LEGISLATIVE ASSEMBLY

Thursday, 20th May, 1993

———

Mr Speaker (The Hon. Kevin Richard Rozzoli) took the chair at 9 a.m.

Mr Speaker offered the Prayer.

CASINO CONTROL (SLOT MACHINES) AMENDMENT BILL

Bill introduced and read a first time.

Second Reading

Ms MOORE (Bligh) [9.5]: I move:

That this bill be now read a second time.

This bill seeks to minimise the impact that the proposed Sydney Casino will have on clubs in this city. Clubs provide a valuable community service which is funded by poker machine revenue. The exclusion of poker machines from the casino will preserve local clubs and their community services, without threatening the viability of the casino. In 1986-87 the club industry as a whole provided $52.4 million in direct charity support: $24.92 million was given to charities and $27.48 million was given to community-based activities, such as playgroups, helicopter rescue funding and girl guides. An additional $35.75 million was committed to support of the aged, youth and handicapped.

Sporting groups are heavily reliant on the club industry. In addition to the well-known sponsorship of rugby league, countless cricket pitches, football fields, tennis and squash courts are funded by the clubs. Total expenditure on sport in 1986-87 was $131 million. Many of those fields and courts are provided to the community free of charge. Clubs are prevented by law from distributing profits to members, corporations or individuals. Any surplus that they create is spent on services for members of the community. Transferring poker machine income from clubs to the casino would mean that a large part of that income would be taken as profit by the private operator running the casino. Though some people may profit from this arrangement, it is not to the benefit of the community as a whole.

A club in my electorate serves as an example of an inner city club that gives much back to the community. The Paddington-Woollahra RSL club is the social focus for many people in that neighbourhood. It provides rooms for community groups to hold meetings. A local football team is sponsored by the club, and it assists a range of other teams and sporting events. It is particularly supportive of its older members. More than $18,000 was spent on welfare services last year. Most of that was funding for petrol, and gifts for visits to members who were in hospital. Almost all those members were senior citizens. A lot of those people did not have family support. The club also donated more than $2,000 to various charities. Those expenses are in addition to the $224,000 which was spent last year on services for members.

The sporting and welfare services, the donations and the free meals for older members are funded by income from poker machines. If that income is cut, those services will cease. There is no doubt in the club industry that a casino with slot machines will take from clubs a large part of their poker machine business. The

Government-commissioned Swan report declared that this was not the case. The Swan report concluded that the effects on the club industry of slot machines in the casino would be insignificant. The report also stated that any loss of community benefits resulting from the decline in the income of clubs would be offset by the community benefits generated by the casino. It also declared that the casino would be threatened if slot machines were excluded.

The Veal report, commissioned by the Registered Clubs Association, was extremely critical of the Swan report. The Veal report argued that the econometric model used by the Swan report was not accurate. I will not deal with the technical arguments. I am persuaded by the errors generated by the model when applied to other States. The model underpredicted by 19 per cent combined non-casino expenditure in Queensland, South Australia and Western Australia in 1991 and overpredicted by 38 per cent casino expenditure in those States in 1988.

The Veal report criticises the Swan report conclusion that a casino may lead to an increase in club business. I agree with this criticism. This reciprocity may have occurred in the Tweed Heads area when Jupiter's Casino was introduced, but that is a different tourist area from Sydney and to generalise on this basis is not helpful. The Queanbeyan-Canberra experience was the reverse. The most likely result is that there would be losses to the club industry and that the clubs closest to the casino would be worst affected. The Veal report estimates the average loss to clubs in a 10-kilometre radius of the casino to be $220,000. Within this radius are 243 clubs. For some clubs their losses will cripple them economically. They may be forced to close. My bill does not threaten the viability of the casino proposal. The Government has planned a casino which has more gaming tables than any casino in the world. The Veal report estimates that even without slot machines the casino would have an annual income of at least $250 million.

I recently received a letter from the Chief Secretary outlining the basis on which the Government intends to permit slot machines in the casino. The Chief Secretary proposed to restrict the number of slot machines in the temporary casino, but to permit 1,500 in the permanent casino when a central monitoring

system is introduced. She stated that restrictions on bets and prizes, gaming devices and use of tokens will be the same for the casino and clubs. She also said that the rate of tax on casino devices would be at least the same as poker machine tax in clubs. Most important, the Government has offered safety net provisions to grant relief to clubs within 10 kilometres of the casino which have suffered serious hardship as a consequence of the casino gaming devices. This relief may take the form of an exemption or deferral of poker machine duty.

I welcome the Chief Secretary's proposal. It is good to see the Government responding to the club industry's concerns. Unfortunately, these measures are not adequate. Machines are included in the casino and are limited to 500 for a very short time. The safety net is a good idea, but it will provide only short-term assistance to clubs affected by the poker machines in the casino. The Chief Secretary also proposed that the casino operator pay a 2 per cent community benefit levy from the commencement of casino gambling. I welcome this payment, but I do not think it is a satisfactory alternative to current arrangements. Who will administer the money? On what basis will it be given out? How can the Government ensure that it will be spent in a manner that is sensitive to the needs of the local community?

Clubs are an effective and democratic means of funding services which benefit the whole community. They are also an economical means of providing these services. No one has any expectation that the casino will take on these processes and responsibilities. My bill excludes slot machines from the proposed Sydney Casino because to include them would damage local clubs and prevent them from providing community facilities and performing community services. Without the clubs this work would not be done and these facilities would not be available. This bill does not threaten the casino project, which remains an extremely profitable proposition. What the bill seeks to do is to impose a level of community responsibility on the casino proposal. I commend the bill.

Debate adjourned on motion by Mr Hartcher.

EDUCATION REFORM (SCHOOL VIOLENCE) AMENDMENT BILL

Bill introduced and read a first time.

Second Reading

Mr J. J. AQUILINA (Riverstone) [9.13]: I move:

That this bill be now read a second time.

The object of this bill is to amend the Education Reform Act so as to prevent the possession of weapons in school and to establish a duty on government schools to report incidents of violence occurring at schools. For too long the Government has paid too little attention to the issue of school violence. Whenever an incident of violence is reported the Government has claimed it is an isolated incident and has developed no new policies to address the issue systematically. Schools are reluctant to report incidents of violence. There is a climate of secrecy surrounding the issue. In our view this secrecy prevents the development of responsible policies to address school violence. We believe preventive solutions are available to address the issue in New South Wales before we go too far down the path towards the violence and chaos that is present in the United States school system.

Our society makes education compulsory. If we compel students to attend school, we have a duty to ensure schools are free of violence. Students, teachers and parents all feel that not enough is being done to address the problem. Teachers who have been physically assaulted or threatened by physically mature adolescents feel they have no redress and no protection. Parents whose children fear physical harassment by others are so frustrated they often feel the need to take the law into their own hands. Any parent would understand the rage felt by someone whose child had been bashed up at school but who had to send the child back to school the next day.

Over recent years violence has been a rising phenomenon in our society. The Opposition does not assert that the problem is isolated to schools. Nor are episodes of violence involving school-aged youth confined to schools. But, just because an incident of violence involving schoolchildren occurs outside the boundaries of the school does not mean that the school can completely absolve itself of responsibility for matters which may have their genesis in the playground. Violence does not observe boundaries. Very often violent incidents will manifest themselves outside milk bars, at railway stations, at shopping centres or at amusement arcades. But it cannot be denied that a large number of incidents also occur at schools.

A survey by the School Psychologists Australia organisation found that there had been more than 3,000 incidents of violence in New South Wales in the last year. This was based on reports by school counsellors. The Bureau of Crime Statistics found 228 recorded offences of assault occurring in New South Wales Government high schools in 1991. The difference between these two figures is to be explained by the fact that not every incident reported to police becomes a recorded offence, and not every incident of violence occurring at a school is reported to police. The Minister for Education has been unable to produce any figures supporting the proposition that violence in schools is not a serious problem. All the Minister has brought forward are figures indicating that the number of suspensions and expulsions decreased last year. These figures are simply irrelevant to answering the question of how much school violence occurs. As the education columnist for the *Telegraph Mirror*, Marilyn Parker, a former deputy principal, pointed out yesterday "most of the children expelled each year are not expelled specifically for violence."

Not every incident of violence results in suspension, and not every suspension is the result of violence. At present, no one has any systematic

means of determining whether the problem is getting better, worse or standing still. The only statistics presently available from the Bureau of Crime Statistics are two years old. They showed the incidence of

assault per 100,000 - including attempted murder, aggravated assault, non-aggravated assault and the various categories of sexual assault - increased by 54 per cent between 1989 and 1991. As the head of the Bureau of Crime Statistics has pointed out, this reflected an increasing rate of crime in New South Wales generally. He has speculated that since the crime rate plateaued in 1992, the school violence rate might be expected to have followed a similar trend. However, no actual information is available to confirm this.

Rising student retention rates might mean that school violence is increasing at a greater rate. Whether or not violence in schools has increased since 1991, or remains level, the conclusion is the same - the incidence of violence in schools is unacceptably high. Whatever the real incidence, it is much higher than the 12 incidents the Minister was prepared to admit to on the Alan Jones program on Monday, 10th May. Let me now outline the specific functions of the bill. The bill seeks to amend the Education Reform Act 1990 and, consequentially, the Defamation Act 1974. A new part will be inserted after part 11 of the Education Reform Act. The new part 11A will make it an offence for a person, whether a student or not, to have a weapon in his or her possession in a government school on a school day. Weapon is defined as: a firearm, as defined in the Firearms Act, 1989; a prohibited weapon as defined in the Prohibited Weapons Act, 1989; anything made or adapted for use for causing injury to a person; and anything intended, by the person having possession of it, to be used to injure or menace a person.

The bill will create an offence of possessing a weapon in a government school, the penalty for which will be 50 penalty units or two years' imprisonment. The penalty will be the same as the penalty for possession or use of a prohibited weapon under the Prohibited Weapons Act. The Director-General of the Department of School Education may exempt a person or class of persons from liability for the offence. This is to allow for special circumstances in which it might be appropriate for exemptions to be made. For instance, if a teacher living at a school site in a country area is a registered firearms user, the director-general could grant an exemption for this class of person. Another relevant example would be the case of students learning about particular firearms for educational or extracurricular purposes - army cadets, for instance. It is impossible to predict in advance the range of possible exemptions that might be considered suitable. Despite these few exceptions the general position will be that weapons are not permitted in government schools.

The bill provides that no matter what exemptions the director-general may grant, none shall have the effect of making lawful the possession of a weapon which would otherwise be unlawful under existing law. The prohibition on weapons in school does not apply to police acting in the ordinary course of their duties. Principals are to suspend any student found contravening the prohibition on weapons unless the principal is satisfied there is a reasonable excuse. Suspension is to be for a period of one month. However, a discretion lies with the director-general to shorten the suspension period if there is a good reason to do so. For instance, it may be considered unjust to deny the student the opportunity to sit examinations or to submit assignments in particular cases. Or it may be that the suspension in a particular case shall commence within one month from a period of school holidays. In such a case the discretion of the director-general to shorten the period may be exercised.

At the end of the suspension, the student is not to be admitted to the same school unless he or she can satisfy the director-general that there is a good reason to return. There are two reasons for this. First, it acts as a greater deterrent to students if they are aware that such an act will be viewed so seriously that they should not return to school. Second, it will act to interrupt the circumstances in which weapons have arrived at a particular school. For instance, if a situation arises in which gangs wielding knives or other relevant weapons have formed in schools - as has been reported on a number of recent occasions - the removal of the culprit from the gang, at least within the school environment, would serve to interrupt the dangerous situation. Primarily, however, the suspension penalty recognises that the overwhelming majority of students at school have a right to undertake their education in an environment which is both safe and free from potential violence.

Although students are young and in many cases lack the maturity to fully assess the consequences of their actions, their right to make a mistake, or poor judgment, cannot be permitted to outweigh the right of a majority of students and teachers to safety. If, however, the director-general is convinced that there is good reason to readmit the student to the same school, the bill will allow that possibility. In making such a decision the

director-general must consider submissions by the pupil or the principal of the school, and also the fact that, if the student is not to return to the school, alternative accommodation must be found. The existing powers of expulsion under the Education Reform Act are not to be affected by this bill.

The director-general is to arrange appropriate counselling services for the student during the expulsion. The purpose of this is to assist the student to modify behaviour so that it is no longer likely to undermine the safety of the school environment. In placing an onus on the department to arrange counselling the bill acknowledges that although the student in question must bear the consequences of his or her actions, the student will not be denied the opportunity to have professional assistance in order to return to school. Counselling should address the range of family circumstances, psychological difficulties or social difficulties experienced in the school context. I would hope that the department would liaise with other departments to ensure conflict resolution panels are established in and around schools to prevent violent occurrences boiling over.

Page 2438

The bill will place a new onus on teachers to report to their principal incidents of violence occurring at school. Each principal shall report such incidents to the Department of School Education without delay. The principal's report is to include details of the incident, the nature of any disciplinary action and counselling taken in response to the incident, and the outcome for the victim. The director-general may issue guidelines to schools exempting matters from reporting requirements on the basis of triviality. The reasons for the reporting requirements have been outlined earlier. Reliable and comprehensive information is necessary if the department is to make sensible use of its resources to target areas or schools where the incidence of violence is high. It is also necessary that there be informed community debate on the issue.

The reports received by the department will be forwarded by the Director-General of School Education to the Commissioner of Police as soon as is reasonably practicable following the end of each month. These reports will not, however, identify individual students. Nor can they be used to create a criminal record. The purpose of this information is to allow police to have relevant information to conduct appropriate preventative policing. If they are able to see patterns or trends or become aware of problems associated with particular schools this will assist their task. Rather than having to rely on formal reports from principals of only the most serious incidents, they will get reports on all incidents except the most trivial. At present it is up to the discretion of the principal whether to report the middle range incidents, which may be the forerunner of more serious incidents. Police will obtain relevant information without students getting the stigma of a criminal record. Locations will be able to be targeted for preventive action.

The annual report of the Department of School Education is to include a statistical summary of the incidence of violence each year. This summary is to be based on the reports from principals received each year by the director-general. The information in the annual report is to be statistical in nature and is not to name any school or person involved. The statistical information may however refer to locations by cluster or region. Any observable trends or patterns in the incidence of violence are to be identified. The justification for this information to be publicised is very clear. There should be no argument that an accurate picture of the incidence of violence in schools is required. It will provide a benchmark against which improved safety can be measured, or a worsening situation detected and responded to.

The Minister for Education has already indicated the incident reports she received will be analysed by the department as part of her short-term response to the problem. However, when these reports were compiled, the intention of statistical collation was not present, and we cannot be sure that the information will be in a form from which statistical analysis is possible. Nor do we know that all incidents are reported to the Minister. The Minister for Education in question time in another place on Tuesday raised the concern that "individual students will be branded". This is not the intention of the legislation. Though the Department of School Education will publish statistics, it will not publish the names of individual schools or individual students. A *Sydney Morning Herald* editorial of 12th May, 1993, which praised the concept of a register of violent incidents, stated:

. . . the point of the register is to give a clearer picture than exists now of what is happening within the

extensive government school system . . . The publication of the register details . . . [it] will provide an accurate picture of what is happening and the facts on which to base additional measures if they are needed.

Finally, nothing in the bill will affect any duty or discretion of anyone - especially a principal or schoolteacher - to report a matter to the police. This means that the capacity for a decision to invoke immediate emergency action by police, or reporting of serious crime, will not be diminished in any way. Regardless of yesterday's ministerial announcement about the reference of the issue of youth violence to the Standing Committee on Social Issues, this bill should be supported now. This bill is only a first step, because I fully agree with the view that the issue is not limited to schools and that a range of additional measures and resources are needed to address the problem in and outside schools. I do not advocate the view that the problem is isolated to or generated by schools. The reference of the matter to the social issues committee is a step, but the record of Government action following other issues the committee has examined is not great. One has only to look at the question of tobacco advertising - the committee's recommendations had to be taken up by the Opposition and Independents in this place before the Government was forced to take action. Also, the committee does not represent members of this House.

This House should not be stymied by a committee of a Chamber chosen on a different basis. The other House has no greater expertise than is found in this Chamber. As a member representing an electorate in which several of the recent incidents have occurred, and as someone who has interviewed traumatised parents of children who are victims of matters central to this issue, I would feel personally disfranchised were such a bill as this to be delayed because of the work of that committee. The committee's deliberations could take months, while the clear, decisive and suitable actions of banning weapons in schools and sensitively collecting relevant information about the incidence of violent acts in schools should be taken now. The Minister has publicly put forward no sensible argument against the proposal. This is an important and necessary first step on the path towards solving the problem of violence in our schools. We all agree that we do not want to go down the path of having children walk though metal detectors as they walk through the school gates. This bill is a step towards preventing that outcome. I commend the bill to the House.

Debate adjourned on motion by Mrs Chikarovski.

Page 2439

AZZOPARDI INQUIRY BILL

Bill introduced and read a first time.

Second Reading

Mr WHELAN (Ashfield) [9.30]: I move:

That this bill be now read a second time.

The circumstances surrounding this bill should be known to all members of Parliament. I say without any satisfaction and with some embarrassment that the former Government was somewhat lax - as this Government has been - in ensuring that compensation should be provided to Mr Azzopardi. The object of this bill is to provide for an inquiry to be held to determine whether compensation should be awarded to Mr Azzopardi in respect of the failure of police and the coronial and justice systems to properly investigate a fire at 4 Gorokan Street, Whalan, on 22nd March, 1971. This bill and two other bills - which will be introduced by the honourable member for Wallsend and the honourable member for Rockdale - will finally shift the balance in favour of victims of government inaction. In the view of the Australian Labor Party, compensation should be awarded in this matter.

