

# LEGISLATIVE ASSEMBLY

Wednesday 15 September 2004

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

**Mr Speaker** offered the Prayer.

## REGISTERED CLUBS LEGISLATION AMENDMENT BILL

### Second Reading

**Debate resumed from 14 September.**

**Mr ANDREW FRASER** (Coffs Harbour) [10.00 a.m.]: I note the emphasis that Mr Speaker placed on the word "honourable" when he gave me the call. It is interesting that Mr Speaker announces members on this side of the House as honourable members because this bill is one of the most dishonourable pieces of legislation I have ever seen in this Parliament. This bill has very little to do with clubs. It is about the Government raising revenue through clubs in regional New South Wales. It is appropriate that the teachers and students from schools in the electorate of Bega and Monaro are present in the public gallery. They would know the amount of money that clubs in their communities contribute to sporting facilities, schools and many other activities in country towns.

The bill is designed to bully the clubs into submission with the imposition of an unfair and unjust tax by the Treasurer. I will be interested to see whether the 34 Government members who purportedly had a long and protracted debate and almost rolled the Premier in the caucus room will vote on the bill this morning. The bill is nothing more than blatant blackmail of the club movement in New South Wales. My father was president of the Newcastle District Bowling Association and the Newcastle District Cricket Association. As members opposite would realise, the Newcastle bowling association has provided great service to a section of the community in the Newcastle area for as long as I can remember. My father was a foundation member and the first life member of Kahibah Bowling Club, which was located behind our home. Kahibah Bowling Club was literally built by the hands of its members.

Over the years club members have asked for more services. As a result, poker machines have become part and parcel of the club scene in New South Wales. In fact, they have been their major revenue raiser. The Government is going to tax the clubs out of existence. Within seven years a huge number of clubs will not have enough money to support themselves. Over the past six months the clubs, through the Registered Clubs Association, have run a very strong campaign against the Government. In an effort to quell the clubs into silence, the Government has introduced this legislation, which has retrospective elements to suit Mr Temby and the inquiry he is currently undertaking. The bill has some draconian provisions that, for example, will enable the director to recover the reasonable costs of an inquiry or investigation from a registered club or a licensee, manager, close associate or non-proprietary association. What are reasonable costs? These days if you walk into any court in the land and do not have \$100,000 in your hip pocket you are not going to get a fair hearing.

**Mr Brad Hazzard:** More than that, because Temby is there and he gets it wrong regularly.

**Mr ANDREW FRASER:** As the honourable member for Wakehurst said, he gets it wrong regularly and has for many years. It is a disgrace that the Government uses taxpayers' money that has been raised by tax in New South Wales to throw at Queen's Counsel—QC after QC—to persecute the clubs. The bill also has a provision to make it clear that the Liquor Administration Board may suspend or cancel gaming machine authorisations if a registered club or a licensee fails to pay gaming machine tax or a monitoring fee. The Government wants to rip the guts out of the club industry by overtaxing them, then holds a big stick over their heads and says they may have their authorisations cancelled or suspended if they fail to pay the tax or the monitoring fee.

The bill also enables the findings of an inquiry to be divulged or published by the Director of Liquor and Gaming with the approval of the Minister. I would suggest that the headhunting by the Government against the clubs is unfair. But where the director-general under the direction of the Minister can authorise an

investigation, any type of investigation into any club, and make findings in a biased way, and the Minister through the director-general can release those findings, that is purely and simply political blackmail. It is an absolute disgrace that the Labor Party, a party that claims to protect the workers of New South Wales, has introduced this bill. All clubs in New South Wales have their roots in the working class.

**Mr Brad Hazzard:** Thuggery.

**Mr ANDREW FRASER:** Absolutely. As the honourable member for Wakehurst has said, it is nothing less than Labor Party thuggery to hold a big stick over the heads of community-minded people who have put those clubs together. In the Premier's rhetoric on this matter over the past six or eight months he talked about magnificent fountains in the forecourts of clubs and other things. Yes, some clubs have overdone it but, on the whole, clubs in regional areas are major employers in regional communities. Regional clubs are major contributors to charities and the community generally. Be it in cash or kind they provide a very much-needed niche in the communities by providing entertainment. Country communities are generally small and rely on clubs for social outings.

The Dorrigo community has a bowling club and an ex-services club, two venues that people use for wedding receptions and other community functions. Yet the Government's tax regime will tax those small clubs out of existence. The nearest town to Dorrigo is Bellingen, which has a country club, a golf club and a bowling club. That bowling club is already suffering, yet the Government has not supported it in any way, shape or form; nor has it assisted any other small club. In the Coffs Harbour town centre is located the ex-services club, a magnificent facility. Its president, David Doyle, is the Vice-President of Clubs NSW, and he has been under a lot of pressure and attack by the Government for standing up to the Treasurer, Michael Egan. That club has thousands of members and provides magnificent facilities to not only locals but also visitors and tourists. The club provides tremendous dining facilities and terrific entertainment, yet it is severely under threat because of the taxation legislation in this State. This bill is a further threat to that club.

The President of the Sawtell RSL Club is Ian Hodges, a retired sergeant of police, and one of the most community-minded men I have ever met. He regularly volunteers his services to Meals on Wheels and provides other services to the community through that club. Each year the Sawtell RSL Club donates hundreds of thousands of dollars to the community. The taxes introduced by the Government will cause the community to suffer severely, because the Sawtell RSL Club will no longer be able to provide donations to schools, surf clubs, football clubs and youth organisations in its community. Sawtell is about 10 kilometres south of Coffs Harbour but, yet again, it is an isolated community with a high number of aged people. It also has a large number of young families who are doing it tough in an area where wages are not high and jobs are hard to get. And yet the Government's tax regime will force that club into meltdown. It will have to sack workers, and that will reduce income into the community.

Further north in my electorate is the town of Woolgoolga, where its bowling club was doing it pretty tough. Bowling clubs and golf clubs are probably the dearest to run because of their greenkeeping facilities that are affected by drought or any other natural blight. Because of those huge expenses that club was forced to ask the Coffs Ex-Services Club for assistance. The Coffs Ex-Services Club has merged with the Woolgoolga Bowling Club and has revamped its facilities. A great job was done and as a result the bowling club is thriving again.

The Registered Clubs Legislation Amendment Bill will have a devastating effect on the Coffs Ex-Services Club and its directors, who are community volunteers. They began as club members, ended up on the board of directors and strive to do their best for the community. Yet, this bill is nothing more than blackmail that will hold those directors to ransom if they do not fall into line and accept the Government's onerous taxation regime. Prior to the last election did the Government tell the clubs that they were going to introduce that regime? No, it did not. This is a tax on turnover. Mr Egan, who purports to be the best Treasurer that this State has ever had, claims to have delivered surpluses in every budget for the past 10 years. However, this bill is not about profit, it is about turnover. If a club's turnover is taxed, its profits are reduced, and those clubs will be forced to close.

It is a fairly simple mathematical equation that Mr Egan would understand if he cared to speak to people such as Pat Rogan, a former member of this House as the representative for East Hills. He was a great member and is revered in the club movement. Members of the Revesby Workers Club know what a great bloke he is. I would not like to be in the shoes of the current member for East Hills, Alan Ashton, when he goes to that club because I know its directors have no time for him. Under the direction of Pat Rogan the directors of the

Revesby Workers Club invested in the Urunga golf club, which borders my electorate, at a time when it was not doing very well. The Revesby Workers Club provided accommodation at the golf club and turned around its fortunes. By doing so it saved jobs within the area and ensured that the golf club continued to provide a facility for the community and visitors. I commend Pat Rogan, Revesby Workers Club and others who invested profits into that regional area and given it much-needed support.

I really cannot express my horror of this bill any more strongly. As I said, it is political thuggery, it is blackmail against hardworking members of the community who are being beaten up by a Treasurer who does not understand the effect this tax will have, or how it will apply. To sit back and pretend that the tax will not cost jobs, will not close clubs, is ludicrous. The tax takes investment from country communities. Coffs Ex-Services Club has put on hold millions of dollars worth of extensions because of the effects of the tax. It has gone into stall mode and it is not the only club in regional New South Wales to be affected in that way. Where does the honourable member for Tweed, Mr Neville Newell, sit on this? His electorate is founded on major clubs, and they are protesting because they will suffer badly if the Government goes forward with the full impact of this unfair and unconscionable tax. I challenge the 34 members opposite who, purportedly in caucus, took the Premier and Mr Egan to task on this, to vote with the Opposition, to vote down this dastardly blackmailing bill. The bill does not deserve to be on the table because it is purely—

**Ms Angela D'Amore:** You are voting against Health, are you?

**Mr ANDREW FRASER:** Am I voting against Health? What a load of nonsense. I am voting for clubs, for my community. [*Extension of time agreed to.*]

Honourable members will have noted the inane interjection from the honourable member for Drummoyne. She should approach Mr Egan in caucus and ask him what he did with the \$8.5 billion surplus that he has blown in the past nine years. Mr Egan is always speaking about marvellous budget surpluses. Every year the budget is brought down but, later, there follows an adjustment bill and the New South Wales Parliament allocates additional funds. We certainly end up with a surplus at the end of the year but the reason is that the Howard Government has been doing a great job running this country. The budget in this State has been overrun but the excellent property market has enabled the New South Wales Government to rip off hundreds of millions of dollars to boost budget expenditure.

The New South Wales budget has been in deficit for eight of the nine years that Mr Egan has been Treasurer. When one looks at what he has in fact budgeted for and what was actually spent, one can see that the Treasurer overspent and that supplementary legislation has provided more money to top up his bankrupt budget. Where is the \$8.5 billion? If the Treasurer had spent that \$8.5 billion appropriately we would not have the existing crises in respect of health, education, roads, police and other basic services in this State.

If the Treasurer had applied that money as it should have been applied, to infrastructure, the provision of more nurses and better conditions for hospital employees, and additional funding for country roads, we could forgive the loss of \$8.5 billion. However, we cannot see anything for that money. In the nine years of the Carr and Egan Government we have seen infrastructure continually run down in this State. People are beginning to realise that, especially when they see what a great job the Federal Government has been doing while in office and contrast that with what Mr Egan and Mr Carr have done. It was the interjection from the honourable member for Drummoyne that caused me to seek an extension of time, but let me say that I believe this legislation is unconscionable and this House should not endorse it. I take great pleasure in indicating my intention to vote against the bill.

**Mr BRAD HAZZARD** (Wakehurst) [10.20 a.m.]: This is one of the most repugnant bills to come before this House in the 13 years that I have been a member. It follows a sustained attack by the Carr Labor Government on the New South Wales club movement. It was borne out of an unreasonable, unfair and illogical tax imposed on clubs some months ago. After that, of course, the clubs had what the Carr Government considered to be the hide to stand up to it. The result was that the Treasurer, Mr Egan, and the Premier cast around to find ways to effectively get even with the club movement.

It is basically western suburbs Labor Party thuggery uplifted and dropped onto the New South Wales club movement. It is indicative of the Government's approach to the club industry. It is not a big jump from the dirty, dodgy deals that Labor has done in respect of the Orange Grove matter through the various branches of the Labor Party in the western suburbs of Sydney to decide to take a hammer to the club movement. This legislation is patently and obviously a continuation of the attack on clubs. The Government has failed to

understand that New South Wales clubs form the backbone of many local communities. Particularly in the past 40 years the club movement in New South Wales has grown with support from local communities and has returned that support to their local communities. It is not only in the Sydney area that we find that registered clubs provide a range of services that the Government has failed to provide.

When one travels to regional areas one often finds that the only services that are offered to the community are those provided by local clubs. In Wilcannia, for example, the local bowling club is virtually the only place where people can get together. Teachers come together after work, as do the public servants. They meet in the local bowling club for a drink and to exchange ideas. New South Wales is a vast State and in distant areas such as Wilcannia it is essential that there be a strong and supportive local club to enable members of the community to enjoy after-work activities. As I said earlier, in that town the bowling club provides that service. In my electorate, an array of clubs—including the Harbord Diggers Club, the Dee Why RSL Club, the Manly-Warringah Master Builders Club and the Collaroy Services Club—provide a range of opportunities for local people. In particular, retirees find that they provide a meeting place and services at a reasonable cost. The clubs ensure that such people actually have a sense of community through their local clubs.

I return now to the bill. In that background I cannot understand why the Labor Government would seek to destroy the club movement, but that is what it has done by imposing this insane proposed tax on revenue rather than on net profits. To follow that up with specific legislation to inquire into a club such as the Penrith Panthers, to hammer that club, to set out to almost drive that club into oblivion, is a most unfortunate exercise on the part of the Labor Government. It would not matter whether a business or club—or indeed a political party, even the Labor Party—is subjected to close scrutiny, one would find that nothing is ever perfect. However, does that justify destruction of a club? Does it justify a total onslaught on a club or on any of those organisations? It does not.

What we see with this Registered Clubs Legislation Amendment Bill is the worst of the worst so far as construction of law is concerned. It is retrospective legislation that impacts on people who have already appeared before the review tribunal hearings that are presently under way reviewing the Panthers club circumstances. In other words, people have appeared before the tribunal having prepared their evidence and taken legal advice. Indeed, they have determined whether they needed legal advice and have then given their evidence. Apparently, Mr Ian Temby, the commissioner in charge of that review, picked up the telephone and said to the Carr Government: I want to be able to find someone who is corrupt in this matter.

