number of machines it holds at that date is the maximum allowed. That is considered appropriate, given that the large-scale clubs already benefit from being allowed to exceed the venue cap of 450 gaming machines per club premises that applies to other clubs. It is time that Opposition members stopped playing games and referred to those important aspects in this bill. Opposition members should not go off at tangents about GST or poker machine taxes; they should stick to the facts that have been presented today. I take pleasure in commending this bill.

**Mr ANTHONY ROBERTS** (Lane Cove) [10.48 a.m.]: We won the jackpot this morning! There is a gambling problem in New South Wales. This Government has the gambling problem. I am sure that a 1800 number is available that Treasurer Egan and Government members could call. Basically, this Government is in denial. There is no need for Government members to visit these clubs, but when they are asked questions about any clubs they refuse to answer them. The poker machine tax is a charade and an indication of the Government's gross hypocrisy. I was privileged to attend a local protest held outside the office of the Minister for Police. Local clubs had painted on the shop next to his office the words "Please save our clubs".

Clubs in my area have been placed at great risk by this tax. Lane Cove West Bowling Club is run by volunteers and may have to close. Time and again Lane Cove Municipal Council has provided assistance to the club, which would have closed last year but for that assistance. Now, thanks to this tax, it will go under this year. The honourable member for Upper Hunter, a fantastic representative of New South Wales clubs, and I attended in Sydney a protest of 15,000 people, which called upon the Government to abolish this tax because it will destroy many clubs and many lives in this State.

I was approached by a constituent who has four young boys. The family is doing it pretty tough because New South Wales is the highest taxed State in the Commonwealth and the third-highest taxed State in the world. The boys play Australian Football League with the North Ryde RSL and they are distressed that next year the club cannot guarantee provision of football jerseys, shorts and socks to its players. It is difficult enough for this family to provide school uniforms and to cater to the appetites of these four young boys. Next year the family may not be able to afford to pay for this sport and social problems could arise because of a lack of exercise or entertainment.

The Government has awoken a sleeping giant in the clubs. It has personally attacked and vilified the upstanding men and women in the club movement, who have worked hard to achieve success and who deserve their remuneration. I am a director of the Lane Cove Club. The manager works seven days a week but he does not receive a high salary. He and his staff work extremely hard but the club will have to consider reducing staff numbers if this tax is imposed. The Brereton family is a fine Labor family. Anthony Brereton, to his credit, attended a meeting in the Premier's electorate—and the Leader of the Opposition also attended to fight the cause—at which he said, "I joined the Labor Party but this isn't the Labor Party that I joined." The Labor Party has lost direction and focus; it has betrayed the people it purports to represent. Labor Party members are class traitors and their supporters will not forgive them at the next election.

Clubs provide significant employment to local communities. They provide support to organisations such as Meals on Wheels and those organisations will suffer as a result of the poker machine tax. We often hear rhetoric from the Government, which makes various assertions and quotes general figures. The Allen Consulting Group study found that the proposed tax will deprive local communities of hundreds of millions of dollars. It stated that clubs face an unreasonable increase, on average, a 49 per cent increase in taxation. Many clubs face huge cuts in their operating profits and the increased taxes are equal to about 70 per cent of the estimated operating profits for clubs. Many clubs will go to the wall. Because of the tax only 55 per cent of clubs with gaming revenues will remain financially viable by 2010. The Government has fired a bullet at these clubs and it should be ashamed.

The tax will hit 92 per cent of clubs in New South Wales. Of the 1,500 clubs in New South Wales, 1,350 will be disadvantaged by the tax. The report also found that 57 per cent of clubs are either non-profitable or marginally profitable. Only 29.5 per cent are marginally profitable and most of the remaining 45.9 per cent show a modest profit of between 5 per cent and 10 per cent of revenue. Clubs that earn more than $5 million in

gaming revenues will be taxed at least 135 per cent of profit. I found it quite unbelievable that the 10 electorates most affected and which contribute approximately $807 or more per voter are the current Labor seats of Cabramatta, Penrith, Bankstown, Lakemba, Smithfield, Mount Druitt, Tweed, Parramatta, Strathfield—and it was a good fight led by the honourable member for Strathfield. Did 34 people attend that meeting?

**Mr George Souris:** Yes, there were 34 and they were called heroes.

**Mr ANTHONY ROBERTS:** Yes, they were called heroes at the time but they were taken into a side room and done over by the ministry.

**Mr George Souris:** From hero to wimp in two days.

**Mr ANTHONY ROBERTS:** Precisely, hero to traitor in two hours; they did not mess around. Another Labor electorate that will be adversely affected is Campbelltown. I proudly ran as the candidate for Campbelltown a number of elections ago. This action by the Government will come back to bite it because the people of New South Wales will not forgive nor forget. It might seem a long time until the next election, but people will remember that they no longer have a club to attend where they can enjoy camaraderie and where they are able to have cheap meals they could not otherwise afford.

I shall give an instance that really drives home the importance of clubs. A group of Diggers who defended Australia in World War II meet at Gladesville RSL each day at 11.00 a.m. They have a middy of beer, watch the races for an hour or two, have a meal and then head home. One morning a mate whose wife had passed away some time ago and who lived alone did not turn up at the club. The staff of the RSL noticed his absence and visited his home. He had passed away during the night, God rest his soul. But for the caring staff of the club he would have been another person in this city who was not found for weeks until neighbours noticed a smell emanating from the premises. That is the type of camaraderie to be found in RSL clubs. Not everyone can afford airconditioning, particularly people in small country towns, and the local club provides a wonderful place to seek respite from the heat.

.

The Government's actions are totally reprehensible and disgraceful and it will answer to the people of New South Wales at the next State election. I ask Labor members to show some guts and put pressure on the Premier and the Treasurer. They must tell them to axe this unnecessary poker machine tax. The Government's coffers are full to bursting. Enormous goods and services tax revenue is flowing into New South Wales and the Government should manage its finances better. Not one dollar raised from the tax will go to hospitals. Labor members know that, as do the people of New South Wales. The electors are not fooled and they will not forget.

**Mr GEOFF CORRIGAN** (Camden) [11.00 a.m.]: I did not realise this was a discussion about the poker machine tax. I thought we were debating the Gaming Machines Amendment (Miscellaneous) Bill. The object of the bill is to amend the Gaming Machines Act to prevent any increase in the number of gaming machines that may be kept on the premises of a large-scale club; to clarify that certain special arrangements in relation to large-scale clubs apply only until such time as the club complies with the existing requirement to reduce its allocated number of poker machine entitlements; to allow the transfer, through a class 1 social impact assessment, of any number of poker machine entitlements between different premises of a registered club if the premises are situated in a non-metropolitan area and are within 50 kilometres of each other; and to make a number of other miscellaneous amendments to enhance or clarify the operation of the Gaming Machines Act 2001.

I refer honourable members to that part of the bill that will allow the transfer, through a class 1 social impact assessment, of any number of poker machine entitlements between different premises of a registered club if the premises are situated in a non-metropolitan area and are within 50 kilometres of each other. I listened with interest to the contribution of the honourable member for Upper Hunter, who dealt with this matter in the early part of his speech. He said that he and the Opposition were satisfied with the amendments, for which he offered full support. The honourable member for Upper Hunter said that he had been briefed thoroughly by the director of the Department of Gaming and Racing and that he was satisfied with both his advice and that of the Minister for Gaming and Racing on this matter. I commend the Opposition for taking that approach.

It is important to recognise that the requirements of registered clubs in metropolitan areas differ from those of clubs in non-metropolitan areas. For example, the distance between club premises is often significantly greater in country areas. The Gaming Machines Act recognises the different circumstances of country clubs. An amendment in 2002 extended from one kilometre to 50 kilometres the distance within which two premises of a

non-metropolitan club must be located in order to be allowed to transfer poker machine entitlements between premises without forfeiture.

I have read the bill carefully and, although the matter may seem fairly technical, it sets out the requirements clearly. It seeks to make an amendment in the same spirit as the 2002 amendment. The current Act requires that a social impact assessment be undertaken if a club wishes to transfer gaming machine entitlements to another of its premises that are located more than one kilometre away. This provision is now recognised as disadvantaging country clubs, whose premises are usually more than one kilometre apart. At present country clubs are required to undertake class 2 social impact assessments. This bill will enable country clubs to undertake the more routine class 1 social impact assessment of transferring entitlements between premises that are located within a distance of less than 50 kilometres.

Specifically, the amendment will assist clubs such as the Taree RSL club, which is relocating its gaming machine entitlements to other premises three kilometres away. While in metropolitan areas premises that are more than one kilometre away may be in very different cultural and socio-economic areas, that is not the case in country areas. This bill will allow the Taree RSL club to move poker machines to new premises without undertaking the more difficult and rigorous class 2 social impact assessment. That will mean a considerable saving for the club in both money and time.

It is important that clubs continue to be required to conduct social impact assessments because they provide an opportunity to consider properly the cost impact and benefit impact of any increase in gaming machine numbers. This is a worthwhile requirement under gaming machines legislation. However, the significant time and cost associated with preparing a class 2 social impact statement, while appropriate in many cases, is too onerous in some cases—such as for the Taree RSL—where the movement of gaming machines will be within a relatively small area.

Honourable members may wonder why this distinction is being made only for country clubs and not hotels. The answer is quite simple: hotels do not have separate premises. Each hotel is a stand-alone operation. There is no scheme that allows one hotel to have more than one premises. Therefore, it is not possible to construct a similar provision for country hotels as they will never seek to transfer poker machine entitlements from one premises to another, regardless of the distance. It is appropriate that this legislation recognise the different geographical circumstances faced by country clubs compared with their metropolitan counterparts.

The honourable member for Lane Cove joined members of the Lane Cove West Bowling Club in protesting outside the electoral office of the Minister for Police. I note that the honourable member is a member of the Lane Cove croquet club. I am quite surprised that he could find his way into a club. I must deal with some of the nonsense being perpetrated about clubs being forced to withdraw their support for sporting and community organisations. Clubs will continue to be obliged to donate 1.5 per cent of their earnings to community organisations. I have four children. My daughter plays for the Camden RSL netball club, which receives no material support from clubs. My boys who play rugby league have never received material support from any licensed premises. The Camden rugby league football club is sponsored by the Merino Hotel, but no money is provided for uniforms.

The idea that sporting teams are kitted out entirely by licensed clubs is a nonsense. It may happen occasionally but it is not the norm in most places. Clubs are simply not able to fit out the many sporting teams in their areas. For example, Camden Tigers soccer club has 53 teams, ranging from the under-sixes to over-35s—for which I have played occasionally. The club could not possibly afford to kit out all those players. Each team has a sponsor who helps to pay for the uniforms and gear and the parents also contribute money. We must recognise that clubs do not fully sponsor sporting teams. They make a contribution, and I am sure they will continue to do so.

.

It is hard to believe that the honourable member for Lane Cove could accuse members of the Government of being class traitors. That is plainly not true; we will continue to look after the interests of our community. The Premier and the Treasurer have made it clear that every dollar raised from the super poker machine tax, which has been mentioned at length in this debate, will go towards hospitals. That is contrary to what the honourable member for Lane Cove said. My colleague the honourable member for Bankstown is currently in Nepal raising money for kids off the street and is doing a wonderful job. I commend the bill to the House.

**Mr THOMAS GEORGE** (Lismore) [11.11 a.m.]: As the honourable member for Upper Hunter, the shadow Gaming Minister, who led for the Opposition in this debate, said, the Opposition will not oppose the Gaming Machines Amendment (Miscellaneous) Bill. The main provisions of the bill will provide special

arrangements for large clubs in relation to the requirement to reduce poker machines to 450 during five years, to forfeit machines at the end of five years, to prevent increases in gaming machines in large clubs, and to ensure that non-metropolitan clubs are not disadvantaged. The miscellaneous provisions provide for transitional arrangements for the closure of premises, the provision of free entitlements, the definition of "public holiday", the cancellation/reinstatement of work permits, Licensing Court powers for nonpayment of the gaming tax, the pooling of amusement devices, which applies to remnant devices only, and for the Licensing Administration Board to deal with social impact assessments.

Like other members of the Opposition I want to register the concerns of clubs in my area. Recently the Minister for Gaming and Racing insisted on meeting the clubs in the Lismore area, which was greatly appreciated, and he attended a very successful race cup day at the Lismore racetrack. The clubs made their position quite clear to the Minister in relation to this tax. Five towns in my area have only one club: Urbenville has a bowling club, Woodenbong has a golf club, Bonalbo has a bowling club, Dunoon has a sports club that has just celebrated its tenth anniversary and has done a magnificent job, and Nimbin has a bowling club. Those clubs support their communities and provide amenities to them. If there were no clubs in those towns there would be no meeting areas and their communities would be hit the hardest. Other towns have only two clubs: Kyogle and Casino each have a bowls club and a golf club. Those clubs support their community financially and provide facilities and amenities.

**Mr Paul Gibson:** They won't be affected.

**Mr THOMAS GEORGE:** The honourable member for Blacktown can interject, but he admitted that some clubs will go to the wall. The Lismore community cannot afford to have some clubs—and it will be the little clubs—go to the wall.

**Mr Paul Gibson:** It is John Howard's GST!

**Mr THOMAS GEORGE:** The honourable member can say what he likes about the GST but if the clubs have to cover that tax they will go to the wall, and that needs to be addressed. The historic Lismore City Bowling Club, the Lismore RSL Club, Goonellabah Sports Club, the Lismore Workers Club, the Lismore Workers Golf Club, and the Lismore Workers Heights Bowling Club support the Lismore community. All clubs provide fellowship and the opportunity for the aged community to enjoy a very good meal at a reasonable price. The clubs provide those facilities from poker machine revenue. However, the honourable member for Camden said he does not believe that some sporting clubs receive support. That may be the case in the city but as a past president of the Casino RSM Rugby League Football Club I know that in country areas, especially in the electorate of Lismore, there would not be a successful football or sporting club that is not supported by a club. I ask that every honourable member acknowledge that if club support is cut out, everyday living will be affected in country areas that are already losing services under the Carr Government, and that it must be stopped.

**Mr Paul Gibson:** It is the GST that will affect your little clubs, nobody else!

**Mr THOMAS GEORGE:** I will go down fighting with the clubs on this issue. They have made clear how the tax will affect them, whether they are small or large. If the honourable member for Blacktown believes that clubs will not be affected, I would like him to write the clubs a letter of assurance, because, from what they have been told by their advisers and organisations, they have a totally different view about how their financial status will change.

**Mr ALAN ASHTON** (East Hills) [11.18 a.m.]: I congratulate the Minister for Gaming and Racing because this legislation will tidy up some anomalies in the framing of the original bill. Members of the Opposition accused us of being class traders when referring to the taxation system. The Coalition Opposition is incompetent and lazy if it suggests that members of the Australian Labor Party do not understand clubs. The club movement did not begin with Liberal Party hoteliers forming workers' and trade union clubs for the benefit of the people: it was begun by workers and battlers establishing clubs. The Labor Party understands the dynamics of clubs a lot better than members of the Opposition do.

The honourable member for Lane Cove has made an impression with his colourful shirts, as I have with my ties. I am more concerned about clubs in my area than I am about clubs in Lane Cove, but I am a well-known supporter of all clubs. I am a patron of four small to large clubs in my electorate. It would be sad if the Lane Cove croquet club, the Lane Cove crochet club, or the Lane Cove knitting club were to fold. I am sure the honourable member goes to those important clubs, but some of them will fold before these tax changes or even before some of these minimisation changes are introduced, because the reality is that things change.

I make one other point. When the Treasurer announced in the budget this tax change for clubs, of course many people on all sides of politics, particularly those involved with clubs, wanted to know exactly how those changes would affect their clubs. I said in my speech on the budget that I would have more to say about the clubs issue. I said we should have a review of it. I make the point that those in the Labor Party were very honest about this matter. We talked to our clubs and then debated the issue with the Executive Government.

Opposition members sat on their hands for two and a half months after the May budget before the Leader of the Opposition said one word about the matter. He waited until he had read what the *Daily Telegraph* and the Ray Hadleys and Alan Joneses were saying day after day. When he had sniffed the wind and met his advisers in the telephone booth he thought, "Hey! I think the clubs issue is one we could run with a little bit. We might do something on that." About two and a half months later the Opposition started to go along with the club issue. The hypocrisy of the Opposition is not lost on members of the Australian Labor Party and Country Labor. Coalition members did not take any interest in what was happening to clubs until almost three months after the event, and they should not pretend otherwise.

**Mr Anthony Roberts:** Did you know about this tax before the election?

**Mr ALAN ASHTON:** We had been talking about the Federal Government's problems with health, which you picked up on only two weeks ago. I will talk now about this series of amendments, which make some minor changes to some aspects of the legislation. For example, eighteen large clubs in New South Wales will be affected because they have more than 450 poker machines. It must be borne in mind that some very large clubs have more than that number of poker machines. The Government recognised that it could not simply provide for a reduction of say 10 per cent in the number of all clubs' poker machines because some clubs were already engaged in expansion or had plans on the drawing board for renovations and changes to their clubs; some had taken over smaller clubs, not because they were avaricious but so those small clubs could survive. I think a Mooney Mooney club, in the electorate of the honourable member for Peats, was taken over by the Revesby Workers Club, of which I am a patron, to enable that club to survive. So it is not that larger clubs are avaricious; often, it is a matter of them helping out.

The reduction in the number of machines for clubs holding more than 450 poker machines had to be phased in, as did the proposal regarding clubs with up to 450 machines. Clubs with more than 600 machines had to reduce the number of machines they had by 10 per cent. A number of special arrangements have been introduced relating specifically to the large-scale clubs, to ensure that the shedding and transferring of entitlements, as required under the Act, is done efficiently and appropriately. Special arrangements include exempting large-scale clubs from the requirement to forfeit hardship gaming machines before any other entitlements can be shed, and excluding large-scale clubs from the forfeiture exemption for transfer of entitlements where venues are within one kilometre of each other.

The bill seeks to clarify that special arrangements such as those will cease to apply once large-scale clubs have met their requirements under the Act in relation to the entitlements they can hold. The forfeiting of machines has to take place by the end of a five-year period, which I think is a quite reasonable provision. The bill seeks to ensure that large-scale clubs meet the five-year target for transferring or forfeiting entitlements. But they are not disadvantaged by administrative processes regarding the developing and processing of social impact assessments—a new process that has experienced some administrative challenges, and a matter to which some members on this side of the House have referred. A regulation was put in place to allow clubs additional time to transfer their annual number of entitlements. That flexibility was considered appropriate, particularly in cases where the consideration of a class 2 social impact assessment, which is required prior to the transfer of entitlements, has been a lengthy process. The honourable member for Camden spoke about that.

However, as a result of the regulation, it has become necessary to clarify an end date, by which time all entitlements must be transferred, including those for which additional time for transfer has been given under the regulation. The time limit proposed is July 2007—three months after the five-year period. So, the clubs have four years from July this year to make those changes. That is plenty of time. One of the unintended consequences of section 12 (2) of the original Act was to allow large-scale clubs to apply for additional machines once they had actually transferred and forfeited their excess machines. This amendment will clarify that once a large-scale club has met its requirements under the Act the number of machines it holds is the maximum allowed.

Quite clearly, these amendments will tidy up some small drafting errors. But bear in mind that the origin of this bill was the feeling that there are too many poker machines in our community and that this

Government, or any government for that matter, depended too much on poker machine revenue. It is interesting that Opposition members have chosen not to debate the Gaming Machines Amendment Bill but have used the past hour and a half to attack the Government over tax changes. Good luck to them. I would have done the same. However, I make the point that this Government recognised that it should not go on a binge of willy-nilly introducing massive increases in the number of poker machines, because that could possibly lead to more people becoming victims of gambling addiction or otherwise suffering great hardship. That is why the Government put a cap on the number of poker machines that clubs can have.

The Government responded to genuine concern in the community that people may have been spending too much time playing poker machines and losing too much of their money, and that the Government was getting too much of a financial advantage from simply increasing poker machine taxes. Essentially, this Government has taken steps based largely on responsible gambling measures and on extensive harm minimisation strategies. ClubsNSW and other registered club organisations were quite prepared to go along with those measures and strategies. I too made representations to the previous Minister for Gaming and Racing in the knowledge that some clubs that held more than 450 poker machines had already planned expansion of facilities on the basis of revenue they would receive from those machines. That is why times were specified for them to transfer machines. But they were still given time to complete any renovations or alterations or introduce better options for the club's services. There was a lot of hot air and wind from some Opposition members, but they had very little to say about the Gaming Machines Amendment (Miscellaneous) Bill. I commend the bill to the House.

**Mr GREG APLIN** (Albury) [11.27 a.m.]: The Gaming Machines Amendment (Miscellaneous) Bill seeks, amongst other things, to prevent any increase in the number of gaming machines that may be kept on the premises of a large-scale club and, interestingly, makes a number of other miscellaneous amendments to enhance or clarify the operation of the Act. This is from a Government that is addicted to gambling revenue. The Government has made it very clear that it intends to continue along this road, because only last week I received, as no doubt did many other members, an expensive electioneering brochure from the Treasurer. It was produced, obviously, at considerable cost to this State, proving once again not only that the Government's addiction to gambling revenue is alive and well but that it has no intention of stemming that source of revenue. In fact, it is prepared to compound the original waste by expending taxpayers' money on an expensive brochure to tell the people of New South Wales what they should have been told prior to the election some seven months ago.

This is a piece of electioneering material that arrived seven months late. The Government did not announce that it intended to go down this track and introduce a poker machine tax. This is a late consideration. The people of New South Wales do not believe this Government when they receive something, seven months late, trying to justify an unfair and iniquitous tax. I refer now to what the Treasurer said:

> Every cent of the pokie tax increase will be spent improving the New South Wales health system.

Golly gosh! Is that not something that the Government is tasked to do? The Treasurer said:

> There is always more to be done.

Never was a truer word written or said. I ask the Government: How many of these publications were produced, to whom were they sent, and at what cost, to justify a decision reached late when the Government realised the strength of opposition from people across the whole of New South Wales, but particularly in regional New South Wales? At the back of this interesting publication the Treasurer poses the question:

> Aren't the clubs claiming the new State tax rates will bring disaster?

The answer is, "Yes, they are", but the Treasurer says that is not true. The Treasurer continues:

> ClubsNSW claim half of all clubs will go broke from the tax changes.

Yes, they say that—and they are people who run their own businesses. The Treasurer continues:

> But the doomsday scenario assumes that club gaming revenues will not rise by one cent

He expects to be able to rip $1.6 billion out of clubs over seven years, but says he is expecting that clubs will be able to find inefficiencies or eliminate extravagant spending. That is incredible, coming from a Government that has sought to trivialise clubs. In this Chamber today we heard Government members trivialise the membership of clubs, the actions of clubs on behalf of their patrons and the intention of clubs to improve facilities—whether

they be sporting facilities or facilities within clubs that provide so much for the people of regional New South Wales. I refer specifically to the Premier's flippant remarks about waterfalls and carpets that were repeated today by those opposite. Those opposite also trivialised the opportunities for clubs to create an atmosphere that attracts patrons. After all, that is what marketing, advertising and producing the best facilities are all about. Clubs are concerned to ensure that they attract sufficient work personnel and sufficient customers to patronise them. The Government is only too keen to rip another $1.6 billion out of clubs in the expectation that their good work as a de facto tax gatherer will continue. Recently the *Border Mail*, a significant paper in my region, ran the following editorial:

> **Clubs being too hard hit**
>
> NSW's licensed clubs, including those in Albury, are unanimous in their opposition to the Carr Government's plans to increase tax on gaming machine receipts.
>
> The Government's decision to target licensed clubs as an easy source of more revenue has resulted in Mr Carr losing a lot of support from traditionally strong supporters.
>
> The clubs, including our own Lavington Panthers, the SS and A Club and the Commercial Club have mounted a strenuous campaign against the tax plan.
>
> The underlying message is that if the tax increases are implemented clubs' profits will decline and then losses will be incurred, ultimately sending many clubs to the wall.

The Commercial Club, the Lavington Panthers, the North Albury Sports Club, the Soldiers, Sailors and Airmen's Club and Thurgoona Golf Club financed a trip to Sydney by club directors, members, staff members and concerned residents from the Albury region to attend the Axe the Tax rally in Sydney, where they made public their grave concerns for the future. Mr Duck, the General Manager of the Albury Commercial Club, said that the club's board of directors had resolved to put on hold indefinitely all new capital works projects, including plans for construction of a $15 million, 1,200-seat auditorium. Who will provide those facilities in regional areas? Certainly, the Government is showing no interest in providing a 1,200-seat auditorium. The Commercial Club has acquired the land for the project. Mr Duck continued:

> There are works now being completed at the clubs and the works at the golf club clubhouse will be finished by November.
>
> That will be the end of any capital outlays by the club for some time, perhaps forever.
>
> In recent years the club has undertaken capital improvements worth about $3 million each year. That will stop.

Who will be the losers? The losers will be the contractors, the subcontractors, those who supply facilities for the clubs, such as the providers of food and drink, and the manufacturers of kitchen items, linen services and such like. Once again, they will be the regional losers thanks to a Government that seems intent on ripping out of regional areas the very services upon which we depend. The *Corowa Free Press* is supportive of its regions and asks in bold headlines:

> **Are they trying to get rid of us?**
>
> **Small clubs hit out at Labor's new Pokie Tax**

I believe that is the truth. I wonder whether the Government has a secret agenda. The long-term agenda might be super councils and super casinos in regional areas. It is clear from the publication produced by the Treasurer that it is expected the money will continue to flow for a long time. But where will the money go? Will the money come back to the regional areas from whence it was ripped? We do not believe the Government's line because no mention was made of the tax prior to the election. Why should we believe that this latter-day publication, which reeks of electioneering and last-minute justification of an unpopular decision, is any different? Earlier today we heard disparaging remarks from members on the other side about war veterans. A letter from Mr John Stanborough, President of the City of Albury RSL Sub Branch, states:

> Future planning and extensions to the local Registered Clubs has already been cancelled or deferred until Legislation of the proposed tax is confirmed.

Mr Stanborough remarked that employment and business activities would be reduced at clubs and many positions would be terminated. He further remarked that unemployment would rise and many members of staff could expect to be unemployed. He stated that reduction of business would have a domino effect on the suppliers of produce and consumables to clubs. In relation to amenities he stated:

> The Registered Clubs provide many amenities to our community such as sporting facilities and quality dining at affordable prices. There will almost certainly be a reduction in sporting facilities, as the maintenance costs are already substantial in this area.

He then referred to community development support expenditure [CDSE] funding and stated:

> The Registered Clubs pour millions of dollars into the community by way of CDSE Funding. There are absolutely no other organisations that fund volunteer organisations such as the Registered Clubs. Will the State Government take over this role? Over the last three years our local Clubs have assisted sixteen Ex-Service Organisations in our district, and approximately three hundred other community based organisations. An outstanding effort by any measure.

But it goes deeper than individuals and organisations. Corowa Shire Council is concerned that the proposed club and hotel gaming machine duty rate increases will impact on the region. A letter from the general manager of the council states:

> The financial support provided by the clubs to the community assists in the development of infrastructure and the ongoing viability of the Shire. Club profits, loss of local services, sponsorship and employment opportunities will be seriously affected by the increase in these taxes.

But let us not concentrate on the large clubs about which the Premier and the Treasurer make disparaging remarks. Let us consider a practical club operating in a regional area, providing facilities to a small community on the border of New South Wales and Victoria. The Mulwala Water Ski Club, a community club, donates significant amounts to local communities, well in excess of the current CDSE levy of 1.5 per cent of gaming machine revenue. The Mulwala Water Ski Club currently donates approximately $170,000 to the local community and, in addition, sponsors other community activities to the amount of $20,000. A letter from the chief executive officer of the club, Mr Tim Levesque, states:

> For the financial year ended 30th June 2003 we paid in excess of $820,000 in gaming machine taxes. The proposed changes to gaming machine taxes will see this figure increase to over $1,144,000 by 2010.
>
> We will be forced to decrease our community funding to that of the CDSE of 1.50 per cent—approximately equal to $65,000 per annum. The effect this will have on the local community is immeasurable.

The letter continues:

> In addition to support for the local community, the Mulwala Water Ski Club also provides its members with many free facilities including bingo, lucky numbers, happy hours, special promotions, a courtesy bus service and live entertainment such as Brian Cadd and Daryl Braithwaite at a cost to the club of more than $500,000 per year.

It is significant that the clubs are engaged in the promotion of Australian talent, artists and musicians. The provision by clubs of opportunities and venues will be adversely affected by the imposition of this tax. The letter also states:

> An annual International Ski Show is run free to the community over the summer months for families at a cost to the club of $25,000, as well as raising $15,000 for the local hospital.

Honourable members heard me correctly—$15,000 for the local hospital. That type of contribution will suffer under the imposition of this tax. Will the Government truly put back all and more of the money taken by the tax? It is highly unlikely that people in the regions will see reimbursement, dollar for dollar. The letter by Mr Levesque continues:

> To ensure the long-term viability of the club these facilities may be reduced or removed completely.
>
> The local communities of Yarrawonga and Mulwala depend heavily on tourism.

That is a factor that has been completely overlooked by the Government. The Government has given no consideration at all to the effect of the tax on tourism benefits in the border regions. The clubs are the most significant marketers of the border regions and spend enormous amounts on attending travel shows and expos to promote sporting and tourism facilities in an endeavour to assist the economy of this State. The letter states further:

> Should the club be required to reduce or remove any of these member benefits, the communities will receive less visitors and all different industries [involved in tourism] will feel the effect.

I have a huge list of all the organisations that have written to the Mulwala Water Ski Club and to me outlining their grave concerns over the tax on poker machines. The letters are from festival organisers, organisers of

charity days, chambers of commerce and organisations that use the facilities of clubs free of charge. The imposition of this horrendous tax is ringing alarm bells with all of those organisations, particularly with Yarrawonga-Mulwala Tourism, which promotes to visitors the benefits of travelling in New South Wales. Those organisations hope that commonsense will prevail, and so do I.

**Mr RUSSELL TURNER** (Orange) [11.42 a.m.]: In speaking to the Gaming Machines Amendment (Miscellaneous) Bill, I acknowledge at the outset, as have previous speakers, that the Coalition will not oppose the bill. However, members of the Coalition will discuss concerns about other aspects of gaming, such as the imposition on clubs of revenue-raising measures. A number of small clubs in my electorate will be hit hard by the Government's decision to remove the goods and services tax [GST] rebate. As mentioned by other members who have preceded me in this debate, one of the objects of the bill is to amend the Gaming Machines Act to prevent any increase in the number of gaming machines that may be kept on the premises of a large-scale club. It should be noted that not only Penrith Panthers will be affected; 18 other clubs that have more than 450 poker machines will also be affected.

The bill will also make a number of miscellaneous amendments to enhance or clarify the operation of the Act. It is intriguing that the term "miscellaneous" in the title of the bill does not encompass the problem that will be caused for clubs by the removal of the GST rebate. Other Coalition members who represent country electorates have said that the tax will effectively be the final nail in the coffin of a number of clubs. Many smaller clubs now operate with voluntary labour or with only one person on the payroll on Friday and Saturday evenings. However, they operate as a town facility. Wyangala does not even have a hotel, so people have no alternative other than to use the facilities at Wyangala Country Club. The club operates with voluntary labour but will now be burdened by having to find an additional $15,000 a year as a result of removal of the GST rebate.

Many small clubs will not be able to afford that additional expense because in many instances small clubs either lose money or make only a couple of thousand dollars profit. If they are hit with a huge maintenance bill of $30,000—and many of the clubs that were built in the 1960s now face considerable maintenance expenditure because they have not had the money to maintain the premises as they should have been maintained in the past—they will cease to operate. Eventually the outgoings for clubs will catch up with them, particularly during the first couple of years of implementation of the new tax. By removing the GST rebate, the Government is again hitting clubs that have already been battered by expenses. As a result, many small clubs will close, and people who live in country towns will have nowhere to visit, play carpet bowls or play bingo. Moreover, smaller organisations and community groups will have nowhere to hold their meetings.

Clubs play a vital role in small towns and villages. Large clubs such as the Orange Ex-Services Club and a couple of the big clubs in Cowra have taken over other facilities. The Orange Ex-Services Club took over a large tennis complex in Orange and upgraded the facilities. The club spent hundreds of thousands of dollars on the clubhouse and on resurfacing the courts with synthetic material. Orange Ex-Services Club has also taken over the Bloomfield Country Club, which had an 18-hole golf course. Prior to the takeover, the golf club was a basic public course. Since the club took over, irrigation has been installed and bowling facilities have been upgraded. The club has spent hundreds of thousands of dollars, and the course is now competing well with the other two golf clubs in Orange.

The people of Orange are proud to talk about the club, whereas previously people did not go to the Bloomfield Golf Course unless they were looking for the cheapest game of golf they could find. The golf course is now equal to the other golf courses in Orange and the ex-services club should be applauded for its commitment. The facility also offers a bowling club and is definitely a part of the city of Orange. Recently the club spent $3 million on a multilevel car park that is available to everyone, not only its members, day and night. As a result of the imposition of an extra poker machine tax on the Orange Ex-Services Club by the Government, the club has had to defer the next stage of upgrading and enlarging the brasserie, which is far too small to cater for the 14,000 members of the club and their guests.

As other members have mentioned, deferral of refurbishment destroys employment opportunities for builders and contractors in country towns and denies members of the club improved facilities. Some of the small clubs in my electorate are threatened with closure as a result of the Government's action. The death knell was a combination of the changing needs of villages and towns as a result of declining populations and the decision to allow hotels to install poker machines. In the past, people who wanted to play poker machines went exclusively to clubs, but they now may choose to attend hotels instead.

The clubs ran into enormous difficulties following the decision by the Government to allow poker machines to be placed in hotels. This State has the dubious distinction of having 10 per cent of the world's poker machines. Suddenly, the Government pretends to have had an attack of conscience about the out-of-control addition of poker machines to clubs and hotels and will limit their number. Perhaps it should have done that a long time ago. The honourable member for East Hills attacked the Opposition. He claimed that from the time the budget was delivered until the present the Opposition had not criticised the Government. I remind the honourable member and the Government that The Nationals first met with representatives of country clubs on 15 July. We have held ongoing meetings with the club representatives ever since; we have not sat on our hands. We knew the clubs would be concerned and have met with their representatives on many occasions since 15 July.

The clubs have been unanimous in expressing concern. They claim many country clubs will close. The Government should hang its head in shame, if it has a conscience, when clubs begin to close—not only in my electorate but also across the State. A couple of weeks ago, with other members of The Nationals, I visited the huge Riverina area, beginning at Broken Hill. I have never seen such a display. Every club displayed a poster of the face of the Treasurer, Michael Egan, and there were petitions on every counter in every club foyer. The objection to the tax is unanimous, and the patrons believe that club facilities will be under threat. I am not claiming that every club will close, but a number definitely will. Those that survive will lose some facilities.

Over many years a club at Barham, which is on the Murray River, had taken over the local tennis and bowling clubs. It maintained facilities at the smaller clubs because the local council could not afford to do so. The State Government does not believe that it is responsible for maintaining those facilities. The smaller clubs were happy for the Barham club to take over the responsibility of running the tennis, bowling and golf club complexes. Those small local facilities are now seriously under threat: if the tax is implemented the Barham club will not be able to maintain them.

The honourable member for Blacktown admitted that some clubs will close. I do not look forward to the first club closure in my electorate. The Government has time to totally reverse its decision, it should not be a token 1 per cent or 2 per cent reversal here and there. The Government has to completely reverse its decision; it should axe the tax and not put the last nail in the coffin of many clubs throughout the State. The Government has completely misjudged the reaction of the clubs. If it is big enough to admit it has made a mistake, it should do so as soon as possible. The clubs are anxious about their future. The least the Government can do for small clubs is reverse its previous decision and reinstate the GST rebate. If it does not many small clubs will go from a zero profit to a permanent loss, and that will lead to the boards of those clubs deciding to close down once and for all. Small towns and villages will lose those facilities forever.

**Mr STEVE WHAN** (Monaro) [11.54 a.m.]: As many Government members have pointed out, this bill deals with minor amendments to existing legislation. It does not deal with budget measures announced earlier this year, which Opposition members seem determined to talk about at great length. Initially, I will focus on the measures contained in the bill. A number of those measures are designed to make life easier for clubs and for the industry. Over the past few years the community has put a lot of pressure on the Government to ensure that it minimises the harm caused by problem gambling. During that time any legislative change which sought to achieve an outcome as big as balancing the need to minimise harm from gambling with the good work done by clubs in the community would have had teething problems. Obviously the operation of the legislation needed improvement.

This bill contains a number of measures that modify the existing legislation that serves the important purpose of ensuring that clubs have an environment in which they can do good work in their communities while limiting the harm that gambling can cause. Problem gamblers often cause great hardship to themselves and their families. The bill contains a number of measures that affect the social impact assessments that clubs and hotels are required to undertake. Those social impact assessments are designed to ensure that when new poker machines are introduced into a community they do not cause harm, economic hardship or social problems in the area. The social impact assessments are good in theory, and they are in the process of being implemented.

In my electorate some social impact assessments have taken time to be completed, particularly the class 2 assessments. I am pleased that the Minister acknowledged in his second reading speech that there is industry concern about the processing time for those assessments. The Minister is looking at ways to streamline the process. The bill contains measures to make it easier for clubs to transfer gaming machine entitlements. That is sensible. Obviously it is the job of any good sensible government to continue to improve legislation. The bill allows clubs a longer period in which to transfer entitlements from a club that has ceased to trade. Members of

the Opposition have claimed that in the next few years clubs will close. Over the past decade there has been a so-called rationalisation of clubs in country areas. That is what the Liberals would call free market transactions. Some small clubs that have not been able to keep up with consumer trends and demands have closed.

In the Queanbeyan area three small clubs have closed. Although they did not have a big membership base they were a loss to the community. Those clubs closed a long time before there was any discussion about changes to the tax rate. We should all recognise that the clubs will have to address how they market their services and compete in the community. At the same time we should all recognise that our clubs always make a contribution to the revenue of the State; they always have, and they should. Currently the Government raises about $17 billion in revenue and the rest of the $30-odd billion of budget revenue comes from Commonwealth Government sources. We have limited avenues from which we can gain that revenue, and gambling is one of those important areas.

One important issue that I noted today after listening to the contribution of Opposition members to this debate is that it is easy to condemn new revenues. Opposition members belatedly took up the club issue after the introduction of the recent State budget. Opposition members criticise stamp duties but never at any stage did they tell us how they would raise that revenue. They have never told us how they would raise the $1.6 billion that is needed by our hospitals to deliver health services in our communities. They never told us how they would raise the $3 billion to $4 billion that is collected from stamp duty.

We live in a community in which there must be balance. We all want the Government to deliver good services and we know that it has to raise revenue in order to do that. In the past few months I have spent a lot of time talking to local clubs in the Monaro region and establishing what they do. I, like most honourable members, am a member of most clubs in the community that I represent. Opposition members said earlier that the Government does not value the things that clubs do. The Government values the input of clubs in our community and it values their contributions.

[*Interruption*]

It was interesting to hear a reference to 34, as Opposition members barely manage to scrape together that number of votes in this place. That is why this State Labor Government is still governing New South Wales. Clubs play an important role in our communities. They support a lot of community organisations—a role that is valued by Government members. I was somewhat offended to hear the comments of some Opposition members this morning. They made the outrageous suggestion that Labor does not care for ex-service people. What a ridiculous suggestion! The Australian Labor Party is boosting the health system in New South Wales and it is fighting the Howard Government to try to obtain additional resources to deliver the health care that is needed by ex-service people and older people who utilise clubs.

This Government's aim is to achieve a balance and to make appropriate decisions to provide necessary services for the community. Opposition members referred also today to the GST and its application to clubs. It was quite bizarre to see members of the Liberal Party and The Nationals, who promoted the introduction of the GST, crying crocodile tears for those who will be negatively affected. A number of small businesses and clubs are being hurt by the GST, which is why the Labor Party opposed it. When I stood as a Federal candidate I spent a lot of time arguing against the GST.

**Mr Brad Hazzard:** The failed Federal candidate.

**Mr STEVE WHAN:** Opposition members refer to me as a failed Federal candidate, which is an interesting concept. Opposition members, who were unable to mount a positive campaign in Monaro at the last election, ran radio advertisements that labelled me as a failed Federal candidate. I am glad that the Labor Party and I have been able to end 16 years of rule in Monaro by The Nationals. This Labor Government was able to do that by offering positive solutions to problems in the community. It always gives me great pleasure to remind Opposition members of the reason they lost Monaro so convincingly. This Government offered the sorts of solutions that are needed by communities in the Monaro electorate.

This bill will ensure that the Government's legislation relating to clubs will enable them to operate and continue to perform important community services. We must balance those services against the social impacts that we know will result from excessive gambling. That is not an issue that should be ignored. We must achieve a balance by providing the services that are required to alleviate problem gambling. This Government put in place a number of important measures. Funding is now being provided to a number of organisations that are

dealing with problem gamblers. Clubs with which I deal are well aware of those obligations. They are aware of the need to provide trained staff to deal with and identify problem gamblers. Those staff members are now able to police self-exclusion—an important initiative that was introduced by this Government. Those effective and practical measures will help finetune other measures that have been put in place. The hotel industry and those who operate gaming machines must be able to raise and deliver revenue to the Government to fund taxpayer services. I commend this bill to the House.

**Mr WAYNE MERTON** (Baulkham Hills) 12.06 p.m.]: When the Carr Government is thrown out of office on the fourth Saturday in March 2007, it will leave a legacy that the people of New South Wales will never forget. It will have brought about the downfall of the New South Wales club industry. Clubs hold communities together in many areas in this State. On many occasions clubs provide rest, enjoyment and entertainment for ordinary Australians who often seek refuge during their daily lives. This bill will go some way towards alleviating certain incidental matters relating to poker machines and clubs. However, the real issue that is being faced by clubs today is the iniquitous increase in taxes that was imposed in the recent State budget. No warning of any such increase was given, and it did not form part of the Australian Labor Party's State election campaign or platform. It is fair to say that clubs were ambushed. I am reminded of the old adage "Never let the truth spoil an election." That is exactly what happened.

**Mr Brad Hazzard:** They were promised a review.

**Mr WAYNE MERTON:** Clubs were promised a review. There was no consultation but they were given a review that resulted in distress, uncertainty and dilemma within the club industry. Little, if any, consultation took place. After the Treasurer's glorious budget announcement, things did not go well. Things started to get a bit tight and toey, community resistance was evident, and people objected to the onslaught on their social environment and community facilities. Clubs provide communities with entertainment and enjoyment and with necessary funding for worthy sporting and cultural identities and groups. The Government recognised that it had a problem and it knew that it had to do something about it. After convening a conference it decided to peddle the line—something that this Government is good at doing—that the money would go to hospitals.

**Mr BRAD HAZZARD:** Did it peddle a line or a lie?

**Mr WAYNE MERTON:** I will give the Government the benefit of the doubt by stating that it peddled a line, but it really peddled an untruth. There is no reference in the budget to that additional revenue being used for the provision of health services. That strategy by the Government was an attempt to dispel obvious criticism. Thousands of ordinary Australians objected to the fact that many clubs would not be able to survive. What is this Government's record in relation to clubs? Clearly, it has had a love-hate relationship. New South Wales alone has about 10 per cent of the world's electronic gambling machines. That is some kind of record! It is not a record of which the Coalition would be particularly proud or envious. The clubs have been allowed to build an enormous gambling empire, and many of them provide excellent community support and facilities. However, those clubs are now at risk from an iniquitous tax that will rip the heart and soul out of communities throughout New South Wales.

In western Sydney, an area that I am proud to represent, club entertainment facilities are often the social focus of the community. Those clubs are under attack. Many community groups—sporting clubs, Probus and so on—have written to me and to other honourable members to say that they will suffer because the licensed clubs will no longer be able to give them financial support. One of the most iniquitous features of this tax is that it is levied on revenue, not profit. There is big difference between taxing revenue and taxing profit. Mr Ivor Jones of Baulkham Hills writes:

> Mr Egan's new tax on the revenues (not the profits) from gaming activities will stop local clubs from making these valuable contributions to the health and welfare of our local community.

I agree especially with his next point. He continues:

> Clubs have been funding hospitals and medical research institutes serving New South Wales for many years through donations and fund raising activities. Clubs support more money going to hospitals, but not at the expense of all other community facilities. It is an unfair tax that will rip many millions of dollars of local people's money out of our area.

That is already happening not only in western and north-western Sydney but throughout rural and regional New South Wales, as highlighted by The Nationals members who have spoken in this debate. Many parts of rural and

regional New South Wales are still suffering from one of the worst droughts experienced for many years, if not the past century. Rural people are constantly at the mercy of the elements and wool commodity prices continue to fall. Clubs may offer the only solace for hard-working Australians going about their daily lives. They know that at the end of the day they can go to the club to have a couple of drinks in airconditioned comfort and enjoy some sort of fellowship and camaraderie with their friends. They can then return home, sustained and ready to resume the fight against the elements and the many other pressures facing the people of the bush.

However, that way of life is in jeopardy. It is likely to be destroyed by a greedy Government that is seeking to impose a tax that will decimate the club industry, which is synonymous with ordinary Australians. The tragedy is that the very people whom the Labor Party purports to support and whom it has championed over the years through great leaders such as Ben Chifley, Scullin and so on are being betrayed by this Government's greed.

**Mr Brad Hazzard:** The poker machine on the hill!

**Mr WAYNE MERTON:** The poker machine on the hill has replaced the light on the hill as far as this Government is concerned. But the Opposition does not see it that way. We believe in a fair go for everyone. We will talk to the club industry. We will consider this issue step by step to see whether we can reach an agreement that is acceptable to everyone involved. We understand the role that clubs play in our community. We understand that it is ordinary Australians—to whom Labor members refer so gleefully—who will be most affected by this tax. Those people have been betrayed. I listened to Labor members' contributions to the debate this morning. I heard the speech of the honourable member for Blacktown, who is a good friend. I like him; he is a great guy. We have all heard about the road to Damascus conversion. The honourable member for Blacktown has had not a road to Damascus conversion but a road to Government House conversion. The honourable member can see the light on the hill: he believes he has a chance of a ministry.

**Mr Brad Hazzard:** It's a long shot!

**Mr WAYNE MERTON:** Yes, it is, but politics is full of long shots and dreams.

**Mr Grant McBride:** Wayne was a Minister!

**Mr WAYNE MERTON:** The Minister for Gaming and Racing, otherwise known as Col Dunkley, is now running the show. He is a good enough bloke. Poor old Biddy down the back was one of the famous 34. One may ask: What happened to the 34 stalwarts? What happened to the 34 champions who were going to support the clubs in their fight against this iniquitous tax? They were victorious on the day but, as many members have said, they were clubbed in the vote the following day. I do not know exactly what happened, but the light went out as far as they were concerned. But Col is here now. He always has a smile on his face, which we appreciate. He always gets to the grassroots of the matter, and this is a grassroots issue that concerns ordinary, everyday Australians—the people of Blacktown, the people who go to the Parramatta Leagues Club and the Baulkham Hills sporting club and bowling club—who enjoy club life and the benefits that it bestows on the community.

**Mr Brad Hazzard:** Mingara Club is in the Minister's electorate. Phil Walker is standing for Clubs New South Wales. He will make sure that you know about clubs.

**Mr WAYNE MERTON:** If only Phil had been elected, but unfortunately he was not. This is a serious issue that has the potential to undermine the fabric of society as we know it. Lest Labor members believe the Coalition is the lone voice of opposition, I remind them of the people who took to the streets calling on the Government to axe the tax. Consider the enthusiasm, motivation and feelings of those who oppose the tax. This tax will be remembered as a legacy of this Labor Government. It is also one of the reasons there will be a change of government on the fourth Saturday in March in 2007. I do not know what Col will do then. He will have to go to the club for a drink—if the club is still there. The tragedy is that not too many clubs may be left in 2007. That is the most harmful effect of this tax. Our communities and ordinary Australians will be the losers at the hands of a government that purported to fight for and to support the underdog. But in this case the underdog has been sacrificed for commercial and political expediency.