As indicated in the bill, the heads of damages are not exhaustive. In my view, it is timely that this bill should be brought before the Parliament because, at present, the Parliament is considering a comprehensive

review of the Coroner's Act. Much of the Government's proposed bill and many of the Opposition's amendments arise out of matters learned as a result of the many coronial inquiries in which Mr Azzopardi was involved or was referred to. That learning process has now been completed. The Coroner's Act, which, once amended, will be of benefit to people in New South Wales in the future, has been on a long learning curve. Mr Azzopardi has been at the centre of it. A judge of the District Court will be empowered, 90 days after the date of this bill's assent, to determine the amount of compensation to be awarded to Mr Azzopardi. A judge will have to determine, inter alia, the following:

(a) the failure (if any) of police officers to properly investigate the fire at 4 Gorokan Street, Whalan on 22 March 1971;

(b) the failure (if any) of police officers to investigate subsequent complaints by Edgar John Azzopardi, both in relation to the investigation of the fire in 1971 and in relation to the conduct of police officers;

(c) the findings made at each of the coronial inquiries into the fire including the evidence given before, and the findings and report made by, His Honour Judge Thorley;

(d) any unfair treatment of, or unreasonable disparagement of, Edgar John Azzopardi by police officers or public servants, including any classification of him as a vexatious letter writer;

(e) any harassment of Edgar John Azzopardi, his wife or members of his family;

(f) the evidence given before, and the findings made by, the Independent Commission Against Corruption in relation to the harassment of Edgar John Azzopardi and his wife;

(g) the loss and damage sustained by Edgar John Azzopardi as a result of the fire;

(h) any adverse effect that the conduct of police officers towards Edgar John Azzopardi and his wife may have had on their health;

(i) whether any aggravated and exemplary damages should be awarded and, in considering whether to award such damages, the Judge may take into account, in addition to any other relevant matter, the conduct of police officers, and any neglect or wilful failure on their part, or on the part of any public servant, to act promptly and appropriately in response to complaints by Edgar John Azzopardi, and any act of harassment of Edgar John Azzopardi, his wife or members of his family by any member of the police force;

(j) the compensation awarded or being paid to other persons injured as a result of police action;

(k) such other matters as may seem relevant to the Judge.

Honourable members will be aware that this man has been denied justice for a long time - since March 1971. I do not know of anyone who has suffered injustice for such a long period.

Mr Hartcher: Twelve years of Labor Government did nothing for him.

Mr WHELAN: I say to the Minister for the Environment, who just rudely interrupted, that clearly he was not listening to me when I said that this was the fault of all governments. Both he and I were in short pants in 1971. The Labor Party was returned to office in 1976, but in 1971 the Liberal Party was in government. We will all benefit from amendments to the Coroner's Act, but I hope that the short-term beneficiary will be Mr Azzopardi. He should be compensated for the grave injustices that he has suffered. I commend the bill to the House.

Debate adjourned on motion by Mr Hartcher.

POST-CONVICTION INQUIRY (QUASHING OF CONVICTION) (DOUGLAS HARRY RENDELL) BILL

Bill introduced and read a first time.

Second Reading

Mr MILLS (Wallsend) [9.36]: I move:

That this bill be now read a second time.

Douglas Harry Rendell deserves a fair go from New South Wales. Douglas Harry Rendell deserves justice. There is still some way to go before that justice is achieved. This bill is the commencement of the achievement of that goal. To introduce such legislation is perhaps as far as a private member of this House can go to achieve the goal. Douglas Rendell deserves what this Parliament can give him because law and justice in New South Wales got it wrong about him in 1980 and law and justice and government administration in New South Wales have not righted that wrong. For too long justice has been delayed. Douglas Rendell was convicted in Dubbo on 4th March, 1980, of the murder of Yvonne Kendal at Broken Hill on or about 30th July, 1979. Rendell insisted on his innocence and stated that the death of his de facto wife was accidental. His appeal was dismissed.

Following the overturning of the conviction of

Lindy Chamberlain, in part because of the expert scientific testimony of Professor Barry Boettcher, Rendell approached Professor Boettcher because the forensic scientist involved in his case was involved also in the Chamberlain case. Material subsequently placed before Mr Justice Hunt gave rise to a doubt as to Rendell's guilt. On 14th December, 1987, Mr Justice Hunt ordered an inquiry under section 475 of the Crimes Act. Magistrate Arthur Riedel conducted the inquiry. Mr Riedel reported on the inquiry in June 1989. Mr Justice Hunt in his report to the Governor on 23rd June, 1989, stated that he was satisfied that Rendell's conviction was "unsafe and unsatisfactory" and recommended a pardon. The pardon was announced by Attorney General, John Dowd, in a ministerial statement to this House on 26th July, 1989. Initially, parts of the Riedel report and Mr Justice Hunt's report were not released. The material omitted related to the finding that Sergeant Barry Musgrave gave false evidence at the trial. Mr Justice Hunt found:

> Sergeant Robert Barry Musgrave who gave evidence at the trial which appeared to assert that the rifle was not capable of accidental discharge, withheld information which he must have known to be significant, that the weapon was indeed capable of accidental discharge. In answer to a question of critical importance concerning the tests which he had carried out asked by the trial judge, Sergeant Musgrave did not tell the whole truth.

Mr Riedel found:

> The withholding of that information may well have affected the outcome of the trial.

The Attorney General, the Hon. J. P. Hannaford, informed the Legislative Council on 18th November, 1992, that, following investigations, the Director of Public Prosecutions had determined there was insufficient evidence to charge Sergeant Musgrave with a criminal offence. The Commissioner of Police concluded that there was no evidence to warrant the bringing of criminal or departmental proceedings against Sergeant Musgrave. Following the pardon, Douglas Rendell's solicitors raised the questions of compensation and quashing of the conviction. Other supporters, particularly Professor Boettcher, pursued Rendell's case with persistence and vigour. The case was raised several times in Parliament, initially by the honourable member for Ashfield. Media attention followed.

Three and a half years after receiving his pardon Doug Rendell, still without compensation, was destitute. Unable to obtain work, he was living in a shipping container on a benefactor's property north of Newcastle, without hope for his future. Finally, on 18th November, 1992, the Attorney General announced that on the advice of the Solicitor General the Government would make an ex gratia payment of $100,000 to Doug Rendell "to assist his rehabilitation back into society". A sum of $100,000 is paltry. It is grossly inadequate compensation for eight years of wrongful imprisonment. After the offer Doug Rendell was reported by the *Newcastle Herald* as having said:

> I just don't think it is adequate for the years of hell they put me through . . .
>
> My mother died when I was in jail, I didn't see my children grow up and now I can't communicate with them . . .
>
> What about the damage this has done to my family?
>
> They want me to take the money and crawl away but I'm not going to let them forget what they did to me.

The battlers seem to get small ex gratia payments. For example, Rendell got $100,000 compensation for eight years in gaol and Ziggy Pohl got $200,000 compensation for more than 10 years in gaol. Those amounts should be compared with the reported $1 million payment to Harry Blackburn and the compensation paid to Lindy Chamberlain and her family. In the Chamberlain case compensation was assessed by an independent person - a judge. That same process will be established in this bill - a judicial assessment of compensation. Compensation by a politically related decision is less desirable and potentially unjust. An assessment of damages by a judge - possibly even Justice Hunt, who reported on the inquiry - will enable a compensation figure to be arrived at without the political involvement of the Attorney General. That is important because the Attorney General's Department has argued that there should be no assessment for compensation as Doug Rendell was convicted according to the due process of the law. How can such an argument be respected given the discredited police and scientific evidence at the trial?

I note that in instances such as this, following a pardon the Commonwealth is bound by article 14(vi) of the United Nations Covenant on Civil and Political Rights to the principle of compensation according to law. The quashing of a conviction in a case where the law has subsequently found that conviction to be "unsafe and unsatisfactory" appears to some people to be relatively trivial when a pardon has been granted. However, it is of great importance to the self-esteem and future prospects of the person concerned to be able to start afresh without a blemish on his record - a record that would have been clean but for a miscarriage of justice. A pardon invokes the concept of forgiveness, an incorrect concept for an offence which was not committed. Some judicial processes, for example an appeal under section 26 of the Criminal Appeal Act, apparently allow for the quashing of a conviction. It is hoped that the forthcoming issues paper on section 475 of the Crimes Act will deal with this question, and allow a process for the quashing of a conviction even when the applicant has already been to the Court of Appeal following the trial.

This bill will establish a simple judicial procedure to enable the conviction to be quashed in the one case of Doug Rendell. Clause 3 gives effect to the objects of the bill. Clause 3(a) provides that the Supreme Court may, on application, quash the conviction of Doug Rendell for murder. Clause 3(b) provides that the Supreme Court may direct a judge to assess the amount of compensation that the Government of New South Wales should pay to Mr Rendell for damage or loss suffered because of his

conviction. Subclause (2) of clause 3 will allow the judge, in assessing compensation, to take further evidence if desired. Subclauses (3) and (4) will allow the judge to take into account any ex gratia payments already made and any release documents signed by Mr Rendell in receiving such payments. The legal system of New South Wales has not acted, and will not act, with appropriate speed to ensure justice for Douglas Harry Rendell. Therefore I have proposed this bill. I commend the bill to the House.

Debate adjourned on motion by Mr Hartcher.

POST-CONVICTION INQUIRIES (QUASHING OF CONVICTIONS) (JOHANN ERNST SIEGFRIED POHL) BILL

Bill introduced and read a first time.

Second Reading

Mr THOMPSON (Rockdale) [9.44]: I move:

That this bill be now read a second time.

This bill aims to correct a serious injustice and to effect a significant reform of the criminal law. It relates to the case of my constituent Mr Johann Ernst Siegfried Pohl, otherwise known as Ziggy Pohl, and the murder of his wife. On 9th March, 1973, around midday a man named Roger Bawden broke into the Pohl household at Queanbeyan and murdered Mrs Kum Yee Pohl. After killing her and stealing some items from the house he fled. For the next 17 years Bawden was not heard of and, in the meantime, the finger of suspicion was pointed at Ziggy Pohl. Purely on a circumstantial basis, which turned out to be totally wrong, Pohl was charged with the murder of his wife and convicted. His appeal to the Court of Criminal Appeal was rejected.

Protesting his innocence, Mr Pohl served more than a decade in prison, suffering from the horrible pain associated with grief because of the loss of his wife and knowing that he had been falsely accused and wrongly convicted of one of the most monstrous of crimes. The purpose of this bill is to take away from Mr Pohl the undeserved stain of the conviction which, by a legal quirk, still attaches to his name. I will attempt to explain how this legal quirk has arisen and, in doing so, I express gratitude to Dr Greg Woods, Q.C., and Mr Jim Hall, solicitor, who have been Mr Pohl's legal advisers during this saga. The criminal justice system originally did not allow appeals against conviction, but the Crown has always had what is known as the royal prerogative of mercy which allows the Governor of New South Wales to commute a sentence or grant a pardon. A pardon can be conditional or unconditional but, either way, it does not operate to erase the original conviction. A pardon says, "You committed the crime but you are forgiven". A pardon is strictly a form of mercy to the guilty; it is not an acknowledgment of original innocence.

In the case of Ziggy Pohl, a particular difficulty arose for those representing him. The trouble was that when Roger Bawden came forward on 8th September, 1990, he was a psychological mess. There was a serious question as to whether he would kill himself before he got to stand in a witness box, before a properly constituted inquiry, and tell his story. The advantage of a section 26 inquiry was that any conviction could have been quashed by the Court of Criminal Appeal. The drawbacks of such an inquiry, however, were that three judges are required to conduct the inquiry, and there is potential for long delay, during which Bawden's sworn evidence could have been lost. The advantage of the section 475 procedure was that because only one judge is required, the matter could have been brought on relatively speedily. While the quashing of the conviction was not a possible legal outcome, the delay involved with getting one judge to conduct the inquiry would obviously have been less than the tremendous delay involved with getting three judges - all available at the same time - to conduct a lengthy hearing. Mr Pohl's legal advisers took the cautious path of opting for a section 475 review, with one judge.

As it turned out, even this involved great delay. Mr Justice McInerney was not allocated to start the hearing until 16th December, 1992 - a full 14 months after Bawden confessed. There can be no doubt that the choice of the single judge procedure was the correct decision. The hearing occupied 12 hearing days spread over several months, during which time the judge visited the house at Queanbeyan and viewed the crime scene. A total of 133 exhibits were put into evidence and 418 pages of transcript were recorded. Given the pressure of business in the Supreme Court it would have been extremely difficult to arrange for three judges to set aside 12 sitting days to hear evidence and undertake visits to Queanbeyan. If Pohl's lawyers had chosen the option

involving three judges, they might still be waiting. The report that was duly brought down by Mr Justice McInerney on 1st May, 1992, is a model of careful analysis. He concluded that an unconditional pardon should be granted. The Governor duly granted a pardon without condition. Roger Bawden was charged with murder, pleaded guilty and was sentenced to eight years in prison. He is still serving his sentence.

The purpose of the bill is to immediately correct a serious injustice done to Ziggy Pohl. However, I suggest that there is wisdom in taking this opportunity to declare that the result applicable to him should also be applicable to others in similar circumstances. Though this bill does not mention compensation for Mr Pohl, that is a vital matter for him. Surely it is an embarrassment to our system of justice and our community that an innocent man is put behind bars for more than a decade. The public will not begrudge a proper and substantial payment to Mr Pohl, which should include at least a decade of lost wages for a skilled tradesman, the same at least again for the loss of his family, and at least an equal amount for the pain and suffering of being unjustly imprisoned. Knowing the man, I am astounded that he has been able to cope with this horror in his life as well as he has. Beneath the surface he has been gravely damaged. The second step is proper compensation; the first step is to clear his name. I commend the bill
Page 2442
to the House.

Debate adjourned on motion by Mr Hartcher.

INDUSTRIAL RELATIONS (CONTRACTS OF CARRIAGE) AMENDMENT BILL

Bill introduced and read a first time.

Second Reading

Mr NAGLE (Auburn) [9.50]: I move:

That this bill be now read a second time.

On 10th October, 1991, Pioneer Concrete (NSW) Pty Limited, a wholly owned subsidiary of Pioneer International Limited known as Pioneer, gave notices of termination to its entire fleet of 145 lorry owner-drivers, known as LODs, referred to in the bill as contract carriers. This formal notice effectively put an end to the business activities of those 145 LODs. On 25th October, 1991, Mr Gallagher, an LOD, commenced a representative action in the Federal court against Pioneer on behalf of the 145 drivers. On 12th March, 1992, the Federal Court granted the LODs an interlocutory injunction against Pioneer, effectively maintaining the status quo until the conclusion of proceedings. On 26th February, 1993, a Federal Court judgment was handed down, and although it found that LODs had a valid contract with goodwill, Pioneer was permitted to terminate the contracts for the LODs upon reasonable notice. However, it was not obliged to pay compensation.

Mr Justice Lockhart strongly urged the parties to further negotiate but Pioneer refused reasonable negotiations. The lorry owner-driver system at Pioneer has operated since Pioneer commenced business in New South Wales over 30 years ago. Drivers have been allowed by and with the knowledge of Pioneer to buy and sell their trucks with premium or goodwill in the open market. Pioneer adopted the owner-driver system for 30 years because of the massive cost savings as opposed to an operation of employee drivers. Owner-drivers are small businessmen motivated to work longer hours and are required to provide and maintain their own vehicles, including all repairs, maintenance, and all forms of insurance including motor vehicle, goods in transit, public liability and workers' compensation. Therefore, Pioneer would have saved tens of millions of dollars over the years by adopting the owner-driver system. Sales of trucks with goodwill over the last three years have amounted to between $150,000 and $200,000. In recent years some of the drivers, at the request of Pioneer, spent $250,000 to construct eight special vehicles in its fleet to be utilised for major road making projects that Pioneer had obtained from the Roads and Traffic Authority.

Over the last 30 years companies in the haulage and carrying industry have been involved in persuading drivers not to be employees of the company but to be small businessmen operating their own trucks on behalf of the principal contractor. The other advantage to Pioneer and to other contractors is that they save in long service leave, holiday pay, sick leave, workers' compensation payments, payroll tax and superannuation entitlements. From a business point of view they save by not having people preparing wages and looking after the day-to-day needs, problems and taxation payments of their employees. These companies have acquiesced in, known of, and participated in the goodwill and premium system for more than 30 years. Surely they cannot be heard to say that though they knew and it was a financial benefit to them, as they did not have a contract with the drivers they do not have to pay them compensation when their contracts are terminated.

The proposed legislation is discretionary because a tribunal has to be formed to determine if people are entitled to be compensated, and what amount of compensation they should receive for loss of contracts. The purpose of the legislation is to encourage the principal contractors and LODs to enter into meaningful negotiations to stop the avalanche of financial loss to these carriers. If it cannot be achieved, the arbitration panel should decide the issue. Provision consequent upon the enactment of the legislation aims to make the bill retrospective to cover the LODs. The transition provision 19 should be noted for retrospectivity. I commend the bill to the House.

Debate adjourned on motion by Mr Hartcher.

CRIMES (REPUBLICAN DEBATE) AMENDMENT BILL

Bill introduced and read a first time.

Second Reading

Mr SCULLY (Smithfield) [9.53]: I move:

That this bill be now read a second time.

The bill seeks to insert a new section into the Crimes Act which will negate the effect of section 12 of the Crimes Act. That section is one of the most offensive provisions in our statutes. It is a colonial relic from an era long gone. It is time that the denial of freedom of expression espoused in section 12 was dealt with so that citizens are free to call for the establishment of a republic by lawful means. This bill does not abolish the common law offence of sedition and it is not intended to do so. Section 12 provides that anyone suggesting the severing of links with the Crown or the establishment of an Australian republic or a republican form of government at a State level is liable, upon conviction, to penal servitude for 25 years. These provisions were inserted into English legislation in 1848 and were transported to the colonial legislature in 1868.

The effect of these provisions should be cleansed from our statutes. I propose that a new section 16B be inserted into the Crimes Act to make it absolutely clear that any person who calls for the abolition of the constitutional monarchy in Australia or in the States, who calls for the alteration of any functions of Her Majesty or changes in royal styles or titles, does not commit an offence under section 12 and is therefore

not liable for penal servitude for up to 25 years. I spoke on radio this morning about the bill. I have been advised that in so doing I had breached the relevant section. It is time the Government was challenged to indicate whether or not it is fair dinkum about participating in the republican debate. If the Government is fair dinkum, it will make it lawful to call for a republic. I commend the bill to the House.

Debate adjourned on motion by Mr Hartcher.