The idea of someone in the position of Mr Temby being able to pick up the phone seeking to retrospectively determine that someone is corrupt is repugnant, offensive and legally manifestly wrong. Mr Temby has a track record in this regard. One only has to look at his close association with the Labor Party to understand their affinity and the joint enterprise of thuggery on the clubs movement that is being exercised through this legislation. Some newer members of this House may not recollect Mr Temby's questionable background when it comes to that close association. After his involvement with the Greiner-Metherell matter in 1992, a book was written by Michael Gleeson and others, and I read to the House from page 33, which recorded that:

Temby twice served as deputy mayor of Subiaco City, and in 1982, on the retirement of Sir Charles Court, stood as the ALP candidate for the former Premier's safe Liberal seat of Nedlands...

As far back as 1982 Ian Temby showed his political affiliations and his colours. Twenty-two years later he is still being repaid for what he did in subsequent years to a number of people. In the Greiner and Metherell affair he did the bidding of his Labor mates. He did not exercise a judicious approach in his judicial office. First, he got it totally wrong—he labelled a Premier and a senior Minister as corrupt. Why would anyone give this man the power to call anybody corrupt when he got it so wrong in 1992? What did Mr Temby do while Premier Greiner and Minister Moore were waiting for the Supreme Court to determine their appeal after his incorrect conclusion that they were corrupt?

In my 25 years as a lawyer I do not think I have ever heard of a judicial officer ringing up people who had a vested interest in the outcome of proceedings and discussing the matter with them. The book by Michael Gleeson and others to which I referred earlier says that after Mr Temby determined that the Premier of New South Wales and a senior Minister were corrupt, and before the Supreme Court overturned his decision and exposed the paucity of his legal assessment, he telephoned the three Independents who were strutting around this place at that time, getting headlines as a result of marching up and down Macquarie Street and holding a government to ransom.

The commissioner—a quasi-judicial officer and someone who was obliged to make an independent assessment about whether someone was corrupt—having made his decision and having realised he was on the skids as a result of the likely outcome of an appeal, telephoned the three Independents. How repugnant, how offensive, how ridiculous—and how injudicious! When referring to the erstwhile Peter Macdonald and his colleague John Hatton, the book notes:

Arriving at the House—

That is Parliament House—

the pair briefly visited their offices. Awaiting them was a surprise message: Ian Temby had telephoned. Hatton and Macdonald have said they wasted no time in returning the call. Temby wanted to convey his gratitude to the Independents for their public statements of support in the preceding days.

Could anyone imagine a judicial officer making such a call to thank the Independents for publicly supporting his position that the Premier and the Minister were corrupt? Following that the book notes:

Hatton resorted to hyperbole, telling the Commissioner: "The cavalry's coming, Ian."

Imagine Ian Temby, or someone on his behalf—I suspect it was Ian Temby—calling the Premier or this Minister and saying, "I really want to be able to find someone corrupt at the Panthers rugby league club. I really want to be able to do that." Effectively, the Minister for Gaming and Racing said—I suspect it was not him; it was more likely Bob Carr or Michael Egan—"Ian, the cavalry is coming. The Carr Government is coming, mate. We will make sure we give you what you want or what you need to be able to destroy the club movement and the people at Panthers." This so-called lawyer has got it wrong many times in the past.

I remember another matter that was raised in this House not so long ago when we were considering victims statements. A decision of Mr Temby on the significance of victims impact statements was overturned in the Court of Appeal. The case went before Justices Hunt, Hulme and Graham. In essence, they said that Justice Temby thought he should take into account victims statements when determining the sentence, which is a total misinterpretation. I will not take up too much of the time of the House by referring to that case, but the Court of Appeal found that Justice Temby was wrong. This man gets it wrong so regularly it would be completely offensive if he were given any power to deal with people in the club movement—people who are simply trying to provide services to the New South Wales community.

I note that most members of the Australian Labor Party are not in the Chamber today. Most of them are not prepared to stand up publicly for the club movement, which I find disturbing. If Labor members purport to stand up for the rights of individuals and their legal and civil liberties, they should be saying that this retrospective legislation, which is being used as nothing other than a bullyboy tactic to slam the club movement, should be rejected. The 37 members of the Labor Party who had the courage to stand up in the party room or caucus—

**Mr Grant McBride:** Name them.

**Mr BRAD HAZZARD:** I am not referring to the Minister. He did not stand up for the club movement, and he is still not standing up for it. He is sitting in the Chamber passively providing an opportunity for the Premier to keep kicking the club movement to death. I am referring to 37 members of the Labor Party; people, for example, like the honourable member for Strathfield. Because she is new to this place she has yet to work out that that is a quick way to ruin her career in the Labor Party. She stood up in caucus and said, "This is the wrong thing to be doing to clubs." Why is it that those 37 Labor members of Parliament will not stand up to the thuggery of this legislation?

Mr Temby is not a man we can trust. Bob Carr is not a man we can trust. Michael Egan is a person we can trust to rip off the club movement. I and other members of the Coalition oppose this legislation. We support members of the club movement when it comes to their right to know what they have to do from day to day. This sort of retrospective legislation should not be shoved on them simply because the Carr Government has reached new heights of thuggery. Opposition members and I oppose this legislation.

**Ms GLADYS BEREJIKLIAN** (Willoughby) [10.35 a.m.]: Let us face it, the Registered Clubs Legislation Amendment Bill is another pathetic attempt by the State Government to justify its policy debacle relating to the increase in poker machine tax. The State Government has failed to outline its real objective in

relation to this legislation, which is to throw as much dirt as possible at the entire New South Wales club industry and to try to run a public relations smear campaign against all the clubs in this State in an attempt to put into disrepute the wonderful reputation enjoyed by the vast majority of those clubs.

The timing of the bill is curious, particularly because the State Government amended the Registered Clubs Act in December last year to establish an inquiry into matters pertaining to the Panthers rugby league club. Subsequently, Ian Temby was appointed to conduct the inquiry, which is continuing. The Government's position is that these amendments fulfil the original intention of the legislation, plus some additional matters. Yet the reality is that retrospective legislation of this nature regarding an inquiry that is already under way is an extremely dangerous precedent. In effect, this legislation will deny natural justice to witnesses who have already given evidence to that inquiry.

The process that the Government is currently undertaking is almost tantamount to orchestrating or pre-empting a desired political outcome to override a current investigation—ironically, an inquiry that the Government started; it is trying to orchestrate an outcome that is consistent with its own political agenda. I argue that such interference in natural justice is something that none of us in this place should take lightly. I reiterate my support for the club industry in New South Wales and, more specifically, for all the clubs in the Willoughby electorate.

I have said on a number of occasions in this place that the clubs in my community make an outstanding contribution to local charities and sporting organisations. They provide flexible employment opportunities, particularly for women or university students needing part-time or casual employment, and they provide a secure income for many local businesses, especially those involved in food and catering. They provide subsidised meals and amenities for anyone who wants them, and for many they provide the only opportunity for meaningful social interaction. Based on current figures and information provided by local clubs it is likely and unfortunate that some will not survive until 2011, when the full impact of the tax will be realised. In fact, according to an Allen's Consulting Group report released some months ago, more than 300 jobs in the club industry or associated with it are at risk in the Willoughby electorate alone.

A survey of 19 out of 23 clubs on the lower north shore was conducted at about this time last year. The process involved conservative accounting procedures: in pursuit of an accurate analysis of the effect of the tax increase, it was assumed that the clubs would continue to trade at exactly the same level from 2004 to 2011 as they did in during the period covered by their last published annual accounts; that is, their income, expenses, and community support would remain constant. That assumption is clearly conservative because I have been advised that in recent years the industry average increase in revenue from poker machine operations has been less than the CPI, while overheads have been steadily increasing. Insurance and workers compensation premiums and compliance costs have increased well in excess of the CPI.

Only six of the 19 clubs that responded declared an annual profit after fulfilling their community support charter. One was a bowling club that relied on voluntary labour to survive, one was an RSL club, two were golf clubs that relied principally on membership levies, and two were sailing or rowing clubs. According to the industry, nearly 24 per cent of all gaming revenue raised on the lower north shore is paid in tax. The Carr-Egan tax will cost the clubs in that area an additional \$1,032, 992 in its first year of operation—2004-05—and that will increase to more than \$5.5 million by 2010-11. The accumulated tax increase to 2010-11 will be nearly \$23.5 million. The losses will increase each and every year, culminating in a total loss of more than \$36 million for the period from 2004 to 2011.

If the Carr Government's attack on the club industry is allowed to continue there is no doubt, to my regret, that many clubs in my electorate will be unable to maintain the services they now provide. As indicated, some have said they will not survive. It is a stark reality that many clubs will need to scale down their sporting and community works in the short and medium term. Some have already had to cut back amenities and subsidised services. A club that was forced to cease holding bingo events was the subject of public outcry. It seems that everyone but members of the New South Wales Labor Party appreciates the valuable contribution that the club industry makes to the community.

The electorate of Willoughby boasts a strong and proud club tradition. Only last Friday night I was at the North Sydney Leagues Club celebrating the 2004 president's awards for social clubs involved in activities ranging from bridge to squash and swimming. The honourable member for North Shore and I look forward to attending that annual event. In many ways it epitomises what the club industry represents: providing support to local sporting and recreational clubs, providing a social network, and recognising service to the community. I

note with much regret that the North Sydney Leagues Club has had to scale down its Sunday concerts due to the tax squeeze. Apart from the impact that has had on club members, many club patrons have said it will reduce the opportunity for up-and-coming musicians to gain experience in live performances.

Similarly, the Chatswood RSL Club has highlighted its concerns regarding the poker machines tax. I take this opportunity to congratulate the club because I understand that the sub-branch yesterday received formal recognition of its 85 years of continuous service to the community. That type of activity forms the backbone of the club movement in this State. The Chatswood Club, in Help Street, is the home base for the Chatswood Chamber of Commerce and the Chatswood Rotary Club and provides great service to many other community organisations and members. Willoughby Legion Ex-Services Club has a proud tradition of supporting ex-servicemen and ex-servicewomen and hosts the annual Anzac Day breakfast. The North Sydney Anzac Memorial Club also provides valuable services to the community.

Honourable members on this side of the House have taken every opportunity to support and highlight the contributions that clubs make to our respective communities. Regrettably, honourable members opposite have not done the same when it matters. By supporting this legislation they are supporting a process that, in a dangerous and almost unprecedented fashion, denies natural justice by imposing retrospectivity upon an inquiry that, ironically, was established by this Government and has already commenced. I find it particularly galling that many Labor members say one thing to local clubs in their electorates—some even sneak into protesting crowds as they did during the recent rally attended by thousands of club supporters, and 30-odd of them even dared in caucus to vote in support of their concerns—but when it comes to the crunch in this Chamber, when it matters, they desert the clubs and their constituents who benefit from the club industry.

This bill adds insult to Labor's already unsustainable position in relation to New South Wales clubs. Honourable members opposite, especially those who see natural justice as an inherent attribute of our legal system and who are balancing on the highwire of saying one thing to their local clubs and the opposite in this place, should very carefully consider what they are about to do. Like my colleagues, I will oppose this bill. I take this opportunity to tell the many hardworking members of clubs in the Willoughby electorate who provide such a great service to the community that they have my support.

**Mr ANDREW CONSTANCE** (Bega) [10.47 a.m.]: I oppose the Registered Clubs Legislation Amendment Bill. I have but one question for the Minister: Why was this amending bill not introduced in December 2003 when the inquiry was first established? What has happened between then and now that makes this bill necessary? The Government has not explained its reasons for introducing it. That suggests that either the Minister is incompetent or that, more to the point, as the honourable member for Wakehurst said, Ian Temby QC has requested that the Government act. One cannot establish an inquiry, as this Government has done, and then introduce retrospective legislation designed to move the goalposts. The Government obviously has an agenda.

Since its re-election in March 2003 the Carr Government has gone after the clubs movement in this State. I do not know what has gone on during the past nine years since the Government was first elected, but suddenly to go after the clubs movement on a daily basis calls into question the Labor Party's philosophical basis. We are debating legislation that affects the governance and management of clubs. Only nine months ago we were in this place debating legislation designed to achieve the same effect. As I said, the Opposition will oppose the legislation because it is oppressive and punitive towards clubs in New South Wales. This is a retrospective bill and it represents a denial of natural justice in the Penrith Panthers Rugby League Club inquiry. Only the Minister can explain why, but I am sure he will not do so in this place.

Other elements of the bill are also of concern. In particular, one of its provisions enables the cost of a departmental investigation and inquiry to be charged directly to a club where a licensing court finds against the club and awards costs. Under this provision the clubs movement will fund the department to investigate clubs willy-nilly as it sees fit politically. The so-called whistleblowers protection in this amending bill amounts to no more than an empowering of the union movement. The honourable member for Drummoyne, who is in the Chamber, has had a fair bit to say on this subject. As a member of the Nurses Association she would be quite turned on by this provision in the bill. She would be quite excited about an element in the bill that empowers the union movement. It really turns her on to see this type of provision in legislation. We know what turns her on. The honourable member for Drummoyne has now been really turned on.

**Ms Angela D'Amore:** Point of order: My point of order relates to relevance. The honourable member for Bega should stick to the facts and the basis of the bill and not make theatrical statements. I certainly think he should focus on the facts that he wants to put on record and not on me as the member for Drummoyne.