**Mr ROBERT OAKESHOTT** (Port Macquarie) [12.18 p.m.]: It is a pleasure to follow that great orator the honourable member for Baulkham Hills in this debate. I will speak only briefly about the Gaming Machines Amendment (Miscellaneous) Bill in order to allow the honourable member for Wakehurst to embark

upon an around-the-world discussion about the club tax. That tax is not mentioned in the overview of the bill, but I know this is a general discussion. My only comment on that issue is that we had a most productive meeting with local club managers and the Minister for Gaming and Racing at the end of last week on Carlton Port Macquarie Cup day. Managers and the Minister have agreed to explore several matters arising from that frank and open discussion.

I thank the Minister for Gaming and Racing for coming to Port Macquarie to discuss with club managers all issues relating to the club tax, a matter which really is not relevant to this bill anyway. Paragraph (c) of the overview of the bill states that one object of the legislation is to allow the transfer, through a class 1 social impact assessment, of any number of poker machine entitlements between different premises of a registered club if the premises are situated in a non-metropolitan area and are within 50 kilometres of each other. I am pleased that that object is in the bill because it relates directly to Manning Valley issues and in particular to the Taree RSL Club and Taree Golf Club merger, which has been on the drawing board for a long time. A significant number of gaming machine reforms have been made over the past couple of years, and with each reform the club merger and the move of the Taree RSL Club to the Taree Golf Club site met a couple of hurdles that needed to be addressed through legislative change.

A new facility at the Taree Golf Club is nearly complete and will be opened shortly. The move will mean that the RSL club will move out of town to the golf club site. During the reforms of the past year or two a couple of issues arose, one of which related to the movement of machines within a certain radius. I thank the previous Minister and the department for meeting with a delegation from the two clubs to work on that change, and that issue was addressed and fixed prior to the last election. About three months ago the two clubs identified another problem with social impact assessments that could have upset the whole arrangement. Again, following meetings with the Minister and the department, that problem has been fixed by paragraph (c) of the overview of the bill.

In no way will these changes affect the spirit of the gaming machine reforms that have been made during the past 12 months. This legislation will make practical, commonsense changes. In the Manning Valley, as in other areas, two clubs will be allowed to merge and rationalise their sites for poker machine activity. I know from the Productivity Commission report that one of the issues was accessibility and the number of locations where poker machines could be accessed. The bill is a positive step towards resolving a hold-up caused by minor legislative technicalities. I thank the department and the Minister for working on those issues. I look forward to the opening of the new site at Taree Golf Club. I have been happy to assist delegations to come to Sydney to meet with both the former Minister and the current Minister to address the issues. It has been of great assistance to the Manning Valley.

**Mr BRAD HAZZARD** (Wakehurst) [12.23 p.m.]: It is clear from the obvious need for the Gaming Machines Amendment (Miscellaneous) Bill that the Government, with typical overenthusiasm for the provision of poker machines throughout the State, has put itself in a bind and is trying to get out of it. Perhaps certain clubs have found that they have more than the prescribed number of poker machines. Because of its addiction to poker machines the Carr Government has created this mess and now has to fix it. Poker machine addiction is a major problem for people who cannot use them advisedly and sensibly. This addiction is a systemic and institutional problem. The Government, the very body that directs the policies of this State, is so addicted to tax income that it has massively increased the number of poker machines in the State during its almost 10 years in office. That is the beginning and the end and the very crux of the problem in New South Wales.

This Government has an awfully big greed for poker machine income and is prepared to massively increase the number of poker machines in clubs and pubs to get more of it. The Government, having given clubs and pubs the opportunity to install more poker machines and having led them to believe that they could rely on that revenue, now seeks to extract every last dollar and more from them. I, like many members in the community, am concerned about the gross number of poker machines in New South Wales. There is no question that it would have been better if the Government had approached this topic more sensibly and rationally and had not made clubs and pubs dependent on poker machine revenue, but, unfortunately, that is the situation. It is hypocritical of the Carr Government to say that, having allowed clubs and pubs to have extra poker machines, in the expectation that increased income would provide more opportunities, it will now treat them as a Treasury milch cow. The Government will rip them off without regard to the consequences.

Like many people in New South Wales I have been a member of a licensed club since I was about 18 years of age. The first club I joined was the Manly-Warringah Rugby League Club. I recollect that it was almost like a rite of passage when my mates and I put down our names. In those days the focus was on who would

nominate and who would second an applicant. I can still remember who nominated me and who seconded me. I still recall the excitement with which I and my mates awaited the outcome of our applications to join the club. I am a long-term supporter of Manly-Warringah Rugby League Club and the District Rugby League Football Club. I have held continual membership since I was about 18 years old. I am also a member of other clubs in my electorate. I belong to the Master Builders Club in Dee Why, Dee Why RSL Club, Harbord Diggers Club and Forestville RSL Club.

Much of our social and community life has grown up around the expanding position of clubs in New South Wales. In some parts of the State, and particularly in rural areas, as observed by the honourable member for Lachlan earlier, clubs are the central focus for the provision of community services. They are fun meeting places. Clubs offer the sorts of facilities that the Government has failed to provide. Governments of all political persuasions have not done as well as they should have done, but this Government has failed miserably over its almost 10 years to promote rural New South Wales and to provide the sorts of services that are needed there.

As the shadow Minister for Aboriginal Affairs I often travel to the farther parts of the State. I recollect visiting Wilcannia, a remote country town—and a fabulous place to visit—on a number of occasions. In the afternoons, after work, everybody gets together at the local licensed bowling club in Wilcannia. The club is a place for such people to go to talk about their day's activities and what they will do next day at their schools, and to discuss issues that confront people who are moved from their homes to distant places in the State. The club provides that forum.

The problem is that the Carr Labor Government—which is supposed to have some interest in social justice outcomes—does not seem to understand the important role of clubs in the life of the people of New South Wales. Perhaps that it because the Carr Government is blinded by its addiction to taxes. Its action is reprehensible. Honourable members who have not been in this place long might not recall that just after Mr Egan became Treasurer in 1995 he attended a forum of micro-economists and told them he did not know why he had become Treasurer, because he knew nothing about Treasury. Everything he has done since proves that! Basically, he has extracted from every New South Wales resident every cent he can get in and created one of the highest taxing governments that New South Wales has had.

Treasurer Egan has learned that he can be dishonest and untruthful, even with organisations that provide so much to enhance the lives of the people of New South Wales—that is, clubs. Treasurer Egan promised there would be a complete review before the taxes were addressed. He told the clubs that after the review he would determine, in an open and transparent process, a reasonable level of tax to be paid by the clubs. That is what the clubs are seeking. They are telling the Treasurer that what he did to them is dishonest, unreasonable and unfair, and will have major adverse consequences that will put at risk their very existence. The response from Treasurer Egan has been arrogant and high-handed. The response from Premier Carr has been to echo the response of Treasurer Egan. The Premier simply says that the clubs will have to pay $X. This is regardless of the clubs commissioning not one but two independent reports, both of which concluded that by 2011 clubs will be confronted with a number of problems stemming from a negative cash flow.

Treasurer Egan pussyfooted on issues to do with the goods and services tax, a point that must be considered in the case of some clubs. But the big issue is the large increase in taxation that the Carr Labor Government will impose on clubs. What other business pays tax on its gross income rather than its net income? We need to think about whether that is an acceptable philosophical approach by government. Clearly, no government has ever considered that as an acceptable tax regime. So we must ask ourselves: What is going on here? What are Premier Carr and Treasurer Egan attempting to achieve? It appears they are prepared to kick New South Wales clubs to death. It appears they have lost the plot when it comes to trying to achieve a balance with New South Wales clubs.

Now that the clubs are trying to speak up for themselves we have an onslaught from the Government. We witnessed a small example of that yesterday during question time, when the Minister for Gaming and Racing indicated there would be a whole raft of reviews of directors' relationships with their clubs. I too have some major concerns about that issue. The Premier and the Treasurer paint this as a balanced review of directors' relationships with their clubs. I would be the last to argue against responsible proscriptions on certain relationships between those in power in clubs and the people with whom they contract. The reality is that most clubs that have business relationships with their directors are well aware of those relationships. At this stage, no-one has demonstrated any unfavourable outcomes from those relationships. In fact, the clubs seem to have been doing quite well, at least in the past few years, from developments put in place by their very capable directors.

I note that some sections of the media have jumped on the bandwagon of saying that some club directors are paid more than the President of the United States of America. But they are paid a lot less than some people who run big businesses in New South Wales. The relevant question is whether those directors are delivering benefits for their club members through reasonable contractual relationships. It seems the Government has embarked on a wholesale attack to undermine clubs, not only through a taxing regime but also through club management structures. The Government must slow down on some of its proposals because it runs the risk of destroying a large number of New South Wales clubs. Picking on the big clubs, the easy hit for the Government, is quite illogical because the bigger clubs provide the most services for the most people.

I would like to see clubs do more than they currently do, though there is no doubt that most are doing quite a bit. I heard some Labor members comment that they do not know of anybody who has benefited from clubs. I do. A whole host of community organisations on the peninsula in my electorate benefit from their local clubs. That is not to say that clubs cannot do better. I am sure that if clubs were encouraged to put more money into their communities they would. Personally, I would trust the clubs to target the right community groups more than I would trust the Carr Government, because at the moment not much is coming to the northern beaches from this Government. Sporting groups and organisations that address literacy, education, disabilities and various other community concerns on the northern beaches do better from having a healthy club movement that can support them financially. It is time the Government backed off a little bit and thought about whether its onslaught on clubs is the right thing to do, because it risks doing some serious damage.

Clubs have a part to play in the community, as do hotels. As I said earlier, I would prefer that clubs have fewer poker machines, but there should be recognition of the fact that for many in our community clubs offer forums or social outlets that otherwise would not be available to them. As I speak I know that close relatives of advanced years and others quite close to me are having lunch at the Dee Why RSL Club. They are there with friends enjoying the facilities and benefits of a proud and well-run local club. The Minister for Gaming and Racing should go back to his party room and make sure that the Premier understands the realities.

The Minister should impress on Premier Carr that this is not only a political issue but also a substantive issue, and that he runs the risk of demolishing clubs that provide very good services. I know that the Premier's cynical view is likely to be: Three and a half years away from an election, who cares? That is the likely response of a Premier who probably never enters a club or only very occasionally. Obviously he has no interest in some of the things that interest the rest of us. He does not like football, for instance. He probably would not go to clubs, even for a light lunch. Perhaps he does not need to. The rest of us are saying on behalf of the community: Back off! Give clubs a fair go.

**Mr JOHN TURNER** (Myall Lakes) [12.38 p.m.]: "We might not win, but we'll go down fighting." That is a headline in the *Manning River Times* of 5 August. Another is "Community enraged by tax implications". That was not from the Mounties, or Penrith Leagues Club, or the Canterbury Bankstown club. It was a quote from the honorary secretary of the Lansdowne Bowling and Recreation Club, Narelle Berridge, on behalf of all of its 450 members. I referred to it because it indicates the impact this tax will have on the New South Wales community, and particularly its clubs. I referred to it also because Lansdowne is in the seat of Port Macquarie.

A short time ago the honourable member for Port Macquarie said he was not going to talk about the tax implications for clubs because he had had a cosy little meeting with the Minister. I think clubs, club presidents, club managers and club members in the electorate of Port Macquarie will be quite outraged that their local member, despite being given a golden opportunity to pursue their interests in this Parliament, refused to do so. In fact, it was interesting that he spoke from the Government side of the House in this debate. On behalf of all clubs in my electorate and in the electorate of Port Macquarie I say that the Government has got it wrong. The Lansdowne club summed up what the debate is all about when it said:

> We are a community-based club. Our money comes from the community and stays in the community.

It is ironic when one considers that clubs were established on the basis of the Labor Party philosophy. I come from the coalmining town of Cessnock, and the Workers Club in that town was the first club I joined. That club, the epitome of the philosophy of the Labor Party, will face difficult times as a result of the Government's proposal to increase the poker machine tax. I have received thousands of signatures on petitions and recently Murray Verran from the Forster-Tuncurry Memorial Services Club presented me with many more petitions. I have also received hundreds and hundreds of letters. Dare I say that this is bigger than the Metherell issue in the 1990s. The Government will wear that. Thirty-four members of the Government ranks certainly know it but, unfortunately, they did not have the intestinal fortitude to carry through their dissent in the face of the Premier's and the Treasurer's autocratic drive to suck more money out of the community of New South Wales.

I am sick and tired of the Premier tugging at the heartstrings of the community. The Government has had windfalls from land tax, stamp duty, payroll tax, and the many hundreds of other hidden taxes that are indexed each year. People are entitled to be sceptical when the Premier tries to tug at the heartstrings and say that the money is needed for our hospitals and nurses. That is not true; it is an accounting myth. The budget can be jiggled as required. The Government has not said what it has done with the $7 billion already allocated to the Health budget. I will quote a few of the typical comments I have received from my constituents. A member of the Forster-Tuncurry Memorial Services Club stated:

> I am a member of the Forster Tuncurry Memorial Services Club. It has been part of my life for many years. I am just one of several thousand members who have enjoyed the facilities and the many benefits this club generously provides.

In relation to the proposed tax grab he stated:

> To be honest most of us cannot believe the Labor Party would do this to community minded clubs. Why would any politician want to hurt the millions of ordinary Australians that enjoy and rely on the facilities provided by local clubs?

Why do the Premier and Treasurer want to hurt the millions of ordinary Australians who rely on, and enjoy, the facilities provided by local clubs? Many community groups and organisations benefit from the largesse of the club industry. Under the Sport and Recreational Capital Assistance Program my electorate is allocated about $40,000 a year for sporting groups. I have been asked for amounts between $250,000 to $870,000, and obviously that is the sort of assistance that is needed within the area. I am referring specifically to sport and recreation facilities, not to Meals on Wheels or other community services. The club industry in my area provides tens of thousands of dollars more than my electorate receives in sport and recreational grants.

If clubs have to tailor their costs, will the Government increase the sport and recreational grants? I do not think so. Ultimately sporting organisations will wither due to lack of funding. Surf clubs in my electorate receive support from local clubs that enables them to train young people to become vital leaders in the community, and to purchase equipment that is directly attributable to saving lives. Where will the surf clubs get that sort of money when the funds they normally receive from local clubs are taken away in taxes and used to shore up the highest taxing Government in Australia? Where will Meals on Wheels, the Salvation Army, St Vincent de Paul, and many other groups get vital funds to maintain community services? From the Government? I do not think so. A letter I received from Ian Badham, the Executive Director of NRMA CareFlight, states:

> Dear Mr Turner
>
> Having rescued, treated and transported more than 10,000 critical patients, the future of NRMA CareFlight is at risk because of the State Government's proposed increase in gaming taxes on registered clubs.

That summarises some of the concerns in the community. As clubs cut back on services and activities, people will no longer be able to access them. Many people in my area, which has probably the largest retired population and the highest mean age in New South Wales, go to clubs for companionship. They get out of the house and go down to the club, not to get full or to put all their money through the pokies but to meet up with their friends. It is a cheap and pleasant way of socialising. People will become socially dislocated. They may be stuck in their homes and have no-one to keep an eye on them. Ultimately, the Government will have to act as carer. Unfortunately, we know that this short-sighted action to increase taxes may lead to long-term community problems.

The Taree RSL and Golf Club, a large club in my electorate, told me that by 2010 it will have to find another $324,000 to pay the tax. It will have no additional poker machines, so that money will have to come off its bottom line. The Forster-Tuncurry Memorial Services Club provides an enormous amount of services in the area. Its tax will increase from 26 per cent to 44 per cent—millions of dollars per year. The Old Bar Beach Bowling Club, a small club that is the centre of recreational and social activities for Old Bar, epitomises the role of clubs. It was voted Club of the Year last year and it will pay an additional $385,525 in gaming tax by 2010. That is an enormous amount for a town that has only 1,500 residents. Tony Jones, the Secretary Manager of the Old Bar Beach Bowling Club, said:

> We are a community based club. Every cent we make goes back into the community.
>
> We would be sponsoring nearly every sporting and community organisation in Old Bar.
>
> The extra money the government takes out of us will be taken out of the community.

I have received letters from the Old Bar Probus Club, the old Bar Men's and Women's Indoor Bowling Club, the Twilight Cricket Club, the Touch Football Club, the Travelling Bowlers Club, Taree Old Bar Surf Life Saving

Club, Manning River Oyster Farmers Association, Old Bar Public School, the View Club, Old Bar Pirates Rugby League Football Club—hardly Penrith or Canterbury—the Old Bar Activities Group, the Bridge Club, the Dolphin Quilters, the Thai Chi Club and the Old Bar Beach Bowling Club's Beachside Rockers, all of which have been supported by the Old Bar Beach Bowling Club. Roy Meguyer, President of the Returned and Services League of Australia-Old Bar Branch, put it well when he said:

> Old Bar Beach RSL Sub Branch would like to express our disgust at the NSW Government's attack on registered clubs.

I know Roy Meguyer. "Disgust" is a strong word for Roy. He is a real gentleman, so he must be very upset to have used that word. He continued:

> Old Bar Beach Bowling Club makes a major contribution towards expenses on ANZAC Day, Remembrance Day, Annual Christmas Dinner and other major events through the year.
>
> The consequent results of this decision (to increase the tax) will lead to the Old Bar Beach RSL Sub Branch not being able to hold ANZAC Day and other events in the manner that the RSL and Old Bar residents are accustomed.

We have now reached rock bottom. Bob and Michael are prepared to target days of significance to our Diggers.. Mr Meguyer summed up the views of the community and, I suspect, the views of the dissenting Australian Labor Party caucus members, who did not have the gumption to follow their convictions, when he said:

> Quite frankly, we are unable to understand the government's motives for this latest attack on clubs.

This is not going to go away. I would like to read a cross-section of some of the letters I have received. I can assure the House that they are not exhaustive. Ron McCarthy from Forster, the President of the Netball Association, wrote to me in these terms:

> The Forster-Tuncurry Services Memorial Club sponsors our Club, the Tuncurry Netball Club. They are presently, and have been for many years, our major sponsors. The monies, which are involved in the sponsorship, have been used to promote all the activities and development of our club.
>
> With the recent changes involving insurance, we have been fortunate to become incorporated. The above Club has been obliging in the funding of the legalese of this incorporation and the payment of the Public Liability Insurance costs. This has been a major saving to our netball club.
>
> The sponsorship has been the lifeline of our Club that has enabled us to establish a structured Development Program for all players, umpires and coaches. These programs are addressing some of the community concerns referred to in the rhetoric of the State Government. These programs are helping to build the competence of all Club members and to being a greater understanding of the role of Parents in this sport.

He goes on to state:

> We, the undersigned, wish to protest and show our concern at the State Governments implementation of this tax and implore the Government to reverse its decision … [and] axe the tax. The government is requested to show concern and support for the sporting community not to hinder our development.
>
> We take this opportunity to remind the Government that they are the representatives of our community and the Youth of our State.

That is a very good letter and it summarises community concerns about this tax. This tax will rebound on the Government at the next election. The Greater Taree City Band Management Committee also wrote to me, and in part the letter states:

> Old Bar Beach Bowling Club provides us with generous financial support and as such we are writing to you to express our dismay at the NSW Government's attack on registered clubs in last month's State budget. Treasurer Michael Egan seems intent on destroying the club industry with his decision to massively increase taxes on gaming revenue.

The Secretary of the Saltwater Malibu Club Incorporated, Merrick Spicer, wrote to me, and part of the letter states:

> Old Bar Beach Bowling Club provides us with generous financial support and as such we are writing to you to express our dismay at the New South Wales Government's attack on registered clubs in last month's State budget. Treasurer Michael Egan seems intent on destroying the club industry with his decision to massively increase taxes on gaming revenue …
>
> Clearly Old Bar Beach Bowling Club's ability to grow and provide increased employment opportunities will be lost, and consequently, the support we receive from them will either be substantially reduced or lost in general...
>
> Quite frankly we are unable to understand the Government's motive for this latest attack on clubs …

> We appeal to you to make representations in Parliament on our behalf against this unjustifiable and iniquitous additional gaming tax which strikes at the very heart of all people in New South Wales, particularly the benevolent organisations they so generously support.

The President of the East Forster Progress and Preservation Association, Graham Reed, also wrote to me. His letter states:

> We are writing on behalf of the residents of the Forster-Tuncurry area regarding your proposed new tax—

It is not my proposal, of course, it is the Government's—

> on clubs within N.S.W. The way we see it there are numerous types of Clubs within this State, with many it will be grossly unfair to Community-orientated Clubs such as The Forster-Tuncurry Memorial Services Club, which is a focal point for the residents of the area, particularly the retired to utilize the club on the basis of somewhere that they can enjoy reasonable priced drinks and dining as well as enjoy the other facilities offered in the form of members benefits and a Courtesy Bus to and from the Club in order to discourage drink driving.

The final paragraph of the letter states:

> This Club is not supporting overpaid Sportspersons, but the local community. Come on, get on the ball. By all means attempt to get a share of the black money being laundered, mainly through the big Sydney Casinos and Clubs, and show some commonsense, regarding country Clubs that are actually the heart of the community.

There is no doubt in my mind that in my electorate and in other parts of the State this tax is a real problem and a matter of grave concern to communities and the clubs industry generally. If the Premier thinks the issue will go away this time, as it did in the past, I assure him it will not. We know that the Premier will be going away and will be putting the issue behind him; but other Labor members will have to wear the odium of this tax when they face the next election. I call on Labor's 34 dissidents to stand up in caucus, show some courage, and tell the Premier to axe the tax.

**Mr ANDREW CONSTANCE** (Bega) [12.53 p.m.]: It is a pleasure to speak to the Gaming Machines Amendment (Miscellaneous) Bill, which amends the Gaming Machines Act to address harm minimisation and administrative measures related to poker machine entitlements. As has been said, the Coalition does not oppose the bill. The provisions of the bill address some anomalies experienced by regional clubs and enable the transfer of any number of poker machine entitlements, pursuant to a class one social impact assessment, between different premises of a registered club, if the premises are situated in a non-metropolitan area and are within the 50 kilometres on each other. That provision will be welcomed by clubs considering amalgamation, particularly clubs in regional areas.

The Government relies on gaming machines in New South Wales to raise taxation revenue. Given that the Government has tried to push the line that the poker tax will be a big win for public hospitals, it is pertinent to note recent information published by the Treasurer. The Government's argument would be much more credible if the tax were to take revenue from local clubs but put it back into local hospitals, but that will not be the case. People should also bear in mind that massive waste is a trademark of the Carr Government. Only in the past day or so the degree of waste has been revealed, and the details are relevant to a consideration of why the poker machine tax is being imposed—to raise funds to make up for waste.

The State Debt Recovery Office is the focal point of a financial fiasco worth $32 million. There is also the blow-out of $104.3 million on the Millennium trains, a blow-out of $62 million on suburban train carriages, a loss of $93 million on the sale of the site of the Intercontinental Hotel, a blow-out of $294 million by Sydney Water, and a blow-out of $117 million on the Liverpool-Parramatta bus transitway. These details go to the crux of the imposition of this tax. New South Wales taxpayers want to know where the money will be spent. It is being spent on making up for waste, and now a poker machine tax will be introduced to raise $1.6 billion to close the gap created by the waste. It will not be a big win for public hospitals at all. It is quite deceitful of the Carr Government to push that line.

There are 25 clubs in the Bega electorate and some of them risk having to close as a result of this increased tax of the Carr Labor Government. The impact of this tax on in regional New South Wales is profoundly significant. Community organisations throughout my electorate depend upon clubs for financial support. Regional areas do not have the same avenues of financial support or level of opportunities to raise funds and receive donations from businesses and other organisations to support their activities as metropolitan clubs. Regional areas rely on clubs, local government, and the State Government. I was alarmed when speaking to members of the Royal Volunteer Coastal Patrol to find that 80 per cent of that organisation's funds come from local clubs.

Financial support for community organisations will disappear as a result of the tax on poker machines. Who will make up the shortfall in that financial support? Where will the money come from to support the Royal Volunteer Coastal Patrol? The list of community organisations that depend on clubs for financial support is extensive. Last week in Merimbula I attended a meeting of an organisation known as the Community Organisations Against Tax. The group was formed by local community organisations that depend on clubs for support. This community group can only grow in stature throughout regional New South Wales and other parts of this State because it is laying the foundation and framework to continually place pressure on the Carr Labor Government to reverse its decision, review the tax, and examine the socioeconomic impact of the tax on the broader community. The effects of this tax are incredibly significant.

Clubs in the Eurobodalla shire have made an assessment of the impact of the tax. Previously in this House I have said that one club will have to cancel its courtesy bus and that six clubs will reduce their services—including the provision of courtesy bus services—cancel entertainment, and reduce the subsidy on meals and beverages. In the Eurobodalla shire alone 320 community organisations are supported by clubs. The political sting of arguments against this tax is revealed in the Bega Valley, where club membership totals 30,654. That is a lot of voters. The Government must understand that people are informed about the impact of the tax on local clubs and community organisations. The tax increase will impact on the 10 clubs in the Bega Valley shire: six will reduce their courtesy bus service, six will reduce entertainment, five will reduce subsidised meals, nine will reduce subsidised beverages and four will reduce staff. In total that is a reduction of about 90 staffing hours and a reduction in community support of about $113,000.

Bega Valley is a long way from Sydney and the local community is dependent on clubs to provide them not only with a social outlet but also with support for community groups such as coastal patrols, scouts and other organisations. I cannot remind the Government forcefully enough that those groups will be hit incredibly hard. If the Minister were to give a guarantee that the Government will fund community organisations, perhaps that would take the sting out of the argument. But that is not the case. Many taxpayers want to know where their money will go. We have seen how the Government has wasted money and we do not believe that hospitals will be the big winner out of this tax.

In the past the Government has given commitments regarding health. The Premier said that he would halve hospital waiting lists, but he did not do so. He also gave a commitment to resign if he did not halve waiting lists, and he did not do that. I cannot believe that the Government is persisting with this proposal. The impact of the bill in regional New South Wales will be profound. Many regional community organisations are dependent on the State Government and local government for funding; they do not have other avenues from which they receive donations or community grants. The State Government and local government tend to have their own agendas, whereas community-based organisations such as clubs willingly give significant sums to local groups. That funding will disappear as a result of the greediness of the Carr Labor Government and that is an absolute tragedy.

**Mr GRANT McBRIDE** (The Entrance—Minister for Gaming and Racing) [1.02 p.m.], in reply: I thank the shadow Minister for Gaming and Racing, the honourable member for Upper Hunter, and other Opposition members who have indicated their support for the bill. I acknowledge the contributions of honourable members representing the electorates of Blacktown, Lachlan, Illawarra, Lane Cove, Camden, Lismore, East Hills, Albury, Orange, Monaro, Baulkham Hills, Port Macquarie, Wakehurst, Myall Lakes and Bega. The debate has covered a number of matters outside the ambit of the bill and I am pleased that honourable members have had an opportunity to raise issues of concern. I commend the bill to the House.

**Motion agreed to.**

**Bill read a second time and passed through remaining stages.**

## BILLS RETURNED

The following bills were returned from the Legislative Council without amendment:

Drug Summit Legislative Response Amendment (Trial Period Extension) Bill
Industrial Relations Amendment (Adoption Leave) Bill

[*Mr Acting-Speaker (Mr John Mills) left the chair at 1.04 p.m. The House resumed at 2.15 p.m.*]

## BUSINESS OF THE HOUSE

### Routine of Business: Suspension of Standing and Sessional Orders

**Mr CARL SCULLY** (Smithfield—Minister for Roads, and Minister for Housing) [2.16 p.m.]: I move:

That standing and sessional orders be suspended to partially vary the routine of business for Thursday 16 October as follows:

(1) At 2.15 p.m. (Speaker resumes chair)

Call for and determine notices of urgent motions
Motion for urgent consideration
Matter of public importance

(2) At 4.00 p.m. (Speaker resumes chair)

Ministerial statements
Notices of motions
Petitions
Placing and disposal of business
Formal business
Committee reports
Questions
Ministerial statements
Private members' statements

(3) If the business before the House commencing at 2.15 p.m. is completed before 4.00 p.m. the Speaker shall leave the chair until the ringing of one long bell at 3.55 p.m.

Honourable members may be aware that the Prime Minister invited the Premier to attend a service to commemorate the Bali tragedy. The Premier will attend that service. The Government has no intention of cancelling question time; it proposes to conduct question time when the Premier returns. It is unlikely that the program of the House will be extended if the urgent motion and matter of public importance are dealt with earlier and question time commences at 4.00 p.m. I commend the motion to the House.

**Mr ANDREW TINK** (Epping) [2.20 p.m.]: The Opposition does not oppose the motion. However, I make the point that when Federal leaders are called away, the business of the House proceeds as normal with the Deputy Prime Minister and the Deputy Leader of the Opposition. Whilst we all accept the fundamental importance of matters relating to Bali, the business of this House could proceed in the absence of the Premier and the Leader of the Opposition. Business of the House could proceed in the presence of the Deputy Premier and the Deputy Leader of the Opposition and the Leader of The Nationals. Tomorrow that will not happen, and that must be a sign that the position of the Deputy Premier in the Left is not exactly secure. The presence of the Minister for Mineral Resources, the Hon. Kerry Hickey, and the honourable member for Granville, a former Government Minister, is a sure sign that the Deputy Premier does not dare to stick his head above the parapet without the Premier using a fire hose to keep members under control. That is the reality of the situation.

I am sure the Premier has no stomach for being 300 miles down the Hume Highway at a time when all sorts of issues relating to the honourable member for Wentworthville and the Deputy Premier might be ventilated: who knew what and when, who met whom, when and where—behind the stairs or under the stairs—and who talked about what special little deals were going on. All those lovely little things could be raised and debated at length when the Premier is 300 miles down the track. While the Opposition does not oppose this motion, it is needed only to keep the Deputy Premier in the deep freeze because there is no support for him. The Premier has no confidence that the Deputy Premier can run the House without him.

**Dr Andrew Refshauge:** Carl Scully is the Leader of the House.

**Mr ANDREW TINK:** The killer in the cardigan! Give me a break! He is the guy Barrie Unsworth monstered. I make this prediction: There will be a change of horses before the next election. If the Minister for Transport Services gets up, the Leader of the House will follow in the great footsteps of Barrie Unsworth. He should get measured for that cardigan right away because that is where he is heading. If he has not got the message about the cardigan I am sure that the Hon. Michael Costa will remind him.

**Motion agreed to.**

## RADISSON MAINE FINANCIAL GROUP AUSTRALIA PTY LTD

### Ministerial Statement

**Ms REBA MEAGHER** (Cabramatta—Minister for Fair Trading, and Minister Assisting the Minister for Commerce) [2.23 p.m.]: I am pleased to announce that the New South Wales Government has today scored another major victory in consumer protection.

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

**Ms REBA MEAGHER:** The Commissioner for Fair Trading has been successful in the New South Wales Supreme Court in seeking orders against Radisson Maine Financial Group Australia Pty Ltd. In its promotional and marketing material Radisson Maine of Cronulla claimed to be a worldwide conglomerate established in 1964 and specialising in financial services, aviation, shipping and property deals, with offices in New York, Geneva, London and Toronto. It did not have offices in any of these cities, nor was it established in 1964. In fact, it was established in November 2002. Radisson Maine's business was limited to marketing house and land packages in regional Victoria. Its customers had been hoodwinked.

Following consumer complaints, the Office of Fair Trading became concerned about the promotional statements being made by Radisson Maine and required it to substantiate its claims. Following our successful Supreme Court action, Radisson Maine consented to orders including declarations that it had engaged in misleading and deceptive conduct. It agreed to offer a full refund to more than two dozen past customers and consented to a requirement for corrective advertising in the press and on the company web site. I take this opportunity to congratulate the Office of Fair Trading compliance team, which worked hard to achieve this important outcome. The message is simple: If companies breach fair trading laws and ignore their obligations the consequences can be severe. The New South Wales Government is committed to protecting consumers and ensuring that traders operate in a fair and honest marketplace.

**Ms KATRINA HODGKINSON** (Burrinjuck) [2.25 p.m.]: The Opposition welcomes the announcement that this action has been taken. Financial services organisations that misrepresent themselves as international operations deserve to be prosecuted. The Office of Fair Trading should extend its scrutiny to the behaviour of real estate agents, underquoting, underbidding and similar dishonest practices. I am currently forwarding many consumer complaints to the Minister for Fair Trading involving people who have been misled and deceived, yet few prosecutions occur in such cases. I ask the Minister to ensure that shonky dealings are investigated in a timely manner and prosecuted if necessary. We need more than the occasional ministerial statement before the cameras for publicity purposes. The Minister is responsible for a serious portfolio that encompasses many important issues. I hope that in future the Minister will ensure that any problems are investigated urgently.

## VICE-REGAL REMUNERATION

### Ministerial Statement

**Mr BOB CARR** (Maroubra—Premier, Minister for the Arts, and Minister for Citizenship) [2.26 p.m.]: In 1993 Her Majesty Queen Elizabeth II became the first monarch in British history to pay personal income tax. Eight years later in June 2001 the Prime Minister detailed amendments to the Income Tax Assessment Act to remove the tax-exempt status of the Queen's representatives in Australia: the Governor-General and the State Governors. In New South Wales the change will come into effect after the term of the current Governor, Professor Bashir, concludes. In this State we have a fine Governor, the first woman to hold the position of Governor of New South Wales. The New South Wales Governor receives total remuneration of $157,139. The Federal Government's changes necessitate our making legislative changes in New South Wales. On Monday Cabinet approved amendments to the Constitution Act and the Statutory and Other Offices Remuneration Act. These changes will mean that the salaries of future State Governors will be determined by the Statutory and Other Offices Remuneration Tribunal.

Did the honourable member for Vaucluse interject? Isn't the Wentworth saga interesting! Who is the honourable member for Vaucluse backing? How terrible it is when a great political party degrades itself by what can be regarded, classified or categorised only as—I choose my words carefully; the expression makes me nauseous—branch stacking. I apologise for causing universal queasiness on the Labor benches. If the honourable member for Vaucluse wishes to tell me who he is backing it will stay between us—no-one else is

listening. Is he supporting Malcolm or Peter? Speaking about great questions of constitutional monarchy, one thing is sure: the loser, with thousands of votes behind him, will come after the honourable member for Vaucluse like a wounded bull elephant.

**Mr Peter Debnam:** You wish!

**Mr BOB CARR:** I do not wish one way or the other; I am quite indifferent. But enough of these distractions—let us return to the matter before the House. The tax-free status of vice-regal positions goes back to the days when Governors were brought here from the United Kingdom. As representatives of the Crown, they were not required to pay tax. Today, with eminent Australians filling those roles, that is clearly anomalous. It is only appropriate that the Federal Government has taken this sensible action, which brings the Queen's representatives in Australia in line with, after all, the British monarchy itself.

**Mr Carl Scully:** Who are you backing?

**Mr JOHN BROGDEN** (Pittwater—Leader of the Opposition) [2.29 p.m.]: We are backing Bob for Kingsford Smith. Who are you backing? We know all about you backing Bob for Kingsford Smith.

[*Interruption*]

History records the honourable member for Cabramatta buying branch memberships at the McDonald's in Port Macquarie with the honourable member for Fairfield in better days between those two parliamentary colleagues! The substance of the Premier's ministerial statement refers to a small but significant shift in government policy. It is in step with the move of the Federal Government and the direction towards ensuring that the head of State at both the Commonwealth and State levels pays appropriate taxation in line with every other citizen of the State. To that extent, I would imagine that the Opposition, upon better inspection of the legislation when it is presented to the House, would support the Government's position.

## DISTINGUISHED VISITORS

**Mr SPEAKER:** I welcome to the public gallery the Hon. Heather Forsythe, Solicitor-General for the Province of Alberta, Canada. I also note the presence in the gallery of the former honourable member for Murwillumbah, Mr Don Beck.

## VARIATIONS OF PAYMENTS ESTIMATES AND APPROPRIATIONS 2003-04

**Mr Craig Knowles** tabled, by leave, variations of the receipts and payments estimates and appropriations for 2003-04 under section 26 of the Public Finance and Audit Act 1983 arising from the provision by the Commonwealth of specific purpose payments in excess of the amounts included in the State's receipts and payments estimates.

## PETITIONS

### Gaming Machine Tax

Petition supporting the increase in gaming machine taxes and welcoming the fact that all extra revenue will be spent on the health system, received from **Ms Kristina Keneally**.

### Murrumbidgee College of Agriculture

Petitions opposing plans to cut full-time and part-time residential courses offered at the Murrumbidgee College of Agriculture at Yanco, received from **Mr Peter Black** and **Mr Adrian Piccoli**.

### Wattle Flat Public School

Petition requesting the installation of security lighting and alarms at the Wattle Flat Public School, received from **Mr Gerard Martin**.

### Department of Education and Training District Offices Relocation

Petition opposing the relocation of Department of Education district offices from local communities to Orange, received from **Mr Adrian Piccoli**.

**Riverina TAFE Restructure**

Petition opposing plans to restructure the TAFE Riverina region, received from **Mr Adrian Piccoli**.

**Gaming Machine Tax**

Petitions opposing the decision to increase poker machine tax, received from **Mr Andrew Constance**, **Mr Thomas George**, **Mrs Shelley Hancock**, **Mrs Judith Hopwood**, **Mr Adrian Piccoli**, **Mr Steven Pringle**, **Ms Marianne Saliba**, **Ms Peta Seaton**, **Mr George Souris**, **Mr Andrew Stoner** and **Mr JohnTurner**.

**Cudgen Creek Seaway**

Petitions requesting that the Cudgen Creek seaway at Kingscliff be cleared of silt, received from **Mr Stephen Cansdell**, **Mr Andrew Fraser** and **Mr Russell Turner**.

**White City Site Rezoning Proposal**

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

**Bushfires and Hazard Reduction**

Petition requesting an inquiry into the causes of bush fires and their relationship to the lack of hazard reduction, received from **Ms Katrina Hodgkinson**.

**Trunk Road 120 Upgrade**

Petition requesting substantial upgrades to Trunk Road 120, known as the Megan Road, and installation of guard rails at Deep Creek and Bielsdown Creek, received from **Mr Andrew Fraser**.

**Cowpasture Road Upgrade**

Petition requesting the installation of noise barriers on the eastern side of Cowpasture Road, received from **Mr Paul Lynch**.

**Brunswick River Crossing Environmental Impact Statement**

Petition requesting that an environmental impact statement for a crossing over the Brunswick River between Yelgun and Brunswick Heads be fast-tracked, received from **Mr Donald Page**.

**The Spit Bridge Traffic Arrangements**

Petition opposing the proposal to add a two-lane drawbridge next to The Spit Bridge, and calling for a responsible and holistic solution to the transport, traffic, and freight needs of the area, received from **Mrs Jillian Skinner**.

**Manly JetCat Services**

Petition seeking reversal of the proposal to cut the JetCat service to and from Manly, received from **Mr David Barr**.

**Redfern and Surry Hills Bus Services**

Petition requesting improved bus services in Redfern and Surry Hills, received from **Ms Clover Moore**.

**CountryLink Rail Services**

Petition opposing the abolition of CountryLink rail services and their replacement with buses in rural and regional New South Wales, received from **Mr Andrew Stoner**.

**Community-based Preschools**

Petition requesting adjustment of funding to ensure viability of community-based preschools, received from **Mr Thomas George**.

**Dunoon Dam**

Petition requesting the fast-tracking of plans to build a dam at Dunoon, received from **Mr Thomas George**.

**Circus Animals**

Petition praying that the House end the unnecessary suffering of wild animals and their use in circuses, received from **Ms Clover Moore**.

**Sow Stall Ban**

Petition requesting the total ban of sow stalls, received from **Ms Clover Moore**.

**Hook and Line Fishing**

Petition opposing recommendations from the NSW Fisheries Scientific Committee to list hook and line fishing as a key threatening process, received from **Mr Adrian Piccoli**.

## QUESTIONS WITHOUT NOTICE

---

### ELECTIVE SURGERY WAITING LISTS

**Mr JOHN BROGDEN:** My question is directed to the Acting Minister for Health. How can the Minister defend the blow-out in hospital waiting list figures that show a 30 per cent increase in the number of patients who six months after the election have been waiting for more than 12 months for elective surgery, including an elderly Kingsford woman who has already waited 18 months for a gall bladder operation and will have to wait another 18 months?

**Mr FRANK SARTOR:** I take it that the Leader of the Opposition is referring to the case of Patricia Tomkins, who is a patient waiting for a gall bladder operation. She is a patient of Dr Yeo in the South Eastern Sydney Area Health Service. She has been waiting on Dr Yeo's list since April 2002. Dr Yeo assesses her condition as being non-urgent and has advised that it is not life-threatening. The length of time a patient waits is dependent on the number of patients a doctor has on his or her list.

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

**Mr FRANK SARTOR:** If a patient is prepared to be seen by another doctor, the waiting time often can be reduced by a simple referral to another doctor who has a shorter waiting list. This option is available to everyone. Arrangements have been made to offer Ms Tomkins a surgical date within eight weeks if she is prepared to change doctors.

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

**Mr FRANK SARTOR:** This operation is available at either the Sydney hospital or Sutherland hospital. Comparing the list size at the end of summer to that at the end of winter is a meaningless comparison. It should not be surprising that winter brings more emergency presentations, and therefore elective surgery lists blow out. While the number of long-wait patients—over 12 months—has increased, the average waiting time for surgery has dropped to 69 days in July 2003, down from 71 days in July 2002. But Opposition members seem to suggest there is a simple fix. They quote selectively from the Auditor-General's report. I quote from the report:

> There is no single simple solution. There is none. Many factors, not all under the control of New South Wales Health, play a part in causing delays.

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

**Mr FRANK SARTOR:** Each year our system carries out more than 300,000 surgical procedures. Of course, we could do more procedures on more patients if the Federal Government had not short-changed New South Wales more than $300 million in five years through the health care agreement that it forced on us two months ago, and if the Federal Government had adequately funded nurse training positions in our universities, and if the Federal Government had moved earlier to fix the medical indemnity crisis.

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

**Mr FRANK SARTOR:** The Leader of the Opposition may not be aware that Mona Vale hospital—a stone's throw from his electorate—has been the subject of quite a number of resignations: five orthopaedic surgeons, an obstetrician, two anaesthetists and a vascular surgeon. That means 165 patients need to be found an alternative doctor and alternative operating date at Mona Vale alone. Across New South Wales, the resignation of 150 specialists will mean an additional 6,359 patients will need to be found alternative surgeons and alternative operating dates.

**Mr SPEAKER:** Order! The Leader of the Opposition will cease interjecting.

**Mr FRANK SARTOR:** Let me quote from Commonwealth *Hansard* of Monday:

> The one thing I will give credit to the New South Wales Government for is that it has never tried to play politics with the health of the Australian people.

The Opposition ought to take a leaf out of the Federal Government's book.

## MENTAL HEALTH SERVICES

**Ms PAM ALLAN:** My question without notice is addressed to the Premier.

**Mr Barry O'Farrell:** Are you a consultant or a member of Parliament? Are you a consultant in this area?

**Mr SPEAKER:** Order!

**Mr Barry O'Farrell:** Point of order: The code of conduct for members of this Parliament governs all members of this place. That code states that if we have a conflict of interest, it is upon us to declare it before we participate in a debate or in other forums.

**Mr SPEAKER:** Order! The Deputy Leader of the Opposition will come to order and resume his seat.

**Mr Barry O'Farrell:** Are you asking this question as a director of ERM or as the member for Wentworthville?

**Mr SPEAKER:** Order! I place the Deputy Leader of the Opposition on three calls to order.

**Mr Bob Carr:** What a performance! I told you he was good! What a fighter! Point of order: I want the Deputy Leader of the Opposition called to order for wantonly embarrassing his leader.

**Mr SPEAKER:** Order! I call the honourable member for Gosford to order for the second time. The Deputy Leader of the Opposition is now on three calls to order and a repetition of the disgraceful behaviour we have just seen will result in his removal from the Chamber. His removal would be his second during the current session, and his expulsion would not be for question time only but for the whole of the day. I warn members that I will not tolerate the behaviour we have just witnessed. Any member called to order for the remainder of question time will be deemed to be on three calls. Question time will be conducted in an orderly fashion. Members who do not comply with that direction will be removed from the Chamber. The honourable member for Wentworthville has the call.

**Ms PAM ALLAN:** My question without notice is addressed to the Premier. What is the latest information on the care of people with mental illness in New South Wales?

**Mr Andrew Tink:** Point of order: With respect, Mr Speaker, you have called everyone on this side of the House to order. The Premier was on his feet for about three minutes openly defying you. What is good for us is good for the Premier.

**Mr SPEAKER:** Order! My warning related to all members in the Chamber. I said that any member called to order for the remainder of question time would be deemed to be on three calls. I place the honourable member for Epping on three calls to order.

**Mr BOB CARR:** At any given time up to one million people in our State are suffering from mental health problems in one form or another. The World Health Organisation tells us that by 2020 depression alone will be the second-biggest health problem in the world behind only heart disease. It is exacerbated by a range of pressures, including family trauma and breakdown, child abuse and neglect, growing drug and alcohol abuse, the psychological impact of violence, and unemployment. This is a struggle we cannot afford to walk away from. That is why we have already doubled the mental health budget since we came to government in 1995.

By 2006 we will have established 480 beds, rebuilt outdated inpatient facilities and added 415 new beds. We are also investing in the capital we need, including a new 135-bed forensic hospital to include a psychiatric intensive care unit, a new psychiatric intensive care unit at Macquarie Hospital, and a new non-acute mental health unit in south-western Sydney. Forging long-term solutions is the priority of the Government. Earlier this year I appointed my Parliamentary Secretary to lead a review into mental health. The honourable member for Kogarah has taken on the task with great enthusiasm.

Stage one of the Government's response will include an additional $77.5 million investment over the next five years to areas identified as being most in need. We will spend $15 million to develop and evaluate emergency mental health centres, and bring together services like ambulance, police, community crisis teams and hospital emergency departments. Another $18.5 million will be targeted at improving child and adolescent mental health care, expanding the range of services, building on our Families First initiatives, and developing programs that better link schools and mental health services. Our determination to develop services and facilities for young people represents a real and profoundly important step forward. We have committed $7 million over five years from this year to improve community care for older people with mental illness. We will also build on our relationships with non-government organisations, which provide an extraordinary service to the community, by allocating a further $22 million over five years to expand rehabilitation and supported accommodation.

The key to better understanding mental illness and better supporting our dedicated mental health work force lies in improving the communication systems through which information is shared. We will invest $15 million over the next five years in improving that communication, reducing the red tape, keeping agencies in touch with each other, and improving working conditions and training for our staff. I have also announced that, for the first time in over a decade, mental health legislation in this State will be subjected to rigorous review to be undertaken by NSW Health. We must ensure that the law, and the way in which mental health patients are managed, is keeping pace with international best practice. We will consult with patients, families, professionals and the community generally to get this right. The review will ensure that we strike the right balance between humane, compassionate care, and the safety of the patient and the broader community. It is expected to be completed later next year. I look forward to working with all members of this House and the clinical community to forge long-term solutions in this always challenging area.

## ABERDEEN MOTOR VEHICLE ACCIDENTS AND FATALITIES

**Mr ANDREW STONER:** My question is directed to the Minister for Roads. Why has it taken the death of four members of one family and a further 12 accidents at Aberdeen since 1998 for him to act on repeated representations over the past five years to reduce the speed limit and resurface the road after a massive oil spill, which is suspected of contributing to these accidents?