WORKERS COMPENSATION (JOURNEY CLAIMS) AMENDMENT BILL

Bill introduced and read a first time.

Second Reading

Mr YEADON (Granville) [9.56]: I move:

> That this bill be now read a second time.

The Opposition is introducing this bill to amend section 10(1A) of the Workers Compensation Act to address a gross injustice that exists in respect of the payment of compensation for journey claims. The present provisions of the Workers Compensation Act in relation to journey claims were enacted as a result of the passage of the Workers Compensation (Amendment) Act 1989, introduced by the then Minister for Industrial Relations and Employment, John Fahey. That amending bill provided, among other things, that workers' compensation would not be payable if a periodic journey injury was caused, wholly or in part, by the fault of the worker. The consequences of the amending legislation were to place the onus on the worker to prove that he was not responsible for any injuries received on journeys between home and place of work.

The honourable member for Rockdale at that time, Barrie Unsworth, pointed out in his contribution to the second reading debate on the bill that a worker would only have to be responsible for an injury in the most minute way - and he used the figure of 1 per cent partly responsible - for the worker to be denied an entitlement to compensation. The injustices perpetrated by the practical application of the present provisions before the courts is perhaps most starkly demonstrated in the judgment of His Honour Justice Kirby in the New South Wales Court of Appeal in *Aardvark Security Services Pty Limited* v. *Ruszkowski*. In his dissenting judgment, Justice Kirby said:

> The provisions of s 10(1A) of the Workers Compensation Act 1987 seem so contrary to ordinary notions of justice that the mind of all but the most hardened observer would be offended by its apparent operation. I cannot call to mind a provision in the legislation of this State which seems more unjust in its purport. It is all the more remarkable that the subsection was introduced into the Act as recently as 1989.

Further on in the judgment he continued:

> Despite this seemingly deliberate policy, there is a natural reaction on the part of just people, engaged in the daily business of doing justice to their fellow citizens, to respond with a feeling of repulsion at such a provision.

The courts have no legitimacy to ignore the subsection as it presently stands, nor can they frustrate its intended operation. It is therefore imperative that section 10(1A) of the Act be amended. Under section 14 of the Act, compensation is excluded if injury is solely attributable to the serious and wilful misconduct of the worker and does not result in death or serious and permanent disablement. I commend the bill to the House.

Debate adjourned on motion by Mr Hartcher.

SOUTH EAST FORESTS PROTECTION BILL

Second Reading

Debate resumed from 2nd September, l992.

Mr WEST (Orange - Minister for Conservation and Land Management, and Minister for Energy) [10.0]: The Government rejects the bill. The South East Forests Protection Bill, if passed into law, will create substantial difficulties for the region and for the State of New South Wales. Existing statutory procedures such as the wilderness nomination evaluation process and environmental impact statement preparation process will be

overridden. Present contractual sawlog and chipwood obligations will be compromised, with subsequent impacts on the regional economy and employment opportunities. The Commonwealth-State agreement on the southeast, which I personally negotiated with the former Minister for the Environment, will be negated. This is obviously nothing more than a land grab bill. It ignores a number of scientific studies which have been conducted on the southeast forests and it makes a mockery of the agreement to set aside additional conservation reserves.

The Commonwealth-State agreement formulated in 1990 sets aside approximately 50,000 hectares of new conservation reserves in the southeast of New South Wales and guarantees a comparable area as ongoing production forest. That agreement was taken after hearing all the advice of expert foresters, national parks officials, bureaucrats and politicians at both State and Federal levels. That agreement presents a sensible balance, which recognises the important need to conserve a representative sample of our unique and natural heritage and the equally important need to maintain the social fabric of our small timber dependent rural communities. This is in stark contrast with the bill currently before the House, which establishes massive new national parks in the southeast forests that would imperil the timber industry to such an extent that local and regional communities would be hurled into horrendous turmoil.

There is considerable dispute surrounding the impact of the bill on jobs as a result of timber resource withdrawals. Supporters of the bill have stated that the hardwood industry in the southeast is in decline. They have made these statements based on evidence of decreasing employment in the hardwood sector over the past 10 to 20 years. Job losses experienced to date, however, are not a reflection of the overall viability of the timber industry in the southeast. The job losses are a direct result of the implementation of sustained yield strategies, resource withdrawal through the expansion of the existing conservation reservation system, and industry

restructuring necessary to maintain competitiveness during the current economic downturn.

It is a disgrace that the opponents of the timber industry have chosen to use implementation of sound management practices as a weapon against native forest harvesting. Under normal circumstances industry restructuring aimed at the more efficient use of resources is applauded and should be supported by all honourable members. So why should the timber industry continue to be treated any differently? I think it should be congratulated on the fact that it is embracing the principle of sustainable management and taking the opportunity to implement more efficient management practices which are to the long-term benefit of this State and the country as a whole. There is considerable divergence of opinion on the number of jobs which are threatened by the passage of the bill.

Dr Formby, in his paper entitled "Employment in Southeast New South Wales: a Review and Proposed Employment Package", relied on the employment loss figures in the Resource Assessment Commission research paper No. 5 by Streeting and Hamilton. The Streeting and Hamilton paper uses a figure of 61 direct job losses in the hardwood timber industry based on further reservation of national State forests in the southeast. It is now widely recognised that the Resource Assessment Commission paper has in fact significantly underestimated the employment impact. Dr Formby has compounded the problem by using these understated figures as a basis for his simplistic linear projections. Figures quoted in the Resource Assessment Commission paper have been attributed to Diana Gibbs. However, I understand that Ms Gibbs has dissociated herself from the figures used in the Resource Assessment Commission report No. 5. Ms Gibbs, I understand, is extremely concerned that the figures quoted in the Resource Assessment Commission report, and attributed to her, are incorrect. Ms Gibbs has indicated her concern that these erroneous figures are now being used as the basis of an alternative employment package for displaced timber workers - workers who will lose their jobs as a direct result of this bill.

As a result of these concerns the South East Forests industry group commissioned a further study by Diana Gibbs on the implications of the Formby proposal. The principles and arguments put forward in her paper are therefore directly relevant to the effects of the current bill as the areas proposed are similar. Ms Gibbs estimated direct job losses of 332. These communities are all very small and that impact would be enormous.

A separate report prepared for the legislation committee on the South East Forests Protection Bill found that between 330 and 483 jobs would be lost if the bill were implemented. In this debate we should not forget that these figures relate solely to direct job losses. For every direct job loss in the timber industry there is a multiplier effect of at least 2.5. Though there is no apparent way to reconcile the different views, a conservative estimate of direct job losses could be assessed at around 200. Total direct and indirect job losses could be about 500. Compensation for employment could cost $11 million, and compensation for plant and equipment another $40 million. Lost output in the regional economy is likely to approach $120 million.

According to figures supplied by the Commonwealth Employment Service there are already approximately 200 unemployed people in Eden who are qualified in the hospitality services. It is therefore highly improbable that the proposal to develop the ecotourism sector outlined in the bill could provide long-term job opportunities for the 500 or so workers whose jobs this bill will destroy. It would be hard pushed to even accommodate the 200 who are already left out of work. The rhetoric on this could be endless, with one set of figures continually being quoted against another - and to what end? In all of this we should not lose sight of the fact that, though we can hypothesise on these figures, the bill will have very real impacts on those who live and work in the southeast of New South Wales. Do not forget that the logging section of the timber industry is made up of truck owners and drivers, small contractors who in reality are small business persons with a very high capital investment. They would be in considerable financial difficulty if timber harvesting activity is substantially reduced and they are not adequately compensated.

Financial institutions do not care about philosophical arguments on conservation; they care only about the dollars and cents on the bottom line of the balance-sheet. During these recessionary times we should be looking for measures which foster the development of long-term value adding in the timber industry, an industry which is based on a truly renewable and sustainable resource. There seems to be a common myth that once a tree is harvested it is not replaced and that the forest does not regrow. That myth is plainly incorrect. In fact, if a forest is not thinned either by man or by natural means, often, in time, it will die. The Government is looking to the future. We worked with the Commonwealth Government on the formulation of the natural forest policy statement, which is designed to foster the development of value-added projects in the forest industry sector and at the same time safeguard environmental values. That policy has been developed at the national level on the broader scale. The bill, however, takes an extremely narrow view of the industry, the environment and the socioeconomic ramifications for the people of southeast New South Wales. In fact, the bill is nothing less than shortsighted and destructive.

The honourable member for Bligh tells us that she has an alternative employment scheme to counter the negative effects of the bill. When one contemplates the suggestion one does not know whether to laugh or cry. She tells us that the region will be better off with new parks in association with the special industry and employment program. In fact this is a special unemployment and anti-industry program. The bill will establish a body titled the South East Regional Employment Industry Adjustment Committee. That body is to develop and implement

alternative employment strategies. If only it were that simple. Does the honourable member not think that, if it were so simple, Mr Keating would have employment committees all over the country? Who will fund the committee? Who will fund the alternative employment programs, especially given those who it is suggested will do so are not generating income?

The bill suggests that there will be local environment improvements, upgrading of picnic facilities, soil conservation works and so on. They are admirable suggestions, but really will not be sustainable in the longer term. This is a real concern, especially given that the bill has a two-year sunset clause. One must contemplate what will happen to the community at the end of that period. Doctor Formby's alternative employment package would cost $28 million to redirect 120 displaced timber workers for what in reality will be only a two-year period. I should emphasise that that cost is in regard to only 120 workers. Doctor Formby has significantly underestimated the employment loss; it is more likely that a minimum of 200 workers will lose their jobs and that the total cost of the package will escalate to mind-blowing proportions. How could anyone in his right mind support a proposal that will destroy an industry which contributes $190 million to the value of State output

and will require a compensation payout from the State's taxpayers of the order of $50 million? That is a conservative estimate. If Dianna Gibbs' study is correct, the figure would be more than $81 million. The bill suggests also that the committee should formulate a workers' adjustment package, including relocation assistance.

I am sure the honourable member for Bligh would not be impressed if someone came to her and told her to pack up her bags and move away from her family and friends. That is what she is doing to the people of the southeast. One must ask also what this proposal will do to land values. Has the honourable member for Bligh considered how those relocated workers in such large numbers would be able to sell their homes? Who would buy them? More to the point, what sort of country do we live in where a government or a Parliament could even contemplate legislating to tell people where they must live or where they cannot live? Members should not lose sight of the associated loss in value to business houses, government investments such as schools, police stations, public transport and other infrastructure that has been tailored to accommodate the current population. I am saddened and disgusted by the attitude that suggests that people should be told to move from where they live. I ask all other honourable members to examine their consciences on this issue.

The other element that has been overlooked is the effect that the bill will have on the quality of life of those who might remain in the region. Reduced job numbers would result in fewer families remaining in the area and, in turn, reduced numbers of schoolchildren and fewer teachers; and inevitably it would lead to a lower standard of available subjects in those schools, hence downgrading the level of available education. Why should the children who remain in the area be handicapped in that way? They deserve no less than does any other child in this State. Lower property values would reduce local government rates, thereby cutting council revenues, and that would subsequently impact on the level of service provided to the local community by councils.

What about some of the other social impacts of the bill that have not been given fair consideration? What effect will the measures have on membership of service clubs, which are very much part of the social structure of these communities, or on Apex and Rotary? What about the effect on local churches, pre-schools and other essential services such as hospitals, health care services, mobile library services, which could be terminated, and public transport, which might be downgraded substantially or abandoned. The so-called adjustment package put forward by the honourable member for Bligh is a joke; she said it would redirect workers and economic activity into more sustainable activities. I hasten to inform the honourable member for Bligh that the sad fact is that local road upgrading and construction of recreational facilities in national parks to which she refers are far from sustainable; they are not income generating activities. The creation of these artificial jobs would require a massive redirection of funds. How can that be justified in the current economic climate, given the competing demands for funds?

Does the honourable member for Bligh wish to redirect funding away from other programs in health and education? Perhaps she has some ideas about ways in which the funds can be redirected from her electorate. We are talking about big dollars at a time when money is hard to find, even for essential services, let alone compensating those who will be wantonly displaced by the shortsighted, selfish and ill-considered proposals that are contained in the bill. The issue of compensation for plant and equipment left idle as a result of the provisions of this bill has not been addressed in any of the economic studies that have been done. It is not only displaced workers who will suffer under this proposal. What about those who have taken the risks and borrowed to invest in extremely expensive and highly specialised equipment to create jobs and generate income? They too will be left out in the cold. They will be completely at the mercy of the financial institutions which loaned them the funds in the first instance. So much for encouraging enterprise.

It is no wonder that the country wallows in this recession that Paul Keating told us we had to have. The southeast timber industry contributes about $190 million a year to this State. Under the proposals put forward by the honourable member for Bligh $120 million of that would be lost. Timber is a renewable resource; it offers sustainable employment, generates income for local communities dependent on that resource, and does not require artificial assistance. What kind of logic would support the deliberate destruction of the industry? If the bill were enacted, from the Victorian border - and I hope this point will

not be lost on the honourable member for South Coast - right through to the border of the Shoalhaven shire, the native timber industry will be destroyed. Livelihoods of individuals will be put at great risk, families will be unsettled, businesses crippled, aspirations destroyed and community stability disrupted.

The bill can be described only as callous. Labor saw the problems inherent in this proposal when it was toying with the concept last year. Labor Party members saw sense and turned their backs on it. The bill will terminate all existing timber licences in the area, without providing for compensation. What will that do to those operators who have borrowed to invest in the industry? How will they repay their loans? The bill provides that the Forestry Commission must supply timber from other State forests in the Eden management area to compensate for the amount that will be lost as a result of the bill being enacted. That is the height of ignorance and demonstrates that those who drafted the measure have not done their homework. The only areas that would remain would be compartments located to the southwest of Eden. They offer limited quantity and poor quality resources. The economics of transporting that inferior resource are such that the Bombala mill almost certainly would close. For a small town like Bombala that would be devastating.

The industry has already suffered a 10 per cent reduction in sawlog quota, effective from 1st January this year, under the Commonwealth-State agreement on the southeast. The proposals in the bill would result in an overall reduction of 51 per cent in sawlogs. The Eden mill is not operating at full capacity even at this time, because of the earlier 10 per cent quota reduction. If the resource were to be cut further, the financial soundness of the mill would become even more marginal. Pulpwood quotas also have been cut by 5 per cent, effective from 1st January, as a result of the Commonwealth-State agreement on the southeast. The proposals contained in the bill would reduce pulpwood quantities by an estimated 50 per cent overall. The economic viability of the chip mill would be reduced to the extent that it would probably be able to operate only on a one shift program. To all appearances the death of the timber industry in the southeast is the desired outcome by all members opposite. These industries depend on timber for their very existence.

I am astounded and disappointed that the bill makes no provision for public consultation, particularly given the level of impact it will have on local communities. There is no doubt that the bill has been drawn up by the green machine, the people who usually champion the idea of public consultation. Yet in this bill public consultation has no place. The bill seeks to remove public input entirely from land allocation and forest use decision-making for the southeast of the State. The people who are most affected are to have no say in the matter. That is just ludicrous. At this time the New South Wales Forestry Commission's 1992 Eden environmental impact statement is well under way. Interestingly, some of the same people who had a hand in drafting the bill were at the forefront of calls to extend the period for public input into the process. The Commissioner for Forests personally spoke to some of the people who expressed an interest in the matter. Their concerns were addressed and the period was extended. I wonder why we bothered. I ask now: will the proponents of this bill extend the same courtesy to the residents of the southeast?

This Government has actually promoted wide public consultation on matters involving public land allocation and land use decision-making. Examples of this are the Forestry Commission's programs of environmental impact statements and the National Parks and Wildlife Service wilderness evaluation processes. Under this bill the whole process of public consultation is thrown out the window. So much for public input! So much for democracy! I am also concerned that the bill rejects ecologically sustainable development principles. There is no evidence to suggest that current planned multiuse forest management in the southeast poses any threat to ecological values. No flora or fauna species are under immediate threat of extinction. Water and soil resources are not diminishing. Forests are protected from major wildfire. Natural attractions are accessible for public enjoyment and timber and forest products harvesting is therefore conducted on a sustainable basis. In fact, the final Resource Assessment Commission report concluded:

> The inquiry is satisfied that currently the agencies have in place sustained yield management strategies for wood production. The evidence before the inquiry is that these strategies are appropriate. The agencies' yield projections are supported by the inquiry's own analysis of the data the agencies have provided.

In light of such comment how can this House possibly justify the bill rendering forest resources far less available to the industry and to the community, particularly when it is obvious that the current management regime represents a sensible balance? Earlier I suggested that the proponents of the bill should have done a little more homework. That certainly applies to the statements that have been made by the honourable member for Bligh in relation to old growth forests. The honourable member for Bligh selectively quoted from the Resource Assessment Commission forest and timber industry inquiry in her second reading speech simply to sustain her argument. In quoting the paragraph she chose, she painted a very negative picture. She should have gone on a little further. As the honourable member for Bligh stated, the first option was for a rapid cessation of all logging operations within the forests. But what she did not indicate to the House was that the paper stated that this would result in significant loss of timber resource in some regions and it then went on to offer a second option which does allow logging.

The fact is that these forests are far from disappearing overnight. There are approximately five million hectares of such forest on various land tenures throughout the State, and 3.6 million hectares of this
Page 2447
forest type is found on State forest and national park lands, 92 per cent of which is preserved and will never be logged. The greens are not prepared to tell those facts. In the Eden native forest management area there are 390,000 hectares of publicly-owned native forest, 50 per cent of which is managed for conservation purposes and will never be logged. The honourable member for Bligh should tell that to her constituency. Furthermore, much of the publicly-owned forest land would not meet the strict definition for old growth proposed by the Resource Assessment Commission. However, most forest areas are dominated by ecologically mature trees; and under the current management status almost 200,000 hectares of this type of forest will not be logged.