**Mr SPEAKER:** Order! I draw the attention of the honourable member for Bega to the point of order and ask him to confine his remarks to the substance of the bill.

**Mr ANDREW CONSTANCE:** As I said, the honourable member for Drummoyne is turned on by this measure. She is excited that the bill contains a provision that empowers the union movement and is about making unions the watchdogs of the clubs movement in New South Wales. We want to know who made the calls about this provision and what the Minister for Gaming and Racing said about it. Which unionist rang the Minister to ensure that the unions were more empowered through this process? The fact is that clubs throughout the State—and I suspect that Drummoyne RSL is one of them—are furious at the way in which Labor members say one thing in the community behind their hands and do something altogether different in this place. As was alluded to before, I marched proudly in the clubs tax rally last week. Countless members of the Labor Party—

**Mr Thomas George:** You were up front there, mate. I saw you.

**Mr ANDREW CONSTANCE:** Yes, I was up front. Countless members of the Labor Party also joined the rally. They try to put on a good face for the clubs movement but then they come into this place and ashamedly support the likes of the Minister for Gaming and Racing in destroying the clubs movement in New South Wales. If he bothered to venture out of Sydney—

**Mr Grant McBride:** I live out of the city, brother.

**Mr ANDREW CONSTANCE:** I am sure you do.

**Mr Grant McBride:** Not like you, who moved from the city to represent a country seat.

**Mr ANDREW CONSTANCE:** You are not a very bright fellow, are you?

**Mr SPEAKER:** Order! I call the Minister for Gaming and Racing to order. I call the honourable member for Bega to order. Members will have an opportunity to participate in the debate at the appropriate time. In the meantime, members should make their contributions in an orderly manner.

**Mr ANDREW CONSTANCE:** Only last Saturday night I attended the festival ball in the township of Merimbula in the southern part of the Bega electorate. I stood in the Merimbula Golf Club wondering what impact your disgraceful measures are having on it. As I venture around the Bega electorate, in which I live—

**Mr Grant McBride:** Discovering it for the first time.

**Mr ANDREW CONSTANCE:** I have visited more clubs in my electorate than you have.

**Mr Grant McBride:** Name the 27 clubs in your electorate. You can't.

**Mr ANDREW CONSTANCE:** If you want me to start naming them—

**Mr SPEAKER:** Order! The Minister will come to order.

**Mr ANDREW CONSTANCE:** The Minister is becoming as excited as the honourable member for Drummoyne.

**Ms Angela D'Amore:** Point of order: The comments of the honourable member for Bega are offensive and I ask him to retract them.

**Mr SPEAKER:** Order! Members are becoming a little excited about this debate. A degree of latitude is usually extended to members speaking in a second reading debate. However, I expect all members to respect the standards of the Chamber and allow the debate to proceed in an orderly fashion. The honourable member for Bega should make his contribution relevant to the bill, and other members should cease interjecting.

**Mr ANDREW CONSTANCE:** As I said, last Saturday evening I attended a function at the Merimbula Golf Club and I could not help but think about the impact of this bill on that club. As I have ventured around the electorate of Bega, countless club managers have told me that they are employing fewer people in their clubs as a result of your clubs tax. The fact is that 150 people—

**Mr Grant McBride:** How many holes are on the Merimbula course? Do you know? It's a trick question. Have a guess.

**Mr SPEAKER:** Order! The Minister will come to order.

**Mr ANDREW CONSTANCE:** I happen to be an honorary member of that club, which is more than you are. Quite frankly, the clubs do not want to see your ugly face on their premises, given what you want to do to them. The fact is that 150 people in the Bega electorate are missing out on employment opportunities because of this regressive clubs tax. You are introducing legislation that will kick the clubs movement in the guts. You spoke about talking to the clubs. How many clubs did you talk to before you introduced this amending bill in Parliament? Zero! Zilch! There was no consultation. Did you ask the officers of Merimbula Golf Club what they thought about this bill? No, you did not.

**Mr Grant McBride:** Wait for my reply. You don't even know how many holes are on that golf course. You don't even know your own electorate.

**Mr ANDREW CONSTANCE:** You did not ask any club in my electorate how it feels about this legislation.

**Mr Grant McBride:** You were parachuted in there from the city.

**Mr ANDREW CONSTANCE:** You are not a very bright fellow, are you? You sit there and interject during valuable contributions to this debate because you know that you are wrong.

**Mr SPEAKER:** Order! The Minister will cease interjecting and the honourable member for Bega will address the Chair.

**Mr ANDREW CONSTANCE:** Through you, Mr Speaker, the Minister is missing the point. This legislation is another example of how the Carr Government is committed to kicking the clubs movement in the guts. Some 150 people in my electorate will miss out on employment opportunities as a result of your nasty, stinking clubs tax, which is halting investment and jobs growth in regional areas. That is simply outrageous. Minister, I bet you could not name the clubs that have closed as a result of your new tax measures. I will name some of them. They include Wagga Wagga Leagues Club, Parramatta Masonic and Community Club—

**Mr SPEAKER:** Order! I have asked the honourable member for Bega to address his remarks through the Chair. If he continues to address the Minister, I cannot be held responsible for the Minister's interjections. There are proper ways to address the Chamber. On this occasion I will not take any action against the honourable member for Bega as he is a relatively new member of the Chamber. However, I warn him that when he speaks in the Chamber in future he should respect its standards and address the Chair.

**Mr ANDREW CONSTANCE:** Thank you, Mr Speaker. Through you, Mr Speaker, as I said, a number of clubs in New South Wales have closed as a result of this regressive tax. They include Wagga Leagues Club, Parramatta Masonic and Community Club—

**Mr Grant McBride:** Wagga Wagga Leagues Club; that is a joke.

**Mr ANDREW CONSTANCE:** They include the Mittagong Bowling and Recreation Club, Hurstville United Legions Sports Club, Gunnedah Bowling Club, Gosford Masonic Club, Glenmore Country Club—

**Mr Grant McBride:** Point of order: There is an obligation on members to ensure that any information they present is factual and not a total misrepresentation of the truth. The tax will not be paid until December this year. Wagga Wagga Leagues Club has been in trouble for more than three years. It has nothing to do with the tax.

**Mr SPEAKER:** Order! The Minister will have an opportunity to respond to the debate and to point out any irrelevancies or inaccuracies that have been made in the course of it.

**Mr ANDREW CONSTANCE:** Epping Bowling Club, Beverly Hills Bowling and Recreation Club, and Adamstown Rosebud Sports and Recreation Club have closed as a result of the tax. I state for the record that that information has come directly from ClubsNSW, which is the peak organisation for clubs in this State. I am

sure that the Minister has seen its press release of 30 August 2004. The tax system that has been introduced is having a significant impact across the board, but particularly in regional areas, where it is biting hard. The introduction of this type of legislation is part of the Carr Government's ongoing campaign to destroy the club movement in New South Wales. We know that that campaign is being driven by the Treasurer of this State, a failed director of a club who has a philosophical bent against the club movement. The Allen Consulting Group report which is being provided by the club movement to members of this House specifies the number of people who will lose out on employment opportunities as a result of these measures.

As I said, 150 jobs will be lost in the electorate of Bega. There are some fantastic clubs in Bega, and they make a valuable contribution to the local community throughout the electorate. They contribute to everything from surf-lifesaving to the Royal Volunteer Coastal Patrol, through to countless sporting activities engaged in by children. All those activities are being constricted as a result of this lethal tax being introduced by Minister McBride. As part of those measures, today we are again debating an amendment bill that is designed, through its strident provisions, to kick the clubs in the guts. The bill moves the goalposts as per the Penrith Panthers inquiry. In that regard it is extremely dangerous for a government to introduce legislation such as this retrospectively. As I said, the bill goes to the heart of what is going on here, and that is that the Minister and the Carr Government are anti clubs.

**Mr THOMAS GEORGE** (Lismore) [11.01 a.m.]: The Registered Clubs Legislation Amendment Bill amends the Registered Clubs Act 1976 to provide protection for whistleblowers who speak out about excesses or improper conduct, for increased disclosure of club information to ensure full transparency, and for the special inquiry so it can make findings of corrupt or improper conduct. Last night during debate on the bill the shadow Minister for Gaming and Racing, the honourable member for Upper Hunter, explained eloquently and forcefully why I and the Coalition will support him in opposing the bill. The club movement in my electorate of Lismore makes a significant contribution to the wellbeing and welfare of our community at large. There are something like 16 great clubs in my electorate—

**Mr Grant McBride:** And you can name them all.

**Mr THOMAS GEORGE:** I could name them all, and I will do so. Furthermore, it appears that after the redistribution—

**Mr Grant McBride:** You'd know how many holes there are in the golf courses as well, wouldn't you, because you've been there—not like that blow-in into Bega.

**Mr DEPUTY-SPEAKER:** Order! The Minister for Gaming and Racing will withdraw that comment.

**Mr THOMAS GEORGE:** I also refer in my comments today to the town of Murwillumbah, which it appears I will have the pleasure of representing in future following the redistribution. There are some great clubs in Murwillumbah. I note that the honourable member for Tweed is not in the Chamber to take part in this debate. Murwillumbah is currently part of the Tweed electorate, and therefore he should be taking part in this debate. However, as with the train debate, he seems to be missing again. He should be supporting his clubs.

The clubs in my electorate range from small nine-hole golf clubs to bowling clubs. I refer to Bonalbo Bowling and Recreation Club; Casino Golf Club, which has 19 holes; and Casino RSM Club, which also has a bowling club and does a mighty job in the Casino community. East Lismore Bowling Club is another great club, and Goonellabah and District Soccer Club is an organisation that provides great leadership. The Italo-Australian Sports and Recreation Club in Lismore provides tremendous facilities for not only the Italian community but all sections of the community. Kyogle has a bowling club and Kyogle Golf Club, which once again provide wonderful service to that community. Lismore has the Lismore and District Workers Club, Lismore City Bowling and Recreation Club, Lismore Golf Club, Lismore RSL Club, Goonellabah Sports Club and Lismore Heights Bowls Club.

Murwillumbah has the Murwillumbah Bowls and Sports Club, Murwillumbah Brothers Rugby League Football Club, Murwillumbah Golf Club and Murwillumbah Services Memorial Club. Nimbin, which is a great little town, has a bowling club; South Lismore has the South Lismore Bowling and Recreation Club; Urbenville, which is a great little town, has the Urbenville and District Bowling Club; and Woodenbong has the Woodenbong and District Golf Club. The clubs I have referred to, especially those in smaller country towns, are the backbone of the community. They provide premises that would not otherwise be available in smaller country towns such as Urbenville, Bonalbo, Woodenbong and Nimbin. They provide facilities that, sadly, are lacking in communities.

If these clubs are forced out of business, those facilities—that focal point and support that the clubs give to communities—would not be available with premises alone. However, it does not stop at premises. The clubs provide subsidised meals to the aged as well as to the many young people who enjoy the service. I make it quite clear that I am involved in a hotel, but I still recognise the contribution that clubs make to our communities. I used to play in a band. The opportunity that clubs provide to our up-and-coming entertainers in country areas would not be available if it were not for the clubs. The sponsorship to junior and senior sport would be non-existent in many small towns without the clubs supporting them. Clubs and pubs provide fellowship to the many people who visit them during the afternoon or throughout the day. It is a focal point in these communities, which would not exist if we did not have a club movement.

This bill is part of an ongoing plan by the Carr Labor Government to attack clubs. The attack began on 1 September and will continue over the next seven years. It will lead to a loss of jobs. In the Lismore electorate it is anticipated that close to 40 jobs will go. I am pleased to see the honourable member for Blacktown in the Chamber. He said he believes the Government has won this debate. I extend to him an invitation to visit the Lismore electorate. It is a shame Parliament is sitting next week; the honourable member for Blacktown could have come to the Lismore Cup race meeting. I would like him to visit country areas to experience people's angst about what is happening to their clubs.

The community takes ownership of their clubs, and feel they are being attacked. I am concerned also about the amount of funds from tax that will come to Sydney but that people in country and rural areas will never see. Again, we do not have control over that, and if this Government's past is any indication of what is going to happen in the future, that money certainly will not go to country and regional areas. At the moment an amount equivalent to that tax is being dispersed into the communities, supporting junior and senior sports players, and providing meals and facilities, but we are going to lose that. The arguments of the shadow Minister for Gaming and Racing have certainly reinforced our thoughts on this bill. It was debated in this House in December, I think, and we are back debating it again. The retrospective aspects of the bill are totally unacceptable, and I have no hesitation in declaring in this House that I will not support it. I will vote against the bill.

**Mr MICHAEL RICHARDSON** (The Hills) [11.10 a.m.]: I am completely outraged that this Government, which is supposed to represent the people of New South Wales, should see fit to bring legislation as draconian as this before the Parliament. It should be confined to the dustbin of history. I cannot comprehend how any responsible government could produce legislation that is designed to attack a particular industry because that industry has had the temerity to stand up against it and say "We are not going to put up with this oppressive tax regime that you have placed on us". That is the nub of this legislation.