**Mr CARL SCULLY:** It is inappropriate for a member of Parliament to second-guess a coronial inquiry. In anyone's terms this was a first-class tragedy. People were killed and great pain and suffering were caused to a number of people. Our hearts and thoughts go out to those who were directly and indirectly affected. I would ask the honourable member to behave responsibly. It is always tempting to speculate on the causes of these serious accidents and fatalities. The job of the Coroner is to conduct inquiries and form a view as to the cause of the accident. The accident investigation section of the police and the Roads and Traffic Authority will be involved, and information will be made available. A claim has been made that oil was left on the bitumen from an accident that occurred some time ago, and that the failure to remove the oil caused, contributed, or at least—

**Mr Andrew Stoner:** Now you are speculating.

**Mr CARL SCULLY:** I am not saying it is a cause. There has been a claim, which has resulted in those opposite meeting this morning and deciding on tactics: let's throw a wet lettuce at Carl Scully and somehow blame the Government for this accident. I find that unbecoming and obscene. The appropriate course of action is to allow a coronial inquiry to determine the cause of the accident and what contributed to it. But the honourable member has thrown the wet lettuce in the ring—

**Mr Andrew Stoner:** Point of order: My point of order relates to relevance. The question is why the RTA did nothing for five years, and why we had to wait until this accident occurred before it reduced the speed limit.

**Mr SPEAKER:** Order! There is no point of order. The Minister is answering the question. Yesterday I referred to the tactic—

**Mr Andrew Stoner:** It is a legitimate point of order. It has nothing to do with a coronial inquiry.

**Mr SPEAKER:** Order! The Leader of The Nationals will not interrupt the Chair. Yesterday I referred to the tactic of deliberately using points of order to interrupt the flow of a Minister's reply. The Leader of The Nationals is now using precisely the same tactic. I will no longer tolerate points of order being used in that way.

**Mr CARL SCULLY:** I am advised that there was an accident in 2001, and that a significant amount of oil had to be cleaned up. As a result, there is a suggestion that the failure to resheet the whole site, rebuild the bitumen, caused, contributed or in some way may have resulted in this accident and the fatality of these people. That is a very big call. Tempting as it is for the Opposition to score cheap political points—that is what is being attempted here—this is a very sullying exercise. It is the worst form of trying to score cheap political points out of a tragedy. I ask those opposite to be responsible and to allow the appropriate authorities, the police and the RTA, to put that information before the Coroner to make a decision. The advice I received today from the RTA is that the condition of the bitumen, the quantity of oil on that section of the bitumen—experts can test the bitumen—is no more than what one would normally expect on other parts of the road network. I say "advice I received" because I do not know. I have not examined it. It is a matter for the Coroner to accept or reject that advice. It may be that the Coroner comes to a different view. Let us find out. This is a disgusting and disgraceful performance by the Opposition.

## POLICE ROAD SPIKES USE AND DRIVERS LICENCE CANCELLATION

**Mr GRAHAM WEST:** My question without notice is addressed to the Minister for Police. What is the latest information on licence cancellation and the use of road spikes in New South Wales?

**Mr JOHN WATKINS:** This Government has a strong record of giving police the resources and the powers they need to get the job done. A recent achievement has been increasing police powers on the State's roads. That is a crucial area of policing because it affects all of us. As we are all too well aware, 561 lives were lost last year on New South Wales roads. Too often, deaths and serious road accidents are caused by people who have failed to get the message about reckless actions when they are behind the wheel. This gross lack of commonsense is one of the reasons why police now have power under section 33 of the Road Transport Act to immediately strip drivers of their licences. Some of the acts of sheer stupidity include a driver who was detected speeding in a stolen car between Fairfield and Erskine Park, where the car crashed. The driver reached speeds of 180 kilometres an hour and often crossed to the wrong side of the road. His licence was cancelled at the scene and he has been banned from driving for three years.

At Ku-ring-gai a female driver attempted to run over her former partner several times before driving into his parked car. The incident took place outside a preschool. A short time later the offender swerved at her sister-in-law's car, forcing it off the road. At Neutral Bay a motorcyclist was clocked at 120 kilometres an hour in a residential street that had a speed limit signposted at 50 kilometres an hour. Unbelievably, the rider told officers that he thought it was a good time and place to open it up. At Bass Hill, two unaccompanied learner drivers were caught racing each other along the Hume Highway. The cars were clocked travelling side by side at 137 kilometres an hour. A driver travelling north along the Pacific Highway at Coffs Harbour was clocked at 141 kilometres an hour but then accelerated to 191 kilometres an hour after police began a pursuit. When pulled over, the driver said, "I just picked it up today. I was trying it out."

Police have invoked roadside suspensions on all of those occasions and they have put the drivers before the courts on criminal charges. Unfortunately, officers have been forced to use this power on 83 occasions since August. I am dismayed at the gross recklessness still being displayed by a majority of drivers. Police are required to take action against them every day. That is why this Government has given to police the powers and equipment they need to stop these potentially lethal drivers in their tracks. One of the pieces of equipment is road spikes that have been rolled out to serving front-line police officers in recent months.

In May the police were provided with 600 sets of road spikes. These devices are laid or thrown across the road in front of a suspect vehicle, puncturing its tyres, but they allow a vehicle to come to a gradual halt. That is particularly important if the driver is young, inexperienced or inebriated. They have been used on 12 occasions and those pursuits were safely put to an end. In one instance, police followed a stolen vehicle through the Dubbo CBD and onto the highway. When the pursued vehicle attempted a U-turn and was returning to Dubbo, officers deployed road spikes in the path of the vehicle. Three of its tyres deflated slowly and two offenders were arrested.

In the Hunter Valley police attempted to stop a stolen car on the New England Highway. The pursuits speeds reached 120 kilometres an hour. When officers laid road spikes across both sides of the highway, the driver was forced to turn off into a dead-end street and was arrested. In Nowra, a driver who was wanted under an outstanding arrest warrant attempted to evade police along the Princes Highway and reached speeds of over 140 kilometres an hour. Road spikes were successfully deployed and reduced the speed of the target vehicle to 40 kilometres an hour on its bare rims. The driver was stopped and arrested. Other successful deployments of road spikes have occurred in Liverpool, Grafton, Doyalson, Blacktown, Fairfield and St Marys. NSW Police will continue to use all the powers and resources that are available to them and will develop new solutions to any emerging problems on this State's roads. Today's examples show that police will stop drivers who display moronic disregard for their own lives but, more importantly, absolute contempt for the police and other innocent passers-by who are also on the road network.

## FAIRFIELD AREA SHOOTING INCIDENTS

**Mr PETER DEBNAM:** My question is directed to the Minister for Police. Following a series of shootings and attempted murders in the Fairfield area last year, was Deputy Commissioner Madden warned by a detective of a further escalation in gang warfare, and that there would soon be another Cabramatta?

**Mr JOHN WATKINS:** I am pleased to respond to a question today about shootings in south-western Sydney because it is on the minds of all of us. Government members saw media reports this morning, as indeed did the Opposition. I take this opportunity to update the House on aspects relating to some of those shootings. The shootings that have occurred over the past couple of days in the city's south-west are horrific and outrageous. There is no consolation for any of us in reports that this was not a random act, but NSW Police have mobilised the resources of Strike Force Grapple, the State Crime Command's firearms squad and also detectives from the Bankstown Local Area Command to find those who are responsible and lock them up.

Police are working hard on the case and they believe that recent incidents are linked to Monday night's violence. Police are conducting a number of interviews but it is true to say that they are being met with a wall of silence—and that must end. I call on anyone who has any information about Monday night's shootings, or indeed other connected shootings, to ring Crime Stoppers on 1800 333 000. Evidence has been collected at the scene and at other crime scenes. A number of other operational measures are currently under way.

It is not appropriate for me to discuss those publicly at this time. However, I am able to report to the House on the Government's recent firearms reform package which was announced just three weeks ago. New South Wales has the toughest firearms legislation in Australia. Penalties for serious gun offences under the Firearms Act and the Crimes Act provide for up to 20 years imprisonment. Gun crime is still too prevalent. In a moment I will share with the House the official independent statistics from the Bureau of Crime Statistics and Research.

**Mr Peter Debnam:** Point of order: My point of order relates to relevance. I think the Minister has progressed enough with his answer to understand where he is going. My question is about the deputy commissioner and the warning given to him late last year about another Cabramatta. Is the Minister going to answer that question?

**Mr JOHN WATKINS:** I will answer the question about the problem of firearms.

**Mr John Brogden:** He did not ask you that.

**Mr JOHN WATKINS:** Yes, he did. The question clearly relates to firearms and guns in south-western Sydney, and that is the information that I will give to the House today because it is a matter that concerns everyone in this House. It is why, after several months of work, three weeks ago I announced the most comprehensive package to address firearms crime in this State. This is the one matter that the shadow Minister has been raising in the media and at other places over some months. The Government has released a firearms package and I will take the House through it because it is information that people should know about.

It is important to introduce information on this package with other information provided by the Bureau of Crime Statistics and Research which was referred to me recently. That information shows that, in the two-year period to 31 December last year, assault "shoot with intent" incidents involving a handgun fell by 26 per sent and that assault with a handgun fell by 36 per cent in that two-year period. The downward trend between 2001 and 2002 continued in the first half of 2003. However, clearly more work has to be done. That is why on 23 September I released a package of measures to improve the comprehensive, co-ordinated approach taken by NSW Police to illegal gun availability, detection, apprehension and prosecution.

These initiatives cover increased detection, protection and enforcement, search powers for illegal handguns, legislative changes, improved security industry controls, better storage of firearms and the need for greater national controls. NSW Police is working hard to combat the scourge of illegal handguns on our streets, but even greater emphasis and co-ordination is needed. This package delivers a stronger approach to illegal gun availability, detection, apprehension and prosecution. In the area of increased protection, in the first week of October a new 47-member mobile team of Operation Vikings police began its high-visibility, high-impact raids targeting criminals and thugs who may be carrying illegal weapons. This month the unit held operations in Campsie, Bankstown, Rosehill, Fairfield, Cabramatta, Burwood and the city. The Government is reviewing also stop-and-search powers to specifically target handgun crime and that review will be completed by the end of this calendar year.

The Government is also seeking stronger sentences for handgun crimes to address consistency in sentencing and will ask the newly formed Sentencing Council to examine sentencing trends for serious firearm offences with a view to implementing standard minimum sentences. The Government also proposes to consider making more-serious firearm crime strictly indictable: that is, that it be dealt with in the District Court and Supreme Court where more severe penalties are handed down. The Government will ensure that more cases are dealt with on indictment and that the Commissioner for Police instructs prosecutors to instigate immediate appeals if firearm crimes receive sentences that the community views as inappropriate.

I will also introduce legislative change to the Crimes Act and the Firearms Act to amend offences and penalties relating to illegal guns. In the package there is a range of other measures, including reviewing the security industry so that there are tighter controls over that industry. I also announced that the Operation Vulcan illegal firearms phone-in has been reactivated with increased rewards of up to $5,000. Five additional sworn officers are available to the State Crime Command's Firearms and Regulated Industries Crime Squad. However, there are two areas in which the Opposition can assist. Earlier this year I approached the Prime Minister to establish a $5 million fund to be made available to police agencies across Australia to assist in purchasing illegal weapons.

**Mr Peter Debnam:** Point of order: I draw the attention of the Minister to a very good ruling by Speaker Rozzoli, back in 1988, who said:

> In answering a question a Minister should come to the subject matter of the question as quickly as possible.

The subject matter of this question is Deputy Commissioner Dave Madden and a warning given late last year about another Cabramatta.

**Mr SPEAKER:** Order! The honourable member for Vaucluse is well aware that the Chair cannot direct the Minister how to answer a question.

**Mr JOHN WATKINS:** I became Minister for Police on 2 April this year. The Opposition can assist in two areas: first, in influencing the Prime Minister to accept the New South Wales plan for a $5 million fund that will assist law enforcement agencies across Australia in stings against criminals who are using illegal weapons; and, second, in assisting in convincing the Federal Government to have tighter controls on the importation of illegal weapons. One thing is clear: hand guns are not made in Australia, and every one of them came in across

the customs barrier. The illegal weapons used in south-western Sydney in particular have been brought through our porous customs barrier. They have been smuggled into this country across our porous customs barriers; no effective customs controls are stopping the flow of illegal weapons into this State. Clearly that function is the responsibility of the Federal Government. If the Opposition were fair dinkum about stopping the availability of illegal weapons in New South Wales it would influence its Federal colleagues in establishing that $5 million fund and tightening Australia's porous customs barrier.

## LICENSED PREMISES SMOKING RESTRICTIONS

**Ms LINDA BURNEY:** My question without notice is addressed to the Minister Assisting the Minister for Health (Cancer). What is the latest information on smoking in licensed premises?

**Mr FRANK SARTOR:** The Carr Government is strongly committed to addressing the problem of tobacco-related harm in our community. New South Wales has the lowest rate of smoking in Australia and smoking rates in New South Wales have dropped from 23.8 per cent in 1998 to 21.4 per cent in 2002. Smoking is the enemy of public health. Smoking-related illnesses cause 18,000 deaths in Australia each year, and contribute to over one-third of cancer-related deaths. The New South Wales Tobacco Action Plan 2001-2004 sets out this Government's commitment to the prevention and reduction of tobacco-related harm. The plan covers a range of approaches to achieving this, including legislation, compliance monitoring, campaigning and evaluation. In 2000, the former Minister for Health introduced smoke-free environmental legislation. That legislation banned smoking in most publicly enclosed places across New South Wales including restaurants, cafes, theatres, shopping centres and dining areas of pubs and clubs. The community has strong support for this legislation, with one in four people indicating they are now more likely to eat out and two in three people indicating they now find dining out a more enjoyable experience.

Last year my colleague the former Minister for Health convened a joint working group made up of representatives from the hotel, club and hospitality industries, relevant unions and government departments. The aim of the working group was to look at ways of extending non-smoking areas in licensed premises. In November last year this industry working group agreed to a phased approach to extend non-smoking areas in licensed premises. This was considered the most appropriate way to proceed to allow sufficient time for a cultural change to occur amongst pub and club patrons, staff and owners.

**Mr SPEAKER:** Order! There is far too much audible conversation in the Chamber. Members wishing to converse should do so outside the Chamber.

**Mr FRANK SARTOR:** There are two stages to this voluntary agreement. Under stage one, which began on 1 July this year, patrons cannot smoke at bar or counter areas and there must be a designated non-smoking area in at least one bar of a venue. Stage two will be implemented in July 2004 and requires pubs and clubs with more than one bar room to designate at least one bar as entirely non-smoking. While those measures are initially voluntary, they will be backed up by appropriate legislation six months after implementation. These measures are a step in the right direction towards smoke-free licensed premises but there is still much more to be done. That is why I am convening a new industry working group that will work beyond the measures already in place. The group will have industry representation similar to the previous group and will include the Australian Hotels Association, Clubs NSW, the Restaurant and Caterers Association, the New South Wales Labor Council, the New South Wales Liquor, Hospitality and Miscellaneous Workers Union and Star City Casino.

The group will also have representation from appropriate government agencies including the Chief Medical Officer of NSW Health, a nominee of the Department of Gaming and Racing and WorkCover. Also there will be a representative of the Cancer Institute of New South Wales, established this year by the Government. Professor Jim Bishop, the State's new Chief Cancer Officer, will bring to that working group his significant expertise on the health impacts of smoking. Last week I spoke with John Thorpe from the Australian Hotels Association and with Pat Rogan from Clubs NSW. Both have pledged their support for this process. The terms of reference for the working group are to be released this afternoon. These will allow government and industry to work together in a co-operative manner.

The group will establish a clear plan and pathway forward by May 2004 and outline a systematic and steadfast approach to the banning of smoking in indoor licensed areas and an appropriate timetable for achieving that. The Carr Labor Government considers the issue of the health of New South Wales workers and of the community to be of utmost importance. We are totally committed to providing smoke-free workplaces and social environments for the people of New South Wales and will continue to work to that end.

## FORMER MINISTER FOR GAMING AND RACING DEPARTMENTAL ACCESS

**Mr GEORGE SOURIS:** My question without notice is addressed to the Minister for Gaming and Racing. Who from his department, ministerial office or agency within his portfolio has met with the former Minister for Gaming and Racing, Richard Face, or staff of his consultancy business, Richard Face and Associates? What was the purpose of that meeting?

**Mr GRANT McBRIDE:** I am advised that the Independent Commission Against Corruption is currently examining matters relating to Mr Face. It is, therefore, inappropriate for me to comment on matters that might be the subject of an inquiry. However, I encourage the honourable member to provide that information to the inquiry, if he believes it is relevant.

## SCHOOLS BUILDING MAINTENANCE

**Mr PAUL GIBSON:** My question without notice is directed to the Minister for Education and Training. What is the latest information on Government improvements to schools?

**Dr ANDREW REFSHAUGE:** I inform the honourable member for Blacktown, who has had a longstanding interest in schools, that $34 million will be spent on our schools as part of the replacement works program. That allocation will add to the $25 million allocation that I announced in August this year. So that represents a total of $59 million that has been allocated to maintain and improve our schools. That money will be spent on over 1,000 projects in 657 schools throughout New South Wales. About $5 million will be spent on replacing carpets, floor coverings and floorboards; a total of $5.2 million will be spent on the repair and replacement of playgrounds; $4.2 million will be spent on roof replacements; $12 million will be spent on internal and external painting; and $1.17 million will be spent on sewer replacement.

Schools are the focal point of our community. This funding will give principals, teachers, students and parents even more reasons to take pride in their schools. The honourable member for Blacktown, who has had a close interest in educational matters, will be pleased to know that 12 schools in his electorate will receive a total of $1.4 million in funding. Blacktown Boys High School will receive the largest share of the funding that has been allocated.

**Mrs Jillian Skinner:** Point of order: My point of order relates to relevance. The Minister is refusing to acknowledge the $9 million that he forfeited by selling Maroubra school—

**Mr SPEAKER:** Order! The honourable member for North Shore will resume her seat.

**Mrs Jillian Skinner:** —under the value—

**Mr SPEAKER:** Order! I place the honourable member for North Shore on three calls to order. A repetition of that behaviour will result in the removal of the honourable member from the Chamber before the end of question time.

**Dr ANDREW REFSHAUGE:** It is fantastic to see such a hard-working member of the Opposition visiting electorates, desperately penning press releases, sending them out and putting the Government under pressure. The honourable member for North Shore is hungry for government. It is good to see her working so hard. I look forward to her next press release. Blacktown Boys High School will receive $341,500, which will be spent on internal painting and on the replacement of ceramic wall tiles. I am sure that the honourable member for Blacktown will be pleased about that. Eleven schools in the Tweed electorate will receive a total of $705,450 in funding.

The honourable member for Tweed, who has been arguing effectively for this allocation, and, I am sure, the former member for Tweed, will be appreciative of the work that is being done in that electorate. In the Hunter electorate—again the honourable member for the Hunter has been arguing for this allocation—the Government has allocated $1.5 million in funding. In the Charlestown electorate, which is located is in the Hunter region, $734 million will be spent on nine schools. Six schools in the Wallsend electorate will receive $459,000 in funding.

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

**Dr ANDREW REFSHAUGE:** Seven schools in Sydney's west—in the Liverpool electorate—will receive $1.1 million. Not only members of the Left will benefit from school upgrades; seven schools in the Monaro electorate will receive $351,000 in funding. Two schools in the Illawarra electorate will receive $245 million. I am advised that six schools in the Pittwater electorate will also receive some funding. When this Government came into office $86 million was being spent on school maintenance. This year $186 million will be spent.

## HONOURABLE MEMBER FOR WENTWORTHVILLE AND ENVIRONMENTAL RESOURCES MANAGEMENT AUSTRALIA (HOLDINGS)

**Mr BARRY O'FARRELL:** My question without notice is directed to the Minister for the Environment. Will the Minister advise the House of all meetings he has had with the honourable member for Wentworthville and any representatives of Environmental Resources Management Australia (Holdings) regarding environmental matters, any Acts or regulations administered by the Environment Protection Authority [EPA], or any other matters associated with the EPA, as confirmed by his departmental and ministerial records?

**Mr BOB DEBUS:** The honourable member is proceeding, with admirable persistence, with this line of questioning—a level of rhetoric and determination that bespeaks leadership to me. Since yesterday I have had an opportunity to check my diaries. They confirm my recollection or belief that I have had no meetings with the honourable member for Blacktown concerning any matter that involved Environmental Resources Management Australia (Holdings) [ERM]. So far as I am aware, there were no meetings involving the honourable member with members of my department for any purpose involving ERM.

## UNDER-AGE DRINKING

**Mr JOHN BARTLETT:** My question without notice is directed to the Minister for Gaming and Racing. How is the Government working to reduce under-age drinking in New South Wales?

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

**Mr GRANT McBRIDE:** I thank the honourable member for his timely question as we approach Christmas and the traditional end-of-year celebrations. Regrettably, in recent years there have been several tragic incidents in which teenagers have been hurt or killed as a result of binge drinking. Currently there is one matter before the Licensing Court relating to the death of a 17-year-old boy. The youth died in car accident after attending a club Christmas party on the North Coast at which minors consumed alcohol. The driver of the car was charged with driving under the influence of intoxicating liquor and he was subsequently gaoled. The Department of Gaming and Racing has thoroughly investigated this matter and the Director, Liquor and Gaming has instituted proceedings against the club. It is alleged that the club supplied alcohol to people under the age of 18 and permitted intoxication within the club.

This incident has had a profound effect on many families. It is important that we, as a community, do what we can to avoid these tragedies. I understand that there is another matter before the Licensing Court involving an eastern suburbs club. It is claimed that up to 100 students were involved in a violent rampage after drinking at that club. More than $100,000 worth of damage was caused to property during the incident. Action has been taken against the club and some of the students involved. No-one wants to see a repeat of these incidents. I remind everyone involved in the supply of alcohol that hefty penalties apply if laws are breached. Staff in pubs and clubs should be on the lookout for large groups of young people over coming weeks and they should closely check identification to ensure that their patrons are over the age of 18 years.

There are reports of an increasing number of young people buying fake identification from overseas-based web sites. The Department of Gaming and Racing has an ongoing program to monitor licensed venues and interview functions. It has sought industry support in the lead-up to the holiday season and has liased with police and councils to identify high-risk venues. Those venues will be subjected to consistent monitoring over the next four months. I remind the community that under-age drinking is not confined to licensed premises. All companies and employers organising Christmas parties should ensure that alcohol is not available to minors. The New South Wales Government is committed to reducing under-age drinking in this State. The Government recently held a Summit on alcohol abuse and further initiatives will be developed to minimise this problem. I am looking forward to working with the Government as it endeavours to identify new solutions for our community.

**Questions without notice concluded.**

## COMMUNITY ECONOMIC DEVELOPMENT CONFERENCE

### Ministerial Statement

**Mr DAVID CAMPBELL** (Keira—Minister for Regional Development, Minister for the Illawarra, and Minister for Small Business) [3.29 p.m.]: Regional New South Wales is a top priority for the Carr Government. We are committed to working in partnership with regional communities to deliver jobs, investment and sound economic growth to everyone living in New South Wales. One of the important ways in which we work with regional communities is by bringing them together each year for a major statewide conference. This year representatives from more than 100 communities throughout New South Wales will attend the Government's annual community economic development conference, which starts in Batemans Bay on Sunday. Conference delegates work in a variety of occupations in local government, on community-based economic development committees, and in chambers of commerce.

The three-day forum will provide a valuable opportunity for people to share information, ideas and success stories about promoting economic growth in the communities. It will cover broad strategic issues while offering hands-on practical advice about achieving economic development at a community level. The conference brings together some of the world's top thinkers and practitioners in regional economic development. This year's keynote speaker, Doug Henton, is from the California-based group Collaborative Economics. His firm has worked with leaders in more than 40 regions of the United States of America and around the world to build sustainable economic development projects.

The conference serves another very important purpose. Regional communities are invited to bid for the conference, which means that each year a different regional location hosts the event. The three-day conference generates about $70,000 for the local economy and showcases the community to the rest of the State. This year Batemans Bay successfully outbid 24 other regional centres for the right to host the conference. Batemans Bay and the Eurobodalla shire proved that the region has the right credentials to host this important event. About 200 people are expected to attend the conference. They must all be housed and fed over the three days, which means that local motels, food outlets, the hospitality industry and local suppliers will benefit. Many of the Eurobodalla shire's innovations in tourism and business will also be showcased during the conference, which will have a further flow-on effective for the area. The conference, which is organised and funded by the State Government, has become an important part of the regional development calendar in New South Wales.

**Mr ANDREW STONER** (Oxley—Leader of The Nationals) [3.32 p.m.]: The Opposition welcomes the impending regional development conference at Batemans Bay. It is appropriate that regional development issues and new ideas that emanate from the community are progressed in this State. However, it is about time the State Government took concrete action rather than held conferences to discuss the issue. This Government must make a real commitment to regional development. The Victorian Government recently announced its intention to fund a program to encourage city dwellers to move to rural areas. Perhaps the New South Wales Government could take a leaf from the Victorian Government's book. The Federal Government recently formulated a series of substantial policies and proposals—about which the Minister for Transport and Regional Services, John Anderson, will make an announcement in due course—to encourage growth in regional areas.

Under this State Government, the population in regional areas—particularly west of the great divide—is declining. There are no jobs for young people. But rather than addressing this issue, this Government is taking services and jobs from those communities. It proposes to close rail branch lines throughout country New South Wales. That will shut down many communities and put added strain on our roads. That is an anti-regional development policy. The Government also proposes to cut CountryLink rail services. How can that be a positive step forward for regional development? I recently visited Pilliga forest, which is part of the Brigalow belt south bioregion. The Government is considering turning vast areas of that forest into national park, which would cut hundreds of jobs in the local timber industry, the apiary industry, and the mining industry. This Government talks about regional development but its actions fail to match its rhetoric. I hope that the issues I have raised will be discussed at the conference at Batemans Bay.

## AMINA LAWAL DEATH SENTENCE

## SHIRIN EBADI NOBEL PRIZE FOR PEACE

### Ministerial Statement

**Ms SANDRA NORI** (Port Jackson—Minister for Tourism and Sport and Recreation, and Minister for Women) [3.34 p.m.]: I wish to make a ministerial statement in my capacity as Minister for Women. I take great pleasure in drawing the attention of the House to two very encouraging outcomes for women that have played

out on the global stage in the past couple of weeks. Honourable members may recall that on 25 September last year I drew attention to the fate then threatening a 30-year-old Nigerian woman, Amina Lawal. Ms Lawal was sentenced to death under Sharia law, a form of traditional Islamic law, which has been introduced into a number of northern states in Nigeria in the past few years. She was sentenced to be buried up to her neck and stoned to death for having a child more than nine months after divorce. I am pleased to inform the House that, after a number of delays and many anxious moments during the past nine months, Ms Lawal was finally acquitted of this charge on 25 September this year.

Just over a year ago honourable members argued that Ms Lawal's sentence was barbaric and inhumane, and we urged our colleagues in this place and in a wider State and Federal context to show their support for Ms Lawal and global human rights by signing a petition—which we all signed—directed to President Obasanjo of Nigeria. I thank honourable members and the public of New South Wales for keeping the issue alive by signing form letters and petitions and working on stalls that we organised that were dedicated to Ms Lawal's plight. I also acknowledge the support that I received from my Federal colleagues Tanya Plibersek and Anthony Albanese in holding street stalls in support of Ms Lawal. This is a great win for global human rights. As we said when we first discussed the issue, this case is proof that we must always remain vigilant and press home the need to preserve global human rights.

In a similar vein, I congratulate the Nobel Prize Committee on last week awarding the Nobel Prize for Peace to Ms Shirin Ebadi. Ms Ebadi is a well-known Iranian lawyer who is especially noted for promoting the rights of women and children. I understand that she is the first Muslim woman to be awarded this prize and that she was chosen because of her focus on promoting human rights and democracy in her country. She is a wonderful example to us all and I offer her our congratulations. I also congratulate the Nobel Prize Committee on making a most wise choice.

**Mrs JILLIAN SKINNER** (North Shore) [3.37 p.m.]: The Coalition joins the Minister for Women in noting with great relief the repeal of the sentence imposed on Ms Amina Lawal. I have given notice of a motion about this matter but I will be pleased to withdraw it in due course. Together with all the other women in this place, I signed the petition to which the Minister referred.

**Mr Alan Ashton:** So did the men.

**Mrs JILLIAN SKINNER:** Indeed. This was a matter of concern not only to women but to all right-minded people, especially those of us in this place. I note that the petition was forwarded to the President of Nigeria and I thank those responsible for repealing the sentence. I also commend the awarding of the Nobel Prize for Peace to Ms Shirin Ebadi, an Iranian lawyer. That acknowledgement of her work is a great credit to her and to the Nobel Prize Committee. There is nothing more difficult than representing the rights of women in countries with repressive regimes. Women's rights in such countries have gone backwards in recent years and archaic laws have been introduced regarding acts that we would not consider at all evil. I am pleased on behalf of the Coalition to join with the Minister in expressing my gratitude that this sentence has been withdrawn. I hope that in the future such matters will never need to be brought to the attention of this House.

## CONSIDERATION OF URGENT MOTIONS

### Federal Government Corporate Law Reform Package

**Mr JOSEPH TRIPODI** (Fairfield—Parliamentary Secretary) [3.40 p.m.]: Earlier today I gave notice that I would seek to have this matter considered urgently because New South Wales shareholders are at risk. They are at risk because the Federal Treasurer continues to put the interests of shareholders at the bottom of the heap. This matter is urgent because the Federal Parliament is due to debate a new round of important reforms that will set the direction for how corporations conduct their activities. The Federal Treasurer, Peter Costello, has adopted Federal Labor's proposal to give shareholders a non-binding vote on executive remuneration policy. However, the Howard Government has failed to tackle some of the worst practices leading to corporate excess. This matter is urgent because we need to protect shareholders from what has been a litany of corporate excess and collapses. We need a robust regulatory framework that will ensure that boards are accountable and that shareholders are empowered.

### Fairfield Area Shooting Incidents

**Mr PETER DEBNAM** (Vaucluse) [3.41 p.m.]: My urgent motion calls on the House to note the Carr Government's failure to adopt a crime-fighting strategy which would stop ongoing gun warfare on the streets of south-west Sydney. My motion is urgent because the constituents of the electorate of Fairfield are at risk. Time and time again, day after day, shootings, armed robberies, kneecappings, drive-by shootings and murders are

being committed in south-west Sydney. This afternoon I put an urgent question to the Minister for Police and it was not answered. Debating my motion would give the Government an opportunity to debate this issue and explain on the record whether Deputy Commissioner Madden—

**Mr Steve Whan:** Point of order: My point of order is relevance. The Opposition should be justifying its reasons for urgency. The honourable member should be saying why his motion should receive urgent consideration rather than refer to a question he asked in question time today.

**Mr SPEAKER:** Order! I have not heard sufficient of the honourable member's contribution to make a decision on the point of order.

**Mr PETER DEBNAM:** Apart from the question I put to the Government today, which is an urgent question on behalf of everybody in New South Wales, this morning on radio 2ME the widow of Ali Abdul-Razak said the Government's family feud suggestion is a beat-up. What is really happening is that crime is out of control.

**Mr Matt Brown:** Point of order: The honourable member for Vaucluse must say why his matter is urgent. He is discussing a radio interview this morning and I do not see how that goes to the issue of whether his motion is urgent.

**Mr SPEAKER:** Order! I have not heard sufficient of the contribution of the honourable member for Vaucluse to determine whether he is in order. The honourable member may continue.

**Mr PETER DEBNAM:** This matter is urgent because the widow of somebody who was executed six weeks ago in front of the Lakemba mosque said on radio this morning that this was not a family feud, that it is about crime escalating out of control. The honourable member for Fairfield should agree to debate my motion because it affects his constituents.

**Mr Joseph Tripodi:** Point of order: The honourable member is misleading the House. The Government has already announced its response to the hand gun legislation. The Opposition is trying to beat this up into—

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

**Mr PETER DEBNAM:** My motion is urgent because the investigating police want to know why the Government refused to give them electronic surveillance last week and then belatedly approved it after the two murders yesterday morning. The community in New South Wales, especially the community in the electorate of the honourable member for Fairfield, wants to debate this issue and other shootings and murders.

**Mr Alan Ashton:** Point of order: Mr Speaker, you have ruled on this matter several times but the honourable member does not seem to be getting the message. The purpose of an urgency debate is for the Opposition to say why its motion is more urgent than the Government's motion.

**Mr SPEAKER:** Order! I have heard sufficient on the point of order. The honourable member for Vaucluse is putting his case as to why his motion should receive priority in an appropriate fashion.

**Mr PETER DEBNAM:** The constituents also want to know whether other homes in that street were sprayed with gunfire yesterday? The constituents want to know whether the strike forces had sufficient resources before the murders yesterday morning? The constituents want to know whether six detectives were added yesterday and whether in another knee-jerk movement another six detectives were added today? The constituents want to know where these strike forces came from? Who signed off on them? Who formulated the terms of reference? What are the terms of reference? But, mostly, the widow of Ali Abdul-Razak wants to know why the Government is putting out spin about a family feud and a child custody matter when clearly crime is escalating out of control? [*Time expired.*]

**Question—That the motion for urgent consideration of the honourable member for Fairfield be proceeded with—put.**

**The House divided.**

**Ayes, 49**

| | | |
|---|---|---|
| Ms Allan | Mr Greene | Mrs Paluzzano |
| Mr Amery | Ms Hay | Mr Pearce |
| Ms Andrews | Mr Hickey | Mrs Perry |
| Mr Bartlett | Mr Hunter | Mr Price |
| Ms Beamer | Ms Judge | Dr Refshauge |
| Mr Black | Ms Keneally | Ms Saliba |
| Mr Brown | Mr Knowles | Mr Sartor |
| Ms Burney | Mr Lynch | Mr Scully |
| Miss Burton | Mr McBride | Mr Shearan |
| Mr Campbell | Mr McLeay | Mr Tripodi |
| Mr Collier | Ms Meagher | Mr West |
| Mr Corrigan | Ms Megarrity | Mr Whan |
| Mr Crittenden | Mr Mills | Mr Yeadon |
| Ms D'Amore | Mr Morris | |
| Mr Debus | Mr Newell | *Tellers,* |
| Mr Gaudry | Ms Nori | Mr Ashton |
| Mr Gibson | Mr Orkopoulos | Mr Martin |

**Noes, 37**

| | | |
|---|---|---|
| Mr Aplin | Mrs Hopwood | Ms Seaton |
| Mr Armstrong | Mr Humpherson | Mrs Skinner |
| Mr Barr | Mr Kerr | Mr Slack-Smith |
| Ms Berejiklian | Mr McGrane | Mr Souris |
| Mr Cansdell | Mr Merton | Mr Stoner |
| Mr Constance | Ms Moore | Mr Tink |
| Mr Debnam | Mr Oakeshott | Mr Torbay |
| Mr Draper | Mr O'Farrell | Mr J. H. Turner |
| Mr Fraser | Mr Page | Mr R. W.Turner |
| Mrs Hancock | Mr Piccoli | |
| Mr Hartcher | Mr Pringle | *Tellers,* |
| Mr Hazzard | Mr Richardson | Mr George |
| Ms Hodgkinson | Mr Roberts | Mr Maguire |

**Question resolved in the affirmative.**

## FEDERAL GOVERNMENT CORPORATE LAW REFORM PACKAGE

### Urgent Motion

**Mr JOSEPH TRIPODI** (Fairfield—Parliamentary Secretary) [3.55 p.m.]: I move:

That this House:

(1) welcomes the Federal Government's proposed corporate law reform package, and

(2) calls on the Federal Government to extend measures to allow New South Wales shareholders a greater say on executive salaries and bonuses and the banning of bonuses to non-executive directors.

The excesses of corporate Australia have been in the media of late, and for all the wrong reasons. With each headline of multimillion-dollar bonuses being given to executives despite balance sheets running into the red, shareholders are left to wonder why this is allowed to happen. We have seen shareholders left in ruins following the collapses of Enron and WorldCom in the United States of America, and OneTel, HIH Insurance and Ansett in Australia. These scandals have highlighted the need for a tougher approach on corporate law. The Federal Treasurer, Peter Costello, has put forward the next phase of corporate law reform, the Corporate Law Economic Reform Bill—known as the CLERP 9 bill.

It is interesting that in March this year the Howard Government voted down Federal Labor's proposal to require companies to put a non-binding resolution to shareholders on executive remuneration. However, recently the Federal Government had a change of heart. We welcome its change of heart and the fact that that

important proposal is contained in the CLERP 9 bill. But, whilst some of the reforms contained in the bill are welcome, they do not go far enough. Shareholders are not confined to the blue rinse set, sipping champagne on their yachts at Point Piper. More and more shareholders are battlers who have invested their hard-earned savings. They are the mum-and-dad shareholders who expect executives to manage their funds in an appropriate and transparent fashion.

Many Australians have an exposure to the share market via their superannuation. Given that the retirement income of many Australians is dependent on the vagaries of the share market, the importance of corporate governance becomes clear. Shareholders have cause to be concerned as they have seen their dividends dive as executives run off with their multimillion-dollar bonuses. Importantly, we have seen the Federal Treasurer asleep at the wheel, allowing these excesses to occur. In contrast to the Howard Government's self-regulatory approach, Labor believes in taking an activist approach. In 1998 Federal Labor and the Democrats inserted in the Corporations Act a provision which for the first time required that companies disclose the remuneration paid to directors and top executives. Prior to that amendment, Australian companies did not have to disclose to shareholders what they paid their officers. That seems hard to believe today.

The Federal shadow Minister responsible for financial services and corporate governance, Senator Stephen Conroy, recently released a paper entitled "Labor's Approach to CLERP 9: Cracking down on Corporate Greed". The paper sets out the reforms that should form part of the CLERP 9 bill. If the Federal Government is serious about corporate law reform, it will adopt Labor's policy all the way. That includes, for example, banning loans to directors and company management, prohibiting the payment of options, bonus payments and retirement benefits to non-executive directors, requiring that directors disclose all relationships with the company and other directors when standing for election, not just other directorships, and doubling penalties for serious breaches of the Corporations Act 2001. We have yet to see whether Treasurer Costello will adopt these important reforms. But there is another concern that should set alarm bells ringing for New South Wales shareholders: the Federal Government's attempt in another piece of proposed legislation to actually water down shareholders' rights.

Under its Corporations Amendment Bill 2002 the Federal Government proposes to shorten from 28 days to 21 days the notice period required for the calling of company meetings, abolish the right of a single director of a listed company to call a meeting and abolish the 100-member rule, which gives minority shareholders the right to call a meeting. I am pleased that Federal Labor will oppose each of those proposals, but as Senator Conroy recently pointed out, it highlights the hypocrisy of the Howard Government. On one hand it agrees with Labor that shareholders should vote on fat-cat salaries and the CLERP 9 bill, but on the other hand it introduces a separate bill to reduce shareholders' rights. The only thing John Howard has done about obscene salaries is talk about them. In May this year, in response to furore over the payout to former BHP Billiton chief executive officer Brian Gilbertson, Mr Howard was quoted in the *Australian Financial Review* as saying:

> It's your responsibilities [as] apostles of the capitalist system, you want to keep the capitalist system free of too much government regulation, well you've got to deliver.

Even since the release of the CLERP 9 policy paper in September last year, the salaries of chief executive officers have continued to defy community expectations. For example, the former chief executive officer of Southcorp, Mr Keith Lambert, took home $4.4 million after only 18 months at the helm, in spite of the fact that the group's profits plunged by $204 million. Fortunately, shareholders at yesterday's meeting of Southcorp got their chance to express their discontent with its performance. We welcome shareholder activism; we invite it. We will try to introduce reforms at the Federal level to give shareholders the opportunity to become more active and to provide them with the necessary tools to do so. In 2002-03 David Murray from the Commonwealth Bank took home $2.5 million, a 7.4 per cent increase in salary, despite the net profit of the bank slumping 24 per cent in the same period.

The Howard Government's self-regulatory approach has failed to produce outcomes that benefit the shareholder, the employee or the retiree. The reaction of the business community to proposed changes to the law relating to executive remuneration has been fascinating. They have adopted a head-in-the-sand approach. They do not realise the depth of feeling in the community about fat-cat salaries, and they refuse to acknowledge that some corporate governance reforms need to legislated. Australia is not immune from corporate scandal—ask any shareholder in One.Tel, HIH, Ansett or any other company that has failed recently. If those sitting opposite are serious about protecting the rights of mum-and-dad shareholders in their electorates, they will join us in sending a clear message to Canberra that the Federal Government should support strong corporate governance reforms.

**Ms GLADYS BEREJIKLIAN** (Willoughby) [4.02 p.m.]: I am surprised that the State Government acknowledges the enormous contribution of the Federal Government to corporate law reform. It is rare for the Labor Party to acknowledge even a small part of the fantastic achievements of the Federal Government. I am surprised also that the State Labor Government regards this matter as being sufficiently urgent to move an urgent motion about it, bearing in mind that the Federal Government's extensive Corporate Law Economic Reform Program has been ongoing since its election in 1996. As honourable members opposite should know, the Corporate Law Economic Reform Program commenced with CLERPs 1 to 6, which have been legislated and are in operation in the community. CLERP 9, which was announced one month ago, is simply at the tail end of the evolving CLERP process.

A cynic such as myself might ask why the State Government has brought this matter to the Chamber at this time. I would argue that it is an attempt to divert attention from the many responsibilities the State Government should be fulfilling in health, education and transport. Rather than concentrating on those issues it is trying to divert attention from them and is instead focusing on Federal issues. However, I welcome the opportunity to make some comments about the Federal Government's extensive corporate law economic reform package, which has evolved in an unprecedented fashion. As members of this House are aware, after 13 years of neglect by the Federal Labor Government the Federal Coalition Government, after its 1996 election, embarked on an unprecedented extensive corporate law economic reform program that has modernised business regulation, fostered a strong and vibrant economy, progressed the principles of market freedom, increased investor protection, and increased quality disclosure of relevant information to the market.

I take this opportunity to congratulate the Federal Treasurer, Peter Costello, on managing to bring about these almost revolutionary and evolutionary changes to corporate law through consultation with relevant stakeholders, community organisations and the private sector. His efforts have been matched by our sustaining a phenomenally low unemployment rate and prosperous economic conditions. I also take the opportunity to commend the work done by the Assistant Treasurer, Senator Helen Coonan, who has supported the Treasurer on these important initiatives. About one month ago the Treasurer announced aspects of CLERP 9. Previously the CLERP reforms modernised accounting standards, fundraising provisions, directors' duties, takeovers, electronic commerce and financial markets, and simplified lodgements.

On 18 September the Federal Treasurer introduced draft legislation for CLERP 9, which principally puts auditor supervision on a new basis under the Financial Reporting Council, gives legislative backing to auditing standards, requires new auditor independence, requires companies to disclose the fees paid for non-auditing services in their annual directors' report, introduces proportionate liability, introduces incorporation of auditor firms so that auditors bear their full liability for losses out of proportion to their contribution to them, enhances continuous disclosure—the draft legislation goes even further than the proposals or actions of the United States—gives the Australian Securities and Investments Commission power to issue on-the-spot infringement notices for inadequate disclosure and enhances confidence in our markets. It is a balanced package that was carefully crafted to be a reasonable response without going to extremes in either direction.

It is a bit rich for those opposite to claim that that rather comprehensive and extensive set of reforms does not go far enough, particularly when one considers that for 13 years the Labor Party did nothing to advance corporate law reform. Government members can say what they like, but the reality is that the Federal Government has introduced unprecedented levels of corporate law reform. It has acknowledged that corporate law reform is an evolving process with technological changes and shifts in global markets. The State Labor Party regards corporate law reform as a one-stop shop in which a number of reforms are introduced in isolation without consideration of other aspects, global markets and shifting paradigms.

Prior to the introduction of CLERP 9 the Federal Government consulted interested stakeholders and parties, as it did with CLERPs 1 to 6. That process will continue. The Treasurer has indicated that all interested parties, including the private sector, stakeholders and shareholder organisations, will have until November this year to make informal submissions. After considering those submissions the Federal Government will deal with these matters further and formally introduce legislation. I remind the House that it is the Federal Government's extensive and professional handling of the economy that has enabled mums and dads to enter the share market. Prior to 1996 ordinary Australians lacked the confidence to enter the share market, but that has changed. I am pleased to say that more and more ordinary Australians are finding the confidence to enter the share market, and that confidence is bearing fruit.

That is another achievement on which the Federal Government should be congratulated. In addition, organisations such as the Australian Shareholders Association have flourished. Those organisations have made

important inroads into giving shareholders more power and authority to express their views at annual general meetings and to force boards to become more accountable to shareholders. I suspect that, just as consumerism has increased in its proficiency and widespread effect throughout the community, shareholders rights and values will continue to evolve similarly.

The second part of this urgent motion prompts me to note that there is widespread community concern about allegedly excessive remuneration in both executive salaries and bonuses and bonuses to non-executive directors. That will be dealt with appropriately. However, we need to ensure also that those legitimate concerns are balanced adequately by ensuring that Australia has the best chief executive officers it can get. We do not want to suffer from brain drain and we do not want our talented people to go overseas because they cannot find suitable remuneration in the Australian market. I totally accept the widespread community concern about executive remuneration and I know that many shareholders are concerned about it. However, that concern needs to be balanced by ensuring that the private sector has the freedom and ability to retain significantly qualified Australians to head our major corporations. It is only with good corporations being led by good Australians that we can ensure shareholder and consumer confidence and that a major factor of the Australian economy continues to flourish robustly.

[*Interruption*]

**Mr Brad Hazzard:** You high-taxing lot! I wouldn't put you in charge of a chook raffle. I wouldn't put you in charge of a company.

**Ms GLADYS BEREJIKLIAN:** The honourable member for Wakehurst mentions a legitimate point that I should have alluded to earlier in my speech. A member of the highest-taxing State Government in this country has the hide to question legitimate reforms. He has the hide to question unprecedented reform which has increased consumer confidence and shareholder confidence, reform that will result in more Australians that ever before being able to enter the share market. The details of CLERP 9 were announced only a month ago by the Federal Treasurer. Those details show that the self-regulatory approach, coupled with the extensive CLERP process which the Federal Government has introduced, has resulted in unprecedented reform of corporate law and corporate governance. I commend and congratulate the Federal Government for the fantastic work it has done in that regard.

**Mr MATT BROWN** (Kiama) [4.12 p.m.]: I support the motion, especially after listening to the diatribe delivered by the honourable member for Willoughby. What a shocking apologist she is for the Federal Government! She accuses the State Government of being high-taxing, despite the fact that week after week in the *Australian Financial Review* many economic and media commentators acknowledge that the Howard Liberal Government is the highest-taxing government ever, even during wartime. The honourable member for Willoughby acknowledged shareholders' concern about bonuses and high executive salaries. However, she said that although she recognised the concern, it was bad luck, and that shareholders should not expect the Liberal Party to look after their interests. It wants to look after its mates who are receiving massive salaries and bonuses.

I was appalled that the honourable member for Willoughby did not have the guts to state that the Liberal Party in this State will do something about the concerns of shareholders. She could join my colleagues on the Labor side of the Chamber and tell the Federal Government that the shareholders and investors of this State are sick to death of corporate executives being paid large sums while shareholders investments and retirement funds are being whittled away. The poor attitude of the honourable member for Willoughby highlights the contrast between the different approaches adopted by the Liberal Party and the Labor Party.

The self-regulatory approach adopted by the Howard Government has failed to produce outcomes that benefit the shareholder, the employee or the retiree. Voluntary guidelines, such as those applying to the investment banking industry, have been a proven failure. The Federal Government must legislate for tougher corporate laws to crack down on the market practices which have led to outrageous executive remuneration and corporate collapses. The effects of some of the more recent corporate collapses are simply devastating. Consumers were left in the cold after the HIH collapse, workers are still waiting for their entitlements following the Ansett collapse and shareholders have written off their investments following the demise of One.Tel. Those groups of people receive only lip-service from the honourable member for Willoughby, but no commitment.

Shareholders have been relying on the long-awaited CLERP 9 bill to crack down on corporate greed, restore confidence in financial reporting and empower shareholders to take on Australian boards. It has been over a year since the Federal Government published the CLERP 9 policy paper, yet fat cat salaries have

continued unabated. The only way to crack down on corporate greed is to take an active approach. We need laws that will improve company boards' accountability. Boards are responsible primarily to shareholders, and shareholders have to be armed with the information they need to make an informed choice. I note that the reforms proposed by Federal Labor go a long way towards empowering shareholders. For example, they require the disclosure of golden hellos and golden handshakes. They will ban the payment of options, bonus payments and retirement benefits, other than statutory superannuation, to non-executive directors. They will require directors to disclose all relationships with the company and other directors when standing for election, and will double the current penalties for serious breaches of the Corporations Act from five years to 10 years. What is wrong with that?