Logging will occur in about 190,000 hectares of forest but even in these areas tree retention prescriptions will ensure that ecologically mature trees will remain. In a broader regional context the area surrounding the Eden native forest management area already contains extensive areas of national park. To the south there are 250,000 hectares of national park in the East Gippsland area of Victoria. North to Batemans Bay there are 104,000 hectares of national park, and to the west there are 627,000 hectares of national park. How much more does the honourable member for Bligh want, and at what price? In any event, I would hate to disappoint her but, according to the Resource Assessment Commission report, simply locking up areas of old growth forest as her bill proposes is not the best management option. Again I quote from the Resource Assessment Commission report:

> Simply placing existing stands of conservation reserves is not in itself an adequate long-term method of conservation.

Every time facts do not help the argument of those opposite they are pooh-poohed. Because all the studies that have been done in the south did not give them the conclusion they wanted, they have not accepted them.

Ms Allan: Tell us about the national forest strategy. What is that about?

Madam DEPUTY-SPEAKER: Order! I call the honourable member for Blacktown to order.

Mr WEST: The honourable member for Blacktown will have her chance to speak later. The honourable member for Bligh has also expressed her concern that continued woodchipping is pushing more than 40 endangered species of animals to extinction. It appears that this argument is based on a paper prepared for the Earth Foundation by Geoff Mosley and Alec Costin. The Mosley and Costin paper states that there are over 40 species of threatened vertebrates in the far southeast of the State. The irony is that these species include birds such as the wandering albatross, the little tern, Gould's petrel, the providence petrel, the little shearwater, the fleshy-footed shearwater, the osprey, the pied oystercatcher and the sooty oystercatcher, all of which prefer coastal habitats or the open ocean. It is difficult to imagine the threat that woodchipping would pose to these birds.

The honourable member for Bligh has also stated that there are "40 plant species which are rare or threatened at the national level". In fact there are 37 nationally rare and threatened plant species known to

occur in the southeast region, and three of these do not occur on Crown land. Of the remainder, 28 species are reserved on national park or nature reserve, nine are exclusive to such reserves and the remaining six species are on State forest. These six species have statutory protection under flora reserves or are in proposed flora reserves. The New South Wales Forestry Commission recognises that there are species of plants and animals which are potentially vulnerable to logging operations and it has developed appropriate strategies designed to preserve these species.

One of the other misconceptions which seem to pervade this debate is that the establishment of a system of access roads into State forests encourages the spread of feral animals into previously undisturbed areas. The fact is that feral animals inhabit national parks, State forests and private lands even in the absence of roads. In State forests roads have replaced fire trails. Such roads have actually assisted in the control of feral animals. The Forestry Commission, as part of its management strategy, has an active feral animal control program in both the Bombala and the Eden forestry districts. Feral cats and pigs are trapped, and bait station poisoning techniques for feral dogs and foxes provide for site-specific, controlled results. In addition, a predator control program has been implemented following koala steering committee approval.

Exhaustive scientific studies have been conducted in the area. Let me give examples. Arboreal mammal and bird studies commenced in the early 1970s with participation from the Australian Museum, the National Parks and Wildlife Service, and the Forestry Commission in an ongoing study. The Yambulla hydrology study was commenced in the mid-1970s. It is an ongoing collaborative study between the Commonwealth Scientific and Industrial Research Organization, the University of New South Wales, and the old Soil Conservation Service - now being operated through the Department of Conservation and Land Management - and of course the Forestry Commission.

The Tantawangalo catchment project which was established in 1982 continues under an external management committee; the Eden burning study commenced in 1985 by the New South Wales Forestry Commission is another ongoing project; the 1988 Eden native forest environmental impact statement; the 1990 environmental impact statement; the 1989-90 Joint Scientific Committee, this involved widespread data gathering with analysis by the Australian National Universities Centre for Resource and Environmental Studies. The JSC report is widely recognised as the most comprehensive study of the biological conservation values of the southeast forests yet undertaken. It also represents the most

comprehensive assessment of the effect of forest management practices on those conservation values.

Again, because that report does not deliver what the Opposition wants, the Opposition is not prepared to accept it. Why is it that the National Parks and Wildlife Service of New South Wales, which claims to be your friends, was prepared to accept that? Why was it that the Commonwealth Government was prepared to accept it as the basis for negotiation with this Government? Clearly that gives it some standing. The 1989-90 regional consultative committee, with New South Wales and Victoria representatives, was set up by a Labor Minister in conjunction with the former Minister for forests, Ian Causley. It still goes on, setting up a consultative committee between New South Wales and Victoria.

There were the 1989-90 Resource Assessment Commission forest inquiry with specific references to the southeast forests; the 1990 flora and fauna survey reports; and the 1990 koala and potoroo steering committees - work is ongoing with the National Parks and Wildlife Service. The New South Wales Forestry Commission is implementing appropriate management plans resulting from that. Do not forget,of course, the Eden environmental impact statement process which I have already mentioned. Conservation is an admirable goal. The Government acknowledges and supports that. However, the effect of integrated logging operations on endangered species in the southeast should be considered in the context of a key conclusion made by the JSC:

> Given an enlarged reserve system, multiple use forestry incorporating wood production can take place within national estate forests outside reserves without compromising biological values. There is no scientific evidence to indicate that current management practices will result in the extinction of any organism, either plant or animal. Rare species in marginal habitat or at the limit of their range, such as the long-footed potoroo and the koala may require habitat manipulation for them to survive in small, local populations.

It is clear from this statement that the South East Forest Protection Bill proposal to establish large reserves in the southeast is not necessary to ensure the protection of such species as the long-footed potoroo and the koala; there has to be balance and that is what is lacking in this proposal. The agreement the Government has developed with the Commonwealth will create six large national parks, two nature reserves, six flora reserves and one forest reserve for management as conservation areas in the southeast. A new Coolangubra National Park will be established consisting of 12,300 hectares to protect rare plants and a dry rainforest.

There will be established: a new Tantawangalo National Park of 6,600 hectares to protect rare plants, unusual swamp communities, tall eucalypt forest and koala habitat; a new Bemboka National Park of 16,000 hectares to protect the rugged scenic landscape and cool temperate rainforest north west of Bega; a re-named and enlarged Genoa National Park of 14,000 hectares to protect unusual swamp forest and habitat for the long-footed potoroo and tree-dwelling mammals; a Bia Manga National Park of 4,600 hectares to protect an Aboriginal place and moist eucalypt forest in high elevation; a new Yowaka National Park of 6,500 hectares to protect rare local endemic plants along the Egan Peaks; two nature reserves totalling 2,800 hectares to protect plant communities of the Monaro tableland; six new or expanded flora reserves totalling 4,100 hectares to protect other important conservation values; and one new forest reserve totalling 2,600 hectares to complete the set of new reserves.

All together 50,000 hectares, already proposed by the Government, will be added to the existing complement of reserves in the region. Selection of the new reserves was based on scientific research undertaken by the National Parks and Wildlife Service and the Joint Scientific Committee. Importantly, our new reserves properly and adequately protect the region's rich biodiversity. The new Bemboka, Tantawangalo and Coolangubra National Parks cover spectacular forested country on the edge of the Monaro tableland. Together with the new Genoa National Park they form an almost unbroken habitat link along the escarpment from inland of Batemans Bay in the north all the way to the border in the south, creating a back-to-back spine with national parks in Victoria. New coastal and hinterland parks include the Bia Manga National Park and the Yowaka National Park that triples the size of the exiting Egan Peaks nature reserve. Two new nature reserves, the Coolumbooka and Bondi Gulf, lie to the west of the greater escarpment national parks.

As I have said, the new reserves protect a number of rare, threatened and endemic plants, unusual plant communities and a variety of wild life species, including one of Australia's rarest mammals, the long-footed potoroo. The Forestry Commission and National Parks and Wildlife Service are collaborating to prepare species plans of management of the long-footed potoroo and the koala which are also uncommon in the area. A rich diversity of moist eucalypt forests and dry wetlands are included in the mosaic of reserves as well as cool temperate, warm climate and dry rainforests. The reserves provide opportunity for outdoor recreation and protection for the region's magnificent scenery and unique Aboriginal heritage.

The joint Federal-New South Wales announcement on the new reserves followed exhaustive negotiations with the forest resources and environment Ministers from both Governments over many hours and weeks. Ultimately, unanimous agreement was reached. That agreement provided a commonsense and peaceful resolution to the issue surrounding the long running South East Forests debate. By contrast, this bill would revive the debilitating series of conflicts that we have seen in the past. I make no bones about that. Most people today believe good government is getting the balance right between the economy and the environment. That is what the Commonwealth and the New South Wales Governments have done. Good government is not about blindly implementing the agenda of an avaricious green lobby. It is a pity the honourable

member and members opposite have not learnt this.

The agreement the Government has put into place safeguards the long-term future of a legitimate timber industry, its employees and the towns where they live with the ability to confidently plan for their future. An industry restructuring package is nearing completion and with Commonwealth assistance the package is due to come into effect after the resource security and export licence commitments are in place. I caution all honourable members to think very seriously about how they vote on this particular bill. It is a recipe for

economic disaster. It is a recipe for community oblivion in southeastern New South Wales. In the interests of commonsense I ask all honourable members to reject this bill because the consequences could be dire for the lives and livelihoods of a lot of people in this part of the State.

Ms ALLAN (Blacktown) [10.38]: I lead for the Opposition in this debate. The South East Forests Protection Bill was presented to this Parliament by the honourable member for Bligh in recognition of the very high conservation value of the southeast forests. It recognised the preservation of the southeast would have to be the most pressing conservation issue facing this State. The bill presents a genuine effort by the member for Bligh and the conservation movement finally to bring to an end the long running conflict in the southeast. It has been a long running conflict. Concerns about the inadequacy of the reserve system in the southeast of New South Wales can be traced back as far as 1967, at least. On the most recent advice, there is no dispute that these forests have significant values of regional, national and international importance.

Experts in the field of conservation have endorsed these sentiments without reservation. It is worth referring to the report of the legislation committee on this bill. I might add that the Minister for Conservation and Land Management has not referred to the report to the extent he should have. In the report of the Legislation Committee upon the South East Forests Protection Bill, tabled in this House in November last year, Dr Geoff Mosley, an environmental consultant, is quoted as saying in relation to the southeast, "Our conclusion is that this area definitely warrants inclusion on the World Heritage". He continued:

> In other words, in the future, as I see this area, it is one of the highest-valued conservation areas in the world. At the moment there are about 80 areas around the entire world. That is if an adequate reserve system can be secured.

Dr Mosley's comments are reinforced by Dr Tony Norton, research fellow from the Australian National University, who told the legislation committee upon the bill that:

> We are here talking about the forest ecosystem, that is not just significant in terms of State and national perspective but it is quite clear now that we are talking about forests that have global importance. The second point is we are talking about forests which are in my view an endangered species . . .

Dr Mosley and Dr Norton did not give these assessments to the committee lightly. Their assessments have been backed up by the fact that the area contains significant old growth forest, which is regarded as important by the Australian Museum and the Resource Assessment Commission. The commission has recognised that the loss of old growth forests represents the loss of an irreplaceable resource, with 90 per cent to 95 per cent of our original old growth forests now having been cleared. Old growth forests foster a diverse range of flora and fauna. Thirty per cent of the region's rare species are recognised as being of conservation importance. There are 52 species of mammals, 290 species of birds, 43 species of reptiles, 22 species of amphibians and as many as 23 fish species. Forty-six species of the region's fauna are based on the endangered species list. The area, of course, also has sites of historical and cultural significance to the Aboriginal people.

For those reasons, New South Wales Labor has, since 1988 under the Unsworth Government, supported an 80,000 hectare national park in the southeast to protect all of these values while protecting the rights of employees to compensation, retraining or other measures. We have always held the dual concern for conservation and employment. The defeat of the Unsworth Government and the election of the Greiner Government, which supported a policy of logging sensitive old growth areas, again placed the area's future in doubt. As a result, a joint scientific committee was established between the State and Commonwealth governments, with a reporting date in 1990.

The recommendations of the joint scientific committee formed the basis of the 1990 Hawke-Greiner agreement, which supported the creation of a 50,000 hectare reserve. The parks proposed under this agreement reflect basically the scraps of the Forestry Commission. All the uneconomical logging areas were farcically recommended to be part of the so-called representative reserve system. Honourable members have heard the Minister for Conservation and Land Management list those areas. He failed to mention, of course, that wilderness areas were deliberately left out of the reserve. The Hawke-Greiner agreement of 1990 was a

political agreement. It was obviously inadequate to properly conserve the environmental values of the area.

The political nature of this agreement has since been confirmed by several individuals and organisations which have attacked both the joint scientific committee and the 1990 agreement. These include a number of people such as Mr Keith from the National Parks and Wildlife Service, Dr Margules from the Commonwealth Scientific and Industrial Research Organisation, the Australian Museum, the Australian National Parks and Wildlife Service, Dr Possingham, Dr Mosley, Dr Costin, the New South Wales National Parks and Wildlife Service, Professor Harry Recher, Mr Jenkins of the CSIRO division of wildlife and ecology, many of whom made submissions to the Legislation Committee upon the South East Forests Protection Bill.

Page 2450

It is not surprising that three years down the track not a single reserve has been created and the 1990 agreement has not been ratified. Despite the exhaustive list honourable members have just heard from the Minister for Conservation and Land Management, he cannot point to the creation of an actual reserve. All that has resulted is the Fahey Government's recent approval for logging of all the special protection areas in the southeast. I want to take the opportunity to tell the House that I have at long last found myself in agreement with the honourable member for Monaro. As chairman of the legislation committee examining the bill, he concluded:

> The fate of forest workers' jobs and the forests will be ultimately decided on the floor of the Parliament, not through academic debate or further inquiries.

No truer words have been spoken. Today I signal the beginning of the resolution of the crisis in the southeast. The South East Forests Protection Bill is flawed legislation. It requires substantial amendment, and that is what the New South Wales Opposition intends to make to it. The need for the extensive amendment was recognised by the majority report of the legislation committee, to which the honourable member for Bligh was a signatory. The committee's report concluded that the bill in its current form was unable to satisfy the need to compensate workers affected by the creation of the proposed 110,000 hectare national park. The Opposition has made its position clear to both the conservation movement and to the timber industry and its employees.

The Opposition will not support legislation to create national parks in the southeast unless workers can either be given alternative employment opportunities or compensation. Consistent with that approach, the Opposition intends to move 40 amendments to the legislation. By these amendments the Opposition will achieve three main objectives: first, it will put an end to the conflict in the southeast and preserve the area's environmental values; second, it will act to protect employment rights of timber workers and their families; and, third, it will force the State and Commonwealth governments to adhere to their own agreements on forestry policy. I shall address each of these matters in more detail.

The amendments will remove the job versus environment nexus in the southeast by ensuring that both of these issues receive substantial consideration. A moratorium will be placed on logging of 90,000 hectares of sensitive land in the southeast until the end of 1995. It would be wise for the Minister for Conservation and Land Management to listen to what I am saying, because it was obvious that his lengthy contribution had probably been sitting on his desk for the past six months in anticipation of this debate. His contribution certainly failed to address not only the amendments, copies of which have already been provided to the Government, but also the debate that has been occurring in this place for some considerable time in relation to this issue.

The Opposition's amendments will permit the Director of National Parks and Wildlife to investigate this area between now and 1995, as recommended under the 1992 national forest policy to which both the Premier, the Hon. John Fahey, and the Prime Minister, the Hon. Paul Keating, are signatories. At the same time the Opposition will not desert the timber industry and its employees. That will be despite the hysteria that will no doubt be heard from some of the colleagues of the Minister for Conservation and Land Management, not only in this Chamber but also, I predict now, on the regional airwaves in the southeast on the coming mornings. I look

forward to tuning in to the honourable member for Bega, who is currently interjecting, the honourable member for Monaro, and perhaps even the honourable member for Burrinjuck, as they peddle their lies about how the Labor Party in this State is trying to abandon timber workers and their families.

I am pleased to give them an opportunity to practise and exercise their vocal chords for the amount of rubbish honourable members will hear during the course of the next few mornings. In contrast to the lies that honourable members opposite will attempt to peddle, the Labor Party intends to encourage and enhance the timber industry in the southeast of New South Wales - an industry that this Government and the former Greiner Government have neglected since 1988, despite the political hype of that year. An alternative timber supply, outside the moratorium area, will be provided for both the chip and saw log industries. That will be achieved by removing the environmental impact statement requirements for the remaining area of State forests, which will form an essential part of the amendments to be moved by the Opposition.

The method will be similar to the method so successfully pioneered by this very Minister under the Timber Industry (Interim Protection) Act. The Opposition has learnt from the Minister's record with the Timber Industry (Interim Protection) Act and proposes to apply those same principles to the southeast forest region. As a result of the Opposition's amendments, the industry will have at its disposal eight times its timber requirements. My colleagues the honourable member for Moorebank, the honourable member for Port Stephens and the honourable member for Granville, will go into more detail about the substance of the proposed amendments.

The contrast between Labor and conservative Government members in regard to the issue of the environment will become obvious today. This has been a significant week. Unfortunately, the Minister for the Environment is not present in the Chamber for a debate which I would have thought would have been the most significant relating to his portfolio, as he has been fortunate enough to hold that portfolio. I look forward to the Minister's participation in the debate but I will not hold my breath because, as with the debate on the Wilderness Act which took place in this Chamber a fortnight ago, honourable members will probably hear a remarkable contribution from the Minister for the Environment by virtue of the fact that
Page 2451
he is not going to make a contribution.

I say to the Minister, who may be listening on the monitor, "Wherever you are, Mr Hartcher, I send out this challenge. The conservation movement in this State will be grossly disappointed if you permit the honourable member for Burrinjuck, the honourable member for Bega and the honourable member for Monaro to take responsibility for the most major environmental decision to be made by this Parliament this year - perhaps the most major decision relating to your portfolio. Come down, Mr Hartcher, please, and contribute to the debate. If you cannot come down, will you at least send that toady Assistant Minister for the Environment to make you look good, so far as the conservation movement is concerned".

This week the wimpish and weak Minister for the Environment got very excited when he announced the creation of two national parks. I do not believe he even had to leave his electorate on the Central Coast - a marginal electorate, by the way - to get excited about the announcement. That very announcement by the Minister earlier this week highlights the contrast between the Government, the Opposition and the Independents on conservation issues in this State.