This is all about attacking an industry that employs tens of thousands of people throughout New South Wales; an industry that, as the honourable member for Lismore said, provides meeting places in country towns and elsewhere that are the focal points of those country communities; an industry that does so many wonderful things to provide benefits and services to local communities. One club that will be severely disadvantaged by the Government's new tax regime is Castle Hill RSL Club. I suppose the Minister is going to snort about Castle Hill RSL Club, as he has snorted about every other club referred to by members of the Opposition. He is the Minister for anti-clubs, not the Minister for clubs. Castle Hill RSL Club recently built a \$14 million sports complex, which it was committed to before the new tax changes were introduced. Because the club could not pull out, because it has gone ahead and provided that sports complex, it will face some fairly difficult financial times in the future.

Last year the club made \$1.7 million and had a turnover of \$15.5 million. All of that money went into the extensions. But its poker machine tax will climb from \$2.6 million last year to \$6.3 million in 2010, and its tax rate will increase from 20.4 per cent to 49 per cent. One does not need to be an accountant to work out that the club is going to end up in the red and that something will have to give. There is barely a community organisation in my electorate that does not benefit in one way or another from Castle Hill RSL Club's largesse. It provides \$200,000 each year to organisations in my electorate, which will be affected by this legislation and by the Government's tax regime.

They include emergency assistance such as feeding and accommodating evacuated Hills residents during the December 2002 bushfires, sponsoring the Baulkham Hills Rotary Club's Christmas function for elderly and disabled people, supporting the Sir David Martin Foundation, assisting homeless youth, and sponsoring the Victor Chang cardiac research project and the Spastic Centre. The club has provided money for St Gabriel's School for Hearing-Impaired Children; it has contributed \$3,300 to Baulkham Hills Council's

Orange Blossom Festival, which is currently being held in the Baulkham Hills shire in my electorate; it has contributed to scholarships at a large number of local schools; and it supports the Castle Hill RSL Club Pipe Band and sporting clubs such as the Hills United and the Castle Hill Rockets soccer clubs, the Castle Hill RSL Cricket Club and the Castle Hill RSL Youth Club.

The new sporting facilities that the club has built include a world-class gymnasium, which will be used to train future Olympians at no cost to taxpayers. I believe all members of this House are aware of our gymnastics team's performance at the Athens Olympics and of how much they have improved. Future gold medals will be created in the gymnasium of Castle Hill RSL—if it can continue with the largesse it has shown up until now. The question is whether many of those groups will be able to survive without the financial support of Castle Hill RSL Club. Something is going to have to give. There is no doubt that the club will have to cut the amount of money that it is providing to the local community and it will also have to cut jobs. It is estimated that 14 jobs will be lost from Castle Hill RSL Club, and that will impact on the services that are provided to members.

The Government has introduced this punitive rate of tax on clubs, and it is understandable that the clubs object to it. So what does the Government do? It selectively implements an inquiry into one club, Penrith Panthers, and its chief executive officer, Roger Cowan. When Ian Temby, QC, says, "I do not think I am going to get the result you guys want out of this. I am going to need to get more powers," the Government introduces a bill that denies natural justice to the people who have already given evidence and will, retrospectively, provide a way to hand down a finding of corruption or improper conduct. That does not happen to any other industry in New South Wales. The club industry has been singled out by the Government for special preferential treatment solely because it objected to this punitive rate of tax that the Government is intent on placing on it.

The week before last 10,000 people protested outside Parliament House over the inequity of the Government's decision. I listened with interest to the comments of the honourable member for Blacktown, who said that there are 2.5 million members of registered clubs in New South Wales and that 10,000 was not a significant protest. We say that that is a very significant protest. I do not think even the honourable member for Blacktown would believe that 2.5 million people would turn out to protest. Some would have jobs to go to and would not be able to get away, but I am sure that every one of those members was here in spirit. That is not surprising because the Government's attack on the club industry seems to know no bounds.

This bill will allow employee organisations to make complaints against registered clubs, so it is actually enhancing whistleblower legislation—and that is possibly a good thing. But it empowers the union movement to make complaints against registered clubs and to be the Government's watchdog on registered clubs. No-one else, effectively, gets a look in. The Government is doing this so that the union movement can divulge or disclose to the Government, without fear of reprisal, the fact that a club may seek to downscale its operations so that it will not be hit with the same tax rate as bigger clubs. That is absolutely outrageous.

I cannot believe that any sane government would seriously introduce such legislation. Indeed, as the honourable member for Epping said, this is *ex post facto* justification for an inquiry that should not have commenced in the first place, and that is absolutely spot on. The inquiry should not have taken place. Indeed, it would not have been necessary had it not been for the draconian measures taken by the Government to try to extract the last dollar from the club industry and poker machine revenues. No other piece of legislation introduced in this House in the 11 years I have been here is more worthy of condemnation. I urge all members of this House to consider their position on the legislation. The precedent that it will set for future governments to take similar action against industries they do not like is absolutely extraordinary. I support the clubs in my electorate, I support the clubs industry, and I encourage all members of the House to do the same.

**Mr JOHN TURNER** (Myall Lakes) [11.21 a.m.]: Like other Opposition members, I oppose this legislation. For the life of me I cannot understand what has possessed the Premier, the Treasurer and the Minister for Gaming and Racing, who I suspect is simply being taken along for the ride by the Premier and the Treasurer. Indeed, they have almost an evangelical zeal to crush the club movement. The labour movement started with working men's clubs in England, and Australia inherited those genes. We have a strong and vibrant club movement that is being steadily crushed under the heel of the Carr-Egan Government for reasons that completely escape me, apart from perhaps mismanagement of the economy, which led to draconian tax increases and legislation that is obviously aimed at taking virtual control of the clubs industry through the back door. I simply cannot understand it.

The clubs industry is one of the most generous industries in Australia, and New South Wales in particular. It is made up of well-meaning people who give their time to help and support society and the area,

communities and various groups they represent. Yet the Government is working its butt off to destroy that well-meaning, underlying principle of the club movement. The President of the Forster-Tuncurry Memorial Club, Col Bakes, has given up enormous periods of time, as had a former president of that club, the late Stan Trudgett, who unfortunately died recently. Stan had dedicated his life to the club movement, and he would be horrified by what is happening to clubs at present.

Clubs fit into an important area of rural, regional and coastal New South Wales. If we did not have clubs we would not have many services, teams and organisations. Young people would not be competing in teams and learning sports and community values and expectations. The Cape Hawke lifesaving club is supported by the Forster Bowling Club. Without that support we would not have surf-lifesavers patrolling beaches to ensure that the environment is safe and, more importantly, teaching young people vital leadership skills. So why is this attack on the clubs occurring? Why has the Government introduced such draconian legislation, which contains retrospective provisions? Such retrospective provisions are abhorrent to the legislative process. I simply cannot understand where the Government is going. It would be nice if the press gallery could perhaps do some investigating to find out what is behind the almost evangelical zeal of the Premier and the Treasurer to crush the club movement. It is strange, and I am surprised that more work has not been done to determine what is behind this bill and previous legislation.

Clearly, there has been no consultation. I suspect that the Government has introduced this legislation to crush the Panthers club and Mr Cowan, but I will not make a judgment on that. However, with that action the door is left open for many other anomalies to arise from the legislative process. The legislation refers specifically to vexatious and malicious actions by people, and penalties are provided. We all know how it works. The boards of clubs are elected from time to time, as we are elected from time to time. At the beginning of each State election campaign we receive a message from ICAC about not using the ICAC process to try to undermine our opposition during election times.

Even blind Freddy could work out that that is exactly what will happen. The election process will be corrupted by people using the legislation, if it is passed in its present form, to jockey for positions in clubs. This legislation is dangerous, and we need to look at it carefully to understand what is behind it. I am concerned about the whistleblowing aspect of the legislation. We already have other whistleblowing legislation which does not have the teeth it was intended to have. I think the whistleblowing provisions in this bill have been poorly thought out and we will see some significant problems associated with that aspect of the legislation.

I am concerned about two other matters, including the fees and charges that a club can be charged for an inquiry. That will simply provide the Government with an open-ended cheque book. For example, the Government can run an inquiry for as long as it wants and break a club one way or another. If it cannot get the club through an inquiry it will break the club by forcing it to pay for the inquiry. It is not the clubs' money that will pay for the inquiries. The money does not belong to the clubs; it belongs to the members of the clubs, because they pay the fees. The Government seems to think that that money is some sort of Monopoly money that can be used at its whim to conduct an inquiry when it has a reason to conduct an inquiry. It is not the Government's money; it is the money of clubs and club members. Forcing them to pay for inquiries is another unwarranted attack on clubs.

I turn now to retrospectivity. As I said, this legislation is abhorrent in that regard. Clearly, the Government has introduced retrospectivity to attack one club, the Panthers club. The Government will blow the Panthers club inquiry out the door because the retrospectivity provisions will result in a denial of natural justice. During an inquiry we cannot have people appearing under one set of rules and then halfway through the inquiry change the goalposts, forcing the parties or legal counsel to reconsider the way they present their evidence.

Also, the Government wants to introduce provisions relating to corrupt conduct. This has the hands of former Commissioner Temby all over it—he has probably not moved on from that period. I have real problems with the corrupt conduct aspect. I cannot find a definition of "corrupt conduct" in the legislation, and I do not believe it is in the main legislation either. So what will be used as the balance of corrupt conduct? Will the Government use the definition of "corrupt conduct" in the Crimes Act or the definition in the Independent Commission Against Corruption Act? As Mr Temby has a hand in both camps, I suspect that the preference will be the definition of "corrupt conduct" in the ICAC legislation. Over time it has been proved that use of the definition of "corrupt conduct" in the ICAC Act has caused all sorts of problems. Comment has been made about that definition by the Law Society, the Chief Justice of New South Wales, the honourable Athol Moffitt, a celebrated jurist, and many others. I suspect that that is the level to which the Government will stoop.

Bearing in mind that the Independent Commission Against Corruption has been in existence for some time and remembering the problems associated with the definition of "corrupt conduct", it is interesting that the Committee on the Independent Commission Against Corruption asked for a judicial inquiry into the ICAC. That inquiry is under way and many submissions are being made to it, not the least of which ask for a review of the words "corrupt conduct". That has arisen because of the problems associated with trying to define corrupt conduct. In the matter of *Greiner v ICAC* the definition of corrupt conduct was discussed by the then Chief Justice. The Chief Justice said the term "corrupt conduct" is:

... misleading and apt to cause injustice. ... The injustice arises because the Act applies "corrupt conduct" to conduct which, in the ordinary meaning of the term, is not corrupt.

Directors of clubs and other people associated with clubs could have a finding of corrupt conduct against them but have no criminal action taken against them. That is what happens with the ICAC now. In half of the cases in the ICAC where corrupt conduct is found to have occurred, no criminal proceedings are taken. While many people in the club movement, such as directors, give up their time and energy each day to do what they believe is the right thing, under this proposed legislation, for some reason beyond their control they may be found to be acting corruptly, yet no criminal charges will be brought against them and they will have the stigma of being corrupt forever. In that regard there is a huge hole in this legislation that has not been discussed or looked at in any way. The Law Society also commented on the definition of corrupt conduct under the Independent Commission Against Corruption Act. It said:

The definition of corruption under section 8 should be changed in such a way as to bring it closely into alignment with the Common Law definition of corruption and ordinary community interpretation of corruption. The existing artificial definition catches far too much conduct which right thinking members of the community do not regard as corrupt.

This legislation does not cover what form of corrupt conduct the inquiry may find. In 1992 the Hon. Adrian Roden—no friend of The Nationals, and no friend of any right-thinking person—who was an assistant commissioner at that time, said that the idea that the commission should make findings of corrupt conduct reflected a confusion between the respective functions of the commission and the courts. The Hon. Athol Moffitt, QC, took a similar view. In his submission to the ICAC committee in 1992 he said that a finding by the ICAC that the conduct of a named person is corrupt is akin to the ancient practice of sentencing a person found to have done a public wrong to public pillory. That comes back to what I said a moment ago. Well-meaning people in the community—directors and other employees of clubs—have done the right thing in the best way they can, but they may well face a corrupt conduct tag for that. Nothing may occur, and later they may be found not to have done anything wrong, yet they will be regarded as corrupt forever. That again brings me to the matter of *Greiner v ICAC*, when the Chief Justice asked Mr Gyles, QC, who was assisting the commission at the time, about the commissioner changing his mind. The Chief Justice said:

... If the Commissioner reported five years ago that somebody was engaging in corrupt conduct and tomorrow some fresh evidence was produced that satisfied the Commissioner that that finding was wrong, can he not change his mind?

Mr Gyles, QC, answered:

He can, but he cannot recall his report. What is done is done.

That is what this is all about. People who have conducted themselves well and properly, and had the community foremost in their minds, will be subject to possible charges of corrupt conduct: once it is there it cannot be changed. This is terrible legislation; it is some form of vendetta against the club industry for reasons I cannot fathom and do not understand. It seems that there is no rhyme or reason to it other than some pathological hatred of the club movement. It will come back and bite the Government. The club movement in my electorate is strong. Perhaps my electorate is classed as a safe one, but clubs are the backbone of the community. They provide services that the Government will not or cannot provide. When the Government takes something from the club industry, it takes it from the community. The Government should remember that in relation to the south-western areas of Sydney and the other areas where clubs do an outstanding job. Clubs will not stand by and allow themselves and their representatives to be put down in this way. Grassroots democracy will bite the Government on the backside.