The honourable member for Willoughby has not addressed those types of policy issues. She says that we need to attract the best company directors in the world and that it is all right for people to come over to Australia, cause our companies to lose a lot of money, do secret deals and then leave the place with a great big suitcase full of cash. In contrast to that, Labor members are trying to come to terms with how that type of thing happens in the first place. I suppose that is an example of the thinking on the North Shore compared to the rest of New South Wales. When it is remembered that the retirement incomes of Australians depend on the ups and downs of the share market, the importance of shareholder activism becomes clear. The way to increase shareholder activism in Australia is simple: empower the shareholders.

Given the power of boards to set remuneration, it is understandable that shareholders feel powerless in the process. That is why it is important to increase the number of executives who will be required to disclose their remuneration. Currently companies have to disclose only the remuneration of directors and the five most highly paid executives. Labor believes that companies should be required to disclose the remuneration of at least 10 of a company's most highly paid executives, in addition to the disclosure of the directors' remuneration. Companies should be obliged by law to disclose the board's policy on duration of contracts, notice periods and termination payments, the board's policy on performance conditions, the value of options granted, exercised and lapsed unexercised, the board's policy on equity value protection schemes, and graphs plotting shareholder return for the previous five financial years. I commend the motion to the House.

**Mr BRAD HAZZARD** (Wakehurst) [4.17 p.m.]: Obviously the Opposition does not have any problem with the welcome by the State Government of the Federal Government's proposed corporate law reform package. Today we should be discussing the fact that the Federal Government has embarked upon a consultation period to examine a number of corporate governance issues that the community is concerned about. As the honourable member for Willoughby indicated, there is concern in the community about some of the remuneration packages of directors and senior officers of major companies, but whether that necessarily translates into a valid reason for markedly changing the system by delivering massive power into the hands of shareholders to restrict those fees is a moot point.

**Mr Joseph Tripodi:** It is only their money, why would they be interested?

**Mr BRAD HAZZARD:** The honourable member for Fairfield seems to be engaged in class warfare. He is not as simplistic as his utterances seem to imply. His comments suggest that he is simply taking a position without examining the complex issues that surround the whole nature of corporate governance. As the honourable member for Willoughby stated, we obviously need to have the best people running our companies. If governments were to conduct themselves in a way that did not address these issues carefully and sensitively, the best, brightest and most capable people would head off to overseas companies. To ensure we have a healthy employment environment we need an environment that ensures the health of both our major and smaller companies.

For the New South Wales Labor Party to resort to the age-old class warfare and opportunism of simply saying that there should be some sort of blanket limit on what company directors should be paid is naïve, simplistic and silly. However, the Federal Government has acknowledged that there are concerns, as we all do. As part of the review it has looked at what role shareholders should have in reviewing the income and remuneration packages of company directors. Under the bill shareholders will be able to vote on that issue. That crosses over the policy of both the Labor Party and the Coalition, but it is an acknowledgement that somehow a balance has to be struck. The recently released draft bill addresses those sorts of issues, which may hit the front page of the *Daily Telegraph*, but the CLERP 9 policy papers have addressed other issues, for example, whether auditors should be able to join the boards of the companies they audit.

The bill puts in place some fairly carefully crafted structures which will address those sorts of concerns. After a period of public consultation it has been recognised that some of the smaller audit companies may be

disadvantaged. The Federal Government is trying to find a way to ensure that the broader community's interest is advantaged while some of the smaller audit groups are not disadvantaged. I would have enjoyed speaking on this matter for an hour or so, because it is an important issue. Unfortunately, I have only five minutes. The Federal Government is continuing the consultation process. The bill can be modified following sensible public debate—not the sort of class warfare idiocy that has been promoted in this debate by the State Labor Party, the highest-taxing State Labor Government ever in New South Wales. The Government has shown itself to be unable to run the State, let alone companies. [*Time expired*.]

**Mr STEVE WHAN** (Monaro) [4.22 p.m.]: I support the honourable member for Fairfield on this important issue.

**Mr Brad Hazzard:** If you support him, you should support us as well.

**Mr STEVE WHAN:** I support some of the comments made by Opposition speakers as well. It is important that we acknowledge that some positive issues have been raised in the debate on the CLERP 9 bill. However, a number of areas still need to be addressed. Too often in the past few years shareholders, employees and governments in Australia have been left to pick up the pieces of corporate excess. In the 1980s it was trendy to agree with Michael Douglas, who said that greed is good. In Australia we know that greed can be taken too far; it is never good. Corporate greed is damaging Australians and their investments. I agreed with the honourable member for Willoughby, who pointed out that many mums and dads were now getting into shareholding. More average Australians are now able to get into the share market than before. That is why it is so important that the Government takes a greater interest in ensuring that the investments of those shareholders are protected and that they have an adequate say in the management of the companies in which they invest.

The Howard Government's economic management, which was lauded earlier by the honourable member for Willoughby, has left Australian households with record levels of debt. Statistics show that Australian households now have the highest-ever level of debt, mostly as a result of the Howard Government's economic management. That makes it all the more important that households have adequate protection and that they are not left out to dry when companies fail or executive excesses take away the value of the company. We know that there is public anger. That anger was expressed when the former boss of Southcorp took a $4.4 million package after only 18 months at the helm, despite the group's profits plunging by $204 million. Commonwealth Bank shareholders saw David Murray take home a 7.4 per cent increase in salary, despite that bank's net profit going down. The Australian people have expressed their anger, and the Federal Government has expressed sympathy with those views.

On a number of occasions we have heard Mr Howard make comments such as "I think people have a right to be angry". But all too often members of the Howard Government make those statements but do not back them up. It is pleasing to know that Labor's proposal to give shareholders a vote on executive remuneration has been adopted. However, more of Labor's proposals need to be taken up. For example, requiring directors to disclose all relationships with the company and prohibiting the company's auditor from providing non-audit services that compromise the independence of the auditor have been proposed by Labor but have not so far been taken up. The Howard Government often puts its economic rationalist free market ideologies ahead of the rights and legitimate concerns of Australian shareholders. That was evident again today in the contributions of the members of the Opposition.

The Opposition takes a self-regulatory approach that fails to produce outcomes. That is often evident in the obscene salaries that are announced in the media. The time when gentlemen's agreements were good enough to ensure the behaviour of companies and their directors has passed. The Federal Government should take a greater role in legislating to require companies to disclose excessive salaries at the top level and to ensure that no conflicts of interest impact on the value of shareholders' investments. I was interested to hear some of the comments by the Opposition speakers about tax levels. The evidence is set out before us, of course, in the budget papers. The New South Wales Government raises about $17 billion in taxes and this year the Commonwealth Government will raise about $230 billion. Off the top of my head, that means that the Commonwealth will raise about 13 times more tax than New South Wales. The Commonwealth Government is taxing ordinary Australians through the GST and a range of other measures. It is the highest taxing government in Australia's history, but at the same time it expects ordinary Australians to sit back and allow directors of companies to take excessive salaries at the expense of their shareholders.

**Mr JOSEPH TRIPODI** (Fairfield—Parliamentary Secretary) [4.27 p.m.], in reply: I agree with only a few of the matters raised by members of the Opposition. One of those is the statement by the honourable

member for Wakehurst that this is a big issue and that he would have liked more time to debate it. That is why Labor has moved this motion: we agree it is a big issue that requires urgent consideration. The reason it requires urgent consideration is because it is all about investor confidence. If we are to have a properly functioning and efficient economy, investors need to have confidence in public companies. The Labor side of politics has always been concerned about that matter, whereas the Liberals have always been concerned about looking after the chief executive officers and their friends on company boards who often express support for the Liberal side of politics. That is nothing more or less than a payback.

Over the past few years, the Federal Labor Party has been pushing aggressively to empower shareholders and to give them the right to participate in the governance of the corporations in which they hold shares, to give them the right to protect the money that they invest in those corporations and to give them the power to determine exactly who governs the company and how the company will be governed. The Federal Government introduced some reforms, but it did so reluctantly. It was dragged, kicking and screaming, along that path. Some of the reforms in the United States of America—the Sarbanes amendments to United States Corporations Law—have upped the ante, increased standards and empowered shareholders to demand more disclosure from executives and the management of major corporations. Given that those reforms occurred in the United States, it made it difficult for the Australian Government to drag its tail and hold up this process.

[*Interruption*]

The level of disclosure required by United States firms is amongst the highest levels of disclosure required in the world. Australian firms do not have anywhere near the level of disclosure that is necessary to satisfy shareholders and their information needs. I wish to respond to some of the suggestions made earlier about the prudence of the Federal Government's management of taxation issues. Never in the history of Australia have Australians been taxed more heavily than they are now. The Federal Government prides itself on being a low-taxing and low-spending government, but never have Australians been taxed more heavily or burdened by a government than they are at the Commonwealth level. GST windfalls have been humungous. However, that is not due to any great management skills of the Commonwealth Government.

Rather than dispersing that money to the States, the Federal Government pointed at the GST revenue but cut everything else. The Federal Government ran away from its responsibilities in the provision of health services over the past few weeks, but only after it said that it did not have any money to provide those services. Soon after that it revealed that it had a $7 billion surplus. It revealed the hidden money. We were told that the Federal Government did not have any money, but it then revealed that it had a $7 billion surplus—money that it had taken away from Australian taxpayers. The Federal Government tried to convince the community that it is good at managing the economy, but it is a failure. I refer briefly to the Australian Prudential Regulation Authority [APRA] and the HIH disaster. I do not know how anyone in the Liberal Party can front up in any parliament in this country and say that they are good at corporate governance after the HIH failure, which cost taxpayers billions of dollars. Joe Hockey walked away scot-free and unaccountable.

**Ms Gladys Berejiklian:** Point of order: The honourable member should be reminded that he has to address matters that were raised earlier when he debated this motion.

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

**Mr JOSEPH TRIPODI:** The HIH debacle cost taxpayers billions of dollars. Members of the Liberal Party come into this Parliament and into the Commonwealth Parliament and tell us that they know how to manage the economy. They are an utter disgrace. They have caused massive suffering to policyholders all around the nation. It has cost taxpayers billions of dollars to help fix the problems because of the Federal Government's failure to properly run the Australian economy.

**Motion agreed to.**

## RUGBY WORLD CUP

### Matter of Public Importance

**Mr GRANT McBRIDE:** (The Entrance—Minister for Gaming and Racing) [4.34 p.m.]: The Rugby World Cup, the biggest sporting event in the world this year, is proving to be a tremendous boost for the Central Coast. Three games are being contested at the Central Coast stadium in Gosford, which is undoubtedly—and I

might be a bit biased—one of the best venues in the country for watching rugby. The Central Coast is one of only four regional centres in Australia to host games. Clearly, it is maximising opportunities from the elite competition. There was a great expectation that the World Cup would deliver significant benefits to the Central Coast. That is certainly happening. I attended the games on Saturday and Sunday nights and they were both a sell-out. There were close to 20,000 people in the stadium on each night. It was a fantastic spectacle. I quote an article that was published in the *Daily Telegraph*, which states:

> Louise de Martin from Gosford Chamber of Commerce said a local storeowner nearly cried at the sight of a sea of green rolling down the main street on Saturday night. Ms de Martin said she believed 6,000 of the fans had never been to the coast before, giving the city a huge financial boost.

The World Cup is proving to be not just a tremendous sporting experience for the coast; it is also a tremendous community experience. On Saturday a sea of green flooded the stadium and the central business district [CBD] for the Ireland versus Romania clash. Businesses in the CBD enjoyed record trade and every restaurant was full—something to which I can testify. Every hotel was full, and again I can testify to that. They were not only full; people were spilling out all over the footpath. Iguana Joe's and the Central Coast Leagues Club were literally bursting at the seams. A crowd of about 2,000 or 3,000 tried to get into the club after the game, notwithstanding the fact that the club was reasonably full at that point. The Gosford Chamber of Commerce is now planning a survey to accurately gauge the value of the World Cup to the CBD.

The strong business in Gosford, however, is just part of the spin-off from this prestigious international event. Our tourism sector has enjoyed an increased turnover. Operators estimate that the event is injecting more than $10 million into the local economy. Motels, bed and breakfasts and cafes have welcomed the large number of visitors. The Irish team—and it is wonderful that it made this decision—has been staying at Crowne Plaza at Terrigal. Members of that team have been able to experience life on the beach while preparing for their important game. Having one of the major teams located on the Central Coast is a magnificent achievement for those people associated with bidding for them. It is estimated that the cup will deliver a $300 million boost to the New South Wales economy, and the Central Coast is sharing a slice of that investment. The event has attracted an estimated 55,000 international visitors. It is estimated that it is creating more than 2,500 thousand direct and indirect jobs.

Four thousand media representatives are attending the games and the competition is being broadcast to more than 200 countries. The estimated television audience is about four billion people. The words "Central Coast" are printed on signage around the stadium, so those four billion people will see the name "Central Coast" and realise what a wonderful place it is. Importantly, the Central Coast began planning many months ago to ensure that there were lasting benefits for the region. A Rugby World Cup business task force was set up comprising business, community and government representatives. I especially thank the team at the Department of State and Regional Development for its contribution to that task force. I have been closely involved with that group and I have been spokesperson for the task force. I also point out that the ambassador for the task force on the Central Coast was Mark Ella. As anyone in rugby would know, Mark Ella, one of the great legends in rugby, also lives on the Central Coast.

I have been involved with planning a broad range of business and community events to be held alongside the World Cup. The business program has been carefully planned to promote Central Coast goods and services to specific overseas markets. Functions have been planned for Terrigal, Gosford and east Gosford. On Saturday I hosted a business cruise on Brisbane Water. Close to 100 local business people were given the chance to meet international representatives associated with the visiting rugby teams. I am convinced that there will be a number of new business arrangements as a result of Saturday's function. I have been assured that two items will be forthcoming in the not too distant future as a result of the action taken by the business task force in regard to recruiting. That will have a dramatic impact on some local firms, it will lead to new export opportunities and, importantly, it will lead to new jobs on the Central Coast.

Another business function will be held on 27 October involving Central Coast, Japanese and American representatives. The event will be held at the regional art gallery and Japanese gardens at east Gosford. The community programs aim to ensure that the whole region shares this great opportunity, not just those with tickets to the games. The events are extending the World Cup experience from the field to the broader community. More than 2,000 people attended a major surf carnival at Terrigal held especially for Rugby World Cup visitors. I understand that some of the Irish players who were staying at Terrigal were keen to get involved in that event. It was a great opportunity for Surf Life Saving Central Coast Inc. to show off our young ambassadors to the rest of the world. A comedy festival was held at Woy Woy and an estimated 3,000 people attended the family fun day in Kibble Park, Gosford. Again I can attest to that because I was there. That clearly shows that the Central Coast community is part of this international event.

There are still more community events to be staged. The Festival of the Waters will draw thousands of people to the spectacular Gosford waterfront this weekend and an oyster festival will be held at Woy Woy on 26 October. It will be a feast of entertainment, food and shopping. I am pleased to report that the volunteer program has also worked extremely well. It was modelled on the volunteer program that was used during the Sydney Olympics and subsequently during the Manchester Commonwealth Games. Close to 100 people donated their time in order to assist visitors to the Central Coast. The volunteers were one of the success stories of the Sydney Olympics and helped to make the event friendly for visitors from around the world. We are fortunate to have a group of volunteers on the Central Coast who are ready to help out during the world cup. They have performed a range of duties and are stationed at various sites throughout the Gosford central business district.

The Rugby World Cup is a tremendous shot in the arm for the Central Coast, and I expect that the benefits will not end with the closing ceremony. There will be lasting benefits for the region in terms of new tourism opportunities, new business opportunities and, importantly, new jobs. One of the biggest challenges facing the Central Coast is the creation of new employment opportunities for the region. I am convinced that this prestigious sporting event will go a long way towards helping us to overcome this challenge. The spirit in the stadium for the two rugby games that I attended was absolutely magnificent. I met some peacekeepers after the Namibian game last night.

I note that the honourable member for Gosford and my colleague the honourable member for Peats are in the Chamber. I think they attended the Irish game last Saturday. The Namibian team received magnificent support from the entire stadium at yesterday's game. When the players won a line-out they got a standing ovation from the crowd and when they scored a try in the first half the stadium exploded. There was applause for four or five minutes, and the try scorer was absolutely delighted. The atmosphere was magnificent. I think that says a lot about the Central Coast community and its enthusiasm for life.

The world cup has been a wonderful experience so far. The United States and Japan teams will play at the stadium later this month, and I am sure that that will be another stellar experience for the people of the Central Coast. I have spoken to several people—including a Parliament House attendant—who plan to go to the game. I am sure that the spectators will enjoy a fantastic experience—I am not sure whether there are any tickets left—at one of the best regional stadiums in Australia among a crowd that loves sport, particularly rugby.

**Mr CHRIS HARTCHER** (Gosford) [4.42 p.m.]: The Minister for Gaming and Racing talked at length about rugby on the Central Coast—football is an important part of life in that region—and of sell-out games. However, the Minister should be conscious of the fact that the major sporting sell-out on the Central Coast is the one being orchestrated by his Government through the poker machines tax, which will rip money from regional sport. The tax will take every penny away from junior rugby league. The rugby union players on the field last night were running as hard as the Minister is trampling junior rugby league. The facilities that the Central Coast Leagues Club offers to rugby union are at risk because the Minister and the Australian Labor Party are ripping money from the club movement, and subsequently away from sport on the Central Coast.

The honourable member for Peats is in the Chamber. The poker machines tax will take $13.5 million from clubs in her electorate—money that would otherwise be spent on sport on the Central Coast. The Australian Labor Party is striking a blow against the people of the Central Coast and against the sports that the club movement supports and maintains. The only support for rugby union in this Chamber was offered by the honourable member for Lachlan yesterday when he gave notice of his intention to move a motion congratulating the Australian Rugby Union, Peter Crittle and all the other people who organised this successful Rugby World Cup. The Government does not want to debate that issue. The Minister for Gaming and Racing, who is also chairman of the rugby union task force, has chosen instead to move this self-indulgent motion.

Not once during his 10-minute speech did the Minister mention junior sport or the impact that Labor Party policies will have on clubs on the Central Coast. Not once during his 10-minute speech did the Minister mention the thousands of children who assemble every Saturday morning to play rugby and who will no longer receive financial assistance. The hundreds of nippers who assemble at our surf life saving clubs every Sunday morning will no longer receive financial support thanks to this Government. I invite the Minster and the honourable member for Peats to attend the club rally "Axe the Tax" on the Central Coast. We will see what the Minister says when the Mingara Club fills with 1,000 angry people demanding that the tax be axed. We will see whether the Minister turns up to that meeting and whether he makes the same self-indulgent, self-congratulatory speech that he has made this afternoon.

**Mr Grant McBride:** Point of order—

**Mr CHRIS HARTCHER:** You will deal with him like the Speaker deals with false points of order during question time.

**Madam ACTING-SPEAKER (Ms Marianne Saliba):** Order! I place the honourable member for Gosford on two calls to order.

**Mr Grant McBride:** Will the honourable member for Gosford confirm whether the president of the Mingara Club is an unsuccessful Liberal candidate for the seat of The Entrance in the past two State elections?

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

**Mr CHRIS HARTCHER:** The Minister for Gaming and Racing has now attacked the executive officer of the club movement on the Central Coast. He has criticised the president of the Mingara Club. Will the Minister attend the rally? Will he address the rally and make a self-indulgent speech about Labor's promotion of the Central Coast while defending this Government's decision to rip millions of dollars from the club movement and from sport in that area? The Minister for Gaming and Racing spoke not just about the Rugby World Cup but about the Oyster Festival at Woy Woy and the Garden Festival. We heard all about the Labor Party's alleged achievements on the Central Coast. Let us hear about the one issue that the people of the Central Coast are concerned about: the millions of dollars that the Government will take from their clubs and from junior sporting organisations.

**Ms Marie Andrews:** Point of order: We are debating a matter of public importance concerning Rugby World Cup matches on the Central Coast. The remarks of the honourable member for Gosford are anything but relevant to this debate.

**Madam ACTING-SPEAKER (Ms Marianne Saliba):** Order! The honourable member for Gosford should confine his remarks to the motion before the Chair.

**Mr CHRIS HARTCHER:** I will, Madam Acting-Speaker. The Minister mentioned the Oyster Festival at Woy Woy, the Garden Festival at Mount Penang, Olympic Games volunteers and many issues relating to rugby, and I shall do the same. The Minister has now left the Chamber. He cannot handle debate on this issue—

**Mr Grant McBride:** Point of order: The honourable member for Gosford said that I left the Chamber. I did not; I was talking to the Clerk at the table. The quality of that comment is equivalent to everything else he has said in this debate so far: it is totally wrong.

**Mr CHRIS HARTCHER:** The Minister for Gaming and Racing made a personal explanation but failed to address the issue of what the poker machines tax will do to junior sport on the Central Coast. He offers a self-indulgent defence regarding where he is at any given time. Of course he was in a box watching the rugby matches and enjoying the hospitality available to him. However, he does not offer any hospitality to the children, the rugby movement or the other 100 sports on the Central Coast that will lose their funding as a consequence of this Government's tax. Coalition members consider the Rugby World Cup to be a great success and we congratulate the Australian Rugby Union and the International Rugby Board. That success has nothing to do with the Carr Labor Government.

We acknowledge that it has everything to do with the people and the council of the Central Coast and Telstra Stadium and all the other organisational facilities across Australia that have made this voluntary event happen. As the honourable member for Lachlan said yesterday in this House, they are the people who deserve to be congratulated. This afternoon we heard the self-indulgent speech of the Minister for Gaming and Racing and no doubt we are about to hear the same from the honourable member for Peats, but they are not the ones to be congratulated. The survey of leagues clubs showed that of all the electorates in New South Wales, the people of the Entrance electorate most fiercely resented the poker machine tax.

I challenge the honourable member for Peats and the Minister for Gaming and Racing to put to the rally on the Central Coast their views on why the poker machine tax should go ahead. They should say why clubs will lose their money. Why will junior sports not be funded? Why will the little kids on Saturday mornings not get the jerseys? Why will the nippers on Sunday mornings not have facilities to practise surf lifesaving? Why will funding to surf lifesaving clubs be denied? Why will community groups, including the kitchen in Dormison Street, Gosford, lose their funding from the Central Coast Leagues Club? Why will pensioners who go to the

Mingara Club each day lose their subsidised meals? How will they react to the usual speech that we hear so often about the wonderful job being done on the Central Coast because it has an oyster festival? Yes, they will choke on their oysters as they know that their members of Parliament are not even prepared to address the one issue that concerns them.

The people of the Central Coast enjoy the rugby. The people of New South Wales and Australia also enjoy the rugby but they do not think any credit belongs to the Carr Labor Government for the rugby. They know where the credit lies and they will give the credit to the appropriate corner, that is, to the rugby union movement. They also know that a political party which once said it stood for the clubs and for the working people and pensioners is now trampling all over them in grand style. The Labor members of the Central Coast need to understand where the hearts of the people are: they want their clubs and junior sports and they expect the Labor members of Parliament to give them support. They will ask their Labor members of Parliament to come to the rally and state why they vote for this tax. [*Time expired.*]

**Ms MARIE ANDREWS** (Peats) [4.52 p.m.]: I have pleasure in speaking to this matter of public importance—which, if honourable members opposite have forgotten, is the Rugby World Cup on the Central Coast. The Central Coast rounds of the Rugby World Cup commenced with Ireland defeating Romania 45 points to 17 last Saturday evening, 11 October. I had the pleasure of attending the game together with my parliamentary colleagues the Minister for Gaming and Racing, who is also the member for The Entrance, and the honourable member for Gosford, who has just spoken.

**Ms Alison Megarrity:** And has left the Chamber.

**Ms MARIE ANDREWS:** Yes. The match was considerably closer than the final score indicates, with the Romanians being described as plucky against their tough Irish counterparts. The Rugby World Cup represents a wonderful opportunity for the Central Coast to showcase its premier sporting venue and picturesque surrounds, being one of just four venues in New South Wales to host Rugby World Cup games. The Central Coast Express Advocate Stadium, along with WIN Stadium in the Illawarra, is one of just two regional venues in New South Wales to host the Rugby World Cup, which is the third largest sporting event in the world. The stadium is one of just four regional Rugby World Cup venues nationwide, along with Launceston, Townsville and the Illawarra. Central Coast Stadium, with its spectacular Brisbane Water backdrop, has to date showcased two World Cup pool matches during the World Cup—Ireland versus Romania on Saturday, and last night Argentina versus Namibia. Argentina won that match 67 points to 14.

**Mr Andrew Fraser:** A good game.

**Ms MARIE ANDREWS:** It was a good match. I did not attend but I have read all the reports and I have spoken to my colleague the Minister for Gaming and Racing. Namibia has a support group on the Central Coast and they certainly gave the team their full support, as did a large number of people in attendance. In accord with Australian's love and spirit of sport a lot of spectators cheered for the underdog, Namibia. The third match on the Central Coast will be the United States of America versus Japan on 27 October which will be telecast to 209 countries around the world. The demand for tickets for each of the games has been very high. The Rugby World Cup is expected to inject more than $300 million into the New South Wales economy, and the Central Coast will benefit from this as well as from the influx of approximately 55,000 international visitors. The region will benefit from this competition through the generation of an estimated $10 million in tourism business.

It is expected that the Rugby World Cup will create approximately 2,500 jobs statewide, and this will also benefit the Central Coast. The Central Coast stadium was formally opened in February 2000 as a world-class 20,000-seat sporting venue, and this is certainly being reflected in the involvement the Central Coast is having in hosting the Rugby World Cup. Central Coast stadium has already had more than half a million visitors pass through its turnstiles since its opening. In addition to hosting international rugby events, there has been the unforgettable Australia A victory over the British Lions in 2001, and the Olympic torch festivities involving hundreds of local school students in the year 2000. The stadium has hosted rugby league and boxing events, and is a true multipurpose sporting venue.

It is not just those with tickets who will enjoy the experience of the Rugby World Cup coming to the Central Coast. Community and local business activities have ensured that this experience is shared and celebrated across our region. The support from local businesses has been nothing short of spectacular, with a civic reception being held for the Irish, Namibian and Romanian teams, a twilight surf carnival and a series of

business networking functions. With its scenic ambience, world-class facilities and local infrastructure, Central Coast Express Advocate Stadium has ensured that the entire region is well placed to maximise the opportunities the Rugby World Cup presents. The Carr Government's investment in the Central Coast stadium has proven to be of major benefit to the Central Coast community. It is now my wish that, following on from the success of the Rugby World Cup, many more events will be staged there. I take this opportunity to congratulate and praise all those who have been involved in staging the matches throughout New South Wales.

[*Discussion interrupted.*]

## BUSINESS OF THE HOUSE

### Matter of Public Importance: Suspension of Standing and Sessional Orders

**Motion of Mr Grant McBride agreed to:**

That standing and sessional orders be suspended to allow the honourable member for Lachlan to speak to the matter of public importance for a period of five minutes.

## RUGBY WORLD CUP

### Matter of Public Importance

[*Discussion resumed.*]

**Mr IAN ARMSTRONG** (Lachlan) [4.57 p.m.]: I thank the Minister for providing me with this opportunity to speak on this matter of public importance. There is no doubt that the Rugby World Cup in Australia is a coup for Australia and for world rugby because there is not another country in the world today that could do it better in 2003 than Australia. It is better in terms of friendship. It is a great supporting nation with facilities right across the nation from the west coast to the east coast, from the north to the south and from the smaller regions right through to major cities. Australia is also better in terms of security and it has the confidence of the world that it is a friendly nation. Yesterday by way of notice of motion I congratulated the organisers, that is, the president and the chief executive officer of Australian rugby, the committee, the staff and indeed those who formed the initial idea to hold the cup in Australia. It is a great credit to this country that the original idea of a World Rugby Cup came from Australian rugby. Australia is one of the greatest rugby nations.

Other honourable members have spoken of the game held in Gosford last weekend between Ireland and Romania, a game won convincingly by Ireland. I am told that it was a very good game in which all the styles and skills of good rugby were used. I have seen photographs of the front row of Ireland's team and the hooker is a fierce looking character. Good on the Romanians for doing their very best. I understand there was only one very small glitch in the whole process. There was a hold-up in ticketing and probably a quarter of those attending did not see the kick-off at the Gosford match. Apart from that, I am told it ran like a well-oiled machine. I congratulate the ground curators and managers on the appearance of the ground. Not a blade of grass was out of place and it was as green as Ireland. On television, it looked excellent.

On a broader perspective, this competition excites the world. As I said yesterday, and as the Minister repeated today, four billion households throughout the globe, including Europe, Asia and the Americas, will be watching this third-biggest sporting event in the world this year. That is a big accolade. What an opportunity for showcasing. If you were selling a brand of soap and you could get four billion people to associate your product with this event, you would be pretty happy. We are selling Australia to those four billion people, and it is disappointing that Tourism New South Wales does not appear to have in place any programs or to be showing any imagination about attracting further tourism and investment in New South Wales, particularly with regard to tourism after the cup.

The success of these sorts of events worldwide comes, first, from playing the game well and fairly and getting a good result. But, secondly, as with the soccer World Cup in recent times and the Olympic Games in Sydney, Atlanta, Barcelona and Los Angeles, cities that put in place programs to entice tourism following their hosting of those events did remarkably well. Barcelona had a 10 per cent compounding growth in tourism for the four years after its Games. That 40 per cent growth was compounded by a factor of ten each year. Even Atlanta—to be frank, a quite plain industrial city—enjoyed a considerable tourist boost and a mini boom. Augusta, one of the world's best golf courses, has been host to nearly all of the major Professional Golfers Association and Ladies Professional Golfers Association tournaments in the United States of America since the Atlanta Olympics.

Whether because of September 11 or other factors, Sydney has not experienced that boost. I hope the Government recognises that it is not too late yet. We have another month of rugby in Australia, and it is not too late to get out there with a program that says to the world: We are great sportspeople, we want to have you here, we have accommodation, we have the facilities, our economy is fine, our food is great, we like visitors, we welcome you with open arms. My message this afternoon is: Well done rugby, well done to Gosford, the local people and those who work there. May the people of the world come here to see more of Australia.

**Mr GRANT McBRIDE** (The Entrance—Minister for Gaming and Racing) [5.02 p.m.], in reply: All who listened to the comments of the honourable member for Lachlan would have contrasted the quality of his contribution with the paucity of that of the honourable member for Gosford and wonder why the honourable member for Lachlan is not Leader of the Nationals. People who love rugby and sport in general have really appreciated the fact that the Rugby World Cup is being played in Australia. The less I say about the contribution of the honourable member for Gosford the better, but, like I am sure any member or any staff of this Parliament who support sport, I was disappointed by the comments of the honourable member for Gosford. His remarks detracted from the effort of the people of the Central Coast. As a member who has represented the Central Coast since 1988, I thought the contribution of the honourable member for Gosford reflected poorly on him.

My colleague the honourable member for Peats was at the opening of the Rugby World Cup game on the Central Coast. Hers was a wonderful experience. The Rugby World Cup is more than just a game: it is about building our communities. There was a glitch in ticketing and passing through the turnstile before the game. I was one of those in the queue who did not get to see the kick-off. I was standing in the queue like everyone else—not in the VIP queue, but in the queue for public tickets. The good humour of the crowd outside the stadium was unbelievable. It was fun just being there. There was a sense of bonhomie, camaraderie or however one would describe that demonstration of community spirit on the Central Coast.

The honourable member for Lachlan was absolutely spot on in his comments about the stadium. It was superb. The turf and grounds were magnificent. It was a wonderful sight against the backdrop of Brisbane Water. Members who have the opportunity should attend a game at this Central Coast venue. Anyone in the four billion households in countries throughout the world who viewed this event could only be impressed, not just with the Central Coast but with the quality of facilities that Australia has. This is a venue of natural beauty unparalleled in the world. About two-thirds of those in the stadium were wearing Irish jumpers, indicating they may have been supporting the Irish team, but when the ground announcer asked who was supporting Romania the whole stadium jumped to their feet. And when he asked who was supporting Ireland, again the whole of the stadium jumped to their feet. That was the atmosphere. Maybe half or more of those in the stadium were from the Central Coast.

Last night the ambience was again magnificent, with perhaps even a larger proportion of the crowd being from the Central Coast. The Argentinean supporters were there, and the support for the Namibian team was fantastic. One would have thought that this South African team was playing on its home ground, such was the support in the stadium. Some of the comments made so far in this debate have missed the point that this event is all about generating goodwill in the community. It is about Australians being Australians and displaying their characteristics. There was not one boo from the crowd. They cheered. If one side did something good, they cheered. If the other side made a good move, they cheered. There was universal goodwill. One of the great aspects of sport is that it creates goodwill among communities. People from all over the world were in Australia to promote the building of goodwill and witness the demonstration to the world of the Australian spirit.

**Discussion concluded.**

## BUSINESS OF THE HOUSE

### Business With Precedence: Suspension of Standing and Sessional Orders

**Motion by Mr Carl Scully agreed to:**

> That standing and sessional orders be suspended to postpone Business With Precedence Notice of Motion No. 1 [Disallowance of Supreme Court Rules—Amendment No. 380] standing in the name of the honourable member for Manly until after the matter of public importance on Thursday 16 October 2003.

**Madam ACTING-SPEAKER (Ms Marianne Saliba):** Order! It being close to 5.15 p.m., business is interrupted for the taking of private members' statements.

## PRIVATE MEMBERS' STATEMENTS

---

## EPPING RAILWAY STATION UPGRADE

**Mr ANDREW TINK** (Epping) [5.08 p.m.]: Today the *Northern District Times* has publicly revealed plans afoot by the Government to substantially alter the proposed rebuild of Epping station as part of the new Chatswood to Epping rail link. This link originally was to be 27 kilometres long, stretching from Parramatta to Chatswood via Epping. Part of the environmental impact statement on the project stretching that full distance was a significant rebuild of Epping station. I quote from page 7-91 of the ERM Kinhill report:

> A new underground island platform will be constructed at Epping Station to accommodate the Parramatta Rail Link. This new platform has been positioned to the south-east of the existing station platforms to achieve acceptable track curve radii and tunnel depth between Epping Station and Ray Road.
>
> Easy access and pedestrian interchange facilities will be provided for access from the existing station concourse and pedestrian interchange between the Parramatta Rail Link and existing Main North Line platforms. The proposed station design is illustrated in figure 7.12.

The report contains two figures, 7.12A and 7.12B, both of which show the new railway station underground and the existing heritage surface station buildings unchanged. Page 8-17 of the same report states:

> Epping Station will become a major rail interchange, linking the new Parramatta Rail Link with the Main Northern Line. … Emergency stairs and ventilation shafts to serve the new platforms will rise within the rail corridor, minimising impacts on surrounding developments. Passengers will continue to use the existing access points from Langston Place and Beecroft Road.

The original plan was for a new, fully functional underground station with existing surface station buildings to remain, and an expected increase in passenger numbers for the full rail link between Chatswood and Parramatta. As honourable members know, the rail link has been cut in half—it stops at Epping. To my considerable astonishment, and the astonishment of many others, the design of the station building at Epping has been greatly expanded and the northern station heritage building is to be knocked down. I cannot understand how you can cut a rail project in half by literally halving the length of rail line, but dramatically increase the size of the station proposed for a railway link that was to be double the size of what will now be built. It does not make sense to cut the railway line in half but double the size of the railway station, particularly when one considers that a heritage building will be lost.

Another very important argument is the extra money that will be spent above and beyond the refurbishment of the station as originally proposed. The money that will be spent on building a significantly bigger station than originally proposed should be spent on providing commuter car parking in the vicinity of Epping station. It is clear that Epping is the end of the new rail link, but the original proposal was to run it all the way through. It was anticipated that people getting on the train at Carlingford would have access to a big computer car park, but that car park will no longer be built. A number of rail commuters who would have boarded the train at Carlingford will now have to drive to Epping, but there is nowhere for them to park their cars. The Epping area faces a dramatically escalating car-parking problem because the project has been cut in half.

It makes no sense to double the size of the station when the line has been cut in half. As a priority, the extra money that will go into the development of a much larger station should be used to provide increased commuter parking. Page 3.14 of the ERM Mitchell McCotter report of December 1999 has a table based on 1996 figures that shows that the number of people coming to Carlingford by car was expected to increase by 60 to 520 in 2006 and to 600 in 2021. Car parking facilities must be provided in Epping for some of those vehicles. If the money earmarked for the upgraded and enlarged station building is not put into commuter car parking there will be chaos, and commercial businesses in Epping will suffer because full-time commuters will park their vehicles in spots that should be reserved for shoppers.

## GEORGES RIVER FORESHORE LAND

**Ms ALISON MEGARRITY** (Menai—Parliamentary Secretary) [5.13 p.m.]: On previous occasions I have spoken about the Federal Government's intention to sell three kilometres of foreshore land along the Georges River from Sandy Point to Alfords Point in the Menai electorate. Honourable members may recall that the community was alerted to the Federal Government's intentions when Defence land was transferred to the Commonwealth Department of Finance and Administration, and consultants were engaged to prepare the land

for sale. It is a process that my community has witnessed several times. A 1996 study into the land revealed that it contained populations of quolls, koalas and eastern grey kangaroos, and also retained some of the endangered Cumberland Plain woodland. Peak environmental and local community groups have been fighting as one to preserve this land for more than 18 months. In April 2002 I moved the following motion in this House:

> That this House:
>
> (1) opposes the Federal Government's intention to sell public and environmentally sensitive bushland along the Georges River; and
>
> (2) calls on the Federal Government to transfer this land to the Georges River National Park.

Since then, several thousand people have signed a petition I prepared and circulated. Last year the shadow Federal Minister for the Environment, Kelvin Thomson, joined the honourable member for East Hills, community representatives and me on an inspection of the area from a boat on the river. Mr Thomson pledged that the Federal Opposition would protect and conserve the land. However, during the same period I am sad to report that a straightforward commitment or detailed information about the future use of the land was not forthcoming from the Federal Government. Senator Abetz simply stated that the land was "now surplus to Commonwealth requirements".

All of the land is contained in the Sutherland shire part of the Menai electorate. For some time the Sutherland Shire Council has been preparing the people's local environment plan. This instrument addresses land use and other zoning issues across the shire. In the first draft of that document that was put on public exhibition, consideration of the Federal land that is the subject of my private member's statement together with three other adjoining parcels of land was deferred. The council's initial investigations had determined that a large proportion of the total area was unsuitable for development. The council also resolved that further studies should be conducted and that negotiations involving all four land-holders should take place.

However, in a breathtaking backflip that would be worthy of an Olympic gold medal, the Federal Government's submission to the draft people's LEP strenuously objected to any residential development in any part of the deferred area. The big question is, of course: Why the sudden change of heart? In the absence of any public explanation by the Federal Government I have carefully read the submission made to Sutherland Shire Council. I was trying to discover the reasons for such a complete turnaround. The submission, dated 30 May 2003, stated:

> The LEP has been reviewed with regard to the impact it may have on Defence operation and similarly the impacts the Military land use may have on the local environs.

It continued:

> Subject to further investigation, there is potential for future investment of up to $0.25 billion in LMA [Liverpool military area] by Defence. It is therefore essential to ensure a practical approach to compatible land use-planning decisions surrounding LMA, to protect the future menity of surrounding land uses and the full operational capacity of the Defence facility.

The submission recommends a specific enabling clause, such as:

> *Any proposed development (land use) on land surrounding Commonwealth Defence Land must have regard for the ongoing operation of Defence land use purposes.*

A section of the submission headed "Noise and Vibration" refers to military activity involving artillery and aircraft. Again there is a reference to the "future proposed increased capability of the Liverpool military area". There are passing references to trespassing and public safety, as well as bushfire hazard and arson. The author, Michael Pezzullo, Assistant Secretary Strategic Planning and Estate Development, states:

> For reasons outlined by this submission Defence will maintain opposition to any future rezoning application that proposes increased residential development on land surrounding Defence land.

What do future investments of $0.25 billion and proposed increased capability mean? My investigations have revealed that the future capability involves the location of anti-terrorist activities, including black hawk helicopters, to the Holsworthy area. This will have a substantial impact on my community. Where will the flight paths be? When will they come clean and tell our community what they have in mind? So far they do not have a great track record. How about they let us know, once and for all, what is intended instead of engaging in this hide-and-seek exercise?

## CROOKWELL DISTRICT HOSPITAL OPERATING THEATRE CLOSURE

**Ms KATRINA HODGKINSON** (Burrinjuck) [5.18 p.m.]: The rural centre of Crookwell is a great place in which to live, and one that is looking forward to significant growth as more people seek a place to enjoy a rural town based lifestyle. Crookwell is large enough to offer a significant range of services, but small enough that people greet each other warmly as they walk down the street. In short, Crookwell is a great place in which to live and work. But recent actions by this State Labor Government give the impression that it is intent on destroying the lifestyle of this unique and charming rural centre. The past three issues of the *Crookwell Gazette* have highlighted three separate local concerns, which together pose a significant threat to Crookwell. On 2 October the front page headline was "Small Clubs hit hard by proposed Pokie Tax" and the article quoted the manager of the Crookwell Bowling Club, Brad Cartwright:

> A lot of the things that the NSW Government have been sending out [about the poker machine tax] have been misleading or false.

The next issue reported on the public meeting about the regional review of local government services, which I attended. The meeting was held at very short notice, in the middle of a working day, but there was standing room only in a packed auditorium. The consensus of local opinion, as accurately reported by the *Crookwell Gazette*, was "Local sentiment is: Leave us Alone".

The third local issue, which I want to concentrate on today, was reported on 9 October. It relates to the permanent closure of the operating theatre at the Crookwell District Hospital. The decision to close the operating theatre was made with what I can only describe as indecent haste and with little real consultation with the local community. The Southern Area Health Service has justified the decision to close the theatre on safety grounds, due to the failure of the hospital generator during a blackout. The other reason given for the closure was changes in standards for clinical practice based on safety and the quality of services.

The Southern Area Health Service has said that the closure of the operating theatre is not downgrading the services at the hospital, but that just does not make sense. One day a patient can have an operation at the Crookwell District Hospital and the next day the operating theatre is permanently closed. The service is no longer available, so is it really suggested that services at the hospital have not been downgraded? That just sounds like public service doublespeak to me. During an 11-hour blackout on 24 January 2001 the emergency power system at the Crookwell hospital failed. I have been told that locals rallied to the assistance of the hospital. Power was restored when a local farmer donated the use of a portable generator. That is the sort of helpful and supportive community with which Crookwell is blessed.

I took up this issue with the Minister for Health. As a result, about 18 months ago a new generator was installed. Obviously the Southern Area Health Service did not properly oversee the installation, as it was the failure of this new generator that has been used to justify the closure of the operating theatre. The emergency power system in a hospital is supposed to work. The Southern Area Health Service stated that the emergency power system failed because of high power usage during a blackout—precisely the circumstances in which an emergency power system is supposed to operate flawlessly! The Southern Area Health Service has also said that changes to standards for clinical practice meant that the operating theatre was no longer safe. I have to accept that as fact, but I ask why the theatre was closed, rather than upgraded to meet the new standards.

The Southern Area Health Service Clinical Services Plan 2001-2006—sometimes known as the Carla Cranny report—is being used to justify this stripping away of local health services. The plan unashamedly states that it reflects the strategic directions of the New South Wales Government. It is a health bureaucrat's dream: it concentrates nuisances, such as patients and operating theatres in centralised locations far removed from the places where patients actually live. Now patients from Crookwell will have to travel some 50 kilometres, away from their families and support networks, to Goulburn for minor surgery that used to be performed in Crookwell. The Crookwell doctors who used to perform this surgery in Crookwell will now have to travel some 50 kilometres to Goulburn to operate on patients who have travelled from Crookwell. People who live in Binda or Bigga or even in more outlying villages or towns travel even greater distances because they have to go to Crookwell first and then to Goulburn.

The justification for this increasing centralisation is nothing more than Labor’s cost cutting, slash-and-burn approach to local services in rural New South Wales. Under the clinical services plan, local hospitals such as Crookwell, Boorowa and Yass, which for years have been the centre of local health care, will be now become little more than aged care and community health facilities. The great crime about this approach is that it does not take into account projected growth in the demand for services. Crookwell is a growing and vibrant community

that deserves more, not fewer, services. In this year alone, Crookwell Shire Council has approved the development of an additional 86 dwellings and building lots. Next month a developer will lodge an application for the subdivision of 64 town lots in Crookwell. There will be 150 new houses and new residents in Crookwell this year alone.

I call on the Minister for Health to reverse this backward and regressive decision by a health bureaucracy that is intent on slashing local services in its ever-increasing push for centralisation at the expense of providing real services for the real people of Crookwell. [*Time expired.*]

## EASTERN DISTRIBUTOR CONSTRUCTION HOMES DAMAGE COMPENSATION

**Ms CLOVER MOORE** (Bligh) [5.23 p.m.]: Despite the Eastern Distributor's consent condition 41, which requires damage from the project to be fully repaired at no cost to the owners, residents whose homes were damaged by the construction and operation of the Eastern Distributor have been subjected to years of neglect and maladministration. The debacle drags on, four years after the Eastern Distributor began collecting tolls and over two years since an independent inquiry confirmed residents' fears that their homes in Redfern, Surry Hills and Woolloomooloo had been damaged by the construction and operation of this toll road. Damage ranges from small cracks in many rooms to one home having gaps wide enough to put a hand through. The heritage castellated building on the former Resch's site on South Dowling Street has a widening crack that is zigzagging up two storeys.

In March 2001 when the former Minister for Urban Affairs and Planning announced the findings of the independent inquiry, he reported that urgent repair work would begin that month. In October 2003 most repairs still have not been competed. Over the past month my office has again contacted the 35 affected home owners in the Bligh electorate about progress on their repairs and their experiences. I have received advice from 29 of these households. A factor common to all affected residents is frustration, anger and exhaustion. Residents are disgusted with the way their claims have been managed. Many have told me that they feel the process has been deliberately delayed in order to exhaust them and force them into accepting inadequate compensation.

A brief report last week from the Minister for Infrastructure and Planning stated that a resolution has been obtained for 25 of the 42 properties approved for compensation. The residents have told me that they only reluctantly accepted an offer in order to end the saga. Only one resident has confirmed that repairs have been completed and that they are satisfied with the outcome. In almost every case in which residents have accepted a financial payment, they have told me they do not believe it will cover the full cost of repairs. Many offers were under $1,500, which residents believe will not cover the labour, repair, and painting costs for immediate damage.

The department has not responded to residents' requests for structural engineers' and geotechnical reports to assess the risk of problems continuing. Many residents remain worried that the cracking and warping in their home is worsening. They fear that their homes may need underpinning to provide a permanent solution, and they do not want to simply paint over the problem. The Minister's report also tells me that in June his department advised the Roads and Traffic Authority to commence rectification works or to arrange for cheques to be given to the owners. Most of the residents tell me they are still waiting for payment or for work to commence. Seventeen properties approved for restoration over two years ago are still being actively disputed by the Department of Infrastructure, Planning and Natural Resources. Residents who are negotiating for a better outcome and are being forced to get further quotes for work make counter offers and wait for a response.

A major continuing frustration is that the department's offers are for minimal cosmetic or limited repairs, with a small one-off payment for possible future damages. In cases in which residents obtained quotes from qualified contractors, the quoted repair costs have consistently exceeded the compensation offered—sometimes many times over. One resident who received quotes of more than $50,000 has been offered $1,500. He has not accepted, and is now seeking legal advice. A copy of a dilapidation report on his property prior to the toll road's construction still has not been provided, despite many requests. The treatment of these residents whose homes have been damaged by the construction of a $680 million public infrastructure project by a private company is shameful, stingy and mean.

Estimates of the total repair costs for these damaged homes were initially put at over $2 million following the completion of the independent inquiry in 2001. Following years of bureaucratic stonewalling, residents are worn out and have been worn down to accept minimal compensation. From the information provided to me by residents, I estimate that the total compensation payable could well be under $500,000. That

is a mere fraction of the tollway project's cost. Some residents whose homes have been damaged are angry that the numerous consultants, advisers, investigators, project managers and government bureaucrats have probably received more throughout the saga than they have.