As I understand it, the Premier made a late night call to the Minister for the Environment on Sunday night and said to the Minister, "I am going to let you out of your box this week. I will let you off the leash tomorrow and you can announce the establishment of two national parks. As did my predecessor, Nick Greiner, I have frozen all national park creations during the past four or five years but I am now going to give you the opportunity to announce two national parks". On Monday the Minister for the Environment announced a pathetic 8,500 hectares of national parks on the Central Coast and mid South Coast of this State. He had not thought about those particular national parks himself, nor had the Government. Like most conservation initiatives of the Government, they have been forced on the Government in response to initiatives taken by the Opposition and Independent members of this Parliament.

The Government decided it was opportune to announce the establishment of a couple of new national parks this week because, not only was there a strong likelihood that the House would be discussing the South East Forests Protection Bill but also would be discussing the National Parks and Wildlife (New Areas and Miscellaneous Provisions) Amendment Bill introduced by the honourable member for Manly, and both of those major items of conservation legislation would completely turn around the creation of national parks in New South Wales. The Government had to say something, so it announced the declaration of 8,500 hectares on Monday. It could not even think of a new name for the national park, so it pinched the name Popran National Park from a by-election pledge made by the Leader of the Opposition; it also switched the Swan Lake National Park, and pinched that as well. Both were announced on the run and in response to legislation that the Opposition had been signalling in the Parliament.

The Opposition, by way of amendment to the South East Forests Protection Bill, will create 90,000 hectares of park, with the mechanisms in place to ensure that minimal job dislocation will occur in the southeast. Honourable members have before them this morning the opportunity to make a special contribution to the national park estate of New South Wales, unlike the poor announcement made on Monday by the Minister for the Environment. The announcement on Monday and this action by the Opposition today are indicative of the Government's lack of vision on environment issues. When an opportunity comes along - as it has this morning - to share in some of the vision on the environment now being provided to the Government by the Opposition and the Independents, the Government has shown that it can bring out only the tired old phrases which, unfortunately, the Opposition has been hearing for the past two years from Ministers such as the Minister for Conservation and Land Management.

The Minister has already subjected honourable members to those tired old phrases this morning. He has practically rehashed from his computer database those speeches he made during the debate on the interim endangered fauna legislation and the timber industry protection legislation, and has made the same baseless allegations that he made then. For example, the Minister has argued that the proposed legislation will create chaos in the southeast. I am pleased the Minister for Conservation and Land Management has returned to the Chamber. I hope he will learn something from the contributions that will be made by Opposition members. All the Minister has predicted is doom and gloom and disharmony; the end of Christianity as we know it; and other major problems in the southeast.

Despite the impressive staff resources in his office and the department, available to comb through the Opposition amendments and see what is contained in them, the Minister has failed to address that issue. If the Opposition, with its limited available resources, can respond as it does to Government attempts to improve some of its legislation, there is no excuse whatsoever for the Government not to address them as well. The Minister comes into the Chamber with a tired old speech based on a limited report which was made in November 1992, and has not attempted to address any of the issues that have arisen since that time. In conclusion, the Minister for Conservation and Land Management has referred repeatedly to the 1990 agreement between Prime Minister Hawke and the former Premier. I have referred to it, also, and have made it clear that the Opposition has regarded that legislation as inadequate since the time of the agreement. One reason why the legislation has not come before the House until today is that the Opposition and Independents have been involved -

Mr Schultz: You did not have the guts to introduce it.

Ms ALLAN: The honourable member for Burrinjuck interjected and accused me of not having

enough guts to bring forward the legislation. I think it was an accident that today the honourable member for Burrinjuck wore his new suit. He did not realise that he would have an opportunity to participate in this debate. However, I am pleased that he has worn his funeral robes because that is where he is going. The Opposition could not be accused of not having enough guts. Over the past few weeks we have attempted to persuade the Federal Government to deal with some of the issues -

Mr Knowles: On a point of order. On at least five occasions the honourable member for Burrinjuck

referred to the honourable member for Blacktown as a liar, a peddler of lies and a liar without guts. I consider that to be disgraceful. This is an important measure and it should be considered seriously by this House. I ask that the honourable member for Burrinjuck withdraw his remarks and apologise.

Mr Schultz: On the point of order. I was responding in a like manner to the accusations thrown at me by the shadow minister some three or four minutes ago. I have no intention of retracting my statements unless a similar courtesy is paid to me by the shadow minister.

Ms Allan: On the point of order. I retract my statement that the honourable member for Burrinjuck is wearing a new suit. That is the only accusation I made.

Mr West: On the point of order. The procedure in this Parliament is that if a member is offended by an interjection, the member who is offended should take a point of order and ask for a withdrawal, not another member on that member's behalf. If the honourable member for Blacktown is so incensed and concerned about the interjections -

Mr Knowles: I thought it was disgraceful.

Mr West: I accept your point, but there is a proper procedure to follow and the honourable member for Blacktown should follow that procedure.

Mr ACTING-SPEAKER (Mr Hazzard): Order! It is the rule of the House that the offended member must raise the matter. The remarks of the honourable member for Burrinjuck were made, no doubt in the heat of debate, as were responses to certain allegations and statements made by the honourable member for Blacktown. I ask members to observe the spirit of the debate and focus on the bill.

Ms ALLAN: I look forward to the contribution of the honourable member for Burrinjuck. The Minister for Conservation and Land Management referred frequently to the 1990 agreement of the Commonwealth and State governments. However, he failed to justify why the Government has not been able to declare any reserves in national parks that were part of that agreement. In the past few months the Opposition has attempted to persuade its Federal colleagues that a permanent solution to the southeast forest issue will not eventuate unless the Federal Government provides the much-needed resources that were identified by various independent experts to the southeast forest legislation protection committee last year. Though the Minister for Conservation and Land Management failed to address adequately the independent advice that was given to the committee, preferring to deal with earlier submissions rather than the final submission made by Mr Mike Smart, the Opposition acknowledges that unless the Federal Government provides the necessary resources we will not be able to effect a long-term solution to the southeast forest protection issue.

The Opposition will seek to move amendments today to ensure that the bill is not lost to this Chamber over the next two and a half years. A process should be put in place whereby resources can be found by both Federal and State governments for a permanent solution to a problem that I believe honourable members from the southeast of this State prefer we do not find, because they would have no opportunity to make acrimonious interjections or contributions to the debate that no doubt they will make this morning. In the past few months the Opposition has attempted to negotiate with the Federal Government, and in particular the Prime Minister, to ensure that those resources are available. In the past few weeks correspondence has flowed between Prime Minister Keating and my parliamentary leader, the Hon. Bob Carr. I shall refer to one letter -

Mr West: Tell us the results of those letters.

Ms ALLAN: As the Minister for Conservation and Land Management said to me when I interjected while he was speaking, "You will have your go. You can get your stooges to make your comments later in the debate". The Hon. Bob Carr wrote to the Hon. Paul Keating seeking support from the Federal Government to ensure that the South East Forests Protection Bill operates as soon as possible. Unfortunately, at present we have not got the response from the Federal Government that we wished. We have not got the big cheque for

$40 million either, but we do have an interesting observation from the Federal Government on the 1990 agreement between the State and Federal governments. This morning the Minister for Conservation and Land Management spoke about that agreement as if it were set in concrete. That is not the case with the 1990 agreement. When this legislation, with our amendments, passes through Parliament, that agreement will be revised. That has been acknowledged by the Federal Government. In a letter to Mr Carr dated 22nd April, the Prime Minister wrote:

> I would view the passage of the proposed NSW South East Forests Protection Bill through the NSW Parliament as a repudiation of the 1990 agreement by NSW. As a result, the restructuring package being negotiated between the Federal and NSW Governments would obviously need to be re-examined.

The letter states unequivocally that the Federal Government will be prepared to negotiate with the New South Wales Government, following the passage of this legislation, to work towards getting that package in 1995. It is important to recognise that the Federal Government believes that the New South Wales Legislative Assembly is going to be responsible for this legislation. As the honourable member for
Page 2453
Monaro said in the legislation committee's report, "It is the Parliament of this State that is going to determine the future of the southeast forest". The Federal Government will not allow itself to be sidetracked by the shenanigans of the Minister for Conservation and Land Management and his cohorts. It is prepared to negotiate with the New South Wales Government if this legislation is passed today.

When honourable members have had the opportunity to peruse our amendments they will acknowledge that what will be passed by the Parliament will be a process whereby that negotiation can continue over the next two years. While those negotiations are taking place the conservation movement in New South Wales can be satisfied with what we are seeking to achieve. The timber industry and the communities of the southeast can be satisfied that they are not represented merely by a few pariahs. The New South Wales Opposition will elevate their concerns about their employment future when these matters are discussed over the next few years.

Mr SMITH (Bega) [11.8]: It saddens me that once again I must defend the southeast timber workers. It has been a 20-year ongoing defence of hard-working, dedicated people. I feel sorry for the wives and children of those workers. Their lives have been in turmoil for most of those 20 years, generally because of the substantial investigation into this particular resource. The southeast forests area is probably the most studied of any forest area in New South Wales. I spent 30-odd years at Bombala, one of the townships that will be most affected by this bill should it pass through this Parliament. I know a lot of people involved with and or working in the timber industry. I feel extremely sorry for their families. They know that this bill is before the Parliament and that their livelihoods are being threatened once again. I have a genuine and sympathetic understanding of their problems.

Neither the Opposition nor the honourable member for Bligh understand the timber industry. The Minister for Conservation and Land Management pointed out that the concession area allocated for timber is of the order of 390,000 hectares, 200,000 hectares of which is already preserved in one form or another. In other words, of the area available to the timber industry only 50 per cent is accessible to the industry. It is incorrect to say that there is no preservation of old growth forests in the southeast. In addition, with regard to national parks and other reserves in this State 92 per cent of old growth forests have been preserved. The pressure being brought to bear on the southeast region at the moment is the result of the political gamesmanship of the honourable member for Bligh, who has the support of the Opposition, which has had several attempts to introduce such a bill.

In 1987 the Hon. Barrie Unsworth suggested a similar proposal, and that involved the establishment of approximately 80,000 hectares of national parks in the southeast. In 1992 the honourable member for Blacktown tried to get the bill up again. The honourable member for Bligh is now trying to force the bill down our necks with a proposed conservation area of 111,000 hectares. Given all that, does the Opposition suggest that by accepting its suggested amendments the timber industry will be able to continue with what is left? The next cry will be, "Where is the sustainability of the timber industry?" It is a land grab exercise, pure and

simple. The honourable member for Bligh claims that a money package will be negotiated to enable the restructuring program to be put in place.

Any restructuring program requires that the workers be compensated, and that there is ongoing commitment. Remember: plantations, from which there will be no returns for 30-odd years, cost money. They must be maintained and land has to be set aside or bought. No land in the southeast, which is not already forested, is climatically suitable for eucalypt harvesting. Land will have to be purchased, and that requires money. The land will then have to be planted - that requires money. Roadworks also require an upfront capital commitment. No assurance has been given to the Parliament that that money will be forthcoming. The honourable member for Bligh has not stated that the Federal Government will provide the necessary funding to pay for the restructuring program.

What is to become of the people who will be forced to leave the timber industry? The Opposition believes that they will be forced to log the timber that is left. How crazy is that? The timber industry would be unsustainable. The honourable member for Blacktown half-quoted the report of the legislation committee to which this bill was referred; she only half-quoted the conclusions of the honourable member for Monaro and the honourable member for Burrinjuck. I will now refer to the conclusions in more detail. The report concluded that the bill should be condemned for failing to take account of the social consequences - job and industry losses - of its introduction. The Chairman's foreword reads:

> . . . I can only conclude that the fate of the forest workers jobs and the forests will ultimately be decided on the floor of the Parliament, not through academic debate or further inquiries.

There is no doubt that those conclusions are correct. The majority recommendations state that we should go ahead, dedicate 110,000 hectares of national park to the southeast and put in place employment packages. It also estimates that in excess of $28 million would be required for the special employment package, to be spent over two years. But from where will that $28 million come? This bill has been put forward by someone who knows absolutely nothing about the operations of the southeast forests. Because the honourable member for Bligh has visited the region on two occasions - she had a look at the Tantawangalo area once with some conservationists and she made another trip with the legislation committee - it does not mean that she knows how the timber industry works. If she wants to know how the timber industry works, she should stay down there and spend some time with people who work in the timber industry to see what happens. If the honourable member had seen the timber industry in its totality, she would never have presented this bill. Had she spoken to some of the people who will be put out of work in

Bombala and Eden, she would have thought twice about presenting this bill to the Parliament.

I cannot understand why the honourable member for Bligh should want to have her views on a matter she knows very little about forced on the people working in the southeast forests. She may know all there is to know about her electorate but she knows absolutely nothing about how the timber industry works. I hope this bill does not pass, but if it does I expect the honourable member to go to Eden to speak to the mill workers, who will lose their jobs, and to their wives and families. She will have to explain to them why their families have been put at risk. It is an absolute disgrace that the honourable member for Bligh - after she and her mates were elected to this place with 1.6 per cent of the vote - is able to dictate to people who do not live in her electorate and make decisions about their jobs.

An important person in this debate is the honourable member for South Coast. At different times he has shown green tendencies in this Parliament. I well recall the instance when an industry in his electorate - I think it was the Shoalhaven pulp and paper mill - was going to suffer problems through job losses because a conservationist, A. J. Brown, had taken the Environment Protection Authority to the Land and Environment Court because a new licence to dispose of waste had been issued. The honourable member decided to support workers and an industry closely associated with the timber industry in his electorate. He got a great deal of support from the Government. An offer of further assistance has been given to the honourable member with respect to the Environmental Planning and Assessment Act in case the appeal of A. J. Brown is successful. I

hope the honourable member for South Coast will give the same consideration to workers outside his electorate that he gave to workers in his electorate whom he so vehemently defended when their jobs were at risk.

I appeal to Opposition members and the Independents, other than the honourable member for Bligh, to give grave consideration to the bill. In my opinion, if the bill is passed, some of the worst demonstrations ever seen in forest areas will occur. The proposed legislation could cause 500 to 1,000 people to be out of work. Unbelievable demonstrations will occur in the southeast forests, with unforeseeable results. People in those areas know the bill has been introduced and is before the Parliament. The bill sat on the table month after month but was not debated. The Opposition has been saying through its shadow Minister that it would vote against the bill, yet now we are told the Opposition will seek to move amendments to it. The Opposition has been totally inconsistent in its stance on the bill, and the timber industry is well aware of that. The shadow minister knows that he wrote a letter to the Forestry Commission in which he stated that if money were supplied by the Federal Government for the restructuring package, the Opposition would vote for the bill. The timber industry is also well aware of that letter to the Forestry Commission and knows the Opposition has been telling one story to one group and another story to others.

The Opposition has changed its mind once again and is saying it will vote for the bill. Blow those hard-working people in Eden and Bombala! The bill will close down the mills and put 500 to 1,000 people out of work, but will not provide compensation to contractors for their machinery or to closed mills. The Bombala mill would close almost instantly. The Eden mill would have a lingering slow death over a year or two. Work at the chipwood mill would be halved and revert to one shift. The implications of the bill are astronomical. I do not believe the honourable member for Bligh has put any thought into the bill apart from the political gains she might get from it. I appeal in particular to the Independents to give serious consideration to the effects of the bill on the people of the southeast, and I hope eventually they vote against it.

Mr MARTIN (Port Stephens) [11.23]: In my contribution to this debate I intend to show up the really sick attitudes of politicians opposite. Government members seek to use this forum and rat cunning to achieve politically what they want without thinking of the long-term sustainability of resources and the viability of this State to ensure that appropriate decisions are taken to present a package for workers who are put out of work. I have always been consistent in my views on this issue. When I took over the role of shadow minister I inherited an Australian Labor Party policy of a commitment to 80,000 hectares of protected forest in the southeast of this State. I have always adopted the stance that I will not be party to any change to the present situation unless appropriate compensations are in place. That is what the bill is about.

If the honourable member for Monaro lifts his mental ability slightly and studies the intention of the bill, he will learn that it is about compensation for workers in return for the saving of old growth forest, primarily the Coolangubra forest. The bill is not about rape and pillage or short-term gain. The bill is about the long-term inevitability of forest management in this State. It is about what has not happened and what has to happen in forest management, that is, putting it on a sustainable footing. The bill is about putting packages in place to create plantations. It is about putting packages in place to put people into other forms of work. It is about getting people compensation for their trucking businesses. It is about compensation packages and about setting up working committees to ensure that happens.

Mr Schultz: This is not utopia, it is the real world.

Mr MARTIN: I am glad the honourable member said we live in the real world. The trouble with conservatives is that they look backwards, never forwards. Members opposite have always been the same. Ever since the Parliament met on the first occasion they have been dirty on everything but

convict labour. It is appropriate that the courtesies traditionally afforded in this House remain in place. The bill has been worked through extensively. The Opposition will not be party to a process that does not fully compensate those who suffer loss. The bill has been delayed week after week so that those processes can be worked through and put in place. Many people have been involved in that process.

The poor members on the benches opposite look backwards, with no thought about sustainability of plantations and soil conservation in the southeast. They blindly go forward without thinking of the future. They need to look further ahead but their vision leaves a lot to be desired. We will bring together workers, mill owners and others involved in that industry with government representatives to ensure that the packages are worked out and put in place. The Opposition is concerned about the long-term future of this State. Mr Acting Speaker, I thank you for the courtesy you have allowed me in this House today. However, I ask you to note the attitude of members opposite, who have no long-term thoughts for the needs of their constituents, and that is disgraceful.

Mr COCHRAN (Monaro) [11.29]: This is an ongoing saga that I have been part of for the past five years in an attempt to protect the right of constituents to work. They have a fundamental right to create a living for themselves and their families. I am rather sad for the Australian Labor Party on this day. I cast my mind back, as I have often done, to 5th March last year, when 5,000 timber workers and their families -

Mr Martin: Orchestrated by you.