[*Debate interrupted.*]

## AUDIT OFFICE

### Report

**The Deputy-Speaker** tabled, pursuant to section 38E of the Public Finance and Audit Act 1983, the performance audit report of the Auditor-General entitled "School Annual Reports: Department of Education and Training", dated September 2004.

**Ordered to be printed.**

**REGISTERED CLUBS LEGISLATION AMENDMENT BILL****Second Reading**

[*Debate resumed.*]

**Mr WAYNE MERTON** (Baulkham Hills) [11.35 a.m.]: I oppose this legislation. It is part of an orchestrated campaign by the Carr Labor Government against an essential part of the life of ordinary Australians. Members of the Australian Labor Party and their fellow travellers take great delight in using the term "ordinary Australians". I do not mind using it either, because they are the fair dinkum people in our community—the people of western Sydney and rural New South Wales. As some sort of release from their mundane day, after working on the land in the heat of the sun and returning home, they look for a place of solace, release and recreation. That is surely a fair, apt and accurate description of the local club.

**Mr Paul Gibson:** Hallelujah!

**Mr WAYNE MERTON:** The honourable member for Blacktown may well say that.

**Mr Paul Gibson:** I have climbed the mountain!

**Mr WAYNE MERTON:** But he has never crossed it and he will not while he continues to support this legislation. He is at the top, vacillating. It is a good description to use: climb the mountain. Like his fellow members of the Australian Labor Party, he takes great delight in telling the representatives of the clubs when they come in here, "We are really on your side, we are doing the best we can to help you. We will look after you and we will see you next Friday night and have a few drinks." It is not as simple as that. At the end of the day these people are not idiots; they are not stupid. They know who will support them. They know that the Government, for blind political expediency, has betrayed them. It has betrayed the interests of the club industry in New South Wales. It has betrayed the people who traditionally supported the once-great Australian Labor Party. It has outgrown the clubs and is looking for bigger fish to fry. It is looking at the people with more influence.

**Mr Steven Pringle:** The big end of town.

**Mr WAYNE MERTON:** The big end of town, as the honourable member for Hawkesbury, who is doing a wonderful job in his electorate, says. These people represent middle Australia. They represent ordinary Australians and they represent what are often described as the forgotten people: people looking for a little enjoyment, entertainment and release in their clubs. This legislation should concern every member of this Chamber. It is changing the rules midstream. It seeks to retrospectively change the previous law, and we will then be bound by a new law, a new system.

It is particularly appalling that this is happening midstream whilst an inquiry is taking place into one of the major clubs of Western Sydney. In December 2003 the Government introduced legislation for which it believed it had a mandate. The Opposition was not impressed with the legislation, but the Government got it through Parliament because it had the numbers. Since then the Government has had a change of heart. It did not do the job properly; it muffed it. The honourable member for Clarence would use a word stronger than "muffed", but I will give the Government the benefit of the doubt and use it. The Government is having a second bite at the cherry, and it is a big bite. It has put the clubs in a coffin and now it is knocking the nails in. It is closing the lid and locking in the clubs forever. Not only are the clubs under financial siege; the new regime will make it difficult for them to operate. I return to the concept of retrospectivity. It is a grave decision for any government to introduce retrospective legislation.

**Mr Thomas George:** It's arrogance.

**Mr WAYNE MERTON:** It is not only arrogance. To say it is arrogance is an understatement when we consider the effect of this retrospective legislation. It could cause enormous problems for the people who have given evidence in the part-heard commission of inquiry. At the time they gave evidence the law said A; now it says B. This legislation could lead to a denial of natural justice. As other speakers have commented, it is unconscionable. I understand there are also Supreme Court proceedings concerning the terms of reference of the commission. Those proceedings have not been finalised. This legislation could affect the outcome of those proceedings. We believe the legislation is a denial of natural justice, fairness and equity. We also have grave concerns about the Government's lack of dialogue with the clubs. The Minister has left the Chamber.

**Mr Grant McBride:** I'm here.

**Mr WAYNE MERTON:** I thought he must have taken a sedative because he was quite animated earlier. If I had been given the poisoned chalice and had to introduce this legislation I also would be agitated, animated and irritable. He has symptoms of those traits, and they were in evidence in the Chamber this morning. We must feel sorry for him, because, after all, he is a small cog in a very big wheel. The Minister has not been actively involved in the club scene recently. I suppose he would not have gone to his favourite club last Friday night for a few drinks and to another club for dinner and then to another club on Saturday night.

**Mr Steven Pringle:** Played sport at a club facility.

**Mr WAYNE MERTON:** That is right, all those kinds of things. At present his appearance at his local clubs would be scarce. He is almost a threatened species as far as clubs are concerned. Imagine if he turned up at a club and went to sign in! He would write his name—I assume he can write.

**Mr Paul Gibson:** He doesn't need to sign in. He's a member.

**Mr WAYNE MERTON:** He is not a member of every club. I could understand if he confined his activities, as is implied, to his own club, because that is probably the only place he is safe. If he went to a club where people do not know him but know of his reputation, which is not flash at the moment, and he wrote his name in the book, he would write "Grant" and when he got to "Mc" they would say, "I am sorry, there is a problem. We're full tonight. The dining room is full, the bar is full."

**Mr Paul Gibson:** That is why they can afford to pay the taxes—the place is full.

**Mr WAYNE MERTON:** The problem is that it will not be like that for too long. In six months time when the tax has bitten that will not be the situation. The Minister will not be able to find a club to go to then because they will have closed down, like the Parramatta Masonic Club and the club at Wagga Wagga have done already. There are many more on their way. This tax does not relate to profit. It relates to revenue, and it is fundamentally flawed in that regard. I am concerned about the whole of the State, but my main concern relates to the wonderful clubs in my electorate of Baulkham Hills. The biggest of those is Castle Hill RSL Club, which expects to pay an extra \$40,000 in poker machine tax next year. The manager of the club, Mr David O'Neill, said the club would cut back at least 20 to 30 jobs in the next three years and would have to increase the cost of food, drinks and services. He made this good comment:

If you take the clubs out of a town, you take the services of The Hills area and there's not a lot left.

He is 100 per cent correct. A short while ago Baulkham Hill Sports Club, which was in difficulty—it was struggling and trading adversely—was taken over by Bankstown Sports Club. All clubs are not necessarily wealthy. Bankstown Sports Club took over Baulkham Hill Sports Club and has endeavoured to make a go of it. Baulkham Hills Sports Club has been placed in the larger clubs category and will pay the highest rate of tax, even though it is relatively smaller than most clubs.

**Mr Kevin Greene:** What is its poker machine revenue?

**Mr WAYNE MERTON:** It is expecting a 16.5 per cent increase in poker machine duty over the next six years based on last year's revenue. It will pay \$21 million tax in 2010; it is currently paying \$9 million.

**Mr Kevin Greene:** In tax?

**Mr WAYNE MERTON:** Yes, that is my understanding.

**Mr Kevin Greene:** That is no small club.

**Mr WAYNE MERTON:** That is my understanding.

**Mr Paul Gibson:** It is paying \$9 million in tax now?

**Mr WAYNE MERTON:** Those are the figures. Government members have obviously gone into the ins and outs of this matter in their electorates and have had the benefit of listening to the people. I pose the question to them: What are they doing to help them? They are conversant with figures, but what are they doing

to help the people? They smile and say to them, "We are really on your side"—nudge, nudge, wink, wink! They have had an opportunity to stand up and support the clubs and they have been found wanting. The 34 members who were gung-ho in the party room have disappeared overnight. They had a road to Damascus experience in reverse. They talk about the tax, but what are they doing to help the people? The honourable member for Georges River and the honourable member for Blacktown are decent blokes but they have made a fundamental mistake. I have no personal animosity against either of them; they are great guys. But I am concerned that they have let the clubs down.

The Castle Hill RSL Club has self-funded a \$13.8 million C2K Fitness and Aquatic Centre which provides a fitness centre, gymnastics centre, 25-metre 8-lane swimming pool, a learn to swim program pool and a purpose-built aerobics pool. That is a vital part of the recreational life within the Castle Hill-Baulkham Hills area. If the community can self-fund such facilities, why is the Government hell-bent on taking them away? Why is it trying to undermine these structures that assist the community? The club industry lies in Labor's heartland, but the Government members are doing nothing to help it. As I have said, this bill is a follow-on from the increased poker machine tax and the legislation of December 2003. This legislation knocks the nails into the coffin and closes the lid, because it seeks to change the rules and give the Government or a departmental officer the power to decide to investigate a club. I do not know what the criteria are because they are not spelled out in the bill. An investigation could go on for weeks and weeks and the club would have to pay the expenses. Those are the kinds of things that are threatening the clubs.

**Mr Steven Pringle:** At \$4,000 per day.

**Mr WAYNE MERTON:** What, \$4,000 per day? I do not know. We are seriously concerned about the fact that the Government has seen fit to introduce retrospective legislation after all the other treatment it has already meted out to clubs. Clubs are a vital part of life in New South Wales, whether the Government likes it or not. Members of the Government may go to clubs; members of their families and their neighbours will go to clubs. One only has to go past a club on Friday night to be aware of the activity on the part of people of all ages—young, middle aged and older—meeting at a club. The Government's legislation is putting that under threat. The Government has already increased taxes. It introduced legislation in 2003 that caused some concern. This legislation will probably be the last straw that broke the camel's back. [*Time expired*]

**Mr STEVEN PRINGLE** (Hawkesbury) [11.50 a.m.]: Ordinary club members would have been absolutely stunned at the ferocity of last night's attack by the member for Blacktown on our vital community assets. New South Wales clubs have been well and truly let down by members of the Government. Members on both sides of the House know how vital our clubs are. They are a crucial part of local communities. The figures of just one club adjacent to my electorate, the Richmond Club, speak for themselves—\$1 million spent on Hawkesbury community and sporting associations. Of that amount, \$300,000 will be payable in extra tax. There is a \$50,000 subsidy for its bowling club and \$82,000 expenditure on sporting clubs. During the recent bushfires the club provided 63 meals each day and will probably provide the same this year as the potential is already there for a particularly bad bushfire season. The club also provided subsidised meals for pensioners. The list goes on. The Government's actions has cast a slur on all clubs.

**Mr Paul Gibson:** Are there any clubs in your electorate?

**Mr STEVEN PRINGLE:** There are 14 clubs in my electorate. During the debate last night it was suggested that clubs are bad for many communities. Can you believe that? It defies belief. Honourable members were told last night that it appears Panthers are now going to sell up many of the smaller struggling clubs that it previously looked after. Just tell that to Panthers at North Richmond, a club that has been assisted by the main Panthers Club at Penrith! Literally millions of dollars has been spent on upgrading that club and providing excellent services. The community now has a first-class facility and excellent adjacent sporting fields.

We were told there is potential for this club to be closed down and the land sold for housing or for some other purpose. I doubt that, to say the least. Members of the North Richmond community travelling consistently to Penrith? I do not think so. Occasionally they will do so, of course, but they will not do so consistently. They need a local club. Instead of dumping on clubs, members opposite should perhaps work with them. It is a novel approach I know, a bizarre approach perhaps, but surely they need to sit down and talk to the clubs. Clubs have already embarked on a corporate governance best practice program. Honourable members would have received a copy of *Club Life*, which details many club initiatives.

The best practice guidelines are well under way. A discussion paper is out in the community as I speak. The discussion paper on a code of practice, code of authority and best practice guidelines has been advertised

and we are waiting for public comment. That paper is subtitled "Doing the right thing and doing things right". It makes sense and it is an appropriate response. Because of the debate on this legislation, all clubs will now be living in fear, wondering which will be the next club to experience the malice of this Government—malice that the clubs have to pay for at a cost of \$4,000 per day on the whim of the Government. Those punitive charges are not exactly conducive to employment. The Labor Party is supposed to be a party that helps workers but the proof of the pudding is in the eating, and in this case it is this bill.

The extra charges will make it harder for clubs to provide jobs when they are continually forking out money to cover legal fees and continually living in fear about what is next on the Government's agenda. I cannot leave this subject without talking about one of Labor's stalwarts, a man who has contributed so much for the Australian Labor Party. What does he now think of the party he used to belong to? Pat Rogan stated in *Club Life*:

The Treasurer's refusal to contemplate a fairer rate of gaming machine tax for medium and large sized clubs and now an annual review of the GST rebate, demonstrate the serious threat to survival our industry faces while ever this man controls State Treasury.

That sums it up. He went on to talk about the smallest clubs. We have been told that the smaller clubs are not under threat. That is not so according to Pat Rogan, who went on to state:

Even the smallest clubs should still be concerned and involved in this tax campaign as the recent victory in the GST battle has only been a brief respite.

Again, that well and truly sums up the problem that this legislation will cause. New section 41ZAA empowers the Minister to publish none, part, or all of any report from an inquiry. That could apply to the Panthers inquiry if the Government deemed it to be in the public interest. Is this open and accountable government? I do not think so. Surely all reports should be publicly available and able to be used by whoever needs them. What are some of the problems? In summary, the Government has introduced retrospective legislation to enable it to find a political enemy guilty. It is attempting to intimidate the clubs industry because of its strong political campaign against the imposition of higher gaming taxes. The bill provides ways for the Government, through the imposition of costs, to break any club it wants to break. I know that clubs in the electorate of Hawkesbury are particularly concerned that, as I said earlier, they may next be subject to the malice of the Government. The timing of this legislation is undoubtedly fairly poor. The football season is at present in the Grand Final stage. Perhaps the Panthers Club will win the competition.