When I met with the Minister in April this year after he took over the Infrastructure and Planning portfolio, he agreed to fulfil Eastern Distributor consent condition 41, which requires damage to be fully restored at no cost to the owners. Based on what my constituents tell me, this condition has not been met. I ask the Minister to review the outcome and include in the review the residents who have reluctantly agreed to inadequate compensation, and to ensure that these homes are restored at no cost and with compassion and sensitivity to the owners.

## DEPARTMENT OF AGEING, DISABILITY AND HOME CARE
## MS JACKIE MUDGE DISABILITY FUNDING WITHDRAWAL

**Ms GLADYS BEREJIKLIAN** (Willoughby) [5.28 p.m.]: I mention a matter of immense concern. On Monday 29 September my constituents, Mr and Mrs Mudge of Middle Cove, approached my office justifiably upset after they were advised that funding which had been provided to their 24-year-old intellectually handicapped daughter and stepdaughter, Jackie, to provide 25 hours of supervision per week would be withdrawn by the Department of Ageing, Disability and Home Care. As upsetting and as shocking as the news of the withdrawal of this funding is for my constituents, equally concerning are the circumstances in which my constituents were advised of this decision, the lack of notice provided, and, according to the department's own admission, a complete lack of concrete options for support to be provided through other agencies.

The facts surrounding this case are intensely personal. However, after numerous attempts to reverse this ill-thought out decision, my constituents feel they have little choice but to have this issue raised in Parliament so the future of their daughter, Jackie, and of many others in similar situations in this State might be considered. Jackie has been diagnosed with Asperger's syndrome, part of the autistic disorder spectrum, as well as mild intellectual disability, functioning at a level lower than 99.9 per cent of the population. That diagnosis was made approximately 11 years ago. Asperger's syndrome is characterised by severe and sustained impairment in social interaction and the development of restricted, repetitive patterns of behaviour, interests and activity. Socialisation is Jackie's lowest area of functioning. In particular, her interpersonal relationships are at the level of a seven-year-old and her coping skills are at the level of seven years and eleven months.

Regrettably, because of her condition, Jackie recently found herself in court due to incidents involving her neighbours. As a result she was charged with malicious damage and the victim sought an apprehended violence order [AVO] against her. After four court appearances the malicious damage charge was dismissed and the magistrate considered it inappropriate to burden Jackie with the imposition of an AVO because of her disabilities. It is important to note that the magistrate made his decision on the basis that Jackie would continue to be supported by her parents and the Autism 100 Program. I raise this issue to demonstrate that people in her situation are in need of constant care. Jackie has tried to seek gainful employment but was not able to retain the jobs she had managed to successfully apply for.

Jackie, and many like her, need multidimensional support. The funding that Jackie's parents received from the Department of Ageing, Disability and Home Care [DADAHC] was to support the care she received from Autism 100. Jackie's parents are in despair as to what withdrawal of the funding might mean. They both work full time and are conscious that they will not be around forever. When I asked my constituents what reason was given for the withdrawal of funding, they indicated that they had not been given one, apart from the fact that DADAHC was withdrawing support to families in similar circumstances.

I was shocked to learn of the way in which my constituents had been advised of the withdrawal in funding. To date they have not received anything formal in writing. They informed me that an officer from the department knocked on their front door to verbally advise them of the department's decision. The only other acknowledgment arrived via an informal email from a departmental officer in which the officer stated:

> As you are aware, interim funding will cease as of 30 Sept 2003 therefore support services for Jackie will also cease from that day onward. The same situation applies to other clients.

I am concerned about what this withdrawal of funding means for the many families in the circumstances I have highlighted today. I am concerned about the lack of transparency in the making of the decision, how it was communicated to the families and the lack of subsequent support. What are people such as the Mudges to do?

Without the structured environment that occupies a lot of her time and expert supervision and care, Jackie and everyone she associates with will be exposed to risk. I ask the Minister for Community Services in another place to immediately address this issue and to inform the House of the Government's position. I have been advised that interim funding arrangements may be available for another three months of supervision at a significantly reduced level: 25 hours per week down to 8 hours per week. That will simply delay the inevitable. The inevitability of this decision is placing additional stress on families who have more than enough to cope with already. The State Government must act now to address this serious matter. I look forward to the Minister's response.

## PENRITH ELECTORATE JUNIOR SPORTING ACHIEVEMENTS

**Mrs KARYN PALUZZANO** (Penrith) [5.32 p.m.]: I inform honourable members about the variety and successes of junior sport in the Penrith electorate. Recently I met with Sheridan Seymour, a young girl from Emu Heights Public School, who recently represented the victorious New South Wales girls hockey team in the State championships. Composed to the last minute, Sheridan, a fullback, saw off a number of short corners before New South Wales won the title. Xavier High School's girls soccer team recently won the New South Wales Combined Catholic Colleges Tournament. In world artistic skating, Eugene Tirados, a resident of Cranebrook, was recently selected to represent Australia.

The Nepean District Soccer Association has three teams who deserve special mention. First, the Penrith Returned Services League [RSL] Jaguars under eight soccer team not only went through the 20-game season undefeated and scored 92 goals but also conceded not one goal during the entire competition. St Joseph's 10/5 soccer team had a successful season. The only game lost was the quarter final of the President's Cup, an all-grade, against a first division team. They won their grade finals, then proceeded to the 10/4 round robin in the fourth division, which they also won. That result was replicated by the Blue Mountains soccer 9/6s, who won their grade and also the round robin. Junior netball is also alive and well in my electorate. The Penrith RSL under eight Netta team Little Stars were the RSL Netta team of the year. It had one loss and one draw in the entire season. Congratulations to the coach, Leonie Rennie, and the players.

Finally, junior sport in Penrith is exemplified by the recent victory in the National Rugby League grand final by the mighty Penrith Panthers. I offer my congratulations to each and every member of the 2003 Panthers team. What a fantastic season! The team was written off by the so-called experts at the start of the year but the Panthers overcame every challenge on their way to victory. But this was about more than just a football game; this was about the whole town rallying behind their local team. The team consisted of eight local juniors, kids from local schools who played junior league for local clubs, and have now represented their local team. Some are representing Australia. I wish I had the time to discuss each player individually, but instead I will single out just a few players who deserve special mention.

Captain Craig Gower, a junior for McCarthy Catholic High School, Emu Plains who has battled through injury all season, led the team to one of its finest moments and was rewarded with a call-up to the Australian team. The try-saving tackle of departing lock Scott Sattler changed the course of the game. What a tackle! The incredible season of fullback Rhys Wesser captured the imagination of not only Penrith fans but rugby league fans throughout the country. Coach Lang probably could not have dreamed about such a victory, but this accomplishment is a credit to his hard work, commitment, dedication and skill. It would be remiss of me not to mention the efforts of the Sydney Roosters, inspired by another local Penrith boy, Brad Fittler, a junior of St Dominic's Christian Brothers College. I commend them for the way they played the game. Congratulations on a great season!

I acknowledge also the Penrith-St Mary's Cougars, who finished runners-up in the New South Wales Premier League Competition. Again, that team is comprised of a large number of local juniors who in future years will no doubt represent the Panther's first grade side. As if those two fantastic rugby league achievements were not enough, the electorate of Penrith is also home to the winners of the Arrive Alive Cup, Australia's premier schoolboy rugby league competition. St Dominic's Christian Brothers College, Kingswood, took out this year's competition with a convincing win in the grand final. Premier Carr, who launched this year's competition, met with a number of the St Dominic's players at the beginning of the year, and no doubt offered some magical words of wisdom and strategy.

Obviously those types of results would not be possible without a strong local junior sporting spirit. Thanks to all those from the under 6s right through to our local A-grade competitions, and all the players, coaches, referees and parents who have in a small way contributed to the electorate of Penrith's outstanding junior sport. Long may it continue. I said in my inaugural speech that the Panthers were once again on the prowl. I now predict that there will be more of the same. Go Penrith junior sport!

## GLENREAGH RURAL FIRE SERVICE

**Mr STEVE CANSDELL** (Clarence) [5.37 p.m.]: The Glenreagh Rural Fire Service has put out a desperate plea to the New South Wales Government for a second fire tanker. For many years the Glenreagh brigade has protected its community from the ravages of the summer bushfires. Until July this year it managed to do that with two ageing fire trucks and a strong band of volunteer rural firefighters who daily risk their lives protecting the community. The brigade's main, and newest, tanker is 18 years old, which performs adequately considering its age. But its second tanker is a 28-years-old petrol-driven Bedford with failing brakes which, at its best, is dangerous to drive. That tanker has been rightfully retired. That left the brigade with only one fire truck to protect 175 square kilometres of country, much of it rugged bushland and forest, including small villages.

The Glenreagh fire brigade is fearful that the impending fire season will be equal to those of previous years. With only one fire truck to protect its 175 square kilometres, unnecessary loss of property and endangerment of life is a real possibility. In the event of that sole tanker being called out to control bushfires, no second fire truck is available to attend a house fire in the community or any other bushfire outbreak that occurs in that 175 square kilometre area. That is not acceptable. We might be living in the country, but we are also living in the twenty-first century.

Baulkham Hills and many other city-based fire brigades have available to them at any time first-class equipment and fire trucks. A new tanker has been promised for 2005. While that is welcome, it does nothing to instil confidence in the ability of the Glenreagh fire brigade to keep the community safe over the next two seasons. The community and I call on the Government to address this problem urgently, even if it is through the provision of a second-hand tanker to fill the void for the next two years. Something has to be done. I urge the Government to address this problem before the bushfire season escalates.

## MINISTER FOR HEALTH ANNUAL CRICKET MATCH

**Mr ALAN ASHTON** (East Hills) [5.41 p.m.]: On Sunday I had the pleasure of playing in the annual Minister's XI versus the Rest cricket match, which was held at Sydney's best suburban cricket ground, Bankstown Memorial Oval. For five of the past seven years Bankstown Memorial Oval has won that award. The former curator is now the curator at Sydney Cricket Ground. This annual match, which is held at the beginning of Mental Health Week each year, pits the side of the Minister for Health against a team of consumers of mental health services across Sydney. I pay tribute to the following members of the Schizophrenia Fellowship: the President, the Hon. Frank Walker, a former member of this place; John McCauliffe, the Chief Executive Officer of Aftercare; Joy Said, the Executive Director of Aftercare, and John Rooney. Mr Brendan Kavanagh also deserves special praise for organising the cricket match that was held on that day.

Also in attendance were the Mayor of Bankstown, Councillor Helen Westwood; Deputy Mayor, Councillor Allan Winterbottom; Councillor Dick McLaughlin; and Councillor David Blake. Both David Blake and Frank Walker acted as umpires at that match. Daryl Melham, the Federal member for Banks, and my colleague the honourable member for Auburn were also present. Cricket is a wonderful game for both the old and the young alike. It is a team game that depends on individuals working together to achieve a team outcome. The standard of the game was high and players on both sides enjoyed themselves. I thank Bankstown City Council for its role in making this ground available. I thank the volunteers who helped to organise the canteen, the barbecue lunch, the raffle and so many other things that occur when putting on a function for 300 or 400 people.

What made this event so memorable was the fact that the sufferers of mental illnesses were able to engage in active sporting and social events. Max, the player of the match, lives in a licensed boarding house. I had the privilege of batting while Max was batting. I managed to complete my 15 not out, which was the required number, and Max had no trouble in quickly reaching his required number. Max was overjoyed when he batted. He had to retire after a while because it was a limited overs game and when he wandered off with his 15 not out he was extremely proud. It was as though he had scored 100. When he retired he told everybody that he had scored 100, and we were happy to agree with him. I also batted with some of the other players who suffer mental illnesses, many of whom were on medication. Generally they had a great day.

The Active Linking Initiative Program, which enables those in boarding houses to intermingle with others in the community, depends on funding that was made available under a Carr Government initiative in about 1998. That program is part of the former boarding house reform project. I am advised that the program

will cease on 21 December this year unless the Government, through the Department of Ageing, Disability and Home Care, completes the promised review. I hope that it continues to fund the Active Linking Initiative Program, which is achieving such positive results for consumers of mental health services. One of the great things about Sunday's cricket match was seeing people I know well from the Bankstown-Canterbury club, which has won several premierships over the past few years in the grade competition. Those people are usually involved with professionals and elite athletes—I am sure all honourable members know who those people are—who were genuinely moved at seeing the disadvantaged and those who suffer mental health problems get such joyous excitement out of playing in a cricket match.

Those people, who are a little hardened and who are used to dealing with the Steve Waughs, the Mark Waughs and those who have played for Bankstown Cricket Club over the years, were converted. They thought it was fantastic. Events like this bring people together and lessen the fear that people have about those with a mental illness. One in five people could have a mental illness at any stage of their lives. Those people should not be distanced from the community; they should be involved. Yesterday in this House I gave notice of a motion I intend to move that acknowledges the Government's efforts in this area. Today the Premier said that the Government would allocate additional funding for mental health services. I hope that funding is re-examined at the end of the year and that this program continues.

## KU-RING-GAI ELECTORATE BUILDING DEVELOPMENTS

**Mr BARRY O'FARRELL** (Ku-ring-gai—Deputy Leader of the Opposition) [5.45 p.m.]: I speak again tonight against the State Government's attempts to foist inappropriate overdevelopment on the Ku-ring-gai community. I do so at the same time as thousands of residents are registering their concerns about the State Government's latest proposals at one of two public meetings that are being organised by Ku-ring-gai Council. I regret that my parliamentary commitments have kept me from the meeting, but I will be attending next week's meeting so that I can again hear the concerns of Ku-ring-gai residents. Like most Ku-ring-gai residents, I seek an end to this saga and a return to certainty and local decision-making in Ku-ring-gai planning affairs. I retain my strong belief that local communities are best placed to make local planning decisions and that the State Government, removed as it is from those communities and governing as it should consistently across the State, is ill-equipped to determine and respond to local environmental and planning issues.

While wanting an end to the saga, I do not do so at any price or on a fortress Ku-ring-gai basis. Instead, I simply argue that, as Ku-ring-gai continues to grow, it be allowed to ensure that future developments are in keeping with its garden suburbs character. One of the many lies expounded by successive Carr Government Ministers is that Ku-ring-gai has refused to take its share of Sydney's population growth. It is an easily exposed lie. Over the past century the area that now makes up Ku-ring-gai has progressed from timber getting to farms and orchards, through ribbon housing developments along the highway and the rail line to the garden suburbs we now enjoy. These suburbs have, for many decades, also contained their share of unit developments, as a drive along the Pacific Highway from Roseville to Wahroonga will attest. Today our suburbs also offer significant aged accommodation through nursing homes, hostels, retirement villages and, more lately, State environmental planning policy [SEPP] 5 developments.

I have raised previously in this Chamber my concerns about the unplanned proliferation of infill SEPP 5 developments across Ku-ring-gai in recent years. That occurred because the State Government deliberately used infill SEPP 5 as a weapon to try to force council to buckle to its tactics. Yet, whatever the merit of that, these recent developments at least help to expose the lies told by Ministers who continue to argue that Ku-ring-gai either refuses to carry its fair share of this city's population growth or it fails to offer a housing choice for its aged or disabled residents. The other untold lie in this affair is the State Government's refusal to commit to match existing infrastructure to desired population and density increases. Whether across the six sites, or more generally in the area covered by the draft residential strategy, nothing produced by the State Government over the past four years offers any hope for improvements to existing overworked and at-capacity infrastructure like roads, water, sewerage and our rail system.

I again use the example of the proposed Lindfield development, one of the six sites for which the Minister has assumed direct control. Not only are there no plans to ease existing horrendous traffic congestion and safety issues, there are no plans to improve access to the railway station platforms. According to the Government, those development plans are predicated upon encouraging a greater use of our public transport infrastructure. It is a con from start to finish. The State Government's silence on this infrastructure issue demonstrates that it is interested simply in giving the green light to its developer mates and not the responsible and integrated planning that its rhetoric suggests. If either Minister were fair dinkum they would reveal to

residents the essential flipside of the development coin: the improvements needed to allow local infrastructure to cope with the proposed population increases.

I again join with residents in stating my concerns about the process, motives and goals of the State Government in this exercise. Without raking over old coals, I again express disappointment with council's past antics that, as I have previously said, have not in my view served the community well. The resultant delays and those caused by the Department of Planning have clearly worsened the situation that Ku-ring-gai faces. That is most evident in the proliferation of infill SEPP 5 developments and the former planning Minister's decision to take direct planning control of six sites. Those past actions also contributed to the crisis faced by those families who live in the so-called special areas and who, despite their unique environmental and other character, were nominated for the type of intensive development that is now proposed.

This is an issue about which I remain outraged. It is an issue that some local councillors have attempted to cloud or disown. But it is an issue that I intend to revisit in the coming weeks so that residents can be clear about what happened and who was responsible. Nevertheless, I acknowledge the progress and advances made over the past year under the leadership of Mayor Ian Cross and General Manager Brian Bell. Neither of those gentlemen has an easy task. In my view they have at all times upheld the interests of Ku-ring-gai. It is an approach that seems to have struck a chord with the assistant Minister, who has perhaps written the most constructive and positive letter that council has ever received in its dealings over the residential strategy. But what residents are discussing at tonight's meeting, and again next week, is stage one of a two-stage process.

This residential strategy applies to the Pacific Highway-railway corridor and the vicinity of the St Ives town centre. Its resolution will deliver an exemption to these areas. But of course a far greater area of Ku-ring-gai—almost 80 per cent—will have to be dealt with in a second stage to achieve those same exemptions. In that context I regret the delays and State Government's manoeuvrings. The issue must be dealt with as quickly as possible after the current strategy is resolved so that all of Ku-ring-gai can receive the SEPP 53 exemption that it needs and deserves. Only then can there be certainty for future planning in Ku-ring-gai. We certainly cannot afford to repeat the same tortuous saga a second time. To do so would be to risk further damage to Ku-ring-gai's character.

Yet the desire to complete expeditiously a housing strategy for all of Ku-ring-gai runs us into the State Government's delayed local government elections. It is a result that some councillors have always hoped for, and it is regrettably clear from the actions of a number of them that politics and self-interest and not the wider interests of the residents of Ku-ring-gai have taken hold. I make this plea to those councillors: Now is not the time to play politics on this issue; too much is at stake. I urge them to think seriously about their obligations to the local community and to recognise that further delaying tactics will simply play into the hands of a State Government that already has the whip hand and little love for our community.

What is at stake is important for current and future generations—those living in Ku-ring-gai now and those who, like so many residents, will move to the area because of its environment and character. Unfortunately, this is no David and Goliath battle. In this instance a State Government, Goliath, has all the weapons—legislative power and court precedent—so it can treat David as it chooses. I remain fearful of the State Government's using its powers to appoint a planning administrator to Ku-ring-gai to take control of all local planning issues until a residential strategy has been completed for the whole local government area. To continue the biblical theme, that would represent Armageddon for my community. Yet I continue to hear rumours out of Phillip Street of a former senior planning bureaucrat who is reputedly available to undertake such a role. This issue must be resolved and no excuse or justification must be offered to permit the State Government to appoint a planning administrator.

**Ms DIANE BEAMER** (Mulgoa—Minister for Juvenile Justice, Minister for Western Sydney, and Minister Assisting the Minister for Infrastructure and Planning (Planning Administration)) [5.50 p.m.]: The Deputy Leader of the Opposition is trying to have two bob each way. The Sydney area has an obligation to take in about 1,000 new residents each and every week. However, Ku-ring-gai continues to drag the chain in this regard. I am sure that the Deputy Leader of the Opposition agrees that it must get its residential strategy on track and that he supports efforts to expedite that outcome. The plan that is currently on exhibition is fraught with difficulty because Ku-ring-gai has refused absolutely to make important changes. The Deputy Leader of the Opposition said that 80 per cent of Ku-ring-gai is not represented on the plan. However, Ku-ring-gai Council has exacerbated that problem. It must get its act together.

The Deputy Leader of the Opposition acknowledges that there are some who call for no development in Ku-ring-gai. They want people to bury their heads in the sand. That will not happen. The Government will continue to push the council to do the right thing by its residents and take its fair share of the new houses that

will be constructed throughout the entire Sydney metropolitan area. My electorate and that of the honourable member for Liverpool, who is in the chair, comprise areas of profound growth. Growth in the electorate of the honourable member for Camden is running at 8 per cent per annum. Ku-ring-gai would be lucky to accommodate eight new residents per annum. People who would love to live in Ku-ring-gai cannot do so because of inadequate housing choices. Many Ku-ring-gai residents complain that they would like to live in age-appropriate housing but it is simply not available. I urge Ku-ring-gai council to get its act together and to develop a plan that can be exhibited.

## WYONG CONSERVATION STRATEGY

**Mr MILTON ORKOPOULOS** (Swansea) [5.52 p.m.]: On 4 September I raised concerns about the decision by the majority Liberal councillors on Wyong Shire Council to postpone the draft conservation strategy yet again until after the local government elections in 2004. I remind the House that the Wyong draft conservation strategy was begun five years ago, with more intensive work being undertaken in the past two years. The strategy identified that the expected losses to continuing urban development are estimated to be in the vicinity of 650 hectares of native vegetation and 137 hectares of regenerating vegetation. Parts of the Swansea electorate are clearly under siege from developers, and maintaining green corridors is vital. Councillor Doug Eaton successfully postponed the council's consideration of the strategy in October 2002, ostensibly to enable community consultation. The mayor, Councillor Greg Best, indicated that the strategy was postponed in September this year in order to consult with mums and dads. However, the majority Liberal councillors had no such plan; it was a lie. The only plan they had was to destroy the strategy.

A short time after my speech on 9 September the councillors revealed their real agenda when Councillor Eaton moved that the draft Wyong conservation strategy not apply to private property. First, the councillors refused to adopt a policy document five years in the making and then they postponed public consultation for the second time in 12 months. Rather than consulting the public, they successfully moved three weeks later that the policy not apply to private property owners. Why do we suppose the councillors are so anxious to kill the strategy? It is because at least two councillors who supported this tactic have a massive conflict of interest as they are major property owners in the shire. At no stage during the debate when the matter came before the council in October 2002 and September 2003 or during the infamous meeting on 8 October 2003 did councillors Doug Eaton and Brenton Pavier declare their pecuniary interest and abstain from voting on any of the motions.

Both councillors have indicated separately their desire to develop and commercially realise their property holdings. The properties are affected by the draft conservation strategy as they encompass areas of critical environmental importance. The councillors had no intention of committing the council to the $70 million strategy because it did not suit their pockets to do so. They resorted instead to the grubby tactics that I have described in an attempt to kill the strategy. I have referred the councillors' actions to the Independent Commission Against Corruption, and written to the Minister for Local Government seeking a departmental investigation of their actions and the legality of the decisions taken by the council in this matter. I believe they have shown by their behaviour that they are unfit to hold public office. The councillors were supported by councillors Bob Graham, who is a former member of this place, Don Cawthorn and Robin Stewart and by the mayor, Councillor Greg Best. They have not distinguished themselves by their support for such a corrupt process.

The Central Coast planning office of the Department of Infrastructure, Planning and Natural Resources will soon request Wyong Shire Council to revisit its September 2003 decision to defer consideration of the strategy until after the 2004 March elections. When that occurs I expect any councillors who have a conflict of interest to obey the law and to absent themselves from the debate and abstain from the subsequent vote. Then, and only then, can the council address the matter legitimately and finally make a decision that is important to the future planning needs of the shire and not the pockets of developers who happen to be councillors.

**Ms DIANE BEAMER** (Mulgoa—Minister for Juvenile Justice, Minister for Western Sydney, and Minister Assisting the Minister for Infrastructure and Planning (Planning Administration)) [5.57 p.m.]: I congratulate the honourable member for Swansea on highlighting for the House his concerns about the propriety of councillors and on calling for a review of the council's decision regarding the Wyong shire conservation strategy. We are well aware that certain councils defer decisions on the basis not of proper planning processes but of other interests. I applaud the Department of Infrastructure, Planning and Natural Resources for deciding to request that council revisit its decision. I implore councillors to make a decision based on the merits of the proposal before them and to have no regard to other interests. I ask those councillors with a conflict of interest to remove themselves from the council chamber when the debate occurs so that a proper decision may be taken.

## DEATH OF DR BRIAN DICKENS

**Mr TONY McGRANE** (Dubbo) [5.59 p.m.]: I draw the attention of the House to the recent death of Dr Brian Dickens. The local newspaper described Dr Dickens, who died on 20 September at Lourdes Hospital in Dubbo, as a giant of a man. This highly respected general practitioner founded the Westhaven Association, a local organisation that has been in existence for nearly 50 years and provides training, accommodation and employment for people with an intellectual disability. In late 1953 Brian and his wife, Eula, travelled to Dubbo with their first child, Peter, and their life savings of £200. A daughter, Susan, was born in March 1955 and a second son, William, was born in September 1957. Brian and Eula were married for 51 years, and Eula's love, sacrifice and support made Brian's many achievements possible.

Medicine played a huge part in Brian's life. He was a typical family doctor. Brian was trained in obstetrics at the Royal Prince Alfred Hospital, Sydney, which stood him in good stead because he was constantly delivering babies and, in time, the babies of some of those babies. Patients sought Brian's personal qualities as well as his medical skills. He was an approachable person and easy to confide in. He was a wonderful listener and not one to judge other people. People could see that he was humble, compassionate, strong and gentle. Brian Dickens has been accurately described as the father of Westhaven. That organisation had its foundations in the formation of a branch which was called the Sub-Normal Children's Welfare Association. He saw in his work as a doctor that disabled people in regional areas were not being adequately catered for. Brian was a tireless worker for Westhaven, and its concept, which he saw clearly back in 1957, was visionary. Brian was president of the Westhaven association for some 27 years and served on the board for many other years.

In 1970 he was appointed an Officer of the Order of the British Empire. The citation read: "In recognition of services to the community". He was twice elected and served as an alderman on Dubbo council from October 1971 until September 1977. He never campaigned but simply put his name forward, and a sign of the regard with which he was held is that on each occasion he was one of the first persons elected in the vote. In August 1971 he was presented with an award by the RSL in recognition and appreciation of national service to the community and Australia. On Australia Day 1981, he was named Citizen of the Year of Dubbo, which award was jointly sponsored by the Dubbo City Council and the National Australia Day Committee. During this time it was very difficult for Brian because his only daughter Susie was very ill with leukaemia. Susie died in July 1981 at the age of 26. This was a terrible blow to Brian as, notwithstanding all of his qualities as a doctor, he was powerless to do anything in the face of that terrible disease. It speaks loudly of his strength and courage that notwithstanding this tragedy he continued to serve the community by helping where he could.

In June 1986, he was appointed a Member of the Order of Australia. The citation read: "For service to the mentally and physically impaired". In 2001, he was Vice-President of the Dubbo RSL Aged Care Association, having served on the board of that organisation for many years. In that role, he worked hard to ensure the establishment of Orana Gardens in Dubbo—a great concept for the care of the aged—on which some $16 million has been spent. Brian was a great citizen of Dubbo and Australia. He was a great Australian bloke, a true friend. On behalf of the electorate of Dubbo I convey my deepest sympathy to his wife Eula and his sons, Peter and William.

## HOMEBUSH-STRATHFIELD COMMUNITY CENTRE MEALS ON WHEELS

**Ms VIRGINIA JUDGE** (Strathfield) [6.03 p.m.]: I draw the attention of the House to the important and wonderful work that Homebush-Strathfield Meals on Wheels undertakes in the Strathfield-Homebush area in the electorate of Strathfield in Sydney's inner west which I have the privilege and honour to represent. Almost every day more than 20,000 people throughout New South Wales receive meals delivered by about 240 local meals on wheels food service organisations. At last count, just over 35,000 volunteers were regularly giving their time and skills to this marvellous community service. Homebush-Strathfield Meals on Wheels has been delivering for more than 30 years, originally providing meals from people's kitchens. Now, between 75 and 80 volunteers deliver more than 900 meals per month to between 60 and 70 clients throughout the Strathfield local government area. Clients receive a nutritious and tasty meal delivered by volunteers who have the time also to stop and have a friendly chat.

On Wednesday 8 October I attended the organisation's annual general meeting at Strathfield Community Centre in Bates Street, Homebush, and was pleased to meet many of the wonderful volunteers who provide this outstanding community service. I believe the oldest volunteer in the service is Eric Brown, who had his ninetieth birthday a couple of days ago on 12 October. It is incredible that he delivers meals two or three times per week and assists in the office of the meals on wheels service. Homebush-Strathfield Meals on Wheels

is more than a food service. The volunteers offer many frail and isolated people opportunities for social interaction. The organisation also offers a monthly lunch for clients, and outings for clients to clubs or on picnics. From time to time theme lunches are held. Some themes include Black Cat Friday, Valentines Day, and of course Christmas and Easter.

All of this is made possible by the meals on wheels co-ordinator, Cheryl Brown, her assistant, Maree McDougall, and the management committee: Anne Sheppard, President; Ken Goodrick, Vice-President; Penelope True, Vice-President; Mary Baggott, Secretary; Timothy Wynn Jones, Treasurer; Ann Burton, committee member; David Mittelheuser, committee member; and Peter Hunter, committee member. The rest of the committee and co-ordinators comprise: Emileen Aboud, Dorothy Anderson, Roy Bennie, Elizabeth Bentley, Eric Brown, Anna Bruscino, Bee Burland, Ted Burton, Nalaeni Chandrasegar, Audrey Clark, Mary Cook, Col Corby, Pat Croucher, Yvonne Duckitt, Eve Dutton, Margaret Elias, John Fabien, Marie Therese Fabien, Norrie Garvie, Lynette Gett, Betsey Grieve, Mouna Hallit, Catherine Hallworth and George Hallworth.

Others include: Maryke Hayward, Ann Maree Holmes, Zilla Hozack, James Jarvie, Jan Jenkins, Janet Johnson, Dennis Jones, Tom Kennedy, Pauline Khu, Jenny-Johanna Latham, Joong Gee, Doug Lillyman, Lois Lillyman, Kate Morgan, Emma Kate Lindsay, Alan Lynch, Joseph Daniel Malepa, Julia Mangioni, Billie Maxwell, Ron McMillan, Margaret McNamara, Elaine Mittelheuser, Carmel Monaghan, Beryl Morahan, Joan Murphy, Alwyn Murray, Jayant Nerurkar, Wilma O'Loan, Bernie Paul, Margaret Perry, Jack Pigram, Kath Pigram, Pushpa Pulendiran, Ron Ritchie, John Roberts, Melanie Robinson, Hasyby Saad, Marlene Smith, Trudi Smith, Shari Soboslay, Dorothy Spratt, Elizabeth Stubbs, Carol Surtees, Wilfred Tan, Seetha Vamathevan, Margaret Vella, Colleen Wadley and Catherine Wong.

I want to say a special thank you to all the volunteers who freely give their time in such a generous, kind way to build social capital and enrich the lives of the senior members of the community. They all do wonderful work and I am so fortunate to have such dedicated people who are prepared to give up their time, energy and compassion for other people.

**Private members' statements noted.**

[*Mr Acting-Speaker (Mr Paul Lynch) left the chair at 6.07 p.m. The House resumed at 7.30 p.m.*]

## BUSINESS OF THE HOUSE

### Bill: Suspension of Standing and Sessional Orders

**Mr FRANK SARTOR** (Rockdale—Minister for Energy and Utilities, Minister for Science and Medical Research, Minister Assisting the Minister for Health (Cancer), and Minister Assisting the Premier on the Arts) [7.30 p.m.]: I move:

> That standing and sessional orders be suspended to allow the passage through all stages at this sitting of the Sydney Water Amendment (Water Restrictions) Bill.

Water restrictions commenced on 1 October 2003 and fines for breaches of mandatory water restrictions will commence to be imposed from 1 November 2003. The provisions of this bill are necessary to ensure the efficient and effective enforcement of these measures. The urgency of the matter is that the deadline is 1 November, and that is the reason I move for suspension of standing orders to deal with this bill forthwith.

**Mr BRAD HAZZARD** (Wakehurst) [7.33 p.m.]: It is quite ridiculous that the Carr Government arrogantly moves to suspend standing and sessional orders to deal with a bill that the Minister says is extremely urgent, when everyone knows that outside the rain is bucketing down. That is indicative of what the Government has been doing in recent weeks to deal with the water problems of Sydney. The Minister rushed straight in here from his lord mayoralty functions with his best new friends—whom he really should keep close watch on because they are all watching over his shoulder. The Minister knows that since 1 October quite substantial reductions have been achieved in Sydney's water usage. Sydneysiders came to the table when asked to reduce water usage.

It has been reported publicly by the Minister in the last couple of days that in the first week after 1 October Sydney water usage dropped from 1,657 megalitres a day to 1,338 megalitres a day. As Sydneysiders have made that sort of contribution to water problems, why is it necessary for this very arrogant Carr Government and this arrogant Minister to find their way round the general rule that bills lie on the table for five

days before being debated? Long before the Minister arrived in this place, when he was looking out from his big office over Sydney and saying to himself, "That is how I built Sydney", there were rules in this place. As I look over to the Government side I note that, with the exception of the Minister for Gaming and Racing, these are all new boys and girls on the block who have no appreciation of how important it is that the standing orders of this Parliament be respected and implemented. The Minister should have allowed the bill to lie on the table of the House to enable the community to learn through consultation what the bill is about.

**Mr Frank Sartor:** Listen to the second reading and I will explain it to you.

**Mr BRAD HAZZARD:** It is not about explaining it to me. I know what stupidity you are up to. The community is entitled to know how you are trying to run this State. Through this legislation you propose a full-scale frontal attack on the concept that a person's home is his castle. The Minister attacks the fundamental rights of home ownership in New South Wales, and does so without reasonable notice. What would Alan Jones or Steve Price say if they knew what was happening here? They will not be given the time of day by the Minister. I lay London to a brick that the Minister has not sent them briefings to let them know what he proposes in this stupid legislation.

The Opposition knows that the five-day rule is in place for good reason, but the Minister displays the sort of arrogance that Premier Carr has displayed quite magnificently in the past nine years—arrogance beyond anyone's wildest imagination. Coalition members believe the five-day rule should apply. The Minister should withdraw his suspension motion and allow the bill to proceed in the normal way: deliver his second reading speech and allow the community time to consider what he said, examine his arguments and consult with Opposition members if they so choose. If they cannot consult with the Minister because he chooses not to consult them, at least allow them time to come and talk to Opposition members. The Minister's approach of trying to push this legislation through is reprehensible.

**Motion agreed to.**

## SYDNEY WATER AMENDMENT (WATER RESTRICTIONS) BILL

**Bill introduced and read a first time.**

### Second Reading

**Mr FRANK SARTOR** (Rockdale—Minister for Energy and Utilities, Minister for Science and Medical Research, Minister Assisting the Minister for Health (Cancer), and Minister Assisting the Premier on the Arts) [7.38 p.m.]: I move:

That this bill be now read a second time.

This bill will improve the effectiveness of the enforcement of water restrictions in Sydney Water's area of operation. The Government announced on 11 September this year that mandatory water restrictions will be introduced across Sydney, the Illawarra and Blue Mountains from Wednesday 1 October. It was also announced that on-the-spot fines of $220 will apply to those who ignore the restrictions from Saturday 1 November when the one-month warning period comes to an end. When the restrictions were announced, our dam levels had dropped to just 60.5 per cent of total capacity, 13.5 per cent lower than at the same time last year. As at 9 October, storage had further decreased to 58.9 per cent despite the rain that has fallen in Sydney in recent weeks. This demonstrates just how important saving water will be as we enter Sydney's hottest months.

The community's response to the voluntary water restrictions that were already in force had been very encouraging. But with our dam levels at the point they are now, we all need to do more to save water—thus the need for mandatory restrictions. As all members know, restrictions of any kind are much more effective if they are backed up by an effective system of enforcement with appropriate safeguards. The Sydney Water Act and Sydney Water regulation empower the Minister for Energy and Utilities to impose mandatory water restrictions and appoint authorised persons to enforce these restrictions. Mandatory water restrictions were last introduced in November 1994 and remained in place until October 1996. Sydney Water's experience of the way in which water restrictions were observed during that time has informed a number of proposed changes that will improve the effectiveness of enforcement of the restrictions. In particular, a number of legal loopholes could allow water wasters to escape liability for their actions.

To ensure an effective system of enforcement that is straightforward to implement, it is necessary to make several amendments to the Sydney Water Act and regulation. The most important change brought about by these amendments is that an owner or occupier of premises will be held responsible for water restriction breaches that occur at the premises. Under the law as it now stands, if an authorised water inspector finds that a sprinkler has been left on, but nobody is present at the premises at the time of the offence, it is generally not possible to issue a penalty notice for that offence. People who are doing the right thing by observing the restrictions would expect that if somebody turns on a sprinkler all day and then leaves home, they should not be able to escape liability because when a water inspector calls there is no-one at home to issue a penalty notice to.

For this reason, it is proposed that the owner or occupier of premises will be held responsible for water restriction breaches committed at the premises when it is not possible to establish the identity of the offender. Of course, this is not a new concept. This change will bring the enforcement of water restriction offences into line with the rules that currently apply to traffic offences when it is not possible for police to identify the driver of the vehicle. In those cases, the owner of the vehicle is held responsible for paying the penalty notice unless the owner proves that he or she is not responsible for the offence. As is the case for motor vehicle offences, if an owner or occupier was not liable for the offence, it will be possible for them to swear a statutory declaration to this effect within 21 days of receiving the penalty notice.

As members will be aware, there are significant penalties for the provision of false information in a statutory declaration. These rules will ensure that water wasters who are not present at the time an offence is committed or who refuse to provide proof of their identity can be held to account. The community expects no less. Indeed, the whole principle is to ensure equity amongst the entire community, although most people will likely observe the restrictions. Another key to the effective enforcement of mandatory water restrictions is the ability of authorised persons to properly investigate possible breaches of the restrictions wherever they occur on a person's property. For this reason, the bill provides persons authorised to enforce water restrictions with a clear power to enter onto land to investigate possible breaches of water restrictions and to take photographs of the offence.

Section 38 of the Sydney Water Act already contains broad provisions that empower Sydney Water personnel to enter land for a variety of purposes. These include reading water meters, carrying out work on the land, rectifying defective or improper work, ascertaining the condition and location of pipes, sewers and drains, and determining whether a customer contract is being breached. However, investigation and enforcement of water restriction notice offences is not expressly identified among the powers of entry. To avoid any doubt, the bill provides specific powers of entry onto land for the enforcement of water restrictions and authorises inspectors to take photographs in connection with the investigation. This power has been carefully constrained by a number of safeguards that have been built into the bill.

The bill will allow authorised persons access only onto the land, not into people's homes or other enclosed structures on the land, such as garages. The authorised officer must have reasonable grounds for suspecting that a water restriction offence is being committed and must show identification when asked by occupier of the property. The power of entry must be exercised at a reasonable time, and no force of any kind may be used in exercising the power of entry. Authorised officers are empowered to remain on the land only as long as is necessary to investigate the potential offence. Once their investigation is complete they must leave. The power of entry so granted is proportionate and appropriate to the offence under investigation. People flouting water restrictions should not be entitled to escape liability for their actions just because they are not visible from beyond the boundaries of the property.

Sydney Water is developing guidelines for authorised officers who will enforce water restrictions. These guidelines will be made available to Sydney Water officers and council rangers. The guidelines will detail the procedures that authorised officers must follow in enforcing water restrictions. As well as improving the effectiveness of the mandatory water restrictions, the bill also addresses the serious issue of water theft. The bill increases the maximum fine for water theft to better reflect the seriousness of this offence. Accordingly, it is proposed to double the maximum penalty for the theft of water to 200 penalty units or $22,000 for individuals and 400 penalty units or $44,000 for corporations. The increase in the maximum fine brings the penalty in line with similar offences under the Protection of the Environment Operations Act.

Penalty notice provisions will also be introduced, enabling the imposition of on-the-spot fines for water theft offences. By increasing the maximum fine for the theft of water, the Government is sending an unambiguous message to water thieves. The bill also transfers the jurisdiction of the Supreme Court to the Land and Environment Court for water restriction and water theft offences. This will allow prosecutions for major

breaches of the Act to be brought in the Land and Environment Court, rather than the Supreme Court, while minor offences will continue to be dealt with in the Local Court. The Land and Environment Court deals more regularly and in more detail with regulatory offences relating to the environment and the addition of water offences will complement its existing jurisdiction. I commend the bill to the House.

**Mr BRAD HAZZARD** (Wakehurst) [7.46 p.m.]: The bill as presented to this House should concern all right-minded people in New South Wales, indeed in Australia.

**Mr Frank Sartor:** Why? Tell us about it, Brad.

**Mr BRAD HAZZARD:** The Minister wants to hear about it. As long as he does not go to dinner, he can listen. There is absolutely no doubt that the bill is a full-scale frontal attack on the concept of a man's home being his castle. That does not worry the Carr Government because at a very simplistic level it is trying to hype up the enforcement of fines to ensure that water usage drops. The Coalition shares the concerns of the Government about Sydneysiders partaking in the exercise of reducing water usage. The water levels in our dams were dropping, although with the rain we are having one can only wonder whether that will continue. It is important to get Sydneysiders on side to ensure that water usage is reduced. But it is a matter of whether the Government needs to take a sledgehammer to the rights currently enjoyed by the citizens of New South Wales and whether the price they pay for the perceived need by the Government for water reduction is too great.

In the first full week of the compulsory water restrictions the daily water usage in Sydney dropped from 1,657 megalitres a day to 1,338 megalitres. At this point dam levels remain stable. If, through the imposition of the current penalty regime, there has been a gathering of goodwill from Sydneysiders to the point that they can manage to reduce water consumption, is it necessary to go the next sledgehammer step of granting rights that, contrary to what the Minister indicated, are quite different to those that currently exist under sections 38, 39 and 40 of the Sydney Water Act 1994. I am not arguing that the Minister could put an interpretation on it, which he has done. But it is a simplistic interpretation and it is an interpretation that is not entirely honest.

Under existing sections 38, 39 and 40, certain rights are given to people to enter upon property to carry out investigations, but not before certificates of authority under section 39 have been obtained. The current power is not at all an open-ended exercise of a power of entry. In its shambolic and simplistic way, the proposed amendments give a whole range of people, including council rangers and other representatives of Sydney Water, the right to enter upon property on a reasonable suspicion, as the Minister has stated. Of course a "reasonable suspicion" is a wide term. The bill allows that range of people to enter upon property at any time. The first point the Minister should note—perhaps he has not read it because as a Minister he does not have to read such things—is that section 40 (2) (b) contains a restriction which emphasises just how broad the attack is that the Minister is embarking upon against people's properties.

Under the current 1994 legislation, the power of entry is restricted to "a reasonable time during daylight", but the Minister has completely deleted any reference to "daylight". An examination of the bill clearly shows that the right of entry applies at any time of the day or night. Over the years the Premier has referred to the Stasi doing investigations, and this bill wreaks of the Stasi having a right to enter upon people's property at any time. Why is that an issue? Because there are many vulnerable people, including females, elderly males and females, and disabled people, who live alone.

By this bill, people with any level of vulnerability might find that their next door neighbour or somebody else has provided a supposedly reasonable basis for investigation by saying that a tap has been left running, irrespective of whether the occupant of the property played any part in allowing the tap to run. Indeed, investigating officers may even take photographs and there may be flashbulbs popping on the property in the dead of night. If that is not what the Minister intends, he has an opportunity to fix it. One of the telltale signs of a good Minister is that when that there are problems with a bill, the Minister fixes them.

[*Interruption*]

The honourable member for Heathcote, Mr McLeay, might think that is funny, but it has happened that a Minister has fixed problems with a bill after listening to the debate.

**Mr Frank Sartor:** There will be guidelines. I said that in my second reading speech.

**Mr BRAD HAZZARD:** To simply say that there will be guidelines when the Minister has so clearly overridden the restriction and safeguard contained in section 40 of the Act—that entering upon property would take place only during daylight hours—is really a pretty hollow promise. The Minister should give serious

consideration to this issue because it will drive home the fact that this Government is prepared to attack the very sanctity of a person's home at any time—24 hours a day, seven days a week. People's homes will be susceptible 24/7 to someone popping in to investigate an offence on the basis of a reasonable suspicion. Even if taps are not turned on, investigating officers could enter a person's property if someone has made an accusation. An officer who has entered someone's property is not going to say that he or she is there without reasonable suspicion, whatever the quality of that reasonable suspicion might be.

**Mr Daryl Maguire:** That might depend on the neighbours.

**Mr BRAD HAZZARD:** Before I address the comment made by the honourable member for Wagga Wagga, I point out that, as the shadow Minister for Energy and Utilities, the first time I saw this bill was yesterday afternoon at approximately 4.00 p.m. when I met with one of the Minister's staff. To the credit of the Minister's staff member, he discussed the issues with me, and some of the issues—I emphasise "some"—that I raised as the shadow Minister on behalf of the Coalition were addressed by 7.00 p.m. last night. The present bill reflects some of the issues that the Coalition raised because some provisions have been amended and some provisions have been removed. If the Minister had given the Coalition more opportunity, we would have been happy to work with him to make sure the bill was sound. However, at the moment it is a shambolic and silly bill.

The Minister may criticise the Coalition's comments, but as the honourable member for Wagga Wagga suggests, "reasonable suspicion" is a serious issue. There are community justice centres right throughout Sydney and throughout this State in which neighbours who unfortunately do not get along with each other make all sorts of accusations. This bill provides such people with an opportunity to make vexatious claims and to accost or reduce the sanctity of the land and home of other people. The difficulty is even greater than that, because the Minister drew the analogy between breaches of this bill and traffic breaches. The Minister asserted that breaches under the bill are akin to traffic breaches, but that is not the case. The two situations are remarkably different. The only aspect of this bill that is akin to an infringement notice is that anyone who receives a water penalty notice will be able to lodge a rebuttal statutory declaration. The Minister has explained that to the House, and the Coalition acknowledges that a statutory declaration provides the opportunity for the recipient to say, "No, it was not me."

The problem with that proposition is that a water penalty notice is not akin to a traffic infringement notice. With a car, when a person hands over the keys, they give someone authority to take it. If that does not happen, the car technically has been stolen. I do not know where the Minister lives, but I can tell him that there is not one house in my street that has a locked gate at the front of the property. My neighbours and I come home to find children playing in the front yards of houses, and I regularly find that taps are on and hoses are running. As responsible adults, we take steps to tell our children not to bring in the kids from next door and turn on the hose. The reality is that a water penalty notice is not akin to a traffic infringement notice because our properties are open to abuse. People can enter a property at any time and do something that the owner knows nothing about. Breaches of this legislation will not be and cannot be akin to traffic breaches. The only similar aspect is that there will be a rebuttal statutory declaration, but even that raises another issue.

The bill provides for an infringement notice to be issued to an occupier or owner. After an owner or occupier has received an infringement notice, he or she then has the opportunity to rebut it. I ask honourable members to listen to what I am about to say because it is very relevant. Yesterday afternoon I pointed out to the Minister's staff member that the Minister is about to turn criminal law on its head. No other legislation on the New South Wales statute books makes a parent responsible for the actions of a child, but according to the Minister's staff and according to what I have been led to believe on the interpretation of this bill—I asked the Minister's staffer about this and received confirmation that I was right—if one of the two classes of recipients of an infringement notice, an owner or an occupier, discovers after inquiry that the breach was committed by the kids from next door when they came onto the property to play, that will not be an excuse.

This matter is in the hands of the Minister. I recognise that his staff are trying to manage the passage of this bill through the Parliament under difficult circumstances. However, in a bizarre manner the Minister is actually attacking a fundamental tenet of our community: he will make adults responsible for the actions of a child in a quasi-criminal sense. Adults will have to pay a fine for the breach.

**Ms Virginia Judge:** What about responsibility for seat belts in a car? It is a question of parental responsibility. You are the lawyer.

**Mr ACTING-SPEAKER (Mr Paul Lynch):** Order! The honourable member for Strathfield will come to order and stop provoking the honourable member for Wakehurst.