Mr COCHRAN: Thank you for that - paraded and demonstrated in Macquarie Street outside this Parliament. They were all working people - traditional supporters of the Australian Labor Party. There they were out in Macquarie Street demonstrating against the Opposition - not against the Government - the traditional supporters of the working people of New South Wales. Opposition members should be ashamed of themselves. This is not an Independent bill. It is not the bill of the honourable member for Bligh; it is the same nonsense trotted out from the Opposition environmental spokesman. This is Labor Party legislation. The people of New South Wales will make no mistake on 25th March, 1995.

Mr Martin: Or earlier.

Mr COCHRAN: They know who now represents the working people of New South Wales. Clowns like the honourable member for Port Stephens will end up in the gutter where they belong. He does not represent the working people of New South Wales. The Labor Party has not done that since somebody spoke about the light on the hill. The light has gone out. Labor no longer represents the working people of New South Wales. The three unaligned Independents who support this legislation have deserted the working people of New South Wales, but they are irrelevant in this issue. We know precisely from where the honourable member for Bligh is coming. This bill is a cynical political exercise on her part. She has already brought the gays on side. Now she is after the greens that are not gay. Fundamentally this is a cynical political exercise by the honourable member for Bligh supported by the sheep who trot along behind her. But what is the bill about? It is about jobs and the future of Australia.

I find it extraordinary that the honourable member for Bligh, who should have some concern for the women in the industry, has absolutely no concern whatsoever for the women and children in the families of the timber workers of the southeast forests. Shame on her! If there were a bunch of gays down there, she would be behind them - about the only one who would be game to be behind them. This issue has been going on for 20 years. The people of the southeast forests have been defending their right to work. At the end of last year the South East Forests Protection Bill was investigated by a parliamentary committee and a report was presented to the House. I enjoyed working with the other members of the committee. I believe they had the interests of their political philosophies at heart. However, in their reporting they gave no credence to the scientific evidence placed before the committee.

I will demonstrate that this bill is a political exercise on behalf of the Australian Labor Party. Over the past six months the ALP has waxed and waned publicly on whether it would support the honourable member for Bligh. The ALP did not have the courage to introduce the bill. After the 5,000 timber workers demonstrated in Macquarie Street and rejected the ALP the bill was trotted off to the honourable member for Bligh. She saw the political benefits to herself by introducing the bill. The ALP fervently denied that it would support the bill. We now know that the Opposition spokesman on forests has told a barefaced and unequivocal lie to the people of the southeast. He told that lie prior to the Federal election to protect the Labor member for Eden-Monaro,

Jim Snow. His remarks are on record at the Australian Broadcasting Corporation. He said that Labor would not support the bill under any circumstances. If anyone can now stand up and tell me that this fellow is not a liar, I would be very surprised. A number of reports have been presented including one by the joint scientific committee -

[*Interruption*]

Mr Cochran: On a point of order. A comment has been made from the public gallery. I ask that you instruct the attendants that if another comment is made from a member of the gallery, the person involved be removed.

Mr Price: On the point of order. I suspect that the honourable member for Monaro may have misinterpreted my interjection as a comment from the gallery.

Mr COCHRAN: If that is the case, Mr Deputy-Speaker I withdraw the point of order. The joint scientific committee report published by Professors Richards and Nicks ended up being an intellectual debate between Richards, Nicks and
Page 2456
Professor Tony Morison. There was intellectual debate on the issues between the various factions in the university. They could not agree on the various matters that were put. A report was prepared by a person with established credibility, Diana Gibbs, a renowned economic consultant. She had worked as an advocate for the Total Environment Centre and was recognised by the environment movement as a worthwhile advocate. Her study specifically stated the effects of the bill on the workers in the southeast forests. On 25th November last year she sent a letter to me referring to the southeast region in which she said:

> . . . the region needs every source of economic activity that it can hang on to, if it is to achieve any sort of economic development and growth.
>
> Since I wrote this report, the final RAC report (March 1992) makes some very pertinent comments on the subject of tourism as a replacement for logging activities. *Inter alia*, the RAC concludes that:
>
> 1. There is no basis for statements that logging and recreational activities are truly mutually exclusive alternatives . . .
>
> 2. No assumptions can be made as to whether the absence of logging will enhance environmental quality in the forests . . .

Let us look at this issue. We have had Formby trotting about the southeast forests, and no doubt in and out of the office of the honourable member for Bligh, talking about an eco-tourism opportunity to replace the timber industry. This is the greatest furphy of all time. I will give the facts about foresters and let honourable members assess whether they think the foresters in the South East Forests would be suitable for the type of industries Formby is suggesting.

Many foresters have had little opportunity to be exposed to education. They have primarily grown up in the timber industry and therefore know it inside out and back to front. They operate very efficiently in their fields. Few of them have tertiary qualifications or skills other than those they acquired when working in forest industries. Not only that, their hearts and souls are in the industry. They come from a long line of foresters. The families of many of them have been in the industry for more than 100 years. They are proud to work in the industry. They have no interest in becoming involved in eco-tourism or the tourist industry. They simply want the right and the opportunity to work in the forest industry as it exists. They are greatly concerned about the future of the industry. They rely on the resource for their living. There is no better manager than a person who has a vested interest in the product he supplies. The honourable member for Bligh and other members opposite should remember that.

I am concerned about other issues regarding the political aspects of this matter. The foresters and the people of the southeast area over a 20-year period have spent long and tedious hours campaigning and lobbying

at great expense to their families and themselves - and depriving themselves of time they would otherwise have with their families - and they are tired. I suspect they are a little apprehensive about the type of people who represent them in this Parliament, and they know that every move made by the ALP and the Independents is to destroy their livelihood. I also suspect they feel a little sad that they have to rely on those few members of this House who believe that the industry has a viable future. In some reports there have been criticisms of the future of the forest industry. [*Extension of time agreed to*.]

In recent discussions with Bob Smith, the manager of Tablelands Sawmills in Bombala, I was advised that there is increasing demand for hardwood timber through their mill. They now have an expanding timber industry market. I ask the Opposition to take this on board, because it flaws the arguments supported by the Opposition.

[*Interruption*]

The honourable member asks where is the evidence. I suggest he telephone the people concerned. The greatest problem the Opposition has is that it listens to the scientists and not to the people who actually operate the forests. The problem with honourable members opposite who were on the legislation committee dealing with this matter was that they did not listen to the people who were actually involved. They closed their ears and listened only to the green side of the debate. The right-wing of the Australian Labor Party is on a roll on this issue but finds it difficult to consume. They should listen to the real people, not the hairies and fairies that members opposite deal with. The people who know are saying that the industry has a bright future. The reason for saying that is fairly simple: the building industry is getting increasing orders. We read that Paul Keating is saying that the building industry is on an upward trend; so why would the timber industry not be getting increasing demands for its products. Of course it is, but the Opposition will not listen to that.

The first thing members opposite should do when they leave this Chamber is telephone Bob Smith. The Government is aware of the games that the honourable member for Bligh and the ALP have been playing - interfering with the process of the logging industry. Also, the Government is aware of what is happening through the University of Western Sydney. I strongly suggest that honourable members opposite should reassess this whole matter simply because the evidence before them is fundamentally flawed. The Opposition has relied upon evidence given to it by people who, no doubt, are politically motivated and who have a philosophical policy so far as forests are concerned. The ALP is seeking to close down the forests at the expense of between 700 and 1,000 workers, whatever the number is. The advice given to them is that the timber industry has no future. However, the timber industry does have a future - and a bright future - but only if the ALP sees its way clear to support its traditional voting base, the workers. We will all have to wait and see about that. This legislation will not cause the loss of one job in the electorates of city-dwelling ALP members. It will cost the people of the southeast about 700 jobs. That is a very selfish approach. I am prepared to back up my statement that 700 jobs will be lost in the
Page 2457
southeast area. It will not result in the loss of any jobs in the electorate of the honourable member for Bligh. that is, those who have jobs. Most of them are on the dole.

Ms Moore: Oh yes, they are on the dole, and they are gay; we have terrible people in Bligh.

Mr COCHRAN: Yes, they are dole bludgers and queers, supported by the taxpayers. No jobs will be lost in the electorate of the honourable member for Port Stephens because of this very selfish decision. Diana Gibbs said:

> . . . after considering flow-on effects through the regional economy, total losses to the local community could total over 700 jobs, and around $48 million in annual value of output.

Who will replace those lost jobs? Is there any suggestion from the Opposition? Maybe we should all rely upon the Federal Government and Paul Keating to provide a grand handout from the Australian taxpayer. Honourable members well know that Australia has a substantial overseas debt. However, the Opposition is

perpetuating the problem by putting more people out of work. The Opposition is interested in that aspect; it is merely interested in protecting the philosophical interests of the greens, as is the honourable member for Bligh because she faces the prospect of losing her seat at the next election. I look forward to the next election because between now and then the Government, day after day, will wrap this bill around the ears of ALP members. The honourable member for Port Stephens, who told these deliberate lies on ABC radio, will be taken apart limb by limb by the people of the southeast.

Ms Allan: Ooh!

Mr COCHRAN: There will be more than "Ooh" from the honourable member for Blacktown by the time the people of the southeast have finished. Make no mistake about that. I challenge the honourable member to come down to the southeast forests and meet with the timber workers. We can stand on the back of a truck and the honourable member can tell them exactly what their future is after this bill is passed, because there will be no future for the timber industry once it is passed. The industry will be wound up. The jobs will be lost and the industry will be destroyed in one "foul" swoop. I remind the House that this bill was first introduced by the member for Blacktown as a piece of ALP legislation; and that is what the general public will perceive after today. The member for Bligh has been the vehicle to introduce this piece of legislation into the Chamber.

[*Interruption*]

She is a Labor Party stooge; that is well known. The people of New South Wales and the workers will know that the Opposition has deceived them into believing - prior to the election - that it will not support this bill, but it has. I think the people will declare that Opposition members are a shameful lot who have forsaken their dignity and their supporters. They will pay dearly at the next election. I feel sorry for the candidate who opposes me at the next election. He has a real problem now and so does the Federal Labor candidate for Eden-Monaro, Jim Snow, because he has admitted he was part of the deal. Immediately after the election he said: "I have struck a deal with the greens; it is all solved, and the timber industry is safe". Now we know that he joins the long list of liars in the Labor Party because that is simply not true.

The Opposition has been deceived by the scientists, by the green gurus and the left-wing of the Labor Party. The Independent member for Bligh will go down on the record as the person who introduced this legislation because the Labor Party lacked the courage to do so itself. The Opposition will not be game to face the workers in the southeast forests. I will set the date for the honourable member for Bligh to come down to the area and I look forward to the debate from the back of a truck. The Government will wrap this matter around the necks of members of the Opposition for the next 50 years.

Mr KNOWLES (Moorebank) [11.49] I propose to use the limited time available to me to deal with the factual position of the Labor Party; I will avoid rhetoric. Perhaps the best place to start is the report of the legislation committee, where the honourable member for Monaro left off. I would have thought that, as the chairman of that committee, he might have been a little more honest in the way he reported its findings. The report is available for all honourable members to read. I do not propose to waste my time reading too much of it into *Hansard*, but I would like to record two quotes from the majority report. That report states clearly that if the bill were to be supported the employment package would require substantial reworking and additional funding. That is a statement of fact. The majority report noted also that the bill requires additional efforts in its attempts to balance the compelling need to conserve against anticipated job losses.

I would have thought that was a fairly clear indication that the bill in its present form cannot be supported. It will not be supported in its present form and the Opposition will move a substantial number of amendments to it. For clarification, I should mention the legislation committee report in regard to the use of an independent person to assess the competing jobs claims. The honourable member for Bligh, the honourable member for Granville and I rejected both the Gibbs and Formby assessments of job losses and economic impact. The environmentalists and those supporting the pro-timber argument establish the two ends of a spectrum. An independent person named Mike Smart was employed to assess the competing claims. His findings are

contained in the report.

The Minister for Conservation and Land Management and the honourable member for Monaro would have shown more intellectual rigour and honesty if they had at least acknowledged Mike Smart's efforts to assist the committee in its deliberations. Bearing his conclusions in mind, we found that a substantial number of jobs would be lost if the employment package contained in the bill were to be implemented. As a consequence, we indicated that the bill could not be supported in its present

form. The Labor Party's fundamental position is to ensure that conservation measures are met with adequate alternative employment opportunities, compensation or redundancy, not only for workers but also for logging contractors, mill operators and owners.

It is a great shame that Government members who have spoken in the debate have dwelt on past perceptions, held on to token issues and not looked to the future. As an alternative, the Labor Party has attempted to resolve conflict. The Minister for Conservation and Land Management talked about a balanced approach and the need to establish an alternative strategy to resolve the historic conflict in the southeast. The amendments to be moved by the Opposition seek to establish a process which incorporates four essential points. First, we require a full assessment of environmental values of an area of land that, if conserved, will create an adequate, comprehensive and representative system of conservation reserves over old growth and wilderness forests. Second, we want to guarantee timber resources during the period of the assessment. Those guarantees will be far in excess of existing quota requirements. Third, we want to recognise that agreements exist between the States and the Commonwealth on forest policy and we do not want those agreements repudiated. Fourth, and importantly, we want to recognise that employees in the timber industry have a right to be assisted in the event of a conservation decision which may affect their livelihood. That said, we cannot support the bill in its present form. Our amendments demonstrate that.

I urge all honourable members to consider the amendments because the Opposition is serious in its desire to resolve this situation. The Opposition believes it is unsatisfactory to allow the economic, social and environmental turmoil and upheaval, which has been the hallmark of this dispute and debate since at least 1973, to continue. There must be a solution. That will mean a new approach to an old problem. Concessions and common sense on all sides are required and the Opposition's amendments reflect that objective. The amendments rely totally on existing government legislation and agreements negotiated by the present Premier and the Prime Minister. I refer to the national forest policy statement signed in December last year by the Premier and the Prime Minister and, for that matter, the Premiers of all the other mainland States in Australia. The important thing to recognise in that document is the relationship of the Government's undertakings with the Commonwealth. The agreement is quoted on pages 11 and 12. It reads:

> The Governments agree that, conditional on satisfactory agreement on criteria by the Commonwealth and States, comprehensive, adequate and representative reservation systems to protect old growth forests and wilderness values will be in place by the end of 1995.

That is an undertaking by all mainland States and the Commonwealth, and it was signed by the Premier of New South Wales in December 1992. The agreement means that with or without the bill, a process of assessment must be undertaken to determine those areas. Our amendments will merely facilitate that process. I note in passing that the national forest policy statement could be regarded as a repudiation of the 1990 Hawke-Greiner agreement. Nowhere in the national forest policy statement will one find a reference to the 1990 agreement. I understand, from my inquiries since the legislation committee concluded its deliberations, that despite attempts by the Forestry Commission and the Federal Department of Primary Industries and Energy to incorporate the 1990 agreement, it did not make the final cut.

As a consequence, the Opposition will rely on existing Government undertakings, as recent as those signed six months ago, to enforce our first principles. Although the Opposition will move 21 amendments, they can be divided into three areas. The first series of amendments will seek to reduce the areas outlined in the bill from 110,000 hectares to 90,000 hectares. In accordance with the national forest policy statement, the National Parks and Wildlife Service will be required to undertake an assessment to establish a system of adequate,

comprehensive and representative conservation reserves by December 1995. That is a direct quote from the documentation signed by the Premier. It will be incorporated into the bill so there can be no confusion. Members opposite will be unable to claim that the Opposition is doing something different. The first series of amendments will also impose a moratorium on logging during the period of assessment to conserve an area already identified as having high conservation value. Nothing in the amendments will compel the Government to gazette parks or reserves. The only requirement will be to carry out the assessment process in accordance with the national forest policy statement.

The second series of amendments deals with the way in which the Opposition will ensure the conservation of jobs and the availability of timber resources during the period of assessment to the end of 1995. Again the Opposition proposes to use existing Government propositions and models enacted in the Timber Industry (Interim Protection) Act to ensure an adequacy of supply. Honourable members will recall that that Act exempts certain areas of the northeast forests from the provisions of part 5 of the Environmental Planning and Assessment Act. Simply put, the Act removes the requirement for environmental impact statements while logging continues. The Act requires that an environmental impact statement run in parallel with a schedule of dates requiring the environmental impact statements to be completed. In accordance with our requirement for a process of assessment of the conservation areas, the Opposition will also require an environmental impact statement to be completed by the end of 1995. In the meantime logging can continue without the need for an environmental impact statement and, for that matter, without a financial impact statement.

As a consequence of that, no complaint can be made: one, that resources have been disrupted; two, that an inadequate supply is available; or three, that jobs will be lost. Government members will be

dammed if they go out into the bush and try to tell people that, because the Opposition will be using the Government's legislation to do it. That guarantee of supplies of timber, using current quotas and available resources, can be demonstrated by Resource Assessment Commission and Forestry Commission documentation. The guarantee will ensure that there will be at least 14 years' supply of pulp log and 13 years' supply of saw log. I should like to quote from someone Government members usually like to quote. I refer to Dr Clive Hamilton, who until not long ago was the head of research at the Resource Assessment Commission. He was the principal author of a study on the economic effects of the cessation of logging in the National Estate forests in southeast New South Wales.

The Opposition has put its proposals to him. Dr Hamilton has told us in summary that two provisions of the moratorium proposal will ensure that the Forestry Commission will be able to continue to provide sufficient timber to meet industry commitments. They are, first, the provision under which all areas outside the moratorium sites other than the special protection areas will be made available for logging before the completion of environmental impact statements; second, the fact that the bill will not be enacted until about September of this year. That provision will mean that the area restrictions will be introduced after the main wet season. Dr Hamilton said:

> These provisions will permit the Forestry Commission to revise its logging plans without an interruption to supply or a large increase in investments in roading. With proper planning, no interruption in supply of timber will occur as a result of the moratorium. I understand that the Bill will, in fact, require the Commission to undertake the necessary planning.

He is right, it will. That would be terrible. They will have to do some work for a change. The Opposition supports also the second series of amendments - in case the environmentalists think we are selling them out by opening up the forest without environmental impact statements. The Australian Museum also supports the second series of amendments. A report by G. H. Pike and P. J. O'Connor reveals that they regard the trade off, if you like, to be an acceptable trade off, recognising the importance of the 90,000 hectares that the Opposition seeks to conserve in the long term. Given the availability of time, I will not read their quotes into *Hansard* but I am happy to table them if required. Most important, the Opposition's proposal to lift the environmental impact statement provisions ensures a continuation of employment during the process of assessment both of areas nominated for conservation and areas the subject of ongoing logging proposals beyond 1995. [*Extension of time agreed to*.]