**Mr Neville Newell:** I hope so.

**Mr STEVEN PRINGLE:** We all hope so. Indeed, I am pleased the honourable member for Tweed is a supporter. If Penrith wins the competition a Government member, presumably the honourable member for Penrith, will stand up in this Chamber and say how wonderful it is, how the Government supports local clubs and how proud the Government is of Penrith Panthers. If only that were the case. The Government is letting down, big, medium and small clubs. This legislation should be opposed and thrown out.

**Mr RUSSELL TURNER (Orange)** [12.00 p.m.]: This is a wide-ranging bill that legitimately deals with whistle-blowing and other issues. However, I agree with my colleagues in opposing the imposition of an additional tax on some clubs. This legislation will prevent clubs from serving their communities as they have done in the past. Many clubs, especially those in regional and country areas, were established and built by volunteers. Over the years some have grown and prospered, but others, particularly those in small towns, have struggled. Some golf clubs and bowling clubs have closed and others have survived only because they are run by volunteers rather than by paid employees, as occurred in the past.

I recently made a social visit to the Cumnock Bowling Club, which provides a good example of the facilities that clubs offer. During my visit, there was one volunteer behind the bar and about 15 women playing bingo. They paid \$3 for the afternoon, which allowed them to play a number of games. The prizes were small, but that did not matter because they were there for the fellowship. The women enjoy meeting at the club. Where would they go if the club ceased to exist? There are other halls, but they are open infrequently and do not have the appropriate facilities, such as heating and kitchens. Bowling, golf and services clubs provide those services and facilities. They are convenient and are places of fellowship, especially in small towns.

I have about 25 clubs in my electorate, ranging from small clubs like the Cumnock Bowling Club and the Eugowra Bowling Club to the Orange Ex-Services Club, which has about 14,500 members. The Orange Ex-

Services Club and two others in my electorate will be affected by this tax, and as a result they will have to cut services, delay upgrading, and retrench staff. The local Orange tennis club was run by a community group, but it went into liquidation. The Orange Ex-Services Club stepped in and spent about \$200,000 installing synthetic courts and upgrading the clubhouse. If it had not done so, the tennis club would have undoubtedly closed its doors.

Bloomfield Golf Club is a basic club that is being subsidised by the Orange Ex-Services Club to the tune of \$100,000 a year. It is being upgraded to a world-class standard. Orange can now boast three 18-hole golf courses with excellent facilities. Again, one of the courses has been provided by the club for its members. Without those services Orange would not be the town it is. If clubs did not provide those facilities the responsibility for providing them would rest with local, State, or Commonwealth governments. Until now, governments have chosen to support our clubs, but legislation such as this will reduce their ability to provide services for their communities and members. Cowra Services Club is also affected by the legislation. I received a letter from the club stating:

For the tax year ended 31<sup>st</sup> August 2004 the expenditure on community development support was \$28,900.00. The mandatory amount was \$17,168.00. Therefore the club donated in excess of \$11,732.00 for this period. With the introduction of the new tax the club will only be able to donate the mandatory amount under the CDSE scheme.

The community of Cowra will receive \$11,732 less because of this legislation. Orange City Bowling Club is also affected by the legislation. In a letter dated 15 September it wrote:

I draw to your attention the impact of the increased poker machine taxation which is being imposed on clubs in NSW and highlight the impact the changes will have on community funding of support given by the Orange City Bowling Club...

However since the increases of September 1, 2004 became law it is envisaged that the amount of poker machine tax paid will increase by approximately \$7,000 per annum. I would envisage this amount will increase as the economic climate improves in rural and regional NSW. Certainly one thing that will not improve is the direct funding offered to various sporting and charity groups in the community who over many years have competed for that limited dollar...

Our club has to date (the financial year just passed) expended almost \$10,000 in support to the local community directly or indirectly. In the next five years this will be reduced significantly and such funding will need to be sourced elsewhere. Clubs are not prepared to pay twice.

Governments who consider clubs hold a bottomless pit of money is an urban myth of Macquarie St. One thing for sure is that the management of the state economy and the narrow mindedness of this government isn't. Its intention to destroy club land and its members, the very people who gave them government is appalling.

They are a couple of letters from clubs in my electorate that are violently opposed to this increased tax. The 2 September edition of the *Central Western Daily* notes:

ORANGE members, staff and management of the Ex-Services Club were at the head of a 15,000-strong march to Parliament House in Sydney yesterday to protest on the first day of the State Government's tax on poker machines.

Most honourable members supported the club members who took the time to march on Macquarie Street. The article continues:

Club manager Dominic Connaughton... said although the club was in a healthy position compared with some clubs of its size in the State, the focus was now on reigning in costs until a clearer picture of the impact of the tax was formed in the next couple of years.

"For example, we have lost three or four people recently through natural attrition but the reality is for the moment we are not looking at replacing those people, and that means jobs lost for Orange," Mr Connaughton said.

He said this year the club would pay an extra \$40,000 to the State Government via the poker machine tax and this would jump to \$140,000 next year.

Again, that money will be lost to the Orange community. Like all other clubs, large and small, the Orange Ex-Services Club is part of the community and the life of not only those living in town but also those living in the surrounding area who come to town for fellowship. Clubs are seen as safe and well managed and they implement responsible-service-of-alcohol practices. As a parent I was happy to allow my children to visit clubs when they turned 18 years of age. I know that the venues are well managed and that the members set a good example. My children can have a good time but at the same time they are expected to act responsibly.

This legislation will affect the whole spectrum of clubs from the Orange Ex-Services Club, which has hundreds of employees, to small clubs that rely totally on voluntary labour. Although some of the small and medium clubs may not be directly affected by the tax, their members are wondering what will happen next if the

Government persists with this tax grab. Members believe that this Government sees their clubs as milch cows. They are concerned about who will be affected next and what area the Government will target next to extract more money. Clubs provide a wonderful service to their communities, members and guests. Therefore, like my colleagues, I oppose this bill.

**Mr DARYL MAGUIRE** (Wagga Wagga) [12.09 p.m.]: Like my colleagues I oppose this draconian piece of legislation. There is an old saying, "The Labor Party are great haters", and clearly the clubs have come into confrontation with the Labor Party. It is interesting to see the Government's approach to the club movement, the outcome of which is this legislation, which clearly is intended to be a sledgehammer against the club movement. Time and again the club movement has written to the Premier and the Treasurer saying that it is happy to have dialogue with them about the imposition of the taxes and charges, but that the way in which they have been introduced is inappropriate. There is no doubt that clubs will be hard done by as a result of these taxes.

In recent times the Government has seen fit to take out extravagant advertisements in the *Daily Telegraph*, and perhaps other newspapers, proclaiming the clubs that will not pay tax, the clubs that will pay tax, and the clubs that will pay increased tax. I understand that the money spent on that advertising alone could have helped ease some of the other consequences of the Government's budgeting process. The money could have been applied to much more worthy causes—for example, schools for children with disabilities and the myriad other organisations that protest daily outside this Parliament requesting that the Government act on their concerns.

I have received an enormous amount of correspondence on this matter. Members who have already spoken to the bill have explained the impact of it on communities in their electorates. I will not refer to the provisions of the bill in detail, because in his second reading speech the Minister for Gaming and Racing explained the intent of the legislation. The shadow Minister for Gaming and Racing, the honourable member for Upper Hunter, expressed disgust at the way in which the legislation has been handled, and outlined the reasons why we oppose it. I have watched this saga develop since the Government announced it would impose higher taxes on clubs, and I have taken a keen interest in it.

My electorate derives enormous benefit from clubs, as do other members' electorates, and we appreciate that. I want to refer to articles in *Club Life* magazine by Pat Rogan, the Chairman of ClubsNSW, an organisation that represents more than two million people. Pat Rogan, who is well respected by many members on this side of the House and indeed the wider community, has also written to Opposition members and people around the State expressing his feelings on this matter. I feel very sorry for this man, who has worked so hard for the people but comes up against what he describes as an arrogant government. Pat Rogan wrote:

As I move around the State attending Regional Meetings I have observed some great innovative and imaginative signs, posters, cartoons and slogans adopted by clubs, drawing to the attention of club members and their local communities the devastating impact the Egan-Carr unsustainable tax will have on them.

In effect, Pat Rogan is saying that the Premier, the Treasurer, and Government members are being ridiculed by the club industry, which Pat Rogan, as a former member of Parliament, once led and was very proud of. Pat Rogan continued:

Don't forget also the arrogant manner in which this tax increase was introduced by Egan, with the breaking of a clear commitment of a review before any tax decision was made. Arrogance also by the refusal of the Government to undertake any studies as to the impact this tax will have on clubs and communities despite ClubsNSW's offer to share the cost of any such studies.

By introducing the bill the Minister says, "That is all well and good. But if I want to have an inquiry into your organisation, firstly I have the ability to instigate that inquiry, and secondly, I have the ability to recover any costs I see fit." On my reading of the bill it does not describe reasonable costs. Who determines what is a reasonable cost for an inquiry or investigation into an allegation made by a person described in this or any other bill? The bill is silent in describing who can make a complaint and how that complaint will be handled. *Club Life* magazine also refers to the protest that was held outside Parliament House recently. One of its headlines reads "Labor MP to call for a Tax Rethink". Who, of all members of Parliament? Federal Labor member Jennie George. As the article reports, at a public forum Jennie George said:

It confirmed my fears about the impact the tax will have on local jobs and the community organisations which rely on clubs' support.

As the article reports, Jennie George further explained to the forum she had a responsibility to let her State counterparts know the depth of feeling in the community. Jennie George also told the forum:

I'll be adding my voice in a letter to Bob Carr and Michael Egan, asking them to sit down and discuss this with ClubsNSW and seek a resolution.

The article continues:

To date, Ms George has not received a response from the Premier.

How about that for arrogance! The Federal Labor member is concerned about this, and she writes to the Premier and the Treasurer but receives no response. How effective is she? A further article, headed "Poke Tax Bites Hard", speaks about the increased tax on gaming revenues and how it will affect the club industry. The article has a lovely photograph of the Premier and the Treasurer standing stony faced—probably taken at a public meeting or another protest somewhere in the State. Just about every day there is a protest outside this Parliament or somewhere around the State. An article by Alex Mitchell reads:

He [Pat Rogan] is leading the leadership of the state's 1400 registered clubs just as the NSW Government's new tax on poker machines comes into force on September 1.

Mr Rogan, who spent 25 years in State Parliament before becoming head of ClubsNSW five years ago, said he was "disappointed" with the Carr Government's new tax and the way it was imposed without any consultation.

I would say "disappointed" is the understatement of the century. I could give him a few words that would more accurately highlight his disappointment. The article reports Pat Rogan as saying:

Mr Carr and his Treasurer, Mr Egan, have handled the poker machine issue in the most arrogant way.

The two golden rules in politics are that consultation should be pursued with vigour, and arrogance should be avoided at all cost.

In my opinion, arrogance is death.

This is but one example of the arrogance the Premier is displaying towards the club industry. There are many examples of the arrogance he is displaying towards the people of New South Wales: health amalgamations are just one of them. Last week more than 500 people conducted a public rally to voice their concerns about the way in which another proposal has been forced on the people of New South Wales without any discussion with them. The proposal has been forced upon them by an arrogant government that has lost touch with the people it is supposed to represent. Clearly, in 2007 those people will remember.

I remind members of a protest that was held outside this Parliament last week. Members opposite say one thing in the public domain, supposedly raise the issue in their caucus meetings, but do not vote according to their convictions. I have uplifted from my office some of the 100,000 letters that were delivered to this Parliament during last week's protest. The people who signed the letters are supporters of the club industry who came to the Parliament to either march or express their concerns. I suggest that whenever Government members walk past my office they have a look at the stack of petitions there, because they are from their constituents. If you think they are not, let me go through a few of the addresses, because members will be shocked to hear the geographical range of people who have complained.

People have sent letters from Blacktown—many from Blacktown in this sample of probably 100 letters—Toongabbie, Kellyville, Parkes, Dean Park, Blacktown, Blacktown, Blacktown—hundreds from Blacktown—Colyton, Dean Park, Old Toongabbie, Old Toongabbie, Greystanes, Baulkham Hills, Doonside, Greystanes, Seven Hills, Greystanes, Blacktown, Norwood, Baulkham Hills, Merrylands. One says, "Vote the State Labor Government out." The letters go on: Blacktown, Blacktown—hundreds and hundreds from Blacktown. The honourable member for Blacktown delivered an eloquent speech earlier, but he should flick through a few of the 100,000 letters that are stacked in my office.

There are more: Castle Hill, Prospect, Woodcroft, Kings Park, Seven Hills, Quakers Hill, Mount Druitt, Liverpool, Kingswood, Cambridge Park, Seven Hills, Maryong, Lakemba, Coral Point, Campsie, Belmore, Earlwood, Roselands, Lakemba, Belmont, Belmore, Padstow, Unanderra, Chester Hill, Lansvale, Belmore, Campsie, Bexley, Punchbowl, Peakhurst, Surry Hills, Kingsgrove, Lakemba, Belmore, Wiley Park. That is just an example of the spread of people who have taken the time to put their name and address to this letter and ensure it is delivered to this Parliament.