**Mr BRAD HAZZARD:** I will politely respond to those comments by pointing out that an adult who is driving a car has a responsibility. The honourable member for Strathfield should wake up and come back to me on this when she has a law degree. The reality is that the Minister will have to address that issue. I assure the Minister that the first time an infringement notice is met with the response, "Look, it was not me, I am protecting water resources on behalf of the community, I have done the right thing" the adult owner or occupier of the property will be held responsible for the breach.

**Mr Frank Sartor:** There will be guidelines.

**Mr BRAD HAZZARD:** There will be guidelines. Is that the answer? Yesterday the Minister's adviser said that individuals will be responsible for the actions of their children or other children on their property. If that is right, the Government is utterly crackers in the way it is attacking the very fundamental understanding we all have—that we have a responsibility to manage our children and make sure they do the right thing as far as practicable but that we should not have to wear the quasi-criminal consequences of a $220 fine if our children leave a tap running when we are out. That is ridiculous. The bill is quite silly, it is shambolic, and the Government runs the risk of defeating the very good will that the Minister identified in his speech as having occurred during the first week of the Sydney Water restrictions. There are many more issues to be raised, but the Minister does not have time to address them.

**Mr Frank Sartor:** I hope they are more valid than the ones you have raised.

**Mr BRAD HAZZARD:** Are you indicating you will not respond to them?

**Mr Frank Sartor:** No. They will be addressed.

**Mr BRAD HAZZARD:** I refer to infringement notices. Yesterday the Opposition asked the Minister's adviser about the time within which infringement notices will be issued, which is crucial. The Minister's analysis, which he gave again today, is simplistic rubbish. He compared a water infringement notice to a traffic infringement notice. When the first water infringement notice is issued, and it arrives up to 12 weeks after the alleged incident, will the Minister explain how that poor soul will be able to remember what he was doing 12 weeks previously? Was he anywhere near his house? Was he responsible for a hose that had been left running? How will he remember that? Yesterday I asked the Minister's staffer to address that issue in a constructive way and make sure that a time limit was placed on the issuing of a notice. That is important because there is some chance that the recipient of the infringement notice will know where he or she was if the notice arrives within a couple of days of the alleged infringement.

I suspect that many members of this House would not know what they were doing a couple of weeks ago, because we are all busy, as are many other people. But if the Minister is not going to place a restriction on the time for the issuing of notices, I suppose he will say that the guidelines will address that. The bill does not address that issue. The proposed amendment is that upon the receipt of an infringement notice—perhaps three or five months after the alleged offence—the recipient has only 21 days in which to remember where he was and what he was doing on that day. People will have to remember whether they were at home, whether some children were on their property, or whether someone was visiting. The Opposition would not be as concerned about that aspect if the bill contained some strict requirement that infringement notices be issued within a short period of the alleged incident. But the bill is silent on that. As I have said, it is a shambolic and silly bill.

**Mr Grant McBride:** That is 15 times the word "shambolic" has been used.

**Mr BRAD HAZZARD:** The Minister for Gaming and Racing commented on the use of "shambolic". Sometimes it is necessary to repeat a word—particularly when the audience is not quite up to scratch. The bill does not really get to the heart of the problem, and I will cite another example of total idiocy in it. Someone other than the owner or the occupier—the two magic classifications—may be on a property, and perhaps a next-door neighbour has water running. Currently I am looking after two neighbour's properties. The bill provides that if someone comes marching up the driveway at any time, 24/7, only the owner or occupier can inquire as to their identification. If you leave your children at home, the same rule applies: the children do not have the right to ask those lone rangers for identification. People will be very concerned about that provision, which reflects a degree of stupidity in the way the bill is being driven through the House. All these matters could have been better addressed, given time.

A person marching onto your land in the dead of night does not have to provide identification to someone looking after your house. Your children, your grandparents or a neighbour could be looking after the

house, but the ranger does not have to show any identification. The Minister was right when he said that the 1994 bill was very strict. The Coalition was then in government and it conducted community consultation and that bill was well thought through. That Government provided all sorts of safeguards to ensure that Sydney Water officers cannot march onto someone's property unless forward notice is provided, unless they have identification, and unless they are there in daylight. The Government is reversing all those provisions and saying that the officers can enter the property at any time and not show their identification to people if they are not the owner or occupier of the property.

What if the property has a managing agent? That managing agent would not be authorised to ask for identification. Yesterday on behalf of the Coalition I suggested that a few words be added to the bill to fix this problem. I suggested that identification be produced to "the owner, occupier or a person authorised on behalf of the owner or occupier". Those few words would have fixed this matter, but because of the Government's rush to get this stupid bill through, they were not included. This bill will come back and bite the Labor Party. The Government allegedly purports to have some interest in the community and some interest in social justice and equity. This is a dopey bill produced on the run. I remind that cocky Z-team opposite that the Minister for Energy and Utilities stood in front of Warragamba Dam with the Premier, who said, "We are going to introduce water restrictions. It is happening on 1 October". However, they had not worked out that the law did not allow them to do what they wanted to do.

**Mr ACTING-SPEAKER (Mr Paul Lynch):** Order! The Minister for Gaming and Racing will come to order. He should not provoke the honourable member for Wakehurst.

**Mr BRAD HAZZARD:** So, 10 days along, a briefing is forwarded to Minister Sartor. Someone started to be frank and said, "Frank, this is not going to work." The Minister took that briefing to Cabinet on Monday. He said, "Sorry, guys, we have actually stuffed up. We have legislation in place that does not do the job I said it was going to do. So we need a new bill very quickly and somehow I have to convince the Coalition to let it go through both Houses before 1 November; otherwise we cannot have people marching up driveways." The Premier and his colleagues agreed and the Minister's bacon was saved. Yesterday the Coalition, through me as the shadow Minister, demonstrated a great deal of good will and agreed to work with the Government to make this bill work.

The Government has presented idiotic and counterproductive legislation. As I said at the outset, it is an attack on the sanctity of people's homes. Under this legislation the whole concept of people regarding their homes as their castle will go out the window. The Minister might not care about that, but I am sure that some of his colleagues who represent electorates in Sydney do. They will have to face constituents who ring them up and say, "Somebody marched up my driveway today. I have not had a tap on for months, but this bloke marched up my driveway and said he had the right to be on my land." Government members will have to say, "We supported that proposal in our caucus room. We thought it was a great idea. We sat there like a bunch of parrots when those issues were raised, but we did nothing afterwards."

Perhaps Government members will be able to redeem themselves. They could take this legislation to their caucus room before it is sent to the upper House and they could address some of these issues. This is their last chance. If they do not do that they will all look pretty silly once these powers are being used. We will all be concerned if we receive a fine as a result of the actions of our children or our neighbour's children, and we will all be concerned if we find someone wandering around our land. A water infringement notice will not be the same as a traffic infringement notice. Under this legislation inspectors will issue infringement notices that look like traffic infringement notices. When people inquire about any traffic infringement evidence that is available, depending on the practice adopted by an individual, there may be a photograph of the incident. There are no guarantees about that.

Unless the photograph shows someone in the act of committing an offence, it will not be of any use. No-one will know who committed the offence. However, if a photograph is taken of someone driving his or her car—unless the keys were given to someone or the car was stolen—more often than not the red light camera or speed camera photograph will show the offender in all his or her glory. The Government does not understand just how dangerous this legislation will be. It will breach the fundamental rights of people.

Some Government members seem to be treating this matter as though it is trivial. Today I spoke to a number of senior citizens and asked them what they thought about these provisions. Every one of them—pensioners and others—was extremely concerned about their vulnerability when this bill becomes law. They said, "We are doing the right thing, so why is the Government doing this to us?" That is the problem with which

this Government is confronted. If the Government wants to win back the goodwill of the community it should withdraw this legislation or substantially amend it before it becomes law.

**Mr PAUL McLEAY** (Heathcote) [8.13 p.m.]: I support the Sydney Water Amendment (Water Restrictions) Bill. I have the privilege of representing an electorate that straddles two local government areas—the Sutherland shire and Wollongong local government areas. In 2002-03 the average water consumption for dwellings in Wollongong was 245 kilolitres and the average water consumption for dwellings in Sutherland was 307 kilolitres. That puts Wollongong in fifth position compared to the water consumption rates for all of Sydney, Newcastle and Wollongong, and Sutherland shire in third position. Sutherland shire could learn from its cousins in the south and adopt some of their water restriction initiatives to bring down their water consumption. Wollongong has done a number of things to protect our precious water resource. It has found ways to reduce the demand for water through reusing and recycling water, where possible.

Recycled water is highly treated wastewater that can be used in industrial processes for irrigation and agriculture, in urban parks and landscapes, and in the home for flushing toilets, washing cars, and watering gardens. It is not for drinking or personal use. Using recycled water is the way of the future. It makes good environmental, economic and social sense. Recycled water is created when wastewater or sewage is piped to a sewage treatment plant, extensively treated by several processes, and pumped to the area of use.

Wastewater management in Wollongong has been transformed over the past few years through the Illawarra Wastewater Strategy, which incorporates one of Australia's largest water reuse projects. It has been developed in consultation with local communities, and it will end dry weather ocean discharge from Bellambi and Port Kembla sewage treatment plants, reduce total dry weather ocean discharge by about 40 per cent, deliver major water quality improvements at many Illawarra beaches, particularly those near Bellambi, Wollongong and Port Kembla, supply high-quality recycled water for industrial use, reduce the amount of water drawn from Avon Dam by about 20 per cent a year, and reduce the impact on sensitive marine ecosystems.

This project, which is valued at $197 million, will be the largest project ever undertaken by Sydney Water in the Illawarra. We are building a water reuse plant at Wollongong that will produce at least 20 million litres of near-potable treated effluent daily. The recycled water will be put to good use at the nearby BHP steelworks. We are also building a pipeline to transfer wastewater from Bellambi and Port Kembla catchments to Wollongong for high-level tertiary treatment or treated effluent reuse.

We are also working to improve swimming conditions at Wollongong beaches by stepping up tertiary treatment and replacing existing short outfalls with one-kilometre outfalls. We are converting the Bellambi and Port Kembla sewage treatment plants to specialised storm flow plants to store and treat wastewater during prolonged wet weather. Most of the buildings at the Bellambi sewage treatment plant will be demolished and the site will made available for community use. The hardworking new member for Wollongong recently inspected the works at Port Kembla and said, amongst other things:

> Under this arrangement, around 20 million litres of recycled water will be provided to BHP each day, for use on industrial processes and steam generation.
>
> This will help to sustain the Illawarra region's precious drinking water resources by reducing the demand for potable water from Avon Dam by around 20 million litres per day...
>
> This will ultimately see the closure of the Port Kembla ocean outfall in all but severe wet weather events.
>
> At the completion of these works, the Port Kembla Plant will become a "storm flow plant", which means that it will be used to store and treat sewage during periods of heavy rain. The stored effluent can then be pumped to Wollongong for full treatment when weather allows.

Another activity in Wollongong involves the annual environmental improvement campaign Rise and Shine, which has a proud tradition of making the city a cleaner place for everyone to enjoy. Rise and Shine is central to Wollongong City Council's mission to enhance our local environmental lifestyle. For the past 16 years it has been aimed at accelerating environmental improvement and increasing civic pride. From humble beginnings that campaign has grown to include three key programs. The Sydney Water-sponsored Spring Clean Up involves around 100 community groups removing rubbish from creeks and public areas, the Street of the Week Program encourages residents to tidy up their properties, and the BHP-sponsored schools environmental competition is open to all schools in the city.

Wollongong City Council also sponsors the Sustainability Street project. Residents of two streets have been selected to learn new skills in caring for the environment. They will then put them in place in their day-to-day activities. Fourteen households in William Street, Keiraville, will take part in the pilot project, along with

residents of 10 houses in Third Avenue, Port Kembla. Sustainability Street is a unique opportunity for neighbours to get to know one another and to learn some simple ideas to help improve the environment and save money in the process. Those households will be audited to see what they are currently doing for the environment. Their progress will be measured throughout the project. Residents in each street will be encouraged to take some easy steps, such as collecting rainwater, avoiding the generation of waste products, and introducing features such as native frog ponds, vegetable gardens, and fruit trees on their properties.

By the end of the initial five-month phase of the project we hope to see residents cutting their water bills by using water-saving devices, reducing greenhouse gas emissions by minimising energy consumption and car pooling with their neighbours, using calico bags and plastic bags, and encouraging native fauna to return to their neighbourhoods. Importantly, residents will get to know each other better. If the project is successful it has the potential to be adopted in other areas. In 2000 the Environment Protection Authority introduced water conservation issues to its annual survey. It found that Wollongong residents were most inclined to suggest shorter showers or the use of less water in the bath. They were more likely than Sydney residents to mention that behaviour.

The survey also found that Wollongong people were marginally more likely than others to mention the use of water-saving devices, which reflects the effect of initiatives implemented recently by Sydney Water. There is strong community support for reducing water use and most people say that they are already taking measures to achieve this end. The need to save water is clear, but beyond this there is a willingness to undertake water-conservation activities that will not only save money but achieve wider community goals. Therefore, I challenge the Sutherland shire to take the challenge to its southern cousins and break the back of water wastage. The Sutherland shire should not be in the bottom third of the State's water consumption table; we should be up there in the top five like our good friends in Wollongong.

**Mr STEVEN PRINGLE** (Hawkesbury) [8.21 p.m.]: I share the concerns of the honourable member for Wakehurst about this shambolic Sydney Water Amendment (Water Restrictions) Bill. My constituents, like those of the honourable member for Wakehurst, are concerned that water inspectors will be able to enter people's houses unannounced, thus shattering the sanctity of their homes. We are also particularly worried about inter-neighbour disputes. I see some Labor members with local government experience are in the Chamber. Those who have been involved in negotiating inter-neighbour disputes will acknowledge that this is a major issue. People could turn in their neighbours to the inspectors or turn on their neighbours' garden taps to ensure that they incur a fine. This legislation must be amended to address those issues.

The Government must change its approach to reducing water consumption in the Sydney region. There is a major policy gap in this regard. My electorate, like many other outer-metropolitan electorates, comprises people with access to the mains water supply—they can access the Sydney water supply—and those, who live perhaps only a few hundred metres up the road, who cannot access the mains supply and must rely on tank water at all times. Those who live in the areas serviced by Sydney Water can have dual-flush toilets and can use water-efficient shower roses.

**Mr Grant McBride:** Do you have one at home?

**Mr STEVEN PRINGLE:** Yes, I do.

**Mr Grant McBride:** A water-efficient shower rose?

**Mr ACTING-SPEAKER (Mr Paul Lynch):** Order! The Minister for Gaming and Racing will come to order. He has been a member of this place long enough to know how to conduct himself.

**Mr STEVEN PRINGLE:** He certainly has.

**Mr Grant McBride:** What colour do they come in?

**Mr ACTING-SPEAKER (Mr Paul Lynch):** Order! The Minister for Gaming and Racing is trying the patience of the Chair.

**Mr STEVEN PRINGLE:** They can also apply for a subsidy for rainwater tanks. However, those who live a couple of hundred metres up the road cannot apply for that subsidy. Their tanks probably hold enough water most years, but during this time of drought when supplies are running low many people are being

disadvantaged. However, that benefits Sydney Water. When the tank runs dry householders must call in a water carter, who fills the cart from the Sydney Water mains and then fills the tank. So Sydney water is being used by those who are not connected to the Sydney Water mains. We believe it will benefit both Sydney Water and my constituents—and many constituents in the electorates of Labor members—to extend the water subsidy to allow residents of outer metropolitan and regional areas to install an extra water tank and do their bit to conserve water. Those consumers should get the same deal as Sydneysiders and residents of the Illawarra, Newcastle and so on.

**Mr Matt Brown:** Some councils do that. Shoalhaven Water does that for its constituents. You should talk to your local council.

**Mr STEVEN PRINGLE:** I am talking about residents of Arcadia. I am talking about my constituents.

**Mr ACTING-SPEAKER (Mr Paul Lynch):** Order! The honourable member for Kiama will come to order and the honourable member for Hawkesbury will direct his remarks through the Chair.

**Mr STEVEN PRINGLE:** It is a pity that the Minister for Energy and Utilities is not in the Chamber.

**Mr Grant McBride:** He is dealing with a serious matter. The shadow Minister has been briefed in that regard.

**Mr STEVEN PRINGLE:** I ask the Government to take this suggestion seriously. Some members opposite might even support the proposal. This is an issue of equity. I want to ensure that we save water and that everyone gets a fair go. It is un-Australian and most unlike the ethos of New South Wales to discriminate against those consumers who live just outside the Sydney Water service area and who should be able to access a water tank subsidy. It is about giving them a fair deal. I ask the Minister for Gaming and Racing to take up the matter with the Minister. I have asked a question to that effect and put it in writing to the Minister and I have now raised the issue during this debate.

**Ms ANGELA D'AMORE** (Drummoyne) [8.26 p.m.]: I support the Sydney Water Amendment (Water Restrictions) Bill. It is well documented that New South Wales has a water shortage. Fortunately, the Premier and the Minister for Energy and Utilities had the foresight to announce the introduction of mandatory water restrictions for Sydney, the Illawarra and the Blue Mountains in response to declining water storage levels. The goal is to reduce water consumption by at least 7 per cent. These water restrictions were introduced on 1 October 2003 and apply to all Sydney Water customers, including businesses, residential dwellings, government and local councils. In the first week of water restrictions the water consumption data showed that water consumption was 15.3 per cent below the target.

If we analyse the breakdown of demand for water in 2002-03 we can see that residential dwellings account for a large proportion of water usage. Showers account for 17.3 per cent of water use and lawn and garden watering accounts for 16.4 per cent of water use. The water restrictions prohibit the use of sprinklers and watering systems at any time as well as the hosing of hard surfaces, including vehicles. The restrictions will not apply to drip irrigation, recycled water or to firefighting and related activities. These water restrictions will go a long way towards re-educating consumers about the responsible use of water. This focus on water preservation will ensure that consumers use handheld hoses rather than sprinklers to water plants and gardens, that they use a broom to sweep paths rather than hosing down driveways and footpaths, and that they use buckets of water to wash their cars rather than hosing them and wasting large amounts of water.

Even though water restrictions are in place, the bill allows businesses to seek exemptions from water restrictions to ensure that they do not breach the provisions. Only last week I spoke to the owner of the Travatino Cafe along Great North Road, Wareemba, who accessed Sydney Water's web site to seek a business exemption from the water restrictions so that the owner could continue to wash the cafe's outdoor areas. The bill enforces the water restrictions by sending a clear message to consumers of water that if restrictions are ignored on-the-spot fines of $220 will apply from 1 November 2003 after a one-month warning period. Sydney Water and local council staff will be appointed as authorised officers to enforce the water restrictions. The bill will also double the penalties for the theft of water to $22,000 for individuals and $44,000 for corporations.

The bill will also streamline the prosecution for breaches of the Act to be brought before the Land and Environment Court, rather than the Supreme Court. Residents also will play an important role in the enforcement of water restrictions by having the ability to report an incident of water wastage and breaches of the

Act to Sydney Water. During the past six months I have had many inquiries as the newly elected member for Drummoyne in relation to extending the rainwater tank rebate. I commend the Labor Government for showing initiative in this area when in mid-September the Minister for Energy and Utilities announced the extension of the Sydney rainwater tank rebate program to continue to encourage residents to install tanks in their backyard. That announcement was well received by the residents in the electorate of Drummoyne.

In fact, during the past four weeks I have been visiting my local primary and high schools, encouraging my local schools to purchase rainwater tanks. Russell Lea Infants School was the first school in the electorate of Drummoyne to purchase and install a rainwater tank and take advantage of the $500 rebate introduced by the Labor Government. Dobroyd Point Public School at Haberfield will be the next school to take advantage of rainwater tank rebate. That decision provided an opportunity to educate our children about responsible water usage and to have respect for the environment. It provided a perfect opportunity to gather what mother nature provides us with naturally—rainwater—rather than letting it go to waste every time it rains.

To meet increased demand for rainwater tanks, residents of New South Wales will find it easier to install rainwater tanks following the move of the Labor Government to cut red tape by moving towards the new Australian standard that governs rainwater tanks. Previously rainwater tanks required separate pipes to be installed to carry rainwater into bathrooms and laundries. There is now an in-principle agreement to allow the cross-connection of rainwater tanks with the household supply, provided that a suitable backflow valve is installed to prevent rainwater entering the mains system.

The Standing Committee on Public Works, of which I am a member, has also taken on the task of launching an inquiry into energy consumption in residential buildings. That is an extremely important inquiry when we remember that in 2003 residential homes account for 53 per cent of all water usage, flats and units account for 17 per cent, industrial use accounts for 11 per cent, commercial use accounts for 10 per cent and government use accounts for 6 per cent of all water usage in New South Wales. In August this year, the Standing Committee on Public Works undertook a number of site inspections to look at sustainable energy consumption in residential buildings. The inspections included tours of new residential developments in the outer west and inner west such as the Newington Estate at Homebush Bay. It became evident that developments must now focus on efficient water consumption. Rainwater tanks should become an essential characteristic of any new development.

With more than 1,000 people entering Sydney each week seeking accommodation, the pressure on our water system is ever increasing. The installation of rainwater tanks in all new developments will go a long way in integrating efficient water usage into urban consolidation. As city dwellers we also have a responsibility to curb our water consumption to assist our country cousins who rely so heavily on the availability of adequate water supplies for their livelihood. I commend the bill to the House.

**Mr ACTING-SPEAKER (Mr Paul Lynch):** Order! The honourable member for Wagga Wagga will cease interjecting. If he wants to contribute to the debate he may seek the call. That warning applies also to the honourable member for Kiama.

**Ms PETA SEATON** (Southern Highlands) [8.33 p.m.]: I note the concerns of the Opposition about the way in which the Government has rammed the Sydney Water Amendment (Water Restrictions) Bill through the House. In view of the proposed arrangements allowing inspectors to access a home 24 hours a day, seven days a week, I intend to raise concerns about some of the privacy and access aspects that have already been raised by the honourable member for Wakehurst. I will raise concerns about the Government's general handling of water conservation in the past two years of drought. A good deal of the water catchment area for Sydney is in my electorate. The Wingecarribee shire, Wollondilly and other areas of the catchment have been subject to water restrictions for at least a year.

I am appalled that the Government has taken so long to begin to come to grips with the severity of the drought and with the problems that people in the catchment are suffering in order to continue to provide unrestricted water use to Sydney. Why has it taken so long for the Government to come to grips with the fact that we need to be a lot more conscious of the way we use water and that we need to make sure that the burden of water conservation is shared across the catchment and the city? A number of the dams that service Sydney are in my electorate, for example, Warragamba Dam, the Cataract Dam and related catchment, part of the Shoalhaven and the Wingecarribee reservoir. The catchment gets approximately 30 inches of rain on average a year, whereas Sydney is blessed with a rainfall of up to 60 inches a year. The catchment has half the rainfall of Sydney but provides for all of Sydney's needs, as well as the catchment's environmental and agricultural needs.

For several years Sydney Water has been structured and funded not to conserve water but to get that 60 inches of Sydney rainfall straight out to the harbour or the ocean as quickly as possible. The rainfall of the catchment, half that of Sydney, has to be shared between Sydney, the catchment's environment and our local needs, while Sydney's 60 inches of rain is wasted. The Wingecarribee shire has been subject to water restrictions for months, and the local people have cheerfully complied, as they understand the value of water. They have been prepared to do their bit to conserve our precious water supplies. But the Government has taken a long time—no doubt influenced by the pressures of an approaching election and not wanting to address the tough issues—to even face up to the problem.

Earlier someone from the other side of the Chamber interjected about rainwater tanks. Five years ago I put out a policy discussion paper called "Liberating the Environment" for review and general consultation. In that policy I adopted a number of the ideas that people such as Michael Mobbs, Maryanne Atkinson and other leaders in water conservation had proposed to a deaf Carr Government for some time, that is, a broad scale of adoption of rainwater tanks for domestic rainwater storage in Sydney's urban areas. At that time the Premier rejected the document out of hand in this Chamber. I cannot begin to explain my disappointment that the Premier, who allegedly was a conservationist, should reject ideas about rainwater tanks and taking a better approach to conserving water in Sydney and New South Wales.

I found it extraordinarily hypocritical of him to stand in front of Warragamba Dam not long ago pretending to be the great saviour of Sydney's water. The Premier should have adopted rainwater tank policy years ago. The Coalition has been promoting the policy for some time. Sydney Water invented all sorts of reasons why the world would end, and the policy was implemented far too late. Eventually the Government was dragged screaming to the realisation that it ought to produce some rebates for rainwater tanks, which it did in the city. Its policy did not go far enough. It certainly did not extend to electorates such as mine where many people want to invest in rainwater tanks but need extra help to do so. We believe that country people ought to have the same access to the rainwater tank rebate as those in the city. The Carr Government continues to refuse to allow country people, who are keen to participate in that scheme, to do so.

There are many concerns about this bill, but the Government needs to look particularly at what its policies are doing to country people, particularly farmers, in the catchment area. I note the presence in the Chamber of the honourable member for Burrinjuck whose agricultural constituents share some of these problems. For many years a farming family in my electorate, under a gentleman's agreement, allowed the diversion of water from a creek that runs through their property into the Wingecarribee reservoir, leaving them without access to permanent-flow water. They did so to be co-operative in making sure that Wingecarribee and Sydney had access to a permanent water supply. Those sorts of agreements are not unusual.

The honourable member for Bega and the honourable member for Burrinjuck know that many of these gentlemen's agreements were made between farmers and government agencies. However, they are increasingly being dishonoured. The family in the Glenquarry area, because there was no documentation associated with the gentlemen's agreement, now finds itself without access to water and facing a completely disinterested bureaucracy unwilling to ensure the family gains access to a few dams of water in times of drought. The family had no access to water for stock during drought. That is a display of wilful arrogance and contempt for farming families in the catchment.

It is high time the Government understood the reality of the preciousness of our water. It is high time the Government began to work with country communities, instead of against them, and encouraged them to participate in water conservation through rainwater tank rebates in country areas. Most of all, it should recognise that the people of my electorate look after the catchment and invest their own money in it. They do what they can to keep the water that Sydney residents drink as clean, pure and well managed as possible. That is a burden we take on. We would like to have in the Wingecarribee, Wollondilly and Shoalhaven areas a better approach by the Government to managing that precious resource when it arrives in urban areas. That will involve a far greater focus on treated effluent reuse and encouraging the people of Sydney to install domestic rainwater storage tanks.

I would like greater transparency in Sydney Water in the spending of millions of taxpayers' funds. What most sticks in the craw of the people of my electorate is that Sydney Water wasted $60 million on a failed billing system while we in the catchment that provides the water to Sydney Water to sell have had to make sacrifices that are not recognised. I hope the drought breaks quickly. But if there is one benefit of the drought it is a focus on how precious our water resources are. We are one of the most profligate water-using nations given our overall water resource availability. This Government is still way behind in promoting and proposing sustainable rainwater and water conservation measures for the future.

**Mr PAUL PEARCE** (Coogee) [8.42 p.m.]: I support the Sydney Water Amendment (Water Restrictions) Bill. The purpose of the bill is to implement the legislative and regulatory changes necessary to ensure the effective enforcement of water restrictions in Sydney, the Blue Mountains and the Illawarra. I listened with some interest and amazement to what was said by honourable members opposite. I ask whether the honourable member for Wakehurst and the honourable member for Hawkesbury in fact had read the same bill that is before us. Amongst the comments of the honourable member for Wakehurst was a claim that the bill is a threat to the core rights of property owners and that it has all the elements of the Stasi. The honourable member for Hawkesbury said the bill was unAustralian. We are experiencing a drought—perhaps members opposite should come back to planet Earth. The honourable member for Wakehurst made a number of technical and legal points. I suggest he read the broader definition of "occupier" in proposed section 53A and the protections offered by subsections (2) and (3) of proposed section 53D.

On 11 September 2003 the Premier and the Minister for Energy and Utilities announced the introduction of mandatory water restrictions for Sydney, the Illawarra and the Blue Mountains in response to declining water storage levels. The goal is to reduce water consumption by at least 7 per cent. To achieve this goal we need absolute compliance with the mandatory water restrictions. The water restrictions prohibit the use of sprinklers and watering systems at any time and the hosing of hard surfaces, including vehicles, at any time. The restrictions do not apply to drip irrigation, recycled water, firefighting and related activities. Hand-held hoses can still be used to water plants and gardens, brooms can be used to sweep paths, and buckets can be used for washing of vehicles.

As the Minister indicated, from 1 November on-the-spot fines will apply to water wasters who ignore the restrictions, following the one-month warning period. The approach of the Government to this issue is multifaceted. In addition to the legislation being debated today, the Government already has introduced a range of measures designed to encourage residents to modify their water usage behaviour into the future. In September the Minister announced an extension of Sydney Water's rainwater tank rebates program to encourage residents to install backyard tanks. This program has now been extended to at least June 2005. The thrust of that program is to turn people's homes into what are in effect micro catchments. The essence of the program is based on the increased ability to capture rain that falls in our backyards, and so reduce the amount of water that we need to take from our dams.

Polished potable water should be properly used for drinking and cooking purposes in domestic settings. Rainwater can appropriately be used for other domestic uses such as garden maintenance and, with appropriate plumbing connections, in washing machines and toilets. Modifications of plumbing requirements have made it easier to ensure compliance with the installation and expanded use of water obtained through the use of rainwater tanks. Whilst the initial take-up has been slow, it is increasing now amongst Sydney residents. Once the benefits and the simplicity of the system are made apparent to Sydney residents, I am confident modern tanks will become hot sellers.

In my electorate of Coogee, Waverley Council has just launched a display in Waverley Library covering all aspects of domestic water use, with suggestions for, and displays of, water saving devices. I encourage other local councils to take up this type of initiative. I know a number of councils have done so. Businesses too can participate in long-turn behavioural changes that will not only reduce reliance on potable water but will ultimately save them money. Such simple measures as use of brooms instead of hoses are appropriate; checking for leaks in the system, including in staff amenity areas, water supply tanks and cooling towers; the installation of water-saving shower heads and taps; and the utilisation of alternative water resources such as bore water, rainwater and stormwater. Water conservation can save businesses money.

I now briefly highlight a number of aspects of the bill, particularly in light of some of the misleading statements made by honourable members opposite. The introduction of these provisions will make owners and occupiers responsible for water offences. To enable penalty notices for water restrictions to be successfully served, it is necessary to improve the current method of issuing penalty notices. The Government proposes that the owner or occupier of a premise be held responsible for water restriction breaches committed at a particular address unless they can prove they were not responsible for the offences. This is a matter that the honourable member for Wakehurst seems to have overlooked. This is a system similar to the prosecution of traffic offences.

It is necessary to empower authorised persons to collect evidence as part of their investigation of suspected water wasters. However, the amendment will not give authorised persons cart blanche to enter people's homes—contrary to the claim made by the honourable member for Wakehurst. The water restrictions restrict outdoor water use, and therefore any water restriction offences will be committed outside the home. The

proposed power contains safeguards, including a prohibition of entry into dwellings or enclosed structures on land; the requirement that the entry power cannot be exercised unless a reasonable suspicion exists that a water restriction offences is being committed, again providing for a requirement of a reasonable suspicion, with an appropriate defence; the confinement of the exercise of the power to a reasonable time; the obligation to produce identification on request by the occupier, in which respect I refer again to the broader definition of "occupier"; and the prohibition on the use of any force.

Water is a valuable resource, and its theft should concern all members of his House and the people of New South Wales. The bill will double the maximum penalty for the theft of water to 200 penalty points or $22,000, or 400 penalty points or $44,000 for corporations, as referred to by the Minister. The increase in the maximum fine for the theft of water provides guidance for the judiciary as to the seriousness with which the Government and the community view this crime. That therefore leads to the transfer of jurisdiction from the Supreme Court to the Land and Environment Court, which has an expertise in this area. The Carr Government is absolutely committed to protecting our most valuable natural resource on this dry continent of ours—water.

In times of drought when water is scarce we need to rethink the way we use it and cut back on unnecessary water use. The whole community must participate. To date the evidence is that the overwhelming majority of Sydneysiders are doing just that. In recent weeks water consumption has dropped, even when compared with periods of similar climatic conditions in the past 12 months. Behavioural change in water usage will help to make Sydney a more environmentally sustainable city and reduce the pressure of a large metropolis on the natural environment. The measures contained in the bill will ensure that those who do the wrong thing will be held properly to account. The bill deserves the support of the House.

**Mr DARYL MAGUIRE** (Wagga Wagga) [8.50 p.m.]: When the bill was first mooted I thought that conserving water would be a very positive thing to do. I know that all members share the concern about conserving resources and protecting what is our most valuable commodity. But I have now changed my mind because I am very concerned about some of the provisions in the bill, which I will ask the Minister to address in his reply. I have absolutely no objection to increasing maximum penalties for the theft of water, as set out in schedule 1 [1]. It is only fair and reasonable, and anyone in his right mind would have to agree that people who obtain water illegally, whether it be through an irrigation scheme or the Sydney water system, should be duly penalised.

I draw the attention of the House to schedule 1 [4], which inserts new division 6A into part 6, "Special provisions relating to water restrictions offences", of the Sydney Water Act. Proposed new section 53B (1) of new division 6A states that if a water restriction offence occurs on any land and the identity of the person who committed the offence cannot be ascertained by the authorised person who witnessed the offence, the occupier of the land at the relevant time is taken to be guilty of the offence. I refer to the pecuniary interests register and note that the Minister has several properties. If those properties were located in Sydney, if there were multiple tenancies, if the water were turned on, if the Minister had been infringed for breaking water restrictions and officers had identified and photographed those infringements, then he would be liable as would the occupiers of the land.

This opens up a whole can of worms as to how the Government intends to proceed with the prosecution of the landlord and/or those who live on the property. I note that proposed new section 53B provides for exceptions. For example, a person who was an owner of the land on which the offence occurred will not be liable if the person provides a statutory declaration stating the name and address of the person who committed the offences, or who was an occupier of the land at the relevant time. Similarly, an occupier will not be liable if the occupier provides the name and address of the person who committed the offence. I am the owner of a multiple block of units outside the Sydney basin. However, I am aware that in the past week taps located to the front of the building have been turned on twice, but I have absolutely no idea who did it. Most units, multiple tenancies and private properties have taps located in the front garden. If those properties were in Sydney would I be liable, or would the tenant who rents the property from me be liable?

The legislation has enormous holes in it and I predict that unfortunate people will be caught in it. Vexatious neighbours can access a tap located in a very public position—your front yard or the front yard of the property of which you are the landlord—turn it on and have the sprinkler going. They then call the Gestapo, or whatever one wants to call them, who inspect and photograph the property. Suddenly the landlord or the property owner has been infringed. The Minister must think very carefully about what the legislation proposes. Land holdings fall under all sorts of titles, such as community titles and strata units. It is an absolute minefield! The legislation, if pursued, will produce more problems. As a property owner of multiple units, and I am sure I am not alone in this Chamber as a quick glance of the pecuniary interests register would indicate, I am

concerned that such owners could be infringed because of actions by people of whom they have no knowledge, and whom the tenants cannot identify because they were not in the properties at the time.

There will be almighty wars between landlords and tenants, and tenants and tenants, when it could simply be a child next door turning on the tap. What happens if a landlord or an owner is infringed and wants to take legal action against the next-door neighbour or their children because they have walked onto his property and turned on the tap or the sprinkler, as children will do? It could be war in the suburbs. We only need to consider the problems caused by backyard fences. I can only imagine what will happen when the little kid from next door runs over and turns on the tap, then a water inspector comes along, photographs it and infringes the owner of the property. I point out to the honourable member for Drummoyne that saving water in the Sydney basin will not help our country cousins in regional and rural New South Wales. Absolutely no water is piped, channelled or pumped to western and regional New South Wales where our country cousins live.

The best thing the honourable member for Drummoyne can do is stand up in Caucus and advocate for the provision of subsidies or rebates for rainwater tanks to enable country people to conserve water, a commodity that we have had so little of in the past few years. She must understand that the Sydney basin has absolutely nothing to do with providing water to rural and regional New South Wales. Every member in this place did their bit during this drought, particularly those from western New South Wales. Sydney is doing its bit voluntarily. The consumption of water in Sydney has been reduced by some 300 megalitres without any legislation. The people of Sydney are trying to do the right thing. The Government must encourage them. Proposed new section 53D (2), under the heading "Power of authorised persons to enter land to investigate water restrictions offences", states that the power conferred by this section to enter any land may not be exercised unless the authorised person exercises the power at a reasonable time. What on earth does that mean? What is "a reasonable time"?

If an officer enters a property at some ungodly hour and a guard dog bites or attacks the officer, who will be responsible? What are the legal consequences for the landowner when officers are conducting investigations for the Government? Those matters have not been explained or spelled out, but they could be consequences of this bill. Advisers may wish to giggle and have a chat about scenarios that are being put forward, but I can assure the House that a great deal of legislation has been presented to this Parliament that at a later time has been found to be flawed. The matters I have outlined need to be explained during the Minister's reply. While the scenarios may be hypothetical, I assure the House that they can become reality in country areas. I confidently assure the House also, based on personal experience I gained while doorknocking in city areas during election campaigns, that officers who enter properties will be confronted with the situations I have outlined.

The Minister needs to explain clearly and categorically where land-holders stand when inspectors step onto a landowner's property with the intention of photographing or taking other information and evidence for the purposes of prosecution. Section 53D (3) (c) in schedule 1 [4] refers to an authorised person, in exercising the power to enter land, not remaining on the land for "a longer period than is reasonably necessary in the circumstances". If an argument erupts after an investigating officer enters a landowner's property the Minister should spell out where the investigating staff stand and should outline their rights as well as the rights of property owners. This legislation is ill-conceived. More time should be provided for consideration of its provisions. I predict that enormous consequences will flow from the sloppy way in which the bill has been presented.

**Mr ANDREW CONSTANCE** (Bega) [9.01 p.m.]: I represent a country electorate in the south-eastern corner of New South Wales where water restrictions have applied for well over 14 months. Significant goodwill has been generated in the community in the observance of those restrictions. I point out to the Government in relation to the legislation it is ramming through this House this evening that that goodwill will be lost by the Government's adoption of a Big Brother approach. I share the concerns expressed during this debate by the shadow Minister for Energy and Utilities, Brad Hazzard, over the way in which this legislation is being rammed through the House.

The style of presentation of this bill means that members will not have the usual benefit of the second reading stage which triggers five days of community-based consultation. The Minister's action demonstrates a lack of forward thinking and highlights the fact that, although mandatory water restrictions were introduced on 1 October without enforcement, the Government is now playing catch-up this evening by introducing penalties and ramming this legislation through Parliament. I turn now to the substance of the bill. By virtue of this bill, the sanctity of residents' property is at the thin end of the wedge because inspectors will be roaming Sydney's streets

and entering people's property to issue enforcement notices for wasting water and breaching water restrictions. Apart from that, many anomalies in the bill will have to be addressed, particularly the Big Brother aspect of it.

Earlier there was discussion about infringement notices being similar to traffic infringement notices. It will be very hard to prove who was responsible for an offence that resulted in an infringement notice being issued. For the first time, parents will have to take responsibility for the actions of playful children who might like to play with taps. That will present a challenge to the Government as this legislation is implemented, owing to the lack of consultation that preceded presentation of this bill to the House. The most shameful aspect of this legislation is that the degree of goodwill displayed in country areas during the period of water use restrictions as people learned to conserve and protect valuable water resources will be lost. Within the first week of mandatory restrictions being introduced in Sydney there was a 300 megalitre reduction in consumption. That suggests to me that the community has the will to conserve Sydney's water resources.

Some of the provisions of the bill relating to identification of the person responsible for breaches are of concern. Everybody would agree on the need to increase penalties for offences under section 48 of the Act. However, schedule 1 [4] clearly contains an anomaly. I take umbrage at the comments made by the honourable member for Coogee, whose electorate has many apartment buildings. The owner of an apartment block that consists of multiple tenancies will be the person who is identified as the owner of the land and therefore as the person who has committed the offence. That places the onus upon the owner of the land to rebut the prosecution by providing a statutory declaration stating the name and address of the person who committed the offence or the name and address of the person who was the occupier of the land at the relevant time. The landowner will have to identify that person as the one who committed the offence. What happens in a multiple tenancy arrangement? Who will be fined in those circumstances? People who live in the Coogee electorate will be greatly concerned that taps may be left running in multiple tenancy premises.

**Mr Daryl Maguire:** And they are.

**Mr ANDREW CONSTANCE:** That is right, as the honourable member for Wagga Wagga has indicated. I think it is a great shame that this Government is not doing more to capitalise on the change of culture that occurred as a result of the drought by looking to education as a way of reducing consumption and ensuring that people do not waste water. In the Eurobodalla shire in my electorate, the State Government worked closely with the local council to devise a plan known as the Integrated Water Cycle Management Plan. The plan goes some way towards trying to obtain better value and better use out of the short river flows that serve communities in the south-eastern part of this State, but the community continues to struggle.

My electorate has a large aged population and many of those people love their gardens. For many people who are getting on in years gardens are a wonderful source of entertainment and enjoyment. Sadly, over the past 12 months many of the gardens in my electorate have been lost. However, in the early part of this year, at the height of the drought, I was struck by the number of people who were plugging their showers and retaining water that they had used in baths and showers and washing machines to fill buckets that they would take out into their gardens to keep their plants alive.

During six months of doorknocking prior to the recent State election I did not see one sprinkler being used in breach of the water restrictions applying to the Eurobodalla shire. That shows that the community does not need a Big Brother approach but would benefit from more money being spent on better education programs to show people how grey water can be utilised. It will be interesting to see how the community responds to the Big Brother approach that has been adopted by the Carr Labor Government in relation to this bill. As I said, there is a requirement on the Minister to outline in his response what the Government will do to address some of the anomalies in the bill, particularly in relation to schedule 1 [4]. I look forward to hearing what the Minister has to say.

**Ms KATRINA HODGKINSON** (Burrinjuck) [9.10 p.m.]: I could not pass up the opportunity to speak to a bill about water restrictions or water in general. During the early months of this year there was a strong call from my electorate to impose compulsory water restrictions on Sydney residents. I was part of that campaign. I am the representative for the Goulburn and Yass areas, which have suffered from the lack of water and from enormous water restrictions for more than 12 months. The Sydney Water Amendment (Water Restrictions) Bill is quite a simple bill but the Government really has to look ahead. We must have a 50- to 100-year plan for water use in this State. It is no good imposing water restrictions year after year as the dams run low. We should find a real solution to the problem and look 50 to 100 years ahead. This State needs proper planning.

I am a keen advocate of decentralisation, getting people into country communities. But it is very hard to encourage people to relocate to country areas that suffer from a lack of water. It is vital that we plan for the future rather than implement temporary measures year after year when the dam levels are down. We must plan for sufficient water retention if we are to grow and succeed with regional development so that no country towns are downgraded. I concur with the various points raised by the shadow Minister. There was insufficient notice of this bill and obviously there are concerns about the 24-hour access onto properties. I certainly know what happens when people enter country properties when they are not expected: they probably get what they deserve. It would be unreasonable for Sydney residents to resist any water restrictions. From last summer Yass has been on level 5 water restrictions. Prior to the last election while I was doorknocking I saw that people had hoses attached to their washing machines so that the rinse cycle water went onto their lawns. No-one in my electorate has a clean car.

**Mr Paul Gibson:** I noticed your car.

**Ms KATRINA HODGKINSON:** It is in the Parliament House car park, and it has not been washed for a long time, I confess. We just do not wash our cars every week. When I was small I ran under sprinklers in non-drought times, but it is years since kids have done that in my electorate. We have to get used to these things in drought times. People in my electorate who use bore water on their gardens display signs stating "Bore water used" so they are not heckled for having green lawns. Goulburn is part of the Sydney catchment, and level 4 water restrictions were introduced there in October last year. Imagine everyone watching the petunias and roses in their garden wither and die; it was very hard for a lot of people. As part of the Sydney catchment Goulburn has done it tough for 12 months. I am pleased that Sydney is to have water restrictions, a move I have supported for a long time. Sydney and Goulburn are both part of the water catchment, so it is only fair.

Country towns and villages should have a rainwater rebate. It is not fair to offer that rebate to the Newcastle, Sydney and Wollongong areas only. That rebate must be extended across the State. Last week I attended a regional review of local government, held in the village of Gundaroo. The meeting raised the proposed development of 2,000 new blocks at Sutton, just outside my electorate in the Monaro electorate. Residents along the Yass River are terrified that that development may proceed, because Sutton is at the head of the Yass River and there is already a lack of water in the river due to overdevelopment of dams, et cetera. We must have a constructive approach to water supply in country towns. I hope that the Government will not pass the proposed 2,000 developments at Sutton, because there is not enough water to sustain them. Water will not come from the Australian Capital Territory, nor will sewerage services. If we are to have sustainable development we need to make sure that it is just that.

Many times I have raised water quality and the lack of supply, but I will not go over old ground. Suffice it to say that it is time the Government once again considered the Welcome Reef dam proposal. That dam was considered before I became a member of Parliament, and the Government should have a fresh look at the proposal, for it is another way of enhancing our water supply for the Sydney Basin and surrounding country communities. If the Minister is not aware of the Welcome Reef dam, proposed for the Shoalhaven River, I encourage him to go through his historic notes.

The honourable member for Southern Highlands raised the very valid point that recently Sydney Water wasted $60 million. How could that money have been better spent? It is a shame that taxpayers saw Sydney Water wasting $60 million of their money; it is outrageous that that could happen. I hope the next piece of legislation introduced in this House will address this matter, instead of having bandaid solutions, time after time. We have been in drought many times in the past. We are a dry continent and we have to make sure that we have water resources to sustain us and provide for future growth. I cannot stress that strongly enough. I want to push the message home to the Minister and to the Government: Have a 50-year or 100-year plan, and look ahead!

**Mr KERRY HICKEY** (Cessnock—Minister for Mineral Resources) [9.17 p.m.], in reply: I am pleased to note the support for the Government's water conservation efforts and for the specific measures contained within the bill which will contribute to that goal. The purpose of the bill is to improve the effectiveness of the enforcement of water restrictions in Sydney Water's area of operation. Honourable members have raised specific issues concerning the effectiveness of some measures in the bill. I take this opportunity to address those concerns. For many of those issues it is not appropriate to include prescriptive and detailed provisions in the bill, other than to deal with matters of practical operation of the rules in the guidelines for the enforcement of water restrictions that Sydney Water is developing for the water restrictions patrol members. Those guidelines will be made available to councils.

Both the Public Interest Advocacy Centre and the Electricity and Water Ombudsman have agreed to participate in the development of the guidelines. The greatest issue of concern raised by the Opposition in this debate is that the powers of entry granted to inspectors in the bill are too broad. As the honourable member for Wakehurst melodramatically put it, the powers will destroy the principle that a man's home is his castle. Nothing could be further from the truth. In relation to the power of entry the Government has ensured that very strong safeguards have been included in the bill. Those safeguards include the prohibition of entry into dwellings or enclosed structures, the confinement of the exercise of the power to a reasonable time, the obligation to produce identification on request, the requirement that authorised persons may not remain on the land for a longer period than is reasonably necessary, and the prohibition of the use of any force.

I assure the House that the bill already makes it very clear that the power of entry can only be validly exercised if there is a reasonable suspicion that an offence is being committed at the time entry is made. Such suspicion would arise from a number of circumstances: for example, water spraying in the air or visible water running down the driveways and pathways into the street. Under these rules, random inspections for water restriction offences will not be permitted. The honourable member for Wagga Wagga claimed that this bill would result in a war in the suburbs. That allegation was based on a misunderstanding of the bill. If an owner or occupier did not commit an offence and he or she did not know who committed the offence, that person can sign a statutory declaration to that effect. An owner cannot be held responsible for an offence committed by an unknown person who has trespassed on his or her property. Opposition members suggested that the power of entry should be expressly limited in time. The bill already does that: it makes it clear that entry can be effected only at a reasonable time.