The Opposition's third series of amendments deals with employment and the economic adjustment that will be necessary as a result of any decision to conserve in the long term. Labor holds high the principle of sustaining employment, and holds high the principles that it has incorporated into the legislation committee report that jobs are important and that a balanced approach to this issue needs to be found. The amendments that the Opposition will move in Committee will recognise that, when lands are conserved from logging, there is inevitably a reduction in timber resource on a sustainable yield. That means quota reductions and, in the long term inevitably, job losses. The Opposition does not back away from that. Consequently, the Opposition has proposed the formation of a southeast regional employment and industry adjustment committee. It is substantially different from the committee mentioned in the bill, and for good reason.

The Opposition proposes that the bill be amended to reflect its efforts to establish a balanced approach to the assessment of job loss and compensation. Inherent in the amendments will be the recognition of the rights of workers, including compensation for logging contractors in some instances, and the creation of a system that will ensure workers are placed on the same footing as companies and the licenceholders when claims are considered. We have placed great weight on the views of the union in this area of the proposal. We have had discussions with union leaders and I believe we are in a position as a party to be able to look union representatives firmly in the eyes - as the honourable member for Monaro suggests that we do - and say to them, "You are protected because you are part of the process".

The amendments will require the nomination of two union representatives directly into the structural adjustment committee, to ensure that they have their say. When honourable members read the amendments - and I urge them to do so - they will appreciate that the committee will be more than just a token or nodding committee; it will have power to negotiate with the Commonwealth, because the Opposition will legislate to give them that power; it will be required to report to the Parliament; it will be required to report to the Premier; and, work will be done in parallel with the environmental impact statements. That work will have to be done by the end of 1995 on areas that are being excluded from the environmental impact statement procedures. It will be done in parallel with the other piece of work to be undertaken by the National Parks and Wildlife Service - that is, the assessment of 90,000 hectares using the specific wording contained in the national forest policy statement done by the National Parks and Wildlife Service.

That three-stranded work, three pieces of work happening simultaneously during the next two and a half years, will ensure that unless there is a jobs package in place that is satisfactory, and available to the union movement in terms of its implementation, there will be no parks. I cannot put it any more clearly. That is the fact. All the nonsense from Government supporters about jobs, jobs, jobs going is wrong. If I were the Minister for Transport and Minister for Tourism I would say, "Wrong, wrong, wrong", but it is wrong and honourable members should read the amendments because they say, "No dough, no parks". In conclusion, the Australian Labor Party amendments to the bill will achieve a number of things, but to make it simple for simple

people looking for simple solutions, the Opposition amendments will fundamentally rewrite the bill. It will be a different piece of legislation in the end and we will be very proud to own it. It will require an assessment of 90,000 hectares of the Eden management area to determine those areas suitable for reservation as national parks and the legislation will use the words from the documentation that the Premier signed six months ago.

Honourable members opposite should get the Premier to come into the Chamber and ask him if he repudiates the agreement. The ink is hardly dry on it. Secondly, the legislation will suspend environmental impact statements in other parts of the Eden management area for the same period, to ensure continuity of timber supply and jobs preservation. Finally, it will establish a competent and balanced group to assess long-term economic impact on the region in the event that, at the end of 1995, national parks are created. As I said, those activities will occur in parallel over the next two and a half years - a competent and balanced process. It is a genuine attempt to give on some points with the environmental impact statements and have some gains on the important conservation areas in the southeast. This will endorse the Minister's express wish that the problem should be handled in a balanced and common sense way. The Opposition has attempted to do that.

The Opposition believes that by the end of 1995 there should be enough information to make a final determination, a determination that accords with Government legislation. The Timber Industry (Interim Protection) Act is in place and operating effectively. In fact, the Minister for Conservation and Land Management tabled the progress report of the Timber Industry (Interim Protection) Act only the day before yesterday. There are no problems in regard to the environmental impact statements for the various forestry areas. Honourable members will see that there are no problems - completed; on time. I will table the document again. I am very proud of it. The Opposition will use this document which contains the Premier's signature - and I will read again from pages 11 and 12, "The Governments agree" - this Government and the Commonwealth Government - "that, conditional on satisfactory agreement on criteria by the Commonwealth and the States, comprehensive, adequate and representative reservation systems to protect old growth forests and wilderness values will be in place by the end of 1995".

Where I come from, an agreement is an agreement. The Premier's signature is on this document, and he has undertaken to implement that system. The difference is that the Opposition proposes to legislate for it and will specify who is to do the work - that is the National Parks and Wildlife Service. We trust the Premier, of course, but we believe it is an important process to demonstrate our commitment to conserving the southeast. I support the Labor Party's amendments to this bill. I urge supporters of the Government to recognise that things must change. If they do not, we will all be here in 15 or 20 years - at least, I intend to be - arguing about the same issues. I do not believe that is fair. It is not fair on the people in the area. I have a lot of time for those hardworking people. I believe they deserve a go.

[*Interruption*]

Is the Premier wrong? Do my eyes deceive me? Is that not the Premier's signature? Does that not say that by 1995 there will be a comprehensive and adequate set of systems in the southeast? Why do we not ask the Premier? Get the Premier in here and let him have a say. The amendments to the bill will ensure sustained jobs and preservation of the southeast forests, the high value conservation areas, and will put the union movement and the workers in the same negotiating position as the mill owners, the chip mill owners. At the end of the day that is what Labor principles are all about, putting people on a level footing.

[*Interruption*]

The honourable member looks after all his Harris Daishowa mates and timber mill owners. [*Time expired*.]

Mr SCHULTZ (Burrinjuck) [12.9]: I can understand why the shadow minister for the environment, the honourable member for Blacktown, is concerned about the push from the honourable member for Moorebank for the environment portfolio in the Australian Labor Party. He sells the deceit a lot more eloquently than she does. He talks about all these marvellous amendments to the bill which are, of course, part of the deceit exercise in respect of which the Opposition is expert.

The reason for the Opposition's amendments is to try to give the bill credibility. Opposition members know that the community understands that this bill is the Labor Party bill that the honourable member for Blacktown tried to introduce into the Parliament in 1991. The only difference between the two bills, and the reason for the amendments, is the digit 2. The honourable member for Bligh should be ashamed for allowing herself to be manipulated and used by the Australian Labor Party to introduce a bill that it did not have the intestinal fortitude to introduce in 1991. During debate Opposition members spoke of their concerns for people in the timber industry and how they were going to compensate them for the loss of jobs, businesses and equipment. What they said sounded like a repetition of what the honourable member for Ashfield said in 1982 on the North Coast rainforest decision. In a submission to the South East Forests legislation committee the New South Wales Forest Products Association stated:

> The 1982 Rainforest decision promised that no jobs would be lost, tourism would replace lost timber production values, and that local communities would not suffer financial hardship. For example, the then Minister for Forests, the Hon. Paul Whelan said of the

rainforest decision: " . . . the withdrawal of areas of rainforests involved in this measure, should not have any effect on rural employment . . . "The same Minister predicted a rise in tourism to compensate for any loss in income to affected towns: " . . . the tourist industry . . . is keeping

Page 2461

alive some North Coast towns that otherwise would have died . . . this means money for towns such as Grafton, Casino, Wauchope, Kempsey and Lismore . . . "

It is history revisited. Opposition members, in their usual fashion, have rehashed the socialistic ideological views of the Australian Labor Party. They have manipulated and changed words and carried on with the professional exercise of deceiving the general public on this issue and many other issues. Opposition members continue to push this lie to the general public because they do not want to be perceived to be involved directly in supporting a bill for which they received considerable flack, put aside, and then went to one of their mates on the so-called non-aligned side of politics to do their dirty work for them.

The honourable member for Monaro and the honourable member for Bega spoke passionately about the problems that this legislation will cause. They spoke about the 20 years of uncertainty in the southeast forest timber industry and of the concerns that the workers, and more importantly their families, have had for many years with that sort of threat hanging over their heads. Honourable members should not believe that it will stop there. There is a continual push from the extreme environmental movement to lock up and close down not only industry but all of the pursuits in which people have been responsibly active for the past 200 years.

The wilderness proposal involving many areas of New South Wales, which is currently being examined by Cabinet, is a classic example of the push by the mad environmental movement to shut down everything with no thought of the effect it will have on neighbouring communities. During my time as a member of the legislative committee chaired by the honourable member for Monaro it was interesting to note that, despite the rantings about what logging was doing to the environment, witnesses who defended the need to close off the timber industry in the south east forest could not substantiate the long-held emotional cry that timber operations were destroying the ecology, and more important, the flora and fauna in areas in which the timber industry was operating. There is no scientific proof or any conclusive proof of that.

When witnesses were questioned on that point, they backed off quickly because they could not furnish any facts. The point made by previous speakers, particularly the honourable member for Monaro, tells me a lot about what is driving this measure and where it is coming from. It is coming from where a lot of things are coming from in government today, and that is one of the reasons that many members who have been involved in politics for a relatively short time are disgusted by the way the political system manipulates people in the public arena. Is it any wonder that politicians do not have the respect of the people they represent in the community? We are manipulated by minority pressure groups across the broad ambit of everything we do in this State. We are influenced by the homosexual lobby group. We are affected politically by the environmental movement because we are, in the main, self-interest people. Some members do not fit that category, but in the main we are self-interest people who are more interested in remaining in our profession than in worrying about what our decisions are doing to the general community. I find that very difficult to live with.

I become annoyed and extremely upset when people like the shadow Minister for the environment yells across the Chamber that Government members are telling lies about issues, in this case our concerns for the people who have a right and a need to continue to work in the industries that they have been involved in for decades. Those sorts of accusations are being levelled by people who believe that telling lies, pushing deceit and fear out in the community is the way we should operate in this House. I do not subscribe to that sort of politicking. One day the general public will wake up to the fact that if they want to get something done, if they want a responsible, sensible resolution to a problem, they will vote for the type of candidate who should be representing them in this House. That is the sort of thing I am concerned about.

During my time as a member of the committee, I saw mealy mouthed-individuals from the opposite side of the House pretending that they were listening to the legitimate concerns of the people who were going to be affected by the bill. They could not give a damn about what they heard. They had no intention of dealing with

the problems of the people. They were of the view that it was not going to affect them politically as most of the electorates that this legislation will affect are held by coalition members. As a rural member who represents some of the people who will be affected by this bill, I know what creates a problem for the environment. Since I was elected as a member of Parliament in 1988, I have spoken about various environmental issues. I have spoken strongly about the need for us to do something about feral animals and their impact upon our forests.

I am also fully aware of the problems we have with respect to weeds in our forests. The growth of weeds in national parks and wilderness areas has escalated at a dramatic rate, to the extent that the undergrowth has become totally impregnated with them. Wildfire has a serious environmental impact on forests. We should not confuse those sorts of impacts on forests with the so-called impacts that logging operations have. As I said before, the reality is that there is absolutely no scientific or technical proof that logging operations create problems. What would this bill mean to the country towns that would be affected by it? I have read a document written by Diana Gibbs which addresses this issue. I believe it is based on concentrated inquiries and that it is a practical, sensible and honest assessment. [*Extension of time agreed to*.]

Diana Gibbs is a constituent of mine; I do not know her very well but I have heard glowing reports of the work that she does. Towns such as Nimmitabel and Bombala will be dramatically affected by this bill. Those towns have had a history of agricultural

forestry since their establishment. For example, those industries supply about 20 per cent of the total employment in Bombala. It has been suggested by the Bombala shire that if this bill passes, apart from the 70-odd jobs which will be lost in the area, there will be a loss of wages in that small rural community. I know a lot about small rural communities, unlike the honourable member for Bligh. I represent the seat of Burrinjuck which is made up of small rural towns. I know that the recession is having a devastating impact on those small towns.

We are debating a bill introduced by the honourable member for Bligh - a de facto bill of the Labor Party - which will increase and compound the problems those rural people are facing. The Bombala shire has estimated that this bill would result in $1 million of lost income - which was confirmed by the Chamber of Commerce in that area. That will have an enormous impact on the social problems that families face. Families in such towns as Bombala face social problems which are significantly different from the social problems faced by families in metropolitan areas. Why is that so? Most of the families who live in small rural areas have had a tradition of living there for decades; they very rarely move away from their traditional family base. When members of a family are out of work they support each other. Unemployment is a social impact of this bill.

The honourable member for Bligh has reacted on many occasions to sexist comments which have come from this House; she puts herself up as the champion of women. I tell the honourable member for Bligh that she is abrogating her responsibility, as a so-called supporter of women, by pushing a bill such as this through the Parliament. The honourable member is attempting to destroy the very fabric of the family unit which is held together by the timber industry in these areas. She is effectively destroying that fabric by introducing this bill. The honourable member can talk all she likes in this House and outside of it about the compensation packages which would be introduced through amendments graciously supplied by the Labor Party, in payment for the honourable member putting up its bill of 1991 in the form it has been presented today - it is the same bill with the year changed in the title.

The honourable member for Bligh needs to think about how that package would be financed. I have just noticed a very eminent person sitting in the public gallery - Dawn Fraser, a former member of this House. Where will the money for the compensation packages come from? Nobody really knows what the figure is because we have not got down to the nitty-gritty of it - it could be $60 million, $70 million or $90 million. Where will that money come from? Will it come from the health portfolio? The education portfolio? The law and order portfolio? It will come from where it always comes from - the Labor Party will borrow it. It will be a part of the $2 billion that the Leader of the Opposition borrows to fund his promises. Who will pay for it? The taxpayers of this State. A viable industry - which is already creating revenue, keeping people

employed and taking the pressure of this State - will be destroyed and replaced with a package of borrowed money. That is the mentality of the Australian Labor Party.

Mr Cochran: The Labor Party has deserted the workers.

Mr SCHULTZ: That is right; the Labor Party has absolutely no thought for working-class people. Many members on this side of the House are descendants of working-class people. I am the son of a woolshed labourer. I am only one example of the type of working-class people we have on this side of the House. Unfortunately, many members of the Labor Party have lost their ties with the working man; they have absolutely no knowledge of how they operate and how they have been affected by the harsh times. The honourable member for Bligh, who introduced this bill, has no problem with the difficulties which will be faced by those families; she is what could be regarded as an upper middle-class person living in Sydney - she gets a lovely remuneration on a regular basis, as we all do in this Parliament. The honourable member for Bligh plays her politics by pandering to the homosexual lobby groups and other lobby groups, so she will probably be in this Chamber getting that remuneration on a permanent basis for many years to come. That is the sad part of what we are talking about here today. [*Time expired*.]

Mr YEADON (Granville) [12.29]: I take particular pride in contributing to debate on the bill, which, with the amendments of the Labor Party incorporated in it, will become a most historic document. I believe and hope that the proposed legislation will become a model for the Forestry Commission to resolve future conflict over conservation values. Government members have no idea what is happening in this debate this morning. If they had any idea, they would be congratulating the Opposition on its innovative approach to this issue. Indeed, the reason they are not congratulating the Opposition is that they are over a policy barrel on this issue. The policy proposals being put forward in the amendments proposed by the Labor Party clearly incorporate legislation previously introduced in this House by the Government. I refer to the Timber Industry (Interim Protection) Act and also the national forest policy, to which the Government through the Premier is a signatory.

I wish to reiterate a number of key elements of the bill to which the Labor Party is fundamentally committed. First, a moratorium will be placed on national parks and reserves proposed under the bill - an area of approximately 90,000 acres. Under the moratorium that area will be assessed over the next two years to the end of 1995 to ascertain its conservation values. I have no doubt that area in the southeast has high conservation values. However, opinions range widely on all sides of this debate over the conservation values in the southeast forests. That proposed assessment will determine conclusively and comprehensively the conservation values of those

forests. With that moratorium in place there will be no removal of resource from the forest industry, in that the provisions of the Timber Industry (Interim Protection) Act will be used to allow the forestry industry to take resources from areas outside proposed national parks.

Under that proposal the Labor Party has three major commitments: first, its historic commitment to the preservation of sections of the southeast forest; second, and as important, its absolute commitment to employees' rights in this issue; and, third, the implementation of the agreed Commonwealth and State policies embodied under the national forest policy. One of the amendments being proposed by the Labor Party seeks to set up a southeast regional employment and industry adjustment committee, which will represent a range of interests. Over the next two years that committee will sort out the details in relation to employment issues and compensation for any job losses that may occur if the national parks proceed. I wish to deal with that amendment in detail in my second reading speech to make clear to all parties the fundamental commitment by the Labor Party to workers, the community and other involved interests.

That amendment calls for the Premier to appoint a regional economic committee, to be called the southeast regional employment and adjustment committee, consisting of (a) the two nominees of the Construction, Forestry, Mining and Energy Union (Forestry Division) New South Wales, (b) a nominee of the Southeast Timber Association Incorporated, (c) two nominees of the Southeast Forest Conservation Council, (d) the joint

committee of the Bega and Bombala shire councils, (e) a nominee of the Premier of New South Wales, and (f) a nominee of the Prime Minister, who shall be the chairperson of that committee. Schedule 4 has effect with respect to the members and procedures of the southeast forest regional employment and industry adjustment committee. The Labor Party is convinced that adjustment committee will be able to examine the matters involved in this issue and come to a workable and practical solution. Unlike members opposite, Opposition members are committed to finding a practical solution to the problem rather than indulging in rhetoric and not taking account of what has been put forward by the Labor Party on this issue.

The contributions of members opposite were out of date in relation to the bill. If funding eventually is not available for the employment package proposed by the bill, there will be no national parks. As the honourable member for Moorebank made clear - and I reiterate his undertaking - if funding is not available, we will not cut the legs out from under the workers in this industry and the local community. If funding is not available, there will be no national parks. That undertaking cuts the legs out from under the arguments of members opposite. The Opposition is trying to find a solution rather than play politics with this issue. It is unfortunate that a number of the members opposite put forward a range of exaggerated claims about what will occur if the bill is passed. The economic impacts suggested by the honourable member for Monaro and the honourable member for Burrinjuck do not carry weight. The honourable member for Monaro quoted from the Gibbs report about the economic impact of the bill, although it had been agreed by the legislation committee that it would obtain the services of an independent consultation to determine what job losses would occur as a result of the bill.