**Mr Thomas George:** There are more.

**Mr DARYL MAGUIRE:** You want more? I can read you more. [*Extension of time agreed to.*]

I wish I had time to read the 100,000 letters I have in my office but I am just giving an example of people across the electorates who have taken the time to write to me and express their outrage and concern at what is happening with the club industry. I have letters from Werrington Downs, Mount Pleasant, Penrith, Cambridge Park. Do any members on the opposite side of the House recognise any of these areas? Perhaps they are in their electorates. There are more: from Penrith, Werrington, Glenmore Park, Werrington, St Clair, Penrith, Penrith, Oxley Park, Cambridge Park, Colyton, Kingswood, Wallerawang, Blacktown again, Lalor Park, Emu Plains, Cranebrook, Emu Plains, Kingswood Park, Narellan, Glenwood, Coogee, Kingswood Park, Erowal Bay, Glenbrook, Vella Beach, Ashfield, Werrington Downs, Jilliby. I could go and get more but time is limited.

What I am pointing out to members on the other side of the House is that they support this legislation. They will attend meetings convened by their constituents and tell them, if they are game enough, "Yes, we support you. We support clubs. We are all for you", and then they will go into the party room, into their caucus, and make a hullabaloo. But when it comes to voting in the House and really showing their colours and supporting their clubs, they will not do it. That small sample of people who have written letters is magnified by two million. This is retrospective legislation; it is a typical Labor Party tactic. When you have a blue with the Labor Party you pick a good blue—and they are great haters.

I think the Government will find that this draconian legislation will cause it enormous damage. I know that other speakers on this side of the House have expressed that view. As we go towards 2007 the clubs industry will continue to ramp up their campaign because I do not believe that the Premier, in his arrogant state at the moment, with his Treasurer by his side, will capitulate. They have given absolutely no indication that they are prepared to sit down and discuss this in a logical and reasonable way, as the club industry has pleaded with them to do.

The last piece of correspondence I want to refer to is another letter from Pat Rogan from ClubsNSW, dated Monday 31 May. This time he writes to me as "Daryl": we are on a first-name basis, such is the amount of correspondence that ClubsNSW is sending. I wonder whether members on the other side of that House received one of these letters as well, because if they did not I can give them a copy of mine; it makes great reading. I think members will be enlightened by what Mr Rogan says. As I said, this man must be feeling real pain from a party that he was a member of, a party that he supported, that he was well respected in—and he was well respected on our side of the House too. He would feel absolutely betrayed. At the end of his letter he says:

During my 25 years as an MP, I cannot recall such an attack on our Club Movement. We must not lose sight of the fact that this movement comprises not-for-profit organisations that rely heavily on the work of some 50,000 volunteers. It provides the people of New South Wales with services and facilities Government is simply unable to provide.

The content of the letter indicates it was written by a troubled man who is fighting this Government. One would think that someone who was so highly regarded in a previous Labor Government by members on both sides of the House would at least get an appointment with the Premier and have the door open to him to put the case for ClubsNSW, which, as he said, is not against a fair tax. But he believes that this tax is unfair. It has been implemented by a Treasurer who has lost touch, a Treasurer who is sitting on mountains of gold. The question has to be asked by the public: Where has all the money gone? But, importantly, this bill will come back to haunt the Minister. I predict that in the days following the Minister's retirement, when he reflects on happenings in this House, the memory of Pat Rogan and others will haunt him.

**Mr GREG APLIN** (Albury) [12.28 p.m.]: Arrogance is a term associated with this Government, and we heard the term used by the honourable member for Wagga Wagga during his address. The Registered Clubs Legislation Amendment Bill has all the hallmarks of an arrogant government. In fact, the bill takes the Government to new heights: it has overreached its own formidable achievements in terms of arrogance and smugness. The first objective of the bill is to enable employee organisations to make complaints against registered clubs. That is the equivalent of mediaeval torture by stretching on the rack, and it represents a full onslaught on the club movement.

The bill makes it an offence to take reprisals against an employee of a registered club or a member of the governing body who discloses information to the director of an inquiry. Perhaps the Government would do well to remind the former Minister for Health of that clause. Perhaps the Minister could take it on board himself when he thumps his fist on the desk when people come to complain to him about circumstances in organisations over which he has control. Perhaps the Government would do well to apply its own remedies and medicine to its own Ministers. This bill is reminiscent of the Inquisition in that particular sense.

Let us look at the complaints by employee organisations. The bill amends the Act to enable a person authorised by an employee organisation to make a complaint against the registered club that may result in the club's certificate of registration being cancelled. Such a complaint must be made on the grounds for complaints set out in section 17 (1AA) of the Act. On what particular terms of that Act can a person make a complaint? Section 17 (1AA) provides that a person may make a complaint on the ground that "intoxicated persons have frequently been on the premises of the club or have frequently been seen to leave those premises". That is one ground on which a person can make a complaint and effectively have the club's certificate of registration cancelled.

Once again I remind the Government that perhaps it should take on board its own medicine because amongst the Government ranks are members who perhaps would fall foul of that. In a situation reminiscent of perhaps a farcical black and white movie, we had played out in this Chamber a situation that would clearly give rise to a complaint and the closure of this House if legislation was brought into this House such as that which will be applied to the club movement. That is why this is reminiscent of an Inquisition. What we have here is a licensing of the complainant bodies, an encouragement of white-anting, an encouragement of destruction rather than investment and development, with employment growth that we so badly need particularly in regional areas.

We contrast the Government's attitude to the club movement with its closure of infrastructure, organisations and agencies in regional areas. One need only look at the Department of Primary Industries and the attack on research stations and other bodies throughout regional New South Wales. Only in our last sitting session we had a protest rally, which was addressed by Shane O'Brien from the Public Service Association, who claimed that a minimum of 325 jobs would be lost in regional Australia. The Government is certainly not protecting those people, although it introduced legislation to protect the employees, the staff, of councils when they went through the amalgamation process.

On one hand the Government clubs organisations in regional Australia by forcing them to undertake mergers and centralisation, and organises for somebody else to pay for ensuring that redundancies do not flow from that; on the other hand, the Government, with this bill, will not protect people who are trying to organise their own viability. One must look at the club movement, which has 18 registered clubs in my electorate of Albury. What protection will those people be offered in the long term because of the poker machine tax, which will rip so much out of our community? Some 576 jobs will be directly or indirectly affected by the poker machine tax. In the September issue of the ClubsNSW magazine *Club Life* the Chairman, Pat Rogan, said:

Already, clubs inform me that in many instances they are not replacing staff that leave and are cutting back on services and increasing prices to meet the first instalment of this punitive tax. Don't forget also the arrogant manner—

there is the word "arrogant" again—

in which this tax increase was introduced by Egan, with the breaking of a clear commitment of a review before any tax decision was made. Arrogance—

there it is again—

also by the refusal of Government to undertake any studies as to the impact this tax will have on clubs and communities despite ClubsNSW's offer to share the cost of any such studies.

ClubsNSW, as members would be aware, has now released several reports... Government's only responses have been vindictive, spiteful attacks on the Club Movement overall, in an attempt to smear the good name of clubs throughout NSW.

Mr Rogan then asks a most pertinent question:

When was the last time either the Premier or Treasurer made a public statement praising clubs?

Members opposite would be hard pressed to remember them ever praising clubs. It is a point well made by Mr Rogan. On this day, when we have the Olympic heroes parading through George Street in Sydney, it is interesting to note also the point raised by ClubsNSW. Mr Rogan said further:

It is well to note that 2004 marks a decade of support of the NSW Institute of Sport (NSWIS) by ClubsNSW. In dollar terms, our support amounts to \$10 million.

148 NSWIS scholarship holders were selected for the Olympic & Paralympic teams representing almost one third of Australian athletes in Athens—up 6 per cent from the Sydney games in 2000. In addition to this support, a number of clubs also individually support local NSWIS sports persons.

As today is a day of celebration for our Olympic athletes, I refer to an article that appeared on the front page of the *Corowa Free Press* under the headline "Community to suffer from pokie rip off". As honourable members will soon realise, I am quoting this article because of a connection to today's parade. The article stated:

The Corowa community could be the big loser from the NSW Government's Poker Machine Tax hike.

As we all know, the tax came into effect on 1 September. According to the Corowa Golf Club finance manager, Mr Paul Mowlam, it saw clubs around the State tighten their belts, with community grants and sponsorships being the first to go. Honourable members may well ask who Paul Mowlam is. He is none other than the father of the goalkeeper of the Kookaburras, our gold medal winning Australian hockey team. The article stated:

Mr Mowlam said the Golf Club currently donates about \$32,000 a year to various community groups and sporting bodies in the Corowa district, even though its obligation is only about \$5,000, meaning \$27,000 in donations a year could be lost.

The future of the Club's Sporting Complex would also have to be looked at, Mr Mowlam said ...

Groups such as the Scouts, the High School girls cricket team, the footy or netball clubs—I'm not saying we will drop those donations but we will have to look at them ...

Mr Mowlam said it would be unlikely that any Golf Club staff would lose their jobs because of the increase, but that it would be harder to employ any extra people.

Clearly the Government has not considered that in this bill. The article continued:

Mr Mowlam said about \$600,000 had just been invested in refurbishments at the club under a five year plan which was committed to and would be completed.

But anything still on the drawing board is likely to be withdrawn from the plans.

It is the same for many other clubs. Mr Mowlam said:

We also follow a policy of buying our goods and services locally, even though it might be cheaper to go elsewhere—that might have to change.

These are exactly the ramifications that have not been foreseen by the Government—the flow-on effect, the jobs that may be lost indirectly in regional areas. The clubs will be doing it tough and will have to find those savings from some point. This bill is fundamentally flawed because it was conceived in enmity, raised in a party of malice and applied with brutal viciousness, with no thought to the consequences. This bill must be rejected.

**Mr IAN ARMSTRONG** (Lachlan) [12.37 p.m.]: I do not intend to go through the detail of the bill because it has been well articulated by a number of Opposition members, in particular the shadow Minister, the honourable member for Upper Hunter. In terms of the Opposition's concerns, which have been reinforced for many months now by the broader population across New South Wales, I admit that I did not intend to speak. However, I have received many calls in the past 48 hours or so, not directly from clubs but from people who benefit from clubs, such as small sporting organisations, people in charities that hold events and so on at clubs and receive financial support and other benefits from clubs to assist them to continue their work in our communities.

I guess it is fair to say that clubs are universal. They are located in Sydney's eastern suburbs and the central business district, running through to the smallest villages throughout New South Wales. Some of the clubs that are in real trouble these days are bowling clubs and golf clubs. In my electorate of Lachlan there are about 44 communities. Most of those communities have a club and, in many cases, the bowling club and/or the golf club is in financial difficulties. Forbes is a town of about 9,500 people situated on the Lachlan River and the Newell Highway. It is an active rural community with some light industry associated with it. It is an old community, and therefore has a number of local organisations. It has an excellent golf club and golf course. Like many other clubs, over recent years the golf club experienced a downturn in the number of players using it, so its financial position became difficult.

The RSL club has taken over and subsidised the golf club so it can continue its operations. It has also refurbished the golf club premises, which are quite extensive. It has upgraded the auditorium, which now enjoys patronage from a number of organisations which use it for their annual meetings and displays. It is being used by government departments as well as private enterprise and local organisations. I recently attended a couple of functions held by government departments. The bowls club in Forbes is also in difficulties, and once again the RSL club is assisting it. That RSL club will be affected severely by the Government's unfair, unjust taxation imposed on clubs if this legislation is passed.

A similar situation is occurring with the bowling club at Condobolin. The club is well patronised, particularly by older people, but the number of players is not increasing and therefore the turnover at the bar—and that is where the main profits are in clubs—is not growing or allowing the club to upgrade its physical facilities. The club is paying its way, but is badly in need of upgrading. Some 18 months ago it was racked by a series of break-ins—about seven in total during the year. The same group of young fellows were involved in about four of those break-ins. The club is built basically of fibro and has a corrugated iron roof. The kids either made a hole in the fibro or removed a sheet of iron and came in through the roof. That caused enormous problems. Once again, without the support of the local RSL club it will not be able to continue to operate.

Junee is a railway town adjacent to Wagga Wagga. The gaol is the town's largest industry, and many of the younger people work in Wagga Wagga, particularly in the industrial area. It has excellent facilities by way of a very nice golf course. The golf club also had a bowling green, which closed some years ago because of lack of patronage. The town has a separate bowling club and a very popular services club. The services club will be severely affected by this Government's taxation impost if it goes ahead. The services club is profitable and provides a great amount of support for harness racing events, and to various charities—of which there are many—and it has recently undertaken some responsibilities for the golf club. The shire council has also bailed out the golf club and kept its doors open. The very nice golf course is being run almost entirely by volunteers, with the exception of a couple of paid greenkeepers. If the Junee Services Club is impacted by this taxation, which it will be, its capacity to support the other clubs in that town will be affected.

A similar set of circumstances exists in Cootamundra. The Cootamundra Country Club, which embraces both bowls and golf, is in financial difficulties. The Cootamundra Shire Council has had to bail it out twice in two years. Fortunately, the club is now beginning to get on top of its problems. It is attracting more functions and getting more patronage through the bar and catering areas. With a new management plan in progress it is starting to look much brighter. It is the biggest club in town and needs a major refurbishment, which it has not had since the 1960s. It cannot afford to refurbish itself. It is one of the pivotal points for social and business activity in that town. Again, I ask the Government to consider what will happen to clubs such as the Cootamundra Country Club if it whacks a great taxation upon them as it intends to do. We come across to Harden-Murrumburrah—

**Mr Gerard Martin:** Point of order: I point out to the honourable member that this legislation has nothing to do with taxation; it is to do with governance of clubs. The honourable member said he was not going to speak on the bill. Perhaps he should read it before he speaks on it.