It is not proposed to explicitly limit the times within which water inspectors can enter land, because that would send the wrong message to people. People could flout the restrictions with impunity at night in the knowledge that inspectors would be constrained from investigating any breaches at night. Notwithstanding that, it is proposed that there will be guidelines for inspectors on how and when entry should be made. In most cases it is envisaged that it would be during the day. Contrary to the assertions of the honourable member for Wakehurst, this bill does not create a new precedent in criminal liability, particularly in relation to the liability of minors and of parents' liabilities for the actions of their children. To take a well-known example, parents are already held responsible if their children do not wear seat belts in a vehicle.

The community properly expects that parents are obliged to ensure that their children understand the need to use water wisely, especially in a drought. The honourable member for Wakehurst was concerned that property owners who receive a penalty notice under the owner onus provisions will be disadvantaged if they do not receive that notice promptly. For that reason the guidelines will include a requirement that Sydney Water and local councils issue penalty notices within a reasonable time of the offence being observed to have occurred. Some concern has also been expressed that the requirement that water inspectors produce identification on request may not extend to inspectors having to produce identification to someone who, for example, has been asked by the occupier to manage or keep an eye on his or her property. That is simply not the case.

The bill requires inspectors to produce identification to any occupier of the land. That is defined exclusively, and I am advised that it includes any person who is lawfully on the land. I thank all honourable members who are working with their local communities towards achieving the goal of water-use reduction, not just in Sydney but throughout the State where water is in short supply. I commend the bill to the House.

**Motion agreed to.**

**Bill read a second time and passed through remaining stages.**

## POLICE ASSOCIATION EMPLOYEES (SUPERANNUATION) AMENDMENT BILL

**Bill introduced and read a first time.**

### Second Reading

**Mr BRYCE GAUDRY** (Newcastle—Parliamentary Secretary) [9.24 p.m.], on behalf of Mr Watkins: I move:

That this bill be now read a second time.

This bill amends the Police Association Employees (Superannuation) Act 1969 to ensure that there is a valid mechanism for Police Association employees who are under the age of 60, and who were police officers prior to April 1988, to be medically certified as incapable of performing their duties and to access their annual

superannuation allowance. The 1969 Act allows Police Association employees who were police officers prior to April 1988 to maintain a number of the Police Superannuation Scheme benefits payable to pre-April 1988 police under the Police Regulation (Superannuation) Act 1906. Such officers who are under the age of 60 and who are certified by the SAS Trustee Corporation [STC] as incapable of performing their duties for the association are entitled to receive the annual superannuation allowance that would be payable under the 1906 Act.

The 1906 Act was amended in 1987 to enable STC certification on the basis of medical advice provided by one or more medical practitioners nominated by the STC. Previously the STC could only certify on the basis of advice provided by two or more members of the Police Medical Board. No corresponding amendment was made to the 1969 Act, which means that the STC cannot certify Police Association employees without the advice of two members of the Police Medical Board. The STC prefers the flexibility of nominating practitioners with specialist expertise in the type of illness that is the subject of any claim for early retirement on medical grounds. The Police Medical Board was not able to provide the same standard of specialist assessment. As a result, the Police Medical Board is no longer used for medical assessments and the appointment of board members has lapsed, which means that there are no longer two members of the board who can provide advice as to whether a Police Association employee is incapable of performing his or her duties. That means that officers who are incapable of performing their duties are unable to access their annual superannuation allowance.

This has not been an issue until recently, as no relevant Police Association employee has ever sought a medical assessment for the purposes of accessing the allowance. However, a well-respected and long-serving employee of the association has recently suffered serious heart disease and has had to cease his duties. He is unable to access his superannuation allowance, which is a cause of some stress. That is obviously particularly undesirable, given his medical condition. The bill therefore amends the 1969 Act to bring it into line with the 1906 Act, and to enable the STC to nominate the medical practitioner or practitioners that will advise on whether a relevant Police Association employee is unfit for service. All affected parties believe that this amendment is preferable to reconstituting the Police Medical Board to deal with this one matter, given that the board does not have the same expertise as specialist STC assessors and that the association employee would have to submit to two medical examinations rather than one.

The bill still maintains the option of matters being assessed by the Police Medical Board, as does the 1906 Act, as that is necessary to deal with any medical conditions that may have had their genesis prior to 1988. The Government has examined the issues to be considered by the Legislation Review Committee in scrutinising bills and is of the view that the bill will not raise any issues of concern for the committee. Whilst the Government would normally introduce non-controversial amendments of this kind through the Statute Law Revision Program, given the immediate needs of this Police Association employee it does not wish to wait until later this session. I commend the bill to the House.

**Debate adjourned on motion by Mr Debnam.**

## BILLS RETURNED

The following bills were returned from the Legislative Council without amendment:

Commonwealth Powers (De Facto Relationships) Bill
Community Relations Commission and Principles of Multiculturalism Amendment Bill
Education Amendment (Computing Skills) Bill
Health Legislation Amendment Bill
Powers of Attorney Bill

## PODIATRISTS BILL

### Second Reading

**Debate resumed from 2 July.**

**Mrs JUDY HOPWOOD** (Hornsby) [9.30 p.m.]: I am delighted to lead for the Opposition in this debate on the Podiatrists Bill. Today's revelations regarding amendments to the bill have alarmed me somewhat, but I will deal with those issues during my speech. The object of the bill is to protect the health and safety of members of the public by providing mechanisms that ensure that podiatrists are fit to practise. I thank Claire Milligan, Kevan Wright, Luke Marsden, Cathy Stephens, Eve Sainsbury, Ray Harding, Marilyn Feenstra and Bob Marshall from the Australian Podiatry Association (New South Wales) and Robyn Borkovic, who is in the

public gallery, for their assistance. Were it not for the late notice of this debate, others with an interest in this bill would have been present. However, they are following the bill's progress on the Internet.

I also thank John Price and his staff from the Australasian Podiatry Council and all the others who have contributed to the debate over many years. I mention Clair McInally at this point and her hard work. The debate began for me in 1999 when I was Executive Director of the Australian Podiatry Association and negotiations with the podiatry association in New South Wales commenced. At that time I regarded the Government's aims with fear and trepidation, and those fears have been more than realised with the introduction of this bill. The Opposition will not oppose the bill so long as a foreshadowed amendment, to which I will refer later, is agreed to.

All health Acts are being reviewed in accordance with the National Competition Policy Agreement and principles. The current Podiatrists Act allegedly restricts the provision of services by whole of practice. Since 1999 the New South Wales Health legal branch and officers of the Minister for Health have consulted with podiatrists about altering the Act. Public safety is the main aim, together with the removal of anti-competitive clauses from the Act. The Government believes that nurses can perform certain podiatric procedures, but podiatrists remain sceptical about that. The basic foot care course, which I will describe more comprehensively in a moment, is designed to assist registered nurses with basic foot care. It is a two-day course conducted at the premises of the New South Wales Nurses Association by a registered podiatrist. Its main aim is specifically to enable aged care nurses to meet basic foot health needs—

**Mr Barry O'Farrell:** Point of order: There is no Minister in the chamber.

**Madam ACTING-SPEAKER (Ms Marie Andrews):** Order! The Parliamentary Secretary is now present. The honourable member for Hornsby may proceed.

**Mrs JUDY HOPWOOD:** The course is designed to teach only basic foot care, not podiatric procedures. The bill repeals the Podiatrists Act 1989 and re-enacts the provisions relating to the regulation of podiatrists with the following modifications. Additional mechanisms will be provided for the accreditation and recognition of qualifications entitling a person to register as a podiatrist. Competence will become an express requirement for registration, and the Podiatrists Registration Board will be given the power to inquire about competence. The bill provides a mechanism for establishing a code of professional conduct, and clarifies the operation of the code. Registered podiatrists will be required to submit an annual return to the board detailing matters that establish their continuing competence and good character.

Registered podiatrists will also be required to notify the board of convictions and criminal findings of guilt that do not proceed to a conviction for various offences, and the courts will be required to notify the board of certain convictions and criminal findings against registered podiatrists. The bill introduces definitions of unsatisfactory professional conduct and professional misconduct. It provides that a complaint against a podiatrist may be made and dealt with even if the podiatrist has ceased to be registered. The board will be required to notify a podiatrist of a complaint made against them. The Podiatry Standards Advisory Committee will be established to inquire into less serious complaints about podiatrists and to make recommendations to the board with respect to the determination of those complaints. The Podiatry Standards Advisory Committee will be able to conduct skills testing of a registered podiatrist against whom a complaint is made.

The bill provides mechanisms to enable the board to monitor and manage podiatrists who are impaired in their ability to practise. It will replace the determination of complaints by professional standards committees with determination by a hearing of the board. The board will be authorised to make orders with respect to fees charged for podiatry services when determining a complaint. The board will have seven members, comprising four podiatrists, an officer of the Department of Health, a legal practitioner and a representative of the community. A board member will be limited to three consecutive four-year terms in office.

The board will be given powers to delegate its functions. The bill will modify the operation of the Criminal Records Act 1991 in order to facilitate the reporting and consideration of criminal findings affecting applicants for registration and podiatrists. The board will be required to notify other podiatry registration authorities of disciplinary action taken against a podiatrist. The bill provides that proceedings for an offence under the Act can be taken within 12 months of the commission of the offence, and any conditions on a podiatrist's registration will be recorded in the register.

The bill will place restrictive practices provisions in the Public Health Act 1991, as has happened with legislation for other health professionals. It will amend the Act to restrict the provision of an invasive foot care

treatment to registered podiatrists and medical practitioners and to restrict certain other foot care treatments to registered podiatrists, medical practitioners, and registered nurses and, as a consequence of amendments foreshadowed today, to certain other registered health care professionals. Clause 7 of the bill prohibits a person from indicating that they practise, or are qualified to practise, podiatry unless they are registered under the proposed Act. A person who is not a registered podiatrist must not indicate that they practise podiatry, or are qualified to practise podiatry. The bill states:

> Without limiting the ways in which a person may be taken to have indicated that the person is qualified to practise podiatry or that the person practises podiatry, a person is taken to have so indicated if the person uses:
>
> (a) any name, initials, word, title, symbol or description that (having regard to the circumstances in which it is used) indicates, or is capable of being understood to indicate, or is calculated to lead a person to infer, that the person is qualified to practise podiatry or that the person practises podiatry or
>
> (b) the titles "podiatrist" and "chiropodist".

In relation to competence the bill states:

> For the purposes of this Act, a person is competent to practise podiatry only if the person has sufficient physical capacity, mental capacity and skill—

I stress skill—

> to practise podiatry and has sufficient communication skills for the practice of podiatry, including an adequate command of the English language.

Unsatisfactory professional conduct for the purposes of this Act includes any conduct by the podiatrist that demonstrates a lack of adequate knowledge, skill, judgment or care in the practise of podiatry. The Podiatry Association expressed concerns in relation to inspectors. The Director-General of the Department of Health can appoint any person as an inspector for the purposes of the Act, and has to provide any inspector with a certificate of authority. Who "any person" might be causes alarm. The association is concerned that the person may not have a health background or any qualification to assess the practice of any person or any place of practice.

I refer to the amendments to the Public Health Act contained in schedule 6 to the Podiatrists Bill and acknowledge that a new section 10AH to the Public Health Act has surfaced today. It states:

> **10AH Restricted or invasive foot care treatment not to be provided by unregistered person**
>
> (1) a person must not provide an invasive foot care treatment in the course of providing a health service (as defined in the *Health Care Complaints Act 1993*) unless the person:
>
> (a) is a registered podiatrist, or
>
> (b) is a registered medical practitioner.
>
> …
>
> (2) a person must not provide a restricted foot care treatment in the course of providing a health service … unless the person:
>
> (a) is a registered podiatrist, or
>
> (b) is a registered medical practitioner, or
>
> (c) is a registered nurse and is providing the treatment in the person's capacity as an employee of a public health organisation, nursing home, day procedure centre or private hospital.
>
> …
>
> (3) Proceedings for an offence against this section may be instituted within 12 months after the act or omission alleged to constitute the offence.

Definitions in the bill include:

> ***invasive foot care treatment*** means any invasive procedure performed on the feet or toenails under anaesthesia …
>
> ***Restricted foot care treatment*** means:
>
> (a) debridement of hypertrophic or necrotic tissue of the foot, or
>
> (b) treatment of the feet of an immuno-compromised or vascular compromised person or a person suffering from a peripheral neuropathy.

Proposed section 10AH in schedule 6 to the bill has seven subsections. Subsection (1) provides that a person must not, in the course of providing a care service, perform any invasive foot procedure under anaesthesia unless the person is a registered podiatrist or a medical practitioner. Subsection (2) provides that a person must not perform a foot care service, carry out surgical debridement of hypertrophic tissue of the foot using a sharp instrument, unless that person is a registered podiatrist, registered medical practitioner or a registered nurse. The inclusion of "registered nurse" now gives the qualification of providing immediate relief from pain or discomfort for the patient. The Opposition is concerned about the definition of "immediate relief". It is open to interpretation and could relate to discomfort from walking in a tight shoe. Today in discussions with representatives from the Department of Health I was told that a court will decide what "immediate relief" is defined as, should there be a discrepancy.

Subsection (3) is an altered reference to who can provide a foot care service, treat a disorder of or an injury to the foot, knowing—we are concerned about that word—that the person treated has a medical condition causing inadequate blood circulation to their feet or has peripheral neuropathy affecting their feet. Included in this subsection are chiropractors, osteopaths, physiotherapists and pharmacists, as well as registered podiatrists, medical practitioners and nurses. It seems to me that under no circumstances in the history of podiatry have podiatrists ever prevented, or has the legislation ever prevented, any other profession from doing what that profession does. It is interesting to note that has been expanded.

I refer to a copy of an undated letter that only surfaced today when it was faxed to the Podiatry Association at 10.15 a.m., although the Minister's office assured the association and me that this letter from the Minister was posted last week. Today the Podiatry Association still has not received that letter through the post. I have considerable concern about the Podiatry Association and the Opposition finding out about these amendments only today. The Minister stated in his letter in relation to practice restrictions in proposed section 10AH of the Public Health Act:

> … I am concerned that the provision as drafted would adversely impact patient care by preventing normal wound management activities, including normal cleansing, simply because the wound happens to occur on the foot.

I have already assured everybody that podiatrists have never prevented other professions from doing what their profession does. The letter continues:

> The Podiatrists Association has proposed that the Bill be amended to prevent registered nurses, irrespective of the practice setting, from undertaking the debridement of hypertrophic tissue of the foot.

Obviously that has not been acknowledged. The letter continues:

> I remain concerned to ensure that the practice of restriction does not cut across normal nursing practice or that patients are not denied appropriate care because of the unavailability of podiatry services in some areas.

This seems to be a work force issue. The Podiatrists Registration Board also viewed the review of this Act as a work force solution. There are difficulties in some regional and rural areas, in metropolitan areas, in public hospitals, and in other places where the Government employs podiatrists, and not only in relation to the pay that podiatrists in the public sector receive. At this point, three to four years on, the Health Research and Employees Association has still not reviewed the award. Podiatrists have no incentive to work in that sector. The Podiatrists Registration Board regarded this as a work force matter and recommended that the Government not seek to solve its work force problems by loosening up the Podiatrists Act to enable other people to perform podiatry. In relation to self-employment, the Minister said in his letter:

> The NSW Nurses Association has expressed concern that, as currently drafted, the Bill will prevent registered nurses from undertaking their normal nursing duties including to persons with certain medical conditions, in aged care facilities that are not licensed under the Nursing Homes Act, residential facilities for people with developmental disabilities and where they are self-employed.

Nurses hanging up a shingle and performing podiatry procedures is of huge concern in relation to insurance and other issues. I refer now to the second reading speech of the Parliamentary Secretary to the Minister for Health. She said that the bill proposed to repeal the Podiatrists Act 1989 and to replace it with new legislation for the registration of podiatrists. She said that the bill resulted from an extensive review process that had taken place over the past few years. I was extensively involved in the review, but I was refused attendance at two meetings regarding the bill because I am not a podiatrist, even though I was Executive Director of the Australian Podiatry Association. I saw irony in the fact that the then Minister for Health, who had no medical qualification, would have been entitled to attend any meeting associated with health.

The Parliamentary Secretary said that honourable members would recall that health professional legislation introduced in recent times included cognate amendments to the Public Health Act, as I have duly said, in respect of any restrictions on health care practices necessary in the interests of public health and safety. However, their placement in the Public Health Act attempts to underpin the public health and safety rationale of the restrictions, and the bill before the House takes a similar approach. On my interpretation of the bill, the Opposition is concerned about the public health and safety rationale. It has more to do with the Government trying to solve its workplace problems and not doing a good enough job to entice podiatrists to take up the profession or be employed in the public health system.

The Parliamentary Secretary stated also that in no way is the bill intended to prevent other health professionals, such as chiropractors, osteopaths and physiotherapists, from undertaking their normal professional practice in respect of immuno-compromised or vascular-compromised individuals and individuals suffering from peripheral neuropathy. Given that statement, one has to wonder about the reason behind the amendments to which I have just referred.

I would like now to reflect on podiatry as a profession. It has a rich and eventful history. Many pathological conditions known as orthopaedy were studied for centuries, certainly from the era of Hippocrates. In early times the work was not highly regarded and was considered beneath that which a doctor would perform. Today the contribution of well-educated and trained podiatrists has led to the detection of people with potential foot problems and lower morbidity and mortality of people with high-risk feet, a good example being patients with diabetes mellitus. This contribution is well respected amongst health care teams and it is much sought after in many communities around Australia.

The world's first chiropody organisation was founded in 1895 and called the Pudic Society of New York. The first British society came into being in 1912. The society was particularly anxious to protect the public from the untrained and unethical—a need that would intensify through the years as its own members increased their standards and the education system developed. This feeling still exists today, particularly in the light of the review of the Podiatrists Act 1989, in that it seems that deregulation would seek to threaten the public protection afforded by current legislation.

In Australia, the first attempts to organise a body of chiropodists began in 1924, culminating in the formation of the Australian Chiropody Association in 1955. The Chiropodists Registration Act was proclaimed on 1 November 1962. The registration of the name change to the Australian Podiatry Association (NSW) took place on 23 May 1978. Following a few years of advocacy by the Chiropodists Registration Board, a major amendment to the Chiropodists Registration Act, including its change of title to the Podiatrists Act, was carried in Parliament in 1989. In all Australian States and the Australian Capital Territory podiatry is a registered health profession and is governed by an appropriate registration Act.

**Mr Barry O'Farrell:** Why the name change?

**Mrs JUDY HOPWOOD:** The Deputy Leader of the Opposition asked about the name change. It is related to increased knowledge. The United Kingdom has chiropodists and podiatrists; Australia has only podiatrists. Until 1977 Australian podiatrists were known as chiropodists—as I have said, the name change reflecting the upgrading of educational requirements and the expanding scope of the profession. Today podiatry students are taught at the University of Western Sydney and enter registered practice following a rigorous four-year course, many having completed an honours year. In 2001 a second university degree course commenced in the Albury-Wodonga campus of the Charles Sturt University. The latter course was the result of an increase in Federal funding to meet the work force and health needs of rural New South Wales. In a letter dated 16 June 2000 from David Battersby, Dean of the Faculty of Health Studies, Charles Sturt University, at the Albury-Wodonga campus, he stated in relation to podiatry:

> Arguably, the skill level required for such practice is very high and it would be a significant retrograde step to deregulate the Podiatrists Act so that lesser skilled people could practise extended foot care or podiary. If this were to occur, the viability of the podiatry course at Charles Sturt University would have to be re-examined.

The previous statement is ominous and reflects the opinion of a well-experienced educationalist that to de-skill podiatry would result in less than appropriate standards of care delivery. It is significant that podiatry was mentioned in the 2000 Federal budget as a recipient of extra funding under the Regional Services portfolio. The Australian Podiatry Association (NSW) for many years analysed and debated aspects of the current Act for its appropriateness to reflect modern podiatry. Whilst recognising the National Competition Principles Agreement, the Australian Podiatry Association (NSW) strongly believes that the welfare of the community as a whole will

be seriously threatened should there be a lessening in the protective aspects of the Act. The association believes that whatever restriction appears in the Act will benefit the community and outweigh the costs, and that the objectives of this legislation can be achieved only by retention of such supposedly anticompetitive content.

The Australian Podiatry Association (NSW) does not agree that performing a review for the sake of compliance with Federal legislative direction, particularly in health areas, is appropriate because businesses delivering health services are unique in that the product must be compared against best practice and high quality of care involving people. The health department issues paper was found to contain many generalisations and inconsistencies, and often did not provide sufficient substantive arguments to support its claims. There were also assumptions made and analogies presented which showed lack of information about podiatry and the scope of practice and expertise required to perform the same, and did not prove the points raised to convince the reader that deregulation of any sort should occur. The motto of the Australian Podiatry Association (NSW) is "skill with integrity" and this is exemplified by the education and training afforded students of podiatry today as well as maintained by the administration of the current Act.

With the first graduates of the bachelor of applied science podiatry degree course at the University of Western Sydney, Macarthur, entering the work force at the end of 1999, and the establishment of a second podiatry degree course at Albury-Wodonga, the timing could not be worse for an attempt to deregulate the practice of podiatry. The practice of podiatry will require regulation to protect the public as podiatric practitioners expand their scope of practice. To deregulate and thus open up the practice to almost anyone will damage the current trust that the community has in podiatrists as well as increase the potential danger to the public in terms of the quality of care that will be provided. The Australian Podiatry Association (NSW) remains of the firm belief that the Podiatrists Act 1989 should remain in terms of its restriction of practice. The Australian Podiatry Association (VIC) in its 1994 booklet *Podiatry Today* states:

> Podiatrists are highly trained in the diagnosis and treatment of both common and more rare skin and nail pathologies of the feet. Podiatrists play an important role in maintaining the mobility of many elderly and disabled people, and others. This is achieved through the monitoring of foot health, in particular of those with vascular problems such as diabetes. Podiatrists are recognised as important members of the health care team in preventing and managing lower limb complications for those living with diabetes.

It is well recognised that podiatrists are trained in the provision of foot services ranging from common disorders such as corns, calluses and warts, but including complex and chronic conditions of the feet and related structures. The types of patients seen by podiatrists range from babies to the elderly in our community. Podiatrists can involve themselves in areas such as systemic diseases, for example, diabetes, arthritis and peripheral vascular disease; children's feet: preventing and treating foot deformities; occupational podiatry: managing foot problems caused by the environment in which people work, such as miners; biomechanics: the anatomy and function of the foot and the lower limb, taking into account gait analysis to detect problems in motion; sports medicine: working with athletes as well as attending to injuries occasioned by a type of sport; and orthoses: custom-made shoe inserts specifically designed to reduce a foot pathology.

The Australian Podiatry Association (NSW), representing approximately 90 per cent of podiatrists in New South Wales and the Australian Capital Territory, supports the aim of any legislation to ensure the protection of all members of the community. The Australian Podiatry Association (NSW) considers that the current provisions within the Podiatrists Act for the most part adequately serve the community in the delivery of podiatry services and allow for substantial levels of competition while ensuring appropriateness of care. The removal of anticompetitive content merely for the sake of it will be detrimental to public safety. There would be unacceptable costs to the community in terms of public risk should this deregulation be allowed. The terms of reference of the review state that the costs to the wider community associated with restricting competition may be acceptable if they are outweighed by the benefits to the community as a whole and there are no other less competition-restricting ways of achieving the objectives.

Members of the public must have adequate information to enable them to make an informed choice about purchasing a service. Any lack of information would be viewed as a significant problem in a deregulated market. Should other persons be able to practise podiatry, even if they were prevented from calling themselves podiatrists, the public would be unable to determine standards of care that could be reasonably expected from such service provision. As it is now, work force surveys are able to be undertaken. In a deregulated market the provision of services would be extremely ad hoc, and unable to be monitored. Further, if a procedure performed by a lesser or non-trained person were to result in a problem and the receiver of the treatment sought legal redress, the aggrieved person would be forced to follow civil court action, probably at large financial cost to the person, because the Podiatrists Registration Board would have no jurisdiction over the matter. The courts would not have the expertise in podiatry to easily make a determination, whereas podiatrists are members of the Podiatrists Registration Board.

The inability of a person to assess the need for podiatric services or the types of services required to distinguish the competent from the incompetent practitioner, or to assess the quality of the services rendered, may result in costs to the individual consumer seeking out treatment, as well as result in physical harm or financial loss through failure to have a condition diagnosed or treated. There are a number of important areas to consider such as excellence in education, to which I have already referred. The current educational requirement for students wishing to enter the podiatry profession is a four-year undergraduate degree, which incorporates a curriculum that is designed to meet the complex skills and education needs that are part of a career in podiatry today. Every profession has basic elements to its practise, adding to these building blocks to produce a competent practitioner. Keenan and Ford, 1995, state:

> Competence in professional practice involves much more than mastery of many discreet and separate tasks. It is a complex interaction and integration of manual skills, knowledge, judgment, high order reasoning, personal qualities, intuition, values and beliefs.

The profession has access to ongoing education to maintain necessary skills and knowledge levels, which is integral to the services offered by the professional organisation, the Australian Podiatry Association (NSW), often in collaboration with the University of Western Sydney. Any other group of people who might, in a deregulated environment, seek to practise as podiatrists would not have access to continuing education, and networking and mentoring opportunities that are some of the advantages of the existence of such a professional grouping. Both the Australian Podiatry Association (NSW) and the Australasian Podiatry Council, as well as other State associations, produce educational material that is regularly updated to reflect current practice. The general public would, therefore, be at risk from people who would be likely to fail to offer the most appropriate services, and against whom there is no benchmark by which to determine adequacy of skills.

It would appear that some of those in a position to make far-reaching decisions about the future of the podiatry profession do not possess an adequate knowledge of the scope of practice of podiatrists. A visit to the campus of the University of Western Sydney and a look at the curriculum and accurate information about the scope of practice of many podiatrists would convince anyone that the profession demands complex skills and judgment that would not be conveyed if education about feet were to be included in a more general course. Keenan and Ford, 1995, describe a competent professional as one having the relevant knowledge, skills and attributes necessary for job performance to the appropriate standard. They state further :

> The podiatry profession has not only the right but also the responsibility to determine what constitutes a competent practitioner. It is the role of the profession to identify and document these standards, develop and support the infrastructure (undergraduate, postgraduate, professional development) necessary to provide and maintain the quality of service, and provide mechanisms for regular review of the standards of competency.

A profession is an entity that possesses a body of knowledge. As such, a profession offers a unique service to the community that may be similar in some respects to other groups, but has its own intrinsic elements and standards that would be impossible for a lesser or dissimilar group to provide or maintain. According to Keenan and Ford, the existence of the Australasian Podiatry Council competency standards and related assessment methods allow the profession to:

> Articulate the unique role of podiatry within this provision of health care, education and prophylaxis across a broad range of services within Australia. The document can be used to support the profession's integrity, autonomy and its rich store of skill and knowledge.

Such standards enable benchmarks for entry-level podiatrists, as well as future development of quality assurance and performance appraisal mechanisms. Many procedures carried out by podiatrists involve work with scalpel blades and other sharp instruments. There is an ever-present risk of an unintentional break in the dermis, which carries with it certain risks of infection. To utilise a scalpel there are specific skills required to minimise the danger. There is also the expectation on the part of patients that the instruments used during any podiatric procedure are sterile. It is a requirement of registration of podiatrists that they observe strict standards of infection control and sterilisation. It has been stated that one of the assumptions of safe and appropriate practice is that there exists "compliance with legal, professional and ethical guidelines", all of which are present in the competency standards under which podiatrists work, as well as the Podiatrists Act 1989 in its current form.

The competency standards and related assessment methods document contains standards that were identified and validated using an extensive consultative process, and includes elements covering practice, environment, sterilisation, and management of sharps. The document makes a statement that "the development of competency standards is an important component of the ongoing review and accountability process for the profession". In 1996 there was an attempt to remove the basic foot care clause in a legislative review of the

Podiatrists Act 1989. One of the strong arguments against the removal of the clause related to infection control. In a letter dated 1996 to the then President of the Australian Podiatry Association (NSW), Geraldine Treloar, Chairperson, Standards Australia HT 30 Committee Member, on behalf of the Chiropody Board of South Australia, made the following statement:

> In this Board's opinion the matter of the provision and use of sterile instruments for every client should be mandatory in any treatment where there is a risk of piercing skin. Regulations under the South Australian Act require sterile instruments to be used whether for basic foot treatment or more complicated procedures.

This statement is as relevant today as it was then, and supports the need for specialised knowledge and techniques performed in podiatry to acceptable standards. Public risk may also occur should a practitioner perform procedures for which he or she has not been sufficiently educated or trained. Many skilled professionals, including nurses—I am a nurse—acknowledge that podiatry encompasses a level of skilled application of procedures that is outside other areas of expertise, and which should be left to those with specific education and training. Volunteers from the Australian Podiatry Association (NSW) have been attending Matthew Talbot Hostel for Homeless Men on a weekly basis since 1999 to provide podiatry services to the men who require care. In a letter dated 14 June 2000 from Bernard Cronin, Executive Manager, St Vincent de Paul Society, Matthew Talbot Hostel the statement is made:

> The nursing staff [of Matthew Talbot] have become aware of the specialised nature of this [podiatry] profession and indeed have learned new skills from visiting podiatrists.

Bernard Cronin also said:

> It is of concern to us as health professionals, that deregulation of the Act may mean practice by lesser skilled individuals can occur, with poorer quality patient care being the end result.

Close observation of the podiatric practice carried out in the podiatry clinic in Matthew Talbot has confirmed the fact that podiatry is a specialised profession requiring skills and judgments that are not required by other health professionals.

**Madam ACTING-SPEAKER (Ms Marianne Saliba):** Order! There is far too much audible conversation in the Chamber. Members who want to converse should do so outside the Chamber.

**Mrs JUDY HOPWOOD:** This is a most important bill. There are a number of instances in case law in which podiatrists have been called upon to give expert evidence in circumstances in which no other person could provide such testimony. Podiatrists exhibit expert service provision in many areas. The loss of a limb is a frequent complication of diabetes mellitus, but more commonly foot problems such as ulcers and infections occur as a result of diabetes. The pathological process of diabetes mellitus places the foot at increased risk of tissue damage, resulting in a 15-fold increase in the risk of amputation compared to a non-diabetes neuropathy. That shows the importance of having a person who is very well trained in treating diabetes complications. The problems are usually triggered by some traumatic events or are superimposed on the risk factors that are already possessed by the person being treated. The lesions are often the first indication of the pathway leading to possible amputation. Inadequate and inappropriate self-care by the patient is sometimes regarded as a major contributing factor.

Podiatrists often work with patients who have diabetes and who possess either a high or low risk of developing foot complications as a result of that disease. Many nurses refuse to attend the foot care of such patients—when I worked for the Sydney Home Nursing Service I experienced that—because of the real risk of instigating some form of infective or other process. Nurses believe that they do not possess the necessary skills to appropriately manage many conditions of the feet of patients who have diabetes. Nurses are equipped to perform basic foot care or hygiene as part of their normal duties, and are even more qualified if they complete a course titled "Basic Foot Care Course for Nurses". During the nursing undergraduate course, nurses are taught very little about the foot. After checking with a number of different universities I found that one or two hours was generally the amount of time spent on learning about this part of the anatomy. After all, nursing is a general course and during this course nurses are not educated enough to be able to deal with feet that are considered to be abnormal or that possess a pathology of some form.

In the National Diabetic Foot Disease Management Program, it is a strong recommendation as part of the National Diabetes Strategy and Implementation Plan that initiatives be implemented to reduce by half the yearly mean of lower extremity limb amputations. A couple of years ago the figure was 2,629 for amputations and the aim is to reduce that figure by half by 2005. A common foot ailment that is managed by podiatrists is

ulceration. A person who has had an ulcer treated and it has subsequently healed is 15 times more likely to develop another ulcerated area. It has been stated that education and primary preventive measures that are given individually by podiatrists to patients who have diabetes but who do not have a great risk of severe foot lesions results in significant improvements in knowledge and foot self-care scores and in improvements in the prevalence of some minor foot problems. It has been well documented that the podiatrist is an integral part of a health care team. The absence of podiatrists would have a large impact on health outcomes experienced by patients.

Podiatrists are extremely important in the provision of primary care. In a speech given by Lord Morris of Manchester in 1999 to the British Parliament, it was stated that chiropodists and podiatrists diagnose and treat patients independently of medical practitioners. Lord Morris stated:

> State-registered chiropodists/podiatrists are not seeking aggrandizement for their profession. Their abiding concern is to protect professional standards in the public interest.

He also stated:

> [It is] vitally important that … people whose disabilities make them at once highly vulnerable and vitally dependent on fully qualified help [should receive the same].

Podiatrists in Australia share those sentiments. To dilute the Podiatrists Act 1989 and inflict deregulation onto podiatrists will constrain the nature of primary care that podiatrists offer to the community and will deprive patients of the high quality of care that is currently expected from podiatrists. Podiatrists are true primary care service providers who are able to diagnose ailments and then select the treatment modality which will suit the problem. They receive referrals from other health practitioners and they also refer patients on to other health care professionals, should there be a need to do so. Professionals such as medical practitioners are confident about referring patients to someone who is known to be a podiatrist because there is an presumed level of competency that the doctor can rely on.

In relation to the registration board, I point out that should the Podiatrists Act be changed to such an extent that the title "podiatrist" is the only form of restriction in relation to the Act, the registration board will not have a great deal of relevance in terms of the purpose for which it was created in the first instance. Specifically in relation to podiatry, the main reasons for introducing regulations in the Chiropodists Registration Act in 1962 were stated in *Hansard* as follows:

> … to protect the public from being treated by untrained or partially trained persons and thus running the risk of injury and infection

That is equally true today. For many years, podiatrists, or chiropodists as they were then known, tried to gain recognition for the skills they possessed and the need to protect the public against other workers who were less qualified or non-skilled. Regulation by professional boards allowed the use of a wide range of responses to professionally inappropriate or incompetent behaviour. Regulatory measures may range from deregistration or the imposition of a fine to requirements for counselling or professional re-education. Such measures are not available to courts which lack the capacity to select appropriate actions in many cases. *Hansard* states in relation to the Minister's second reading speech on the Podiatrists Bill in 1989:

> The main purpose of these Acts is to assist in maintaining standards of care by these professional groups and to protect the public by ensuring that only suitably qualified persons are able to practise.

An updated definition of podiatry was included in the then new Podiatrists Act 1989, as well as the establishment of a code of conduct. *Hansard* states that it was envisaged that the code would incorporate specific standards to ensure that podiatrists are competent to practise within the levels of their skills and training.

**Madam ACTING-SPEAKER (Ms Marianne Saliba):** Order! There is far too much audible conversation in the Chamber. This is the second time I have warned members. If members wish to hold conversations, they should do so outside the Chamber.

**Mrs JUDY HOPWOOD:** It was also envisaged that the review of the Act in 1989 would provide a basis for upgrading podiatry training—which it did, with commencement of the podiatry degree at the University of Western Sydney and subsequently at a second campus in Albury. I now wish to refer to letters

received in relation to the current revision of the Act. I received a letter from the Pharmacy Guild of Australia dated 27 June 2000 and signed by the New South Wales branch president. The letter states:

> The Pharmacy Guild of Australia (NSW Branch) shares your Association's concern that the alteration of the Podiatrists Act 1989 to remove anti-competitive content will lead to a decrease in quality of care to the patients of New South Wales.

As I stated earlier, the Dean of the Faculty of Health Studies at the Charles Sturt University is extremely concerned and has expressed that concern in a letter dated 16 June 2000 in which he further states that well-trained podiatrists are needed in rural and regional areas. A practitioner, Tony Duffin, who practises podiatry in Beecroft, has made a statement in his letter dated 26 June 2000. His letter states:

> Diabetic foot problems are arguably the most serious condition podiatrists face on a daily basis. With the dramatic increase in the number of sufferers of this disease (estimated to reach 900,000 by the end of the year 2000) the early diagnosis and treatment of foot problems in diabetes is of paramount importance for both personal and financial reasons.

He went on to emphasise that podiatrists provide the appropriate level of care for those conditions. The President of Sports Medicine Australia, Marilyn Feenstra, has stated:

> Podiatrists have been part of our major medical team for Olympic Games [and] Commonwealth Games not to mention all other elite sporting events. Podiatry is a vital part of the operational team. This discipline can only remain operating at this level if we strictly protect the scope of practice of Podiatry. Deregulating the Podiatry Act would only enable people who lack the high level of education or clinical skills to operate where they are not qualified? This would be a major retrograde step in the preservation and development of safety in sport.

The Council on the Ageing stated in a letter written by its executive director and policy officer on 22 June 2000:

> Foot care for older people is essential to their overall wellbeing. Without mobility, older people suffer concomitant illness, such as pressure sores, depression, circulatory and digestion problems. With more enduring mobility problems, older people sometimes require relocation in an aged facility. These problems can be avoided by comparatively low-cost podiatric care earlier in a person's life. For this level of preventative care, professional expertise is required.

The Optometrists Association Australia has stated in a letter written by its executive director dated 26 June 2000:

> The … Association … strongly supports the maintenance of the highest professional standards in the provision of foot care for the people of NSW. This Association believes that this can only be achieved by continuing the "whole of practice" restriction on the practice of podiatry by podiatrists.

Stephen Milgate, the Executive Director of the Australian Doctors Fund, stated that he was advised by foot and ankle surgeons that they would have grave concerns with unqualified people undertaking foot care, particularly for patients with diabetes. In 1995 a case report entitled "Fatal chiropody" that appeared in the journal *The Foot* stated that an 87-year-old lady consulted a non-State registered chiropodist in the United Kingdom who cut down the edges of her ingrowing toenail, resulting in bleeding. The nail edges became infected and rather than settling on antibiotics progressed to gangrene. Because of that treatment the lady subsequently died. The Australian Podiatry Association submission dated July 2003 was concerned with the protection of the public.

**Mr Alan Ashton:** Why don't you give us a bit of detail?

**Mrs JUDY HOPWOOD:** This bill is being reviewed and the honourable member for East Hills is going to hear why podiatrists need to maintain a bit of professionalism. We are dealing with the potential death of a profession. The Podiatrists Bill envisages new legislation for the regulation of podiatry in New South Wales. The Podiatrists Act 1989 and the Chiropodists Registration Act 1962 restricted the provision of foot care services by whole of practice. The new Act represents a major departure from that in that the object of the Act is to protect the health and safety of the public by providing mechanisms to ensure that podiatrists are fit to practise. While we have always maintained that the object of the legislation should be to protect the health and safety of the public, this entails considerably more than the fitness of podiatrists to practise.

When the profession was first regulated in New South Wales the object of the legislation was to protect the public from being treated by untrained or partially trained persons, thus running the risk of injury or infection. It may appear on first reading that the restrictions that are to be placed on the Public Health Act will be adequate to perpetrate the principles of that statement in *Hansard* and they reflect the intention of recommendation (3) of the report on the review of the Podiatrist Act 1989, dated May 2003. However, the Public Health Act regulations, in their present form, are designed to deal only with restricted foot care treatments when undertaken in the course of providing a health service, as defined in the Health Care Complaints Act.

The persons who need to access foot care services are often those who do not have the knowledge to discern that they may be putting themselves at risk by accessing services from untrained or partially trained persons. In the wording of section 10AH there will exist an enormous potential for the people of New South Wales to come to great harm. That harm has been prevented by legislation for more than 40 years and should continue to be prevented by being addressed in the new legislative model. I will comment on the submission regarding fee for service. The New South Wales Podiatry Association maintains that the bill does not adequately prevent nurses from providing foot care treatment for a fee. Evidence would suggest that it would be prudent to make such a reference since it is known that such treatment is already offered to the public at large, either in clinics or on a domiciliary basis.

I refer to the draft report of the review of the Podiatrists Act 1989. The aims of the review are to clarify the objectives of the legislation, to identify the nature of legislative restrictions, to analyse the likely effects of the restriction on competition identified, and to consider alternative means of achieving the same result. The draft report makes reference to the number of podiatrists registered in 2002. It also details that it is estimated that 82 per cent of podiatrists practise in the private sector while 18 per cent are in the public health system. It is a common fact within the podiatry profession that there are no financial incentives to work in the public sector. I relate to my comments about the lack of an adequate award. There is no official public sector award for podiatrists, only a directive, which may explain the low numbers in New South Wales public hospitals. The New South Wales Government appears to place little value on the service provided by podiatrists. The draft report, page 19, states:

> … the public's inability to identify competent service providers may arise where the people are unable to access service providers due to unreasonable restrictions on the number of providers.

Surely access is not the fault of the podiatry profession, but rather the New South Wales State Government for failing to ensure that services are adequately available to people in rural, regional and metropolitan New South Wales. Opening up the restrictions on practice to achieve greater access is not in the best interest of consumer safety. The focus should be on quality not quantity, or else this legislation will fail in its duty of care to protect the consumer. In many areas it has been alluded that the current bill is too restrictive as it precludes other health professionals from treating the feet. Therefore, the Minister has propsed amendments to clarify certain points in the current Podiatrists Bill 2003. I note that the current Act does not restrict health professionals from undertaking diagnosis, treatment and prevention of ailments of the foot in the course of that person's professional practice, specifically relating to those persons who already undertake those practices within their own profession.

On many occasions podiatrists work alongside other allied health professionals to provide holistic treatment options which ensure the patient has the best possible care available. At no point have podiatrists questioned the importance of that approach as other allied health professionals are as equally educated in the variety of treatment options. Likewise, podiatrists have never questioned nurses treating the feet of patients in their role as a nurse with instructions from a supervising medical practitioner in many cases. The draft also states that podiatrists questioned whether registered nurses should be listed among the professions that are suitably qualified to manage foot conditions.

**Mr Paul Gibson:** You are not supposed to read speeches, you know.

**Mrs JUDY HOPWOOD:** I am referring to individual pieces of paper. Podiatrists believe that registered nurses do not have the same training in relation to feet. As I referred to earlier, they received about one or two hours in a three-year undergraduate degree. Any change to the current bill that alludes to the fact that nurses are qualified to perform podiatry is simply misleading the public and is not in their best interest. To verify that statement I have contacted several universities and all qualified the fact that only a couple of hours were spent intrinsically on the foot. The podiatry profession does not question the ability of nurses to perform nursing procedures, and never has. However, it does question the ability of nurses to perform podiatric procedures. I state that the basic foot care course is not adequate training for the performance by nurses of podiatric procedures.

Another argument that is used to justify why changes to the Act are necessary is the difficulty of access to podiatric services in rural and regional New South Wales. Podiatrists are the first to admit that there is a grave lack of services to rural and regional New South Wales. However, the profession can do only so much. At some point the Government must be held accountable for the failure to adequately provide these services. On numerous occasions the podiatry profession has sought assistance in establishing podiatry services in rural and regional communities. I know of several projects currently run by the profession, one of which I started off by taking a project to the Far West Area Health Service.

That project was a fly in, fly out idea that was never taken up by the area health service or by the Government. More allied health services funding from the Federal Government enabled the local general practitioner division to contact the Podiatry Association so that a fly in, fly out service could be established. At the moment podiatry services are provided to the Far West under that project. There has also been private funding. One pharmaceutical company has given a grant for three years to provide some podiatry services needed in southern New South Wales. A page of the New South Wales Nurses Association web site entitled "Newsfront" for July 2002 stated:

> **Foot care course for** AINs
>
> The NSW Podiatry Association has restated its support for the NSWNA's foot care course for assistants in nursing. They have denied rumours that they have disendorsed the AIN course and said the pressure on podiatrists not to teach in the course was coming from the few members of the council and profession. The Association has assured NSWNA officials that its council supports the course. However, it is left to individuals to decide whether they want to teach it.
>
> The NSWNA appreciates this support and in return has agreed to highlight the importance of specialist podiatry services. The NSWNA does not believe that foot care by nurses should be used to replace these services.

That is straight from the horse's mouth. The President of the Australian Podiatry Association, Claire Milligan, said that if the acceptance of competency standards in podiatry for nurses were determined, then that would be an acceptable practice. Therefore, I make that suggestion in relation to the way other professions might practise. The July 2003 president's report in the journal of the Podiatry Association entitled "Footprints" stated:

> [One] meeting that we attended with the legal branch of NSW Health, we pleaded with them that in the interests of public health and safety, registered nurses did not have adequate training or education to perform what we regard as being core practices of podiatry. We took the view that this was no longer an issue in respect of anti-competitiveness—but PUBLIC SAFETY. However, our protests fell on deaf ears.

The August 2003 president's report in the journal stated:

> The situation as it stands is that it will be up to the employer of the registered nurse to decide whether they are appropriately qualified to perform what we essentially consider to be the core practices of podiatry.

In order to give the Podiatry Association more time to consider the amendments in relation to the second reading of the bill, I move:

> That the motion be amended by leaving out the word "now" with a view to adding "after 3 November 2003".

That amendment will enable the bill to lay on the table for a longer period, because we have had insufficient time to consider the amendments that have been placed under our noses only today. It is an insult to the New South Wales branch of the Australian Podiatry Association that it was not aware of the Minister's letter, which the association received only today, and it was not involved in formulating the wording for the amendments. Nor did the association see the wording of the amendments until 2 o'clock this afternoon.

If my amendment is accepted, the Opposition will not oppose the bill. In conclusion, I shall note a few concerns relating to what is likely to, or could, happen if this bill and the amendments are agreed to. I reiterate that the protection of the public is of prime concern. The association and Opposition members are not happy with the people who will be able to provide restricted foot care treatments. The Podiatry Association has lobbied the Government to restrict those treatments to podiatrists or doctors. The legal branch did not concede the points made. Therefore, registered nurses will be able to attend to some of these procedures.

There are issues associated with insurance for nurses. Generally speaking, nurses do not put up their shingle, but that will be a possibility with the passage of the bill. There are issues relating to private health insurance. At present podiatrists receive payments from health funds; podiatry services are not covered by Medicare. Will nurses be able to receive similar payments? Also, podiatrists receive funding from the Department of Veterans Affairs for the treatment of veterans. I am concerned about the experience in Victoria. The Victorian Act is being revised because it is not working. There are certain work force issues. The New South Wales Government must improve podiatrist numbers in rural and regional New South Wales. In the course of practice, the management of problems of the feet by nurses and podiatrists is distinctly different.

The four-year undergraduate degree exists. Nurses undertake a three-year undergraduate degree and do a general course. Podiatrists focus entirely on the feet for four years. Many nurses enter the podiatry profession and are required to complete the four-year course with no exemptions. They learn complex skills as well as diagnosis, which is an integral part of podiatry practice. I repeat: the Coalition will not be opposing the bill if

certain provisions are accepted. The Coalition has posed some pertinent questions about the ability of the bill to properly protect the public in relation to the massive changes put forward.

**Mr PAUL McLEAY** (Heathcote) [10.37 p.m.]: The Podiatrists Bill is in similar terms to the recently passed Chiropractors Act 2001, the Dental Practice Act 2001, the Optometrists Act 2002, the Osteopath Act 2001, the Physiotherapists Act 2001 and the Psychologists Act 2001. The bill updates and strengthens the registration system for podiatrists. In doing so, certain foot care practices will be restricted to medical practitioners, podiatrists and registered nurses employed by the public health system, a licensed private hospital, a licensed day procedure centre or a licensed nursing home. The restrictions are, first, in relation to the undertaking of invasive procedures performed on the feet and toenails under anaesthesia, which will be restricted to medical practitioners and podiatrists.

**Mr Barry O'Farrell:** You are not reading the parliamentary undersecretary's speech, are you?

**Mr PAUL McLEAY:** Not at all. The second restriction is the undertaking of debridement of hypertrophic and necrotic tissues of the foot, and the undertaking of treatment of the feet of immuno-compromised or vascular-compromised individuals and individuals suffering from peripheral neuropathy. The Podiatry Board is the independent statutory body, and the powers and duties of the board include determining the character, subjects and conduct of examinations qualifying persons to become podiatrists and to appoint examiners; to issue and cancel certificates of registration; and to suspend the registration of any person under the Act and to annul such cancellation. I quote from the Podiatrists Registration Board newsletter to registered podiatrists, which is dated March this year. The president's message states:

> The New Year sees us with the same members of the Board reappointed for a further three year term, except, that is, for Anthony Redmond...
>
> It is unlikely, however, that the Board, in its present format, will see out those three years. The amendments to the Podiatrists Act 1989, including changes to the composition of the Board are expected to pass through State Parliament sometime this year.