**Mr IAN ARMSTRONG:** To the point of order: This debate would not be taking place if the Government had not decided to put an unprecedented tax impost on clubs.

**Mr ACTING-SPEAKER (Mr John Mills):** Order! The honourable member for Lachlan may continue, but I remind him of his obligation to keep his remarks relevant to the bill.

**Mr IAN ARMSTRONG:** Anybody who wants to take political points of order today should be thinking about the good of clubs instead of trying to circumvent sensible legislation. It is essential that we recognise the importance of these clubs. I was about to speak about Harden, which has a golf club and a bowling club. The bowling club is the most active club in the town. In terms of internal revenue it is doing it tough. Fortunately, it has the Kruger trust. About 15 years ago a dentist left a large sum of money to the community when he died. That money is administered by a local trust, which is continually asked to bail out the golf club—which it does very well. That club has a very attractive golf course, but it needs refurbishing.

Young has a population of some 10,000 and is one of the fastest-growing towns in New South Wales. More than 400 development applications for residential buildings in Young were approved last year. A Big W store opened last year and a McDonald's store is about to open. The town has had a KFC outlet for some considerable time. The abattoir employs more than 300 people and currently has vacancies for about 40 abattoir workers. The Burrangong abattoir employs 60 Afghani people who have just been given permanent status, which is indeed welcomed.

The Young Golf Club, in the middle of town, is pivotal to sport and culture in Young. It is a beautiful course. It is not much good for left-handers, which I am—it was built for right-handed golfers—but that is another challenge. Again, that club is in dire need of some capital. In many ways it is dependent upon other clubs for its support. I would like to think we can find some way to assist the Young Golf Club to purchase the club from the Crown—perhaps to sell off some housing blocks on its perimeter. Today the Young Golf Club is

almost entirely dependent on volunteers. The bar is run by volunteers, the pro shop is run by volunteers with the exception of the professional golfer himself, and a lot of the work on the golf course is done by volunteers, as it is in my home town of Cowra.

The features on the third and fifth holes of Cowra golf course have been built entirely by volunteers. A lot of work has been done on the clubhouse and a new pro shop, again by volunteers. Volunteers feel they are being abused by the Government's action and that it does not recognise their contribution. They contribute their time. If that time was valued at \$15 an hour it would be staggering to see how much money they are putting in, yet the Government is taking money out at the other end. In many communities volunteers are putting into the clubs and the Government is living off their sweat, effort and good community-based ethos.

The Cowra Services Club sponsors children from disadvantaged families to go on holidays. The Crookwell Services Club provides holiday cabins on the South Coast for needy people. Those are the sorts of facilities provided by clubs. No Government member has put up an argument to show that this new tax on clubs is anything other than a grubby, revenue-grabbing exercise. The clubs pay their taxes. They have a legal responsibility to put money back into the community, which they do. They provide a service to people of all ages. They sponsor junior and professional sport and provide facilities on their premises for bingo players, Probus, Red Cross and the Returned and Services League. It is difficult to find any reason to subject them to unfair discrimination by the Government.

For well over 12 months clubs have received sustained support from the broader community. The Government must listen to the people. The broader community is speaking, it is not just a single interest group. The broader community will be affected by this legislation. It will cut the insides out of towns with 10,000 or fewer people, and also many of our Sydney suburbs. Coogee Bowling Club, which is situated in one of the fastest growing suburbs in the middle of Sydney, recently closed. If the Government wants to see towns and suburbs without sporting clubs, without facilities for social clubs and people to meet and congregate, and without support for our junior cricket, hockey and netball teams, then it is going the right way. It will be on the Government's head if the sports and activities diminish as clubs find they can no longer support their communities in the way they would like to.

**Debate adjourned on motion by Mr Adrian Piccoli.**

## **JOINT STANDING COMMITTEE ON ELECTORAL MATTERS**

### **Membership**

**Mr ACTING-SPEAKER (Mr John Mills):** I report the receipt of the following message from the Legislative Council:

Mr SPEAKER

The Legislative Council desires to inform the Legislative Assembly that the following members of the Legislative Council have been appointed to serve as members on the Joint Standing Committee on Electoral Matters:

Ms Fazio,  
Mr Harwin,  
Miss Gardiner, and  
Dr Chesterfield-Evans

Legislative Council  
15 September 2004

MEREDITH BURGMANN  
President

*[Mr Acting-Speaker (Mr John Mills) left the chair at 12.54 p.m. The House resumed at 2.15 p.m.]*

## **DEATH OF MR ANTHONY MICHAEL McGRANE, OAM, A MEMBER OF THE LEGISLATIVE ASSEMBLY**

**Mr BOB CARR** (Maroubra—Premier, Minister for the Arts, and Minister for Citizenship) [2.15 p.m.]: It is with deep regret that I inform the House of the passing earlier today of the honourable member for Dubbo. The verdict from his doctors that the cancer was inoperable has meant that the hopes we all had for the success of his recent operation have, tragically, not been realised. His fight was a study in courage to the end. I recall meeting with him a few weeks ago when he talked about his hopes for Dubbo, his work there, and his experience of returning from an overseas holiday and being almost instantly diagnosed with this cancer. It is a reminder for all of us that life is short and our account can be delivered at any time.

As of today this well-respected, good-humoured, jovial, hardworking, very dedicated representative of country New South Wales is no longer with us. I know that all members will feel the loss of his personality and the spirit of the area he represented that he brought with him into this Chamber. I acknowledge the presence in the gallery of three of his staffers from Dubbo. They know well that he was a very fine boss; they know the reserves of sincerity that motivated him at all times. It is unusual for a member to die while the House is sitting, and I understand that we should adjourn as a special mark of respect until 10.00 a.m. tomorrow.

Mr Speaker will shortly ask all members to rise in their places to honour the memory of our friend and colleague. There will be an opportunity later for all members to speak to a formal motion and to make longer observations about Tony McGrane. Before the motion is moved I seek the indulgence of the House to allow the Leader of the Opposition, the Leader of The Nationals and the honourable member for Northern Tablelands to make some brief remarks. As I have said, all members will have an opportunity at a later time to pay tribute to a man who was both dedicated and courageous in the way he faced up in the past few weeks to the cancer that would not let go of its hold on him. His presence honoured this Parliament. He was a hardworking, fine representative who was dedicated to the people who honoured him by sending him to this place. This Parliament will continue to respect him, diminished as it is by this recent loss.

**Mr JOHN BROGDEN** (Pittwater—Leader of the Opposition) [2.20 p.m.]: The Opposition joins with all members of this House in expressing our deep sadness at the death of Tony McGrane, OAM. We extend our condolences to his friends and staff. He had a remarkable public life, particularly in his 32 years of service to local government. He had great passions and interests. Among them were sport—cricket, rugby league, rugby union and horse racing—fine food, wine, the arts and antiques. He was a member of this Parliament for only a relatively short period of time, five years, but he was well-known in his community. Indeed, it could be said that he was an institution in Dubbo.

We are sad to learn of his passing so quickly after the initial diagnosis. Because of the savageness of his illness, in one sense it is a blessing that it was so short and he did not suffer for too long. He leaves behind loyal staff and friends throughout the Dubbo area. He was very proud of his contribution to this place, he was enormously proud of his community, and he felt enormously privileged, as we all do, to be a member of Parliament. He was always good company, both in the House and in this building in general. He would be pleased to know that all members of the New South Wales Parliament pay tribute to him today and express their condolences to his friends and to his community. This is a sad day for Dubbo and for New South Wales.

**Mr ANDREW STONER** (Oxley—Leader of The Nationals) [2.23 p.m.]: On behalf of the New South Wales Nationals I express sincere condolences to the family and friends of the honourable member for Dubbo, Tony McGrane, OAM, on his sad and untimely death. Tony's illness was short but obviously very serious and his death came too early. He had a lot left to offer his community and this Parliament. I am sure that all honourable members regard this as a sad day. Tony was born in the country and began his career as a farmer and grazier. He subsequently became involved in the hotel industry before seeking to serve his community in the local government arena. The Leader of the Opposition has mentioned his long and distinguished career in that arena prior to his being elected to State Parliament as the honourable member for Dubbo in 1999. He was Chairman of the Orana Regional Organisation of Councils, which comprised 14 councils. He was also deeply involved in his local community on various issues, ranging from aged care to regional development. He was instrumental in establishing the Cooe Lodge Committee at Gilgandra, which established a retirement hostel. He was a man of the people and he will be sorely missed by his community. His keen participation in local government and State government and in activities throughout the Central West and the Western Plains will be greatly missed. I know all honourable members will mourn his loss and join with me in expressing condolences to Tony's family and friends.

**Mr RICHARD TORBAY** (Northern Tablelands) [2.25 p.m.]: I join the Premier, the Leader of the Opposition and the Leader of The Nationals in offering condolences on the death of my friend and colleague the honourable member for Dubbo. I could talk at great length about Tony as a representative, councillor, shire president, mayor and, indeed, a member of this place. He was often credited as being a relentless advocate. However, I will spend a couple of minutes talking about him as my friend and colleague. Tony and I have known each other for a long time. We were mayors together and entered this place at the same time. When we first walked through the doors together, very excited, I said to him, "What are we going to do now, mate?" He said, "I just want to help people." I saw him on many occasions openly and euphorically celebrate the good results he achieved for his constituents. He was their champion. I also repeatedly saw him openly sob when they suffered traumas; he took it very personally.

Tony and I spent a lot of time debating issues and discussing politics. I am sure many honourable members also had discussions with him. He was well known for name-dropping. Two of the most notable occasions he often mentioned to me were his lunch with the Pope and his morning tea with Sonia Gandhi. He told me those stories in an authoritative way to let me know that his contacts were much more significant than mine. I have visited him and spoken with him regularly in the past few weeks. On one visit he was sitting up in his hospital bed, still with a glint in his eye and fighting very hard for his life. As part of a longstanding joke I asked, "Tony, do you need any money?" He said, "I have more money than you have." I replied, "I know, but I just needed to hear you say it one more time."

Tony was a loyal friend and a committed Catholic. I speak personally when I say that he valued friendship a great deal. He invited my wife and me to dinner to celebrate my fortieth birthday at a very expensive restaurant and we had a great night. When it came time to pay the bill I said, "Tony, you don't have to do this." He replied, "That is what friends do." It has been difficult for me and others in this place to ride the roller-coaster of the past few weeks. I acknowledge his staff, who are in the gallery today. The first diagnosis was devastating, and then there was a glimmer of hope, but that hope was dashed after the seriousness of his illness was revealed during a recent operation. After Tony learnt of the illness that claimed him he continually asked me to thank members, his friends, the Dubbo electorate, the community and his supporters, whose good wishes have been overwhelming. He said that he could not possibly thank all those who have been so kind, and every time I spoke to him he asked me to pass on his thanks and good wishes.

Tony and I had a longstanding battle about our publicity stakes. I would show him photographs of me in the newspaper, but on one occasion he responded with a clanger that has been hanging on my wall ever since. I took it down only today. It is an article published in the Dubbo *Daily Liberal* headed "Significant people in our history". Tony had several copies, I might point out. He proudly dropped them on my desk. The article refers to him and his incredible career, as has been detailed earlier. Tony was described in his local newspaper as the only living legend of Dubbo—of which he reminded me on numerous occasions. That is how I will continue to remember my friend. Whether we call him Anthony Michael McGrane, Magoo, Landslide—after his first election victory—Hereford, or just plain Tony, he will be remembered for his outstanding contribution to the community. But I am going to remember him as my friend.

**Mr SPEAKER:** As the Premier has indicated, members will have the opportunity to contribute to a substantial motion of condolence at a later time. I take this opportunity to join the Premier, the Leader of the Opposition, the Leader of The Nationals, and the honourable member for Northern Tablelands in expressing my personal sympathy to the family, friends and electorate staff of Tony McGrane. I note the presence in the gallery of Nancy Nester and Chris Kimble from his electorate office, and Kerry Pietch, Chris Kimble's partner and a close friend of Tony.

**Mr CARL SCULLY** (Smithfield—Minister for Roads, and Minister for Housing) [2.31 p.m.]: This is a sad and sombre day. I endorse the words of previous speakers and the moving account from his friend and mate Richard Torbay. We have lost one of our own while he was in office and while the House was sitting. I do not recall an occasion in my 14 years as a member of this place when a member of Parliament has passed away while the House has been sitting. It is appropriate that the House adjourn as a sign of respect to Tony McGrane, who is much loved and will be much missed. I propose that we have a full condolence debate on a date that is convenient to Tony's family, friends and supporters. I think I would assume correctly on behalf of the House that many of those people would like to be present when that debate takes place. I extend my best wishes to Tony's family, his friends and his electorate staff. I move:

That as a mark of respect this House do now adjourn until Thursday 16 September at 10.00 a.m.

*Members and officers of the House stood in their places.*

**Motion agreed to.**

**The House adjourned at 2.34 p.m. until Thursday 16 September 2004 at 10.00 a.m.**

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