That is what we are doing now. The president goes on to state:

> We await the resumption of State Parliament after the election to continue discussions.

The Health Care Complaints Commission will retain its role in the investigation and prosecution of complaints, and the boards will be required to consult with the commission. The criminal justice system can provide information as to whether a practitioner remains of good character and is fit for registration. Therefore, it is proposed that the courts will be required to notify the boards of practitioners who have been convicted of offences or who are made the subject of a criminal finding for sex or violent offences.

The bill also provides for a more comprehensive annual review process and it will introduce an impaired practitioner system for podiatrists. The system is modelled on the impairment system that has successfully operated in the Medical Practice Act for a number of years. The impairment system will enable the board to deal with practitioners whose ability to practise is impaired due to an addiction or illness, and to manage those impairments before members of the public are placed at risk. The first of the board's initiatives is to refuse to register a person or to register him or her subject to conditions when it is not satisfied that he or she is competent to practise.

For the first time it will be an express requirement that applicants for registration must be competent to practise. The second initiative is to ensure that podiatrists maintain their competence. The third significant part of the bill will introduce a new disciplinary system similar to the model applying to a number of other health professions. The adoption of a two-tier definition of professional misconduct will enable the board to deal with both serious and less serious complaints in the most appropriate manner. I commend the bill to the House.

**Mr IAN ARMSTRONG** (Lachlan) [10.43 p.m.]: I support the amendment moved by the honourable member for Hornsby. I applaud her on her presentation tonight and congratulate her on her research and her knowledge. Many honourable members probably do not recognise that the honourable member for Hornsby not only is a registered nurse, she also has a masters degree in bioethics. All honourable members should read her speech in *Hansard* tomorrow. I am sure that an abridged summary will be available for those who are not quite so academic. It is good at this time of the night to have a bit of frivolity, but this extremely serious piece of legislation will affect most people at some stage in their lives. Podiatry is a profession that is often misunderstood. If the statisticians are correct, over the next few years we will have a much better understanding of the importance of podiatry.

I saw some rough figures recently which revealed that by 2010 about 26 per cent of our population will be over the age of 65 and by 2050 over 30,000 people will be over the age of 100. I would like to make it to 2050 if I can. The disease of diabetes is now better understood. I forget the figures, but I think each week about 5,000 people across Australia are diagnosed with type two or type one diabetes. As the honourable member for Hornsby said earlier, a crack in a heel or a lesion in a toenail could lead to an infection, to diabetes and subsequently to an amputation. In recent years one of my friends had both his feet amputated because of diabetes. As a butcher he worked on cement floors, contracted diabetes and within a few years lost both his feet. That happened to him because of the lesions in his feet.

How often have we heard older relatives or friends complaining about sore feet? We often see people in shopping centres who have sore feet and complain about them. People have corns and ingrown toenails, but that is the simple stuff. Some people who have foot problems contend with those problems for years as they do not know what to do about it and they do not have access to a good podiatrist. The regulation relating to podiatrists comprises an enormous volume. Podiatry should be one of the best-policed professions around. Very few professions that are regulated by the Parliament have so many regulations imposed on them.

From my limited exposure to podiatrists I have established that they are extremely well qualified and they are conscious of their value to the profession. They are also aware of their contribution to the good health of the community. I promised to support the contribution of the honourable member for Hornsby. I have done that. I do not profess to have an in-depth knowledge of the podiatry profession, but I heard about the honourable member's qualifications long before she became a member of this Parliament. I urge every honourable member to support her contribution and the amendment that she moved to the second reading motion.

**Ms KRISTINA KENEALLY** (Heffron) [10.48 p.m.]: I speak in support of the Podiatrists Bill, which puts New South Wales on the front foot in protecting the health and safety of consumers by providing effective regulation and ensuring that podiatrists are fit to practise. I note that at the commencement of this debate the Leader of the Opposition was in the Chamber consulting with the Deputy Leader of the Opposition. When it comes to leading the Opposition, there are some big shoes to fill. This bill updates and strengthens the registration system for podiatrists. To ensure that we put the right foot forward, the Podiatrists Act 1989 will be given the boot. Certain foot-care practices will be restricted to medical practitioners, podiatrists and registered nurses employed by the public health system, a licensed private hospital, a licensed day procedure centre, or a licensed nursing home.

If someone is not properly qualified to practice podiatry he or she will not get a foot in the door. The disciplinary system will be amended to provide a two-tier definition of misconduct similar to those in the Medical Practice Act and the Nurses Act. A tribunal will be established to investigate serious complaints and an assessment committee will be established to investigate less serious complaints. For those practitioners who do trip up, the Health Care Complaints Commission will retain its role in the investigation and prosecution of complaints and the boards will be required to consult with the commission.

I would like to speak briefly about the role nurses play in the delivery of foot care services. Our registered nurses are not toey about foot care practices. They jump, feet first, into a rigorous university education, including education in foot care practices. First-year students receive fundamental education on foot assessment and care. Students also receive extensive education on wound management, and in the more complex medical and surgical modules towards the end of the undergraduate program students of nursing receive specific education on complex feet problems including, but not limited to, the care of diabetic feet, neuropathy and circulatory problems.

The undergraduate curricula is only the first step. Since 1988 the New South Wales Nurses Association, in conjunction with the Australian Podiatry Association, has conducted a range of foot care education programs. Our nurses are not footloose and fancy-free when it comes to podiatry. Wound assessment, care and management are essential elements of nursing care, and part of the ongoing education at post-registration level for all clinical nurses is fundamental features of evidence-based practice as clinical techniques develop. Our nurses do not take a backward step. They are educated to recognise the extent of their own competence and the need for appropriate referral of patients for assessment and treatment by more specialist professionals, including podiatrists. Therefore I am satisfied that it is appropriate to allow our registered nurses to undertake the restricted foot care practices outlined in the bill. I am pleased to hear from the honourable member for Hornsby that the Opposition will toe the line and not oppose the bill. I hope I have not put my foot in it, but, with a spring in my step, I support the bill.

**Mr BARRY O'FARRELL** (Ku-ring-gai—Deputy Leader of the Opposition) [10.51 p.m.]: I regret I have to follow the honourable member for Heffron in this debate. My friend the honourable member for Lachlan indicated that at this hour of the night some humour can be expected, and that always happens. However, the sort of undergraduate performance we have just heard is simply appalling. I am sure the podiatrist in the gallery tonight has heard every joke in the book about feet. The honourable member for Heffron has simply slighted podiatrists across the State. Podiatrists undertake university training for four years and they have to put up with that sort of performance.

**Miss Cherie Burton:** Point of order: I remind the honourable member we are debating a bill. At the end of the day, the speech by the honourable member for Heffron supported the bill. For the Deputy Leader of the Opposition to make personal and critical points about the honourable member is an absolute disgrace. He is trying to score points because his speech has no substance.

**Mr DEPUTY-SPEAKER:** Order! I am sure the Deputy Leader of the Opposition will return to the substance of the bill.

**Mr BARRY O'FARRELL:** I will return to the debate and I will debate the honourable member for Heffron's contribution to this important legislation. It was a disgrace. It is a disgrace to the podiatrist who is in the gallery. It is a disgrace to podiatrists across the State. It was poor undergraduate humour and it does not befit a member in a seat in which there are a significant number of aging people. In the words of my friend the honourable member for Wakehurst, it was a shambolic performance. The former member for Heffron would never have ridiculed this issue to the extent this member has.

**Ms Kristina Keneally:** Talk about the bill.

**Mr BARRY O'FARRELL:** I will talk about the bill, but I am talking about the honourable member's contribution to this debate, the contribution that had absolutely no substance. It was undergraduate humour. Instead of going to the principles in the debate she decided she tried to take the low road of humour. It was not funny and it was a typical contribution of a novice backbencher from the Government side. Deirdre Grusovin would not have insulted people like that.

**Mr DEPUTY-SPEAKER:** Order! There has been far too much interjection across the Chamber on this issue. I am sure the Deputy Leader of the Opposition has now adjusted his thoughts and will return to the substance of the bill. Interjections from members on both sides of the House do not help the debate.

**Mr BARRY O'FARRELL:** In stark contrast to the contribution by the honourable member for Heffron, the Opposition produced two worthy contributions—by the honourable member for Hornsby and the honourable member for Lachlan. The honourable member for Lachlan detailed to the House the real suffering that people with feet problems can experience. He detailed the experience of a friend who lost both feet as a result of foot problems. It is not a laughing matter. The honourable member for Heffron is a disgrace. I congratulate, as the honourable member for Lachlan did, the honourable member for Hornsby on her contribution. It was a fulsome contribution. We might joke about its length, but it demonstrated a breadth of knowledge of the issue that has been unmatched on the Government side of the House. It demonstrated a breadth of knowledge on the issue that is unmatched in the Parliament. That is due to the honourable member's background in this area. It is the sort of contribution we ought to hear, rather than the asinine comments we heard from the honourable member for Heffron.

I support the honourable member for Hornsby's amendment to this bill. According to the speech of the Parliamentary Secretary—unlike the honourable member for Heathcote I will not plagiarise her speech—this Government has been in consultation and preparation on this issue for years. According to the honourable member for Heathcote when he quoted from its newsletter, the Podiatrists Registration Boad looked forward to the legislation after the election, and it was finally introduced into the House on 2 July. The Parliamentary Secretary said it would be subject to ongoing consultation, it having been introduced and laid upon the table. But what occurred?

A 105-day break later—including the normal winter recess—here we are. There were some discussions with the Podiatry Association, and undoubtedly there were discussions with other organisations. When did the Podiatry Association get advice about the five significant amendments, including the significant change about who can undertake podiatry services in this State? It got them at 10 o'clock today. The association was faxed an unsigned letter from the Minister for Health. He is on leave, and I congratulate him on the recent addition to his

family. It is probably as a result of his absence from his job and the fact that the honourable member for Wakehurst's opposite number, the honourable member for Rockdale, is the acting Minister for Health and the honourable member for Kogarah is the Parliamentary Secretary for Health that we have this shambolic experience.

The association was told that it had until 3 o'clock today to comment on those significant amendments. That is the sort of consultation that this mob is committed to. According to the Parliamentary Secretary, the bill was years in preparation, yet it is three months after the election before it is introduced, it lay on the table of this Chamber for 105 days, and the Podiatry Association is advised of these significant changes at 10 o'clock today and given until 3 o'clock to comment

**Mr Matt Brown:** Rubbish!

**Mr BARRY O'FARRELL:** The honourable member says "Rubbish!" He should produce the evidence that the association previously received a letter or information about these matters. That is why I support the amendment put forward by the honourable member for Hornsby that this matter be deferred until the week after next, to allow adequate time for the Podiatry Association—and others, for that matter—to look at the bill as it is to be amended, so they have that period for the consultation, discussion or deliberation that was promised in the Parliamentary Secretary's second reading speech on 2 July. That is what genuine consultation is about.

I say in response to the honourable member for Heffron and those opposite that we do not want to oppose this bill. We have dealt with legislation covering just about every profession—optometrists, chiropractors and the like—and have sought to work with the Government to bring those occupations up to date, as required following ongoing reviews. On every occasion the Opposition has sought to work constructively, but I inform the Parliamentary Secretary and those opposite that if the honourable member for Hornsby's amendment is not accepted, we will vote against the second reading of the bill as a protest at the appalling way the Government has sought to consult with a significant group of professionals involved in foot care.

**Mr Alan Ashton:** You will set the podiatry movement back years.

**Mr BARRY O'FARRELL:** We will not set the podiatry movement back years. I say to the honourable member for East Hills: Get involved with the issue.

**Mr Alan Ashton:** We want to carry it.

**Mr BARRY O'FARRELL:** We want you to carry it but we want genuine consultation with the Podiatry Association, not a five-hour, gun-to-the-head approach by an acting Minister from Rockdale, who does not have much parliamentary experience, supported by a novice Parliamentary Secretary who gets terribly excited on these occasions. This is important legislation and I take these issues seriously. It is important for public health reasons to ensure that properly trained and qualified professionals provide foot care to people across the State. Podiatrists receive four years of training at university and, as the honourable member for Hornsby said, many complete honours degrees. This is no way to treat a profession that has served the State well. I support the honourable member's amendment and I put the Parliamentary Secretary on notice that we will divide on the second reading of the bill if the amendment is not agreed to.

**Mrs BARBARA PERRY** (Auburn) [11.00 p.m.]: I support the Podiatrists Bill. I recognise the contribution by all honourable members to this debate, particularly the honourable member for Hornsby, who was Executive Director of the Australian Podiatry Association and undoubtedly gained extensive experience in this area. I take exception to the assertion by the Deputy Leader of the Opposition that there has been no extensive consultation with key stakeholder groups about this legislation. The Opposition is seeking to amend the wording of the bill, not its substance. The fact that the Opposition has not proposed further amendments is a reflection of the fact that genuine consultation has occurred.

The bill proposes changes to the composition of the Podiatrists Registration Board so that it comprises seven members, which is a reduction from its current membership of nine. This decrease was introduced after comparisons were made with the size of other professions and the corresponding size of their boards. There are some 660 podiatry registrants in New South Wales and other professions of a comparable size, such as the Chiropractors Registration Board, have boards comprising seven members. The Australian Podiatry Association will continue to play a role in nominating practitioners for membership of the board—as it should. The bill provides that the board will include two podiatrists nominated by the Minister for Health from names put

forward by professional associations representing podiatrists, including the Australian Podiatry Association (NSW). Therefore, the podiatry association must be consulted and its suggestions considered, but the Minister for Health will not be restricted to considering only those suggestions.

I turn to the question of whether restricting foot care practices in the Public Health Act will prevent the Podiatrists Registration Board from enforcing the restrictions. The current restriction on foot care practices is found within the restriction on the practice of podiatry in the Podiatrists Act 1989. However, any person or body, including any of the relevant registration boards, may take action to enforce that existing restriction. Placing the proposed restriction on certain foot care practices in the Public Health Act will ensure that that situation continues. Therefore, the Podiatrists Registration Board, an individual or a professional association will be able to take legal action to enforce the restriction. However, the enforcement of health professional practice restrictions has traditionally been considered to be the responsibility of registration boards. The amendments to the Public Health Act recognise this by providing that board inspectors have specific powers to investigate complaints about unregistered people undertaking restricted practices. Furthermore, the registration boards are empowered specifically by the Public Health Act to enforce the restriction.

The powers proposed for inspectors under the bill are appropriate to allow the enforcement of the legislation and are consistent with the powers that inspectors currently have under the Podiatrists Act 1989. These powers are required for the effective enforcement of the Act, both in respect of practitioners' professional conduct and in respect of people who illegally engage in restricted foot care practices. I point out that Parliament included similar powers for inspectors in the Chiropractors Act 2001, the Osteopaths Act 2001, the Physiotherapists Act 2001, the Dental Practice Act 2001, and the Optometrists Act 2002. There were no surprises in those instances, so it is unfair to claim that adequate consultation has not occurred.

The board is charged with protecting the public by ensuring that podiatrists are fit to practise and remain fit to practise. One mechanism that will allow the board to discharge this duty is the return that podiatrists will be required to supply when they renew their registration each year. Declarations will be required on a range of matters, including criminal convictions other than minor traffic matters, criminal findings for sex and violence offences, and offences committed in the course of practice. Practitioners will also be required to provide information about the continuing education they have undertaken during the previous year. A similar requirement applies to most legal science professions, the legal profession, and so on. I emphasise that this requirement does not make continuing education mandatory, but simply allows the board to gather reliable information about the incidence of continuing education within the profession.

The fact that a practitioner declares a conviction, offences, or other matter to the board does not mean that the board must take action or that a complaint must be made. The board is best placed to determine whether a matter affects a practitioner's fitness to practise and, if so, to determine the appropriate course of action. This is clearly in keeping with the board's role in protecting the public. I support the Podiatrists Bill.

**Ms VIRGINIA JUDGE** (Strathfield) [11.06 p.m.]: I shall speak briefly in support of the Podiatrists Bill by offering a local perspective on the issue. Strathfield council in my electorate runs a podiatry clinic co-operatively with the Central Sydney Area Health Service [CSAHS]. Ashfield council provides a similar service. The service in the Strathfield electorate is run from the Bates Street Community Centre, and the council and the CSAHS jointly pay the staff wages. The clinic operates between 9.00 a.m. and 2.00 p.m. each Tuesday. The service is limited to pensioners, many of whom need assistance with simple tasks such as cutting their toenails and so on. Clients are generally referred to the service by Concord hospital. I am told that high-risk procedures are generally undertaken at the hospital while low-risk procedures are performed at the clinic. This local service is easily accessible by the frail and elderly.

As our population ages, the need for services of this sort will increase and I think it is great that the Government is introducing a bill that will facilitate this service provision. If the appropriate laws are not put in place, practitioners who are not professionals and do not know what they are doing could put people's lives at risk. A podiatrist whose views I canvassed while researching my speech said she particularly supports the annual renewal process in the bill. She said that the Australian Podiatry Association had tried to address these issues but that its approach was not always particularly effective as not all podiatrists are members of the association.

There is also a podiatry service in Ashfield, which is part of my electorate. This service also offers home visits, which I think is fantastic. A podiatrist goes to the homes of the frail and elderly and conducts consultations. Apart from meeting people's medical needs, this offers important human contact—which we need

more and more in today's society. Earlier today I spoke about the wonderful services offered by Meals on Wheels beyond the provision of nutritious meals. Unfortunately, many seniors in our society have no human contact except for that provided by volunteers of such services.

The podiatry clinic operates two days per week and the service is free of charge to pensioners. The clinic—which is conducted at the Ashfield Civic Centre, 260 Liverpool Road, Ashfield—is jointly funded by the council and the Central Sydney Area Health Service. Many other areas would have similar services. We must support our podiatrists and their support staff, who do a fantastic job. Our wonderful Minister for Health has been proactive and has pushed this bill to make sure that appropriate legislation is in place to protect probably the most vulnerable section of our community, our valued seniors. I commend the bill to the House.

**Miss CHERIE BURTON** (Kogarah—Parliamentary Secretary) [11.10 p.m.], in reply: I thank honourable members for their contributions to this debate. As honourable members are aware, the Podiatrists Bill was introduced to this House on 2 July 2003. The bill has been allowed to lie on the table since that time to allow for consideration of its provisions and for interested parties to comment on its contents. The Department of Health received a number of submissions from health professional organisations regarding aspects of the bill. With the exception of the submission from the Australian Podiatry Association (NSW), the submissions deal exclusively with the proposed amendment to the Public Health Act to insert proposed section 10AH, which deals with restrictions on certain foot care practices. Submissions from the chiropractic, osteopathy and physiotherapy professions have argued that the provision as drafted would unreasonably impact on their ordinary professional practices.

This restriction was particularly pronounced in treating the feet of immuno-compromised people, vascular compromised people and people with a peripheral neuropathy. The nursing profession has also submitted that proposed section 10AH will prevent registered nurses who are practising in residential facilities for people with developmental disabilities, in one of the 500 aged care facilities in New South Wales that is not licensed under the Nursing Homes Act, and in private medical practices from providing foot care services that are within their area of competence and normal professional practice. The podiatry profession submitted that registered nurses should not be authorised to debride hypertrophic tissue from the feet of patients, as this is a skill that is particular to podiatrists. The podiatry profession also raised concerns that the provision as drafted would not prevent the provision of the restricted treatments by a beautician in the course of providing a pedicure, as that is not the provision of a health service as defined in the Health Care Complaints Act. In light of the concerns raised by the various professions, proposed section 10AH of the Public Health Act has been redrafted. Accordingly, I will be moving amendments to the bill in Committee.

The professions have been consulted in developing the amendments. In particular, there has been close liaison between the Department of Health and representatives of the New South Wales branch of the Australian Podiatry Association and of the Podiatrists Registration Board prior to the department finalising its advice to the Minister on the amendments. I will discuss the amendments in detail in Committee. The podiatry profession has also requested that clause 18 of the bill, which restricts the use of the title "doctor" by registered podiatrists, be amended. The courtesy title "doctor" has traditionally been associated in the health system with comprehensive treatments, including the prescribing of pharmaceuticals, that are available from registered medical practitioners. While podiatrists are clearly expert in their field, they do not provide the comprehensive service available from medical practitioners, and consumers may be misled by podiatrists using the courtesy title "doctor" in their professional practices.

However, podiatrists who have been awarded a doctorate by a university and have therefore earned the right to use the title will not be prevented from calling themselves "doctor". Members will be aware that this provision is in the same terms as provisions in many other health professional registration Acts, including the Chiropractors Act 2001, the Osteopaths Act 2001 and the Physiotherapists Act 2001. The podiatry profession has also raised allowing podiatrists to prescribe certain restricted pharmaceuticals in a similar fashion to recent amendments that were made in respect of optometrists accessing restricted pharmaceuticals. Honourable members will be aware that legislative amendments to allow optometrists to access restricted drugs were only introduced following a lengthy and detailed assessment of the arguments and information presented by the optometry profession. The information assessed included detailed information on the pharmacological content of Australian undergraduate optometry programs and an assessment of the experiences of other jurisdictions in which optometrists may utilise and prescribe therapeutic drugs.

The Minister has written to the Australian Podiatry Association advising that before amendments to allow podiatrists to access therapeutic drugs can be considered, a detailed submission addressing matters of

education and competence must be received. Any such submission and proposal would, of course, be considered strictly on its merits. In all other respects there have been no concerns raised with the Minister or the Department of Health about the bill. I will move an amendment to the bill in Committee and will discuss the detail of the amendment at that time. The honourable member for Hornsby informed the House that podiatrists are registered in all Australian States and the Australian Capital Territory. It is important to note that her assertion that the bill represents significant deregulation seems not to appreciate that in some States, such as Victoria and Western Australia, there is far less regulation, and no practice restrictions, than is proposed in the current bill. This bill provides appropriate recognition in the proposed practice restrictions of the high standard of skills, qualifications and professional practice of professions such as nursing and physiotherapy.

**Question—That the word stand—put.**

**The House divided.**

**Ayes, 44**

| | | |
|---|---|---|
| Ms Allan | Mr Gaudry | Mr Newell |
| Mr Amery | Mr Gibson | Mr Orkopoulos |
| Ms Andrews | Mr Greene | Mrs Paluzzano |
| Mr Bartlett | Ms Hay | Mr Pearce |
| Ms Beamer | Mr Hickey | Mrs Perry |
| Mr Black | Mr Hunter | Dr Refshauge |
| Mr Brown | Ms Judge | Ms Saliba |
| Ms Burney | Ms Keneally | Mr Scully |
| Miss Burton | Mr Lynch | Mr Shearan |
| Mr Campbell | Mr McBride | Mr Tripodi |
| Mr Collier | Mr McLeay | Mr Whan |
| Mr Corrigan | Ms Meagher | Mr Yeadon |
| Mr Crittenden | Ms Megarrity | *Tellers,* |
| Ms D'Amore | Mr Mills | Mr Ashton |
| Mr Debus | Mr Morris | Mr Martin |

**Noes, 31**

| | | |
|---|---|---|
| Mr Aplin | Mrs Hopwood | Mr Slack-Smith |
| Mr Armstrong | Mr Kerr | Mr Souris |
| Ms Berejiklian | Mr Merton | Mr Stoner |
| Mr Cansdell | Mr O'Farrell | Mr Tink |
| Mr Constance | Mr Page | Mr Torbay |
| Mr Debnam | Mr Piccoli | Mr J. H. Turner |
| Mr Draper | Mr Pringle | Mr R. W. Turner |
| Mr Fraser | Mr Richardson | |
| Mrs Hancock | Mr Roberts | *Tellers,* |
| Mr Hazzard | Ms Seaton | Mr Maguire |
| Ms Hodgkinson | Mrs Skinner | Mr George |

**Pair**

| | |
|---|---|
| Mr Iemma | Mr Brogden |

**Question resolved in the affirmative.**

**Amendment negatived.**

**Question—That this bill be now read a second time—put.**

**The House divided.**

**Ayes, 44**

| | | |
|---|---|---|
| Ms Allan | Mr Gaudry | Mr Newell |
| Mr Amery | Mr Gibson | Mr Orkopoulos |
| Ms Andrews | Mr Greene | Mrs Paluzzano |
| Mr Bartlett | Ms Hay | Mr Pearce |
| Ms Beamer | Mr Hickey | Mrs Perry |
| Mr Black | Mr Hunter | Dr Refshauge |
| Mr Brown | Ms Judge | Ms Saliba |
| Ms Burney | Ms Keneally | Mr Scully |
| Miss Burton | Mr Lynch | Mr Shearan |
| Mr Campbell | Mr McBride | Mr Tripodi |
| Mr Collier | Mr McLeay | Mr Whan |
| Mr Corrigan | Ms Meagher | Mr Yeadon |
| Mr Crittenden | Ms Megarrity | *Tellers,* |
| Ms D'Amore | Mr Mills | Mr Ashton |
| Mr Debus | Mr Morris | Mr Martin |

**Noes, 31**

| | | |
|---|---|---|
| Mr Aplin | Mrs Hopwood | Mr Slack-Smith |
| Mr Armstrong | Mr Kerr | Mr Souris |
| Ms Berejiklian | Mr Merton | Mr Stoner |
| Mr Cansdell | Mr O'Farrell | Mr Tink |
| Mr Constance | Mr Page | Mr Torbay |
| Mr Debnam | Mr Piccoli | Mr J. H. Turner |
| Mr Draper | Mr Pringle | Mr R. W. Turner |
| Mr Fraser | Mr Richardson | |
| Mrs Hancock | Mr Roberts | *Tellers,* |
| Mr Hazzard | Ms Seaton | Mr George |
| Ms Hodgkinson | Mrs Skinner | Mr Maguire |

**Pair**

Mr Iemma Mr Brogden

**Question resolved in the affirmative.**

**Motion agreed to.**

**Bill read a second time and committed.**

**Progress reported from Committee and leave granted to sit again.**

## BILLS RETURNED

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

Prevention of Cruelty to Animals Amendment (Penalties) Bill

The following bill was returned from the Legislative Council with amendments:

Contaminated Land Management Amendment Bill

**Consideration of amendments deferred.**

## BUSINESS OF THE HOUSE

### Routine of Business: Suspension of Standing and Sessional Orders

### Special Adjournment

**Motion by Mr Carl Scully agreed to:**

That

(1) standing and sessional orders be suspended to provide at this sitting:

(a) until the rising of the House no divisions or quorums be called, and

(b) the House adjourn without motion at the conclusion of Government business.

(2) the House at its rising this day do adjourn until Thursday 16 October 2003 at 10.00 a.m.

## FUNERAL FUNDS AMENDMENT BILL

**Bill introduced and read a first time.**

### Second Reading

**Ms REBA MEAGHER** (Cabramatta—Minister for Fair Trading, and Minister Assisting the Minister for Commerce) [11.36 p.m.]: I move:

That this bill be now read a second time.

This bill introduces reforms to the prudential management of funeral funds in New South Wales. It will further strengthen the provisions protecting pre-payments made by consumers for funeral services, which may be made many years in advance of delivery. Death is not something we like to talk about. We generally put it out of our minds as it can seem too maudlin to speculate about our own funeral arrangements. However, it can be distressing for older people to know that there is no provision made for their funeral and that the cost may be an impost upon the limited resources of the relatives that they leave behind. Historically, pre-paid funeral products have met a need in the community for those who prefer to be certain that, on their deaths, their families will not bear the cost of providing them with a dignified funeral service. Prearranging our funeral can also reduce the number of decisions that our loved ones have to make after we are gone, when they are grieving and probably disinclined to shop around to compare prices.

Pre-arranging and pre-paying for a funeral can also make good financial sense. It can lock in the cost of a funeral service at today's prices, regardless of when it is delivered , and it can reduce the possibility of loved ones committing themselves to more expensive funerals than they can afford. It has also been used as a way to reduce assets for the purposes of calculating the pension. However, prior to the introduction of the Funeral Funds Act 1979, some practices in the funeral industry were not necessarily in the best interests of consumers. Many bereaved relatives were finding that the money their loved one had contributed to a funeral fund did not fully meet the cost of the funeral service as they had been promised, or that they were being pressured into paying for a better class of funeral service than their loved one had paid for. Some funeral directors were also using the contributions in the running of their own business and hence the funds were not being preserved for when the client who had made the pre-payments required their delivery.

These sorts of practices led to the 1977 Prices Commission inquiry into the operation of the funeral industry, which found that many businesses failed to act in the best interests of their customers and that there were grounds for concern about the financial viability of some of the funds. The Funeral Funds Act 1979 was therefore introduced to establish standards for the conduct of funeral funds and to ensure that money paid in advance for the provision of a funeral service was protected. It also introduced provisions to protect people from high-pressure sales tactics to purchase a more elaborate service than had already been paid for and to ensure that the funeral service was delivered as ordered. The Act makes the distinction between two types of funeral funds—funeral contribution funds and prearranged funds. In a contributory scheme, a person makes small payments on a regular basis until their death. These funds either contribute towards a funeral service or provide a cash benefit towards the cost of the service. The funeral service may or may not be carried out by a funeral director associated with the fund.

A prearranged fund on the other hand allows many of the expenses and arrangements to be made in advance and involves the consumer paying for the cost of a funeral service in a lump sum or in large instalments. The consumer pays for the services at today's prices and in return is guaranteed the delivery of that funeral service, whenever it may be needed, at no extra cost. By creating the legislative framework in which these funds can operate, the Government is not endorsing the use of funeral funds. However, by placing requirements on how funds may be managed, it greatly increases the protection available to those who wish to make arrangements for their funeral expenses.

Consumers would typically approach a funeral director to discuss the purchase of prearranged funerals. Funeral directors remain the face of the industry, and many people plan a pre-paid funeral with the director they hope will deliver the service. While the Act prevents a funeral director from taking the money paid in advance by the consumer for a funeral service and investing it in their own business, funeral directors are still able to arrange the purchase of a pre-paid funeral on a consumer's behalf. However, any money paid by the consumer must be invested with a funeral fund that is registered with the Office of Fair Trading.

It should be noted that there are a range of funeral benefit products on the market, such as funeral bonds and funeral insurance, which do not come under the Funeral Funds Act. Consumers would usually purchase these products directly from the company or insurer. These arrangements typically provide for a cash payment on death and the consumer would not generally have the opportunity to specify how they would like their funeral carried out. Consumer protection for these sorts of products is provided under other legislation, such as the Commonwealth's Life Insurance Act. Any offences in relation to false and misleading conduct can also be pursued under the Fair Trading Act.

Over $160 million is currently invested in funeral funds in New South Wales. It is essential that people can feel confident that these pre-payments are secure until such time as they are needed—often several decades later. The need for continuing consumer protection in the funeral fund industry was recognised in a review of the Funeral Funds Act, which commenced in 2000, and was undertaken in accordance with the requirements of the National Competition Policy agenda. The final report on the review was released in April 2002. The review concluded that the funeral fund industry continues to require close prudential scrutiny. The review also identified legislative duplication between New South Wales and Commonwealth Government regulatory regimes. While the review recommended that prudential oversight in these cases would be more appropriately undertaken at the Commonwealth level, the intention was for these funds to remain subject to the key consumer protection measures of the Funeral Funds Act.

The review also identified a number of provisions in the Act that impose unnecessary costs and restrictions on business, and accordingly recommended them for repeal. Most of these are outdated provisions related to how a funeral fund should be constituted, managed or named. The review's recommendations also included a requirement for previously exempted funds to seek registration under the Act, subject to appropriate transitional arrangements. The implementation of the review's recommendations was delayed due to uncertainty about the applicability of the Commonwealth's financial services reform legislation to funeral funds operating in New South Wales. However, the Commonwealth introduced a new regulation in March 2003 that will reduce ambiguity in relation to the coverage of funeral benefits.

Certain reforms to update and improve the regulation of the funeral fund industry are now being proposed for introduction. These reforms are based on the recommendations of the National Competition Policy Review of the Act, as well as some new issues that have come to the Government's attention since the completion of the review. The majority of new issues relate to the refinement of the powers of the Commissioner for Fair Trading, or are administrative in nature, and will not have a significant impact on the operation of funds.

I wish to turn now to the specific detail of the bill. At the outset I wish to stress that the bill does not propose to regulate the funeral industry generally. The bill is limited to the operation of funeral funds. The bill will, for the first time, introduce annual reporting to members of contributory funds, which will reduce uncertainty for members and their families about the precise nature of an entitlement to be paid. The Office of Fair Trading has received advice that suggests that a member may contribute regularly all their life only for their family to discover that their entitlement may be as little as a few hundred dollars or a small "discount" on a funeral.

It has also been revealed that it is not uncommon for only one set of paperwork to ever be provided to the consumer, at the start of the contract. It is conceivable that it may be over 50 years between the time the contract is entered into and is delivered. During this time the fund may have changed its name or merged with another business. Regular reporting to consumers will ensure that members are aware of any changes in fund management, even if it is just through the change in the name of the fund on the letterhead of any report, making it easier for members to contact the fund with any questions about their entitlement.

It is acknowledged that producing such statements on an annual basis creates an additional cost for industry, but this is considered to be outweighed by the benefits to consumers. However, in recognition of the potential costs as well as other difficulties contributory funds may encounter in implementing this requirement, the bill establishes the need for contributory funds to report annually to members, but provides that the level of detail to be included in the report is to be prescribed by regulation.

It is not proposed to extend the reporting provision to pre-arranged funds because there is no scope for the consumer's entitlement to vary with this type of fund and the member is assured of the delivery of a funeral service at no extra cost, even if it is required 20 years down the track. There are various classes of exemptions permissible under the legislation. The review of the Act found that the various classes of exemptions created

market inequalities, by providing an advantage to those funds that are not subject to the prudential and other regulatory requirements of the Act. It also means that consumers have more limited forms of redress if they have a problem with an exempt fund. While it is acknowledged that some exemptions were originally granted to avoid legislative duplication, the review concluded that exemptions should not be provided on this basis alone and that all funds should be subject to registration and its associated accountabilities. However, the argument about avoiding regulatory duplication is acknowledged and this is dealt with separately in the bill.

The Government will ensure that the removal of the exemption provisions will not have an adverse impact on the industry. A number of funds are no longer accepting new business and may have only a few contracts remaining. The bill therefore proposes transitional arrangements that will enable the Office of Fair Trading to consult with each affected fund about the nature of their current arrangements with members, the number of contracts remaining and amount of funds held.

The office will then be able to determine the specific provisions of the legislation to which each fund will be subject. For example, the intention is not to impose unnecessary financial hardship on a fund that may only have a few members remaining, by making them subject to the requirement for actuarial assessment every three years. These types of funds may only be required to report annually to the office about the number of fund members remaining and may continue to be subject to a restriction on accepting new business. However, it is the intention to ensure that all funds operate according to suitable standards and that there is some consistency in the way the funds report to the office and to their members.

The bill provides that funds will be required to apply to the Office of Fair Trading for registration within six months of the commencement of the relevant legislative provisions. Not to do so will be an offence under the Act. The office will then have up to six months to work with each of the affected funds to determine whether full or conditional registration is appropriate. If funds cannot achieve full or conditional registration within a timeframe specified by the commissioner, they will be required to transfer their remaining contracts to a registered fund under the Act. Affected funds will have a right of appeal in relation to conditions of registration which may be imposed or if the Commissioner refuses to exempt a fund from complying with certain provisions of the Act or Regulations.

The bill also proposes the introduction of a cooling-off period for pre-paid contracts, which will provide greater protection for vulnerable consumers, particularly the elderly, who may be more susceptible to pressure to buy a pre-paid funeral service. While the majority of the funeral industry operate in an ethical and sensitive manner, the Office of Fair Trading has received information that agents of certain funeral companies may be approaching grieving relatives at the cemetery when they are visiting the resting place of their loved one and pressuring them into signing up for a pre-paid funeral.

The Carr Government will not tolerate individuals taking advantage of vulnerable consumers or using high-pressure tactics to sell pre-paid funeral services to elderly or grieving persons. The cooling-off period will therefore give consumers an opportunity to get out of the contract if they find themselves in this position or if they change their mind within a certain period, which will be established in consultation with industry. The cooling-off period will complement the existing provisions in the legislation which protect grieving families from being charged more, and from high pressure sales tactics to purchase a more elaborate service than has already been paid for under pre-arranged contracts.

As previously mentioned, the review identified legislative duplication between New South Wales Government and Commonwealth Government regulatory regimes. For example, friendly societies that operate funeral funds in New South Wales are also subject to a stringent regulatory regime under the Life Insurance Act and as such are under prudential supervision by the Australian Prudential Regulation Authority. Submissions to the review indicated that this duplication has created administrative difficulties for funds by requiring them to report at different times and to provide different types of financial information at those times. The complexities of complying with different legislative requirements also appear to have added to the administration costs of affected funds, without a subsequent increase in consumer protection.

The review considered that the provisions of the Life Insurance Act and other prudential legislation at the Commonwealth level provide a standard of prudential supervision comparable to or higher than the Funeral Funds Act. The bill therefore provides that where a fund can demonstrate compliance with other appropriate prudential regulation, the fund may be exempted from complying with certain prudential requirements of the Funeral Funds Act. However, in these cases the intention is for the funds to continue to be subject to the key

consumer protection measures of the Act. For instance, families would still be able to pursue complaints over non-delivery or unsatisfactory delivery of the service in relation to the terms of the contract or non-payment of the moneys owing to the estate by a fund.

Earlier I referred to the fact that the review of the Funeral Funds Act recommended the removal of certain outdated provisions related to how funeral funds should be constituted, managed or named. I will now provide an overview of how these provisions are addressed in the bill. The bill proposes the removal of the maximum number of fund directors permitted to manage a contributory funeral fund. Currently, the Act provides that funeral contribution funds may have not less than three and no more than seven directors. In contrast, a corporation or at least three persons may be registered as a prearranged fund, but no maximum is prescribed.

While submissions on these provisions generally suggested that the restrictions on company management structure have not impacted upon fund management and could be retained, it is not apparent why it is necessary to continue requiring contributory funeral funds to have only seven directors. It is felt that removing this limit and allowing more fund directors to become involved in the management of a contributory fund may actually enhance accountability and stability within a fund. In relation to the minimum number of requirements, an argument has been made that funeral funds do not require different structures than those provided for under Corporations Law, which currently allows for a company to be run by one member, who would also be the sole director. However, it is not intended to address the minimum number of requirements for funeral funds in this bill.

Further consultation needs to be undertaken to determine whether the Act should continue to impose a restriction of three directors or persons for the management of funeral funds, in line with the public company model. The issue of whether this requirement should also be extended to corporations that register as prearranged funds also needs to be explored. If this is to be the case, the potential impact of such a provision on existing registered funds needs to be established.

Another feature of the bill is the proposed removal of the cap on the maximum level of benefit that can be made to a consumer under a contributory fund. It is not clear why consumers should be prevented from paying larger amounts into a contributory fund. The original cap limited the maximum amount payable to a consumer to $1,000. This was later increased to $5,000 and is currently capped at $20,000. While this exceeds what the average person may currently spend on a funeral, the need for such a control is not evident. The removal of the cap will reduce the need for consumers to transact with more than one fund if they wish to obtain funeral services in excess of $20,000.

The bill also proposes the removal of the requirement for prearranged and contributory funds to open and maintain deposit accounts with a New South Wales bank, building society or credit union. The requirement for the account to be based in New South Wales is outdated and is a hindrance to funds that may have their operations based in another State. The bill therefore proposes that this requirement be replaced by one requiring that the account be with an authorised deposit-taking institution.

The bill proposes the removal of the cap on management expenses that both prearranged and contributory funds are permitted to pay themselves as fund managers. Currently this is set at 2 per cent of accrued income on investments. The National Competition Policy review concluded that the cap did not appear to be effective in controlling fund costs and is not relevant to prearranged funds, which are the overwhelming dominant product in the marketplace.

Other prudential legislation may require the disclosure of a fee or charge, but does not seek to set a maximum level. On this basis, the bill proposes the removal of the cap on management expenses for both types of funds, as other provisions relating to the disclosure of benefits and charges affords greater consumer protection than the current cap mechanism. However, the Government feels that it is important for some consumer protection controls to be retained in this area. It is therefore proposed that the commissioner will continue to be able to direct a contributory fund to reduce its management expenses or to improve the level of benefit payable to the consumer. The bill also proposes the extension of this provision to prearranged funds in recognition of the fact that, with this type of fund, it is the funeral director who bears the risk of the fund moneys being potentially eroded by excessive management fees.

Another provision of the Act that the review considered to be outdated is the entry requirement on funeral contribution funds, which requires that the name of the fund include the words "Funeral Contribution

Fund". While this provision may have been originally introduced to ensure that consumers knew, in no uncertain terms, that they were dealing with a funeral contribution fund, there are currently no naming restrictions on prearranged funds. In addition, the nature of the fund would become quickly evident when consumers are presented with the paperwork to join the fund, which would specify the need for small, regular contributions to be made. The review therefore concluded that requiring a company to have certain words in its name imposes an unjustifiable restriction on trade. Accordingly, the bill recommends this provision for repeal.

The bill extends the provision that enables an application for registration to be refused on the grounds of character and reputation to contributory funds. This provision enables the registrar, currently the Commissioner for Fair Trading, to refuse an application for registration if there is potential for the applicant to have an undesirable impact on the industry or on consumers. For example, an individual might be refused if he or she is known to have a poor record in relation to business failures or consumer complaints.

The review of the Act concluded that the benefits of being able to prevent an applicant from entering the funeral fund industry outweigh the costs of excluding a person from the industry. However, this provision currently only exists for prearranged funeral funds. Enabling an application for the registration of a funeral contribution fund to be refused on the grounds of character and reputation brings them into line with prearranged funds, and will ensure that disreputable individuals will be excluded from participating in the management of both types of funeral funds.

Another provision created by the bill is one that allows guidelines for the approval of transfers and amalgamations of funds to be prescribed. Under the Act, the commissioner's approval must be sought when funds propose to amalgamate with, or transfer to, another business. This provides the commissioner with an opportunity to scrutinise any proposed transfers and amalgamations to ensure that funds will be administered carefully. Given that new managers will be taking over the fund management, it is important to ensure that they are capable of meeting the standards set by the legislation. The bill enables guidelines to be set to assist the commissioner in making determinations on a scheme of transfer or amalgamation.

The bill also extends some of the grounds for cancellation of prearranged funds to contributory funds. The cancellation powers of the commissioner differ for each fund. The grounds on which prearranged funds may be cancelled include the circumstances in which a fund is being wound up, is under official management or has ceased to act as a trustee; a receiver has been appointed; a fund or person connected with it is convicted of an offence; or the fund decides that it no longer wants to operate. However, there are very limited grounds for cancellation of contributory funds, and these do not include provisions related to misdeeds of management or where there is a wind-up of the fund or if the fund is under administration. The bill provides for similar cancellation grounds for both types of funds. A further feature of the bill is the removal of the requirement for a funeral contribution fund to carry on no other business and replacement with the restriction that currently applies to prearranged funds.

There is currently a difference between the requirements for contributory funds and pre-paid funds in respect of the restrictions on the type of business to be carried on. While prearranged funds are only restricted from running a funeral fund as part of a funeral director business, contributory funds are not entitled to carry on any other business. This is considered quite limiting and appears to mean that a contributory fund cannot diversify and cater for other types of financial products or any other form of business. As this is considered anti-competitive, it is proposed that the same restriction for prearranged funds apply to contributory funds. The bill introduces a power to enable the commissioner to take action against a fund if the directors or trustees of the company change and they are deemed to be of questionable character or reputation.

As the Act is currently drafted, the commissioner has the ability to refuse an application for registration based on the character and reputation grounds or to not approve the transfer of ownership or amalgamations of funds, if there were concerns about character or reputation of the proposed fund managers, for example. However, there is currently no power to prevent someone of questionable repute becoming involved in the management of the fund if there is a change of personnel in the same company. This amendment closes that gap by enabling the commissioner to request the fund to show cause why the fund's registration should not be cancelled if such a person became involved with the fund's management. The bill also introduces a provision that makes it an offence to lodge any documents with the commissioner that make false and misleading statements or that omit information that would make such material misleading in content. This provision strengthens the commissioner's powers to take action against a fund if, for example, a fund has sought to misrepresent the financial stability of its investments or has not fully disclosed all management expenses charged to administer the fund.

Another provision of the bill is the extension of the requirement for actuarial assessment to pre-arranged funds. Currently, both types of funds must provide audited annual reports to the commissioner and contributory funds must also undergo actuarial assessment every three years or as required. The review considered that the requirement for actuarial assessment enhanced fund accountability and that both funds should be subject to this requirement. The bill also proposes some changes to the administration of the actuarial reporting requirements, such as the introduction of a provision enabling the commissioner to request the entire actuarial report prepared in relation to a fund, if deemed necessary. Currently the Act only requires funds to provide an abstract of the actuarial report, which is to contain certain particulars. However, it is appropriate that the commissioner have the power to request the whole actuarial report, not just the abstract if considered necessary.

Another new provision enables the office to engage an independent actuary to assist in assessing the actuarial reports submitted by funds. Under the new arrangements, the commissioner will also be able to give such directions to the fund as considered necessary if a deficiency is detected in the assets of a fund. This may include requiring the fund to cease taking new business or to show cause as to why they should be able to continue as a fund. The bill also gives the commissioner the power to waive the requirement for actuarial assessment for both types of funds. This provision may be utilised, for example, where it is deemed an unnecessary requirement for funds that have been previously exempt funds and are no longer accepting new business and therefore have a small number of members remaining. There are also a number of matters arising from the bill that will be dealt with in the regulation. These details predominantly relate to requirements for pre-arranged contracts and will enable provisions to be prescribed at a future date to ensure that consumers better understand their entitlements under their contracts and to make pre-arranged contracts clearer.

This is to be achieved in the bill by requiring a pre-arranged fund to provide certain information to the consumer before they enter into a pre-arranged contract, which would effectively operate as a mandatory disclosure requirement to consumers. The bill also extends the regulation-making power under the Act to enable information that must be provided to the consumer to be prescribed, such as the terms of cancellation and any aspect of the funeral service that is not covered by the contract. The bill also provides that a regulation may be made in the future to enable consumers to transfer their pre-payments between funds and between funeral directors, which would be in addition to the existing refund provisions of the Act. Another area to be addressed in the regulation is a provision that will allow for a time limit to be prescribed within which agents of funeral funds must lodge payments made by consumers for pre-paid funerals with a registered funeral fund.

I will ensure that there is an appropriate level of consultation with consumers, industry bodies and the funeral funds themselves prior to any new requirements being introduced through regulation in these areas. The bill also seeks to modernise the terminology used in the legislation in relation to pre-paid funeral arrangements to better reflect industry practice. An arrangement currently exists that is not covered by the legislation whereby consumers may go to a funeral director and discuss their preferences for a particular style of funeral. The funeral director may record these preferences for future use, but no formal agreement is entered into for the supply of that funeral service and no money changes hands. In these cases, it is the responsibility of the family or executor of the person's estate to arrange the funeral and to pay for it at that time. These arrangements are typically referred to in the funeral industry as a pre-arranged funeral.

However, the legislation currently uses the term "pre-arranged" to refer to what is more commonly known in the industry as a "pre-paid" funeral. This inconsistency in terminology may have contributed to uncertainty for consumers about the nature of the funeral arrangements that they have in place. Accordingly, the bill proposes the replacement of the term "pre-arranged" in the legislation with the use of the term "pre-paid" funeral fund to better reflect industry terminology and to reduce confusion for consumers about the different types of funeral arrangements available. The Funeral Funds Amendment Bill introduces reforms to strengthen the prudential management of funeral funds in New South Wales and to enhance protection for consumers who deal with these funds. The reforms will be of benefit to both industry and consumers. I commend the bill to the House.

**Debate adjourned on motion by Ms Katrina Hodgkinson.**

**The House adjourned at 12.05 a.m., Thursday 16 October 2003, until 10.00 a.m. on the same date.**