Rather than accept the views put forward by Mr Mike Smart, the honourable member for Monaro disregarded that proposition and replaced it with his own biased views. The Minister said in his speech that there had been no public consultation on this matter. He must have forgotten that a legislation committee was set up to examine this issue. That committee received submissions from all interested parties within the community on this issue, and indeed took all those views on board before handing down its report. It was unfortunate that the committee could not reach consensus. Two reports were handed down, one by members of the Government, the other by the Labor Party and the Independent honourable member for Bligh. That having been said, the claim cannot be made in this House that there was no consultation with the community on the bill. Indeed, the Labor Party, rather than sitting on its backside as the Government has done since the committee handed down its report, has been involved in ongoing consultation and negotiation with the trade union movement and others to try to seek a solution to this problem.

The Government relies on the Hawke-Greiner agreement of 1990 as being adequate for the preservation of conservation values in the southeast forests. Anyone who has a cursory knowledge of the issue knows that the Hawke-Greiner agreement of 1990 was simply a political compromise. There is no doubt about that: people from the National Parks and Wildlife Service have put on the record that that is the case. The Hawke-Greiner agreement meant that areas of poor resource of no significance to the forestry industry were handed over to the conservationists. Unfortunately, the agreement does not take account of conservation issues as well. The Opposition is keen to deal with the bill in Committee and to advance it as far as possible today. In conclusion, I thank the people who assisted the committee considering the South East Forests Preservation Bill, of which I was a member. The committee's itinerary of the southeast forests was very informative. The inspection would not have been as valuable without the efforts of those people. That is probably the only area of agreement I have with the chairman of the committee, the honourable member for Monaro: members of the committee were well looked after on the trip to the southeast.

Debate adjourned on motion by Mr Whelan.

OATHS AND CROWN REFERENCES BILL

In Committee

Clause 5

Dr MACDONALD (Manly) [12.45]: I move:

Page 2, clause 5. Omit the clause.

The amendment seeks to omit clause 5, which allows schedule 3 to have an effect. Schedule 3 relates to the titles of certain officers. I seek that the provision relating to the alteration of titles be removed from the bill.

Mr SCULLY (Smithfield) [12.45]: The Opposition supports the amendment, and all the other amendments of the honourable member for Manly. The honourable member for Manly wishes to extricate from the bill the Crown references sections so that people are able to swear an oath of allegiance to Australia rather than just the Queen. The Opposition is happy to remove the Crown references but may wish to pursue that by way of another private member's bill. The Opposition is happy to keep in the legislation a provision which would allow a choice for a person to swear the oath of allegiance to the Queen or to Australia. The Opposition will vote in favour of the amendments of the honourable member for Manly.

Mr COLLINS (Willoughby - Minister for State Development, and Minister for Arts) [12.46]: The Government opposes the amendments proposed by the honourable member for Manly and supported by the Australian Labor Party. The bill is premature. The amendment is an attempt to appease some parties, to provide an element of choice about whether people swear allegiance to the Commonwealth of Australia or to the Queen as is required by the Act in its current form. Many members on this side of the Chamber believe that these issues will be addressed when the question of a republic is resolved. It will be resolved initially elsewhere by way of referendum put to the Australian people. From that referendum will flow a number of consequential changes, one of which may well be of the kind proposed in the bill. But it is felt that at this stage the legislation is premature. The Government opposes the amendments and will oppose the bill as amended. The Government understands that the amendments have the support of the crossbenches, of the unaligned Independents, and of the Labor Party. Therefore, the Government will not divide on the amendments but will divide on the bill as amended.

Amendment agreed to.

Clause omitted.

Clause 6

Dr MACDONALD (Manly) [12.48]: I move:

Page 2, clause 6. Omit the clause.

The amendment seeks to omit clause 6, which relates to giving effect to schedule 4, being that schedule relating to matters of State land which were planned to be changed in the bill. I seek that the clause be removed.

Amendment agreed to.

Clause omitted.

New Clause 8

Dr MACDONALD (Manly) [12.49]: I move:

Page 2. After line 24, insert:

Former oaths to remain available

8. Despite an amendment made to a provision of an Act or Regulation by Schedule 1, a person is entitled to take an oath or make an affirmation under that provision in the form of the oath or affirmation that was in force under that provision immediately before the amendment.

Essentially, the amendment will allow former oaths to remain available. My objections to the bill are twofold: first, I did not think it was appropriate that matters relating to titles and matters relating to land should be included. I support the Minister for State Development and Minister for Arts on that; I see that as a consequence of a future debate on the monarchy versus the republic. Second, I do not believe people should be denied the right to swear an oath to the monarch. The existing oath should remain and people can therefore make a choice between the existing provisions and that provided for within this bill.

Mr COLLINS (Willoughby - Minister for State Development, and Minister for Arts) [12.50]: Despite the intentions espoused by the honourable member for Manly, the Government opposes the amendment which seeks to insert a new section. Despite the changes to the forms of the various oaths and affirmations, a person is still entitled to take an oath or make an affirmation in the current form. The Government opposes the amendment on the basis that any change to the current requirements and forms of oaths and affirmations is premature and hastily conceived. The republican issue will obviously be the subject of intensive debate in this House, as is appropriate. The result is that there has been support for community consultation and debate on the subject. It is entirely inconsistent with that decision to pre-empt the debate and introduce legislation of this kind.

The amendment moved by the honourable member for Manly seeks to detract from the original intent of the bill somewhat: it would allow oaths to be made in either the old or new form. The Government is of the view that there should be no need for a choice to be made. The oath should remain in its current form until such time as the republican issue has been determined by the people of New South Wales and of the Commonwealth of Australia as a whole. Many issues need to be addressed before the matter of the form of the oath is considered. To tamper with these proposals now will do nothing to further the debate on the significant issues, rather it may hinder responsible debate by signalling an unwillingness to accept community views on the subject. Acceptance of the amendment would indicate that the Parliament is willing, where possible, to impose on the community certain changes without prior consultation.

The amendment is an attempt to appease all parties by instituting change yet preserving the status quo for those who might be offended by such change. It is not appropriate for a selection of oaths and

affirmations to be made available for choice. Oaths and affirmations should be uniform with all persons swearing the same oath or making the same affirmation. A choice will not alter the fact that this legislation is a premature move. A decision as to the appropriate oath should be made at the relevant time and on the basis of the wishes of the community at large, and that should commence after a referendum has been held on the subject of a republic. Until then the oath should remain in its present form. The Government opposes the proposed amendment.

Dr MACDONALD (Manly) [12.53]: I do not really follow the argument put by the Minister, though he put it with conviction. The republican debate is about constitutional arrangements under which this country is governed. The issue of oaths is different. This amendment seeks to allow for a transition phase. We are in the middle of a transition phase, that is recognised, but where that transition will finally lead we do not know. I have consulted widely in my community and there is a strong feeling that a variety of views should be available, and that is exactly what this amendment seeks to do.

Amendment agreed to.

New clause agreed to.

Schedule 3

Dr MACDONALD (Manly) [12.54]: I move:

Page 8, Schedule 3. Omit the Schedule.

Without restating my arguments, I seek the omission of this schedule.

Amendment agreed to.

Schedule omitted.

Schedule 4

Dr MACDONALD (Manly) [12.54]: I move:

Page 9, Schedule 4. Omit the Schedule.

This amendment relates to State land and the description of Crown land. I seek the omission of the schedule from the bill.

Amendment agreed to.

Schedule omitted.

Long Title

Dr MACDONALD (Manly) [12.55]: I move:

Page 1, Long Title. Omit "to change the titles of certain officers; to make provision as to State land;.

As schedules 3 and 4 have been omitted from the bill the words sought to be omitted are no longer relevant.

Amendment agreed to.

Long title as amended agreed to.

Bill reported from Committee with amendments.

Adoption of Report

Mr WHELAN (Ashfield) [12.56]: I move:

That the report be now adopted.

Question put.

The House divided.

Ayes, 47

Ms Allan	Mr Markham
Mr Amery	Mr Martin
Mr Anderson	Mr Mills
Mr A. S. Aquilina	Ms Moore
Mr J. J. Aquilina	Mr Moss

Mr Bowman	Mr J. H. Murray
Mr Carr	Mr Nagle
Mr Crittenden	Mr Newman
Mr Doyle	Ms Nori
Mr Face	Mr E. T. Page
Mr Gaudry	Mr Price
Mr Gibson	Dr Refshauge
Mrs Grusovin	Mr Rogan
Mr Harrison	Mr Rumble
Mr Hatton	Mr Scully
Mr Hunter	Mr Shedden
Mr Irwin	Mr Sullivan
Mr Knight	Mr Thompson
Mr Knowles	Mr Whelan
Mr Langton	Mr Yeadon
Mrs Lo Po'	Mr Ziolkowski
Mr McBride	*Tellers*,
Dr Macdonald	Mr Beckroge
Mr McManus	Mr Davoren

Noes, 44

Mr Baird	Mr O'Doherty
Mr Blackmore	Mr Packard
Mr Causley	Mr D. L. Page
Mr Chappell	Mr Peacocke
Mrs Chikarovski	Mr Petch
Mr Cochran	Mr Phillips
Mrs Cohen	Mr Photios
Mr Collins	Mr Rixon
Mr Cruickshank	Mr Schipp
Mr Fahey	Mr Schultz
Mr Fraser	Mr Small
Mr Griffiths	Mr Smith
Mr Hartcher	Mr Souris
Mr Hazzard	Mr Tink
Mr Humpherson	Mr Turner
Mr Jeffery	Mr West
Dr Kernohan	Mr Windsor
Mr Kerr	Mr Yabsley
Mr Kinross	Mr Zammit
Mr Longley	
Ms Machin	*Tellers*,
Mr Morris	Mr Beck
Mr W. T. J. Murray	Mr Downy

Pairs

Mr Clough	Mr Armstrong
Mr Iemma	Mr Glachan
Mr Neilly	Mr Smiles

Question so resolved in the affirmative.

Report adopted and bill passed through remaining stage.

JOINT SELECT COMMITTEE UPON POLICE ADMINISTRATION

Report: Police Service (Management) Amendment Bill

Report noted.

COMMITTEE ON THE INDEPENDENT COMMISSION AGAINST CORRUPTION

Evidence: Review of Act

Report noted.

Correspondence: Review of Act

Report noted.

Minutes of Evidence: Matters Raised by Mr Tink

Mr TINK (Eastwood) [1.4]: In the Greiner-Metherell report the Commissioner of the Independent Commission Against Corruption, Ian Temby, said that politicians should never mislead the media. The ICAC has also said that perceptions, especially as they relate to impartiality, are as important as impartiality in fact. The issues I raised with the ICAC committee in a document now tabled in Parliament go to the heart of whether the ICAC itself abides by the standards it has set for others, whether the ICAC practices what it preaches. During the Greiner-Metherell inquiry last year Paul White was said by fellow Australian Broadcasting Corporation journalist Stuart Littlemore to have engaged in deceptive and dishonest conduct, making an oxymoron of journalistic integrity.

At the heart of this conduct, which was analysed in Littlemore's "Media Watch" program on 18th May, 1992, was a pretence by Paul White and Quentin Dempster that they were talking on air for the first time about important ICAC evidence relating to Dempster personally which they had discussed prior to going on air with a view to putting the best face on it. Did this mislead the viewing public? I think so, Littlemore thinks so, and I believe any reasonable member of the public would also think so. Subsequently Paul White was appointed ICAC media spokesman - the public face of the ICAC. Thereafter I raised the issue with the parliamentary ICAC committee, expecting that there would be some low-key acknowledgment by the ICAC that White's conduct fell short of the standards Mr Temby set for others and that the conduct would not be repeated, at least while he is ICAC media spokesman. I would have been happy with that response.

Instead, Mr Temby's response was, in effect, to excuse the conduct by reference to a totally irrelevant analogy, rounding off with a challenge to the committee's jurisdiction to deal with the matter. Even if the analogy was relevant, it is hardly a substitute for Mr Temby assessing the conduct against the standard he himself has set for others. What is to be made of this? Does Mr Temby condone conduct by journalists in reporting Independent Commission Against Corruption issues which misleads the viewing public? Would Mr Temby condone conduct by his ICAC which misleads the viewing public? Is such conduct impartial? Does such conduct not fall short of standards Mr Temby has set for others?

Indeed, more general questions arise. Does the ICAC provide background and or off the record briefings for selected journalists? If so, is this appropriate conduct for a quasi-judicial body, even one with a public education function? Who gives and who receives any such briefings? Is such conduct impartial? Mr Temby

should answer these questions and clear the air. As a former member of the parliamentary ICAC committee and a strong supporter of most of the work of the ICAC, I am disappointed that I have had to continue to pursue this matter. But Mr Temby's response disappoints me even more, because it suggests that the ICAC does not practise what it preaches. The value of its work is thereby greatly diminished.

Report noted.

REGULATION REVIEW COMMITTEE

Report: Building Services Corporation Act Regulation

Mr RIXON (Lismore) [1.8]: Earlier this week the chairman of the Regulation Review Committee gave a full summary of the committee's report when it was tabled in this House. In essence, the regulation completely lacks natural justice. The Building Services Corporation is genuinely searching for a solution to the huge backlog of complaints, but this regulation is, unfortunately, not the answer. The chairman has moved that the regulation be disallowed and I understand that motion will be debated later today.

Report noted.

[*Mr Acting-Speaker (Mr Chappell) left the chair at 1.8 p.m. The House resumed at 2.15 p.m.*]

QUESTIONS WITHOUT NOTICE _____

ALLEGED RACIST COMMENTS OF MINISTER FOR AGRICULTURE AND RURAL AFFAIRS

Mr CARR: My question without notice is directed to the Premier. Does he endorse comments made by the Minister for Agriculture and Rural Affairs in 1988 that we have got to get rid of coons?

Mr SPEAKER: Order! I call the honourable member for Murwillumbah.

Mr CARR: Are references to "coons" acceptable from a Deputy Premier elect of the State of New South Wales?

Page 2467

Mr SPEAKER: Order! The interjections from the Government benches will cease. If Government supporters wish to stay in the Chamber for the remainder of the afternoon they should display a little more decorum than they have done.

Mr CARR: Will the Premier sack the Minister for Agriculture and Rural Affairs if he repeats racist comments?

Mr FAHEY: I am unaware that the Minister for Agriculture and Rural Affairs made such statements.

PUBLIC LAND USE AND RESOURCES

Mr KERR: My question without notice is addressed to the Premier and Treasurer. What action is the Government taking to ensure that development and environmental concerns are balanced in respect of decisions over public land use and resources?

Mr FAHEY: The Government has been addressing the question of how to balance the environment and development. In the process of doing that, the Government has listened and consulted widely; now is the time to act. The Government has decided to proceed with a comprehensive strategy which refines and builds upon the original natural resources package of legislation. The strategy includes amendments to the Environmental Planning and Assessment Act, workable and effective endangered species legislation, which will be introduced by my colleague later today, and administrative initiatives. Together they will ensure that decisions about the use of publicly owned land and natural resources are truly balanced.

Balance does not mean making a brown decision today and a green decision tomorrow. Rather, it means providing an institutional framework which ensures that all relevant interests are taken into account when decisions are made. It is easy to take the fanatics' approach and stop all development to protect the environment, but that is not in the interests of the community nor in the interests of the State's economy. It is the responsibility of the Government to tackle the real problem, which is making sure that industry can operate and development occur without threatening the integrity of the environment.

Before the Government can make balanced decisions about land use and conservation it must have the facts. Otherwise, everyone is caught in an endless nightmare of bureaucracy and litigation. Both industry and environmental groups want a credible and reliable database on natural resources, including information on economic and environmental values. The Government will, therefore, establish a Natural Resources Audit Council within my administration to conduct an audit of the State's publicly owned land and natural resources. The council will prepare and release to the public regional reports which will provide an information base about public land and natural resources of the region.

The council will have an independent chair. It will comprise members from within the Government and the community, who have expertise in conservation and resource management. The Government spends more than $45 million a year on this type of work through various agencies, and I am willing to spend more money in the short term to get it right. This year, an additional $5 million will be provided to accelerate the process, fill the gaps and collate an information base. Honourable members may care to note that the proposal is consistent with the recommendation of the Standing Committee on State Development which has given its bipartisan support to the establishment of a database to classify natural assets on a regional basis.

Conservation and industry groups have welcomed the Government's action to improve co-ordination of this vital information. It is clear to them that this information is an important stepping stone in making future decisions on what land will be protected for conservation. Considerable concern was expressed by environmental interests in regard to a proposal in the original natural resources package, for resource security legislation. Unfortunately, resource security legislation has become something of a political football. That has meant that industry's legitimate demands for greater resource certainty have often been caught up in ideological conflicts.

The Government remains committed to enhancing resource certainty for industry, and recognises that long-term wood supply agreements are essential to the improvement of resource certainty. The Government will enter into such agreements with timber companies, subject to the carrying out of appropriate assessments. These agreements may provide for compensation in the event of the withdrawal of resource access as a result of actions directly attributable to the Government. The Government is keen also to ensure that the Commonwealth makes good its promise to deliver improved resource security for the timber industry.

The Federal Government does not have a good record of keeping its promises. Prime Minister Paul Keating's pre-election pledge to match dollar for dollar the money raised by charities over Christmas has just had the axe put through it. What honourable members have seen is a disgraceful and appalling display of the Prime Minister making a promise and welshing on it when, all of a sudden, he has to look for a little bit of money. In this case, the act is cruel, nothing short of cruel. The Prime Minister said to the Australian people, "Donate to charity. Give money to charity and I will match it dollar for dollar". He said to the agencies that have been caring for people in a recession - something he had a great deal to do with - "If you can get some money in through contributions over the Christmas period, I will give you a dollar for every dollar raised".

The Australian people have donated their dollars. Agencies such as the Salvation Army, the Smith Family, the St Vincent de Paul Society and others have raised money and, because they did not spend it

in the period now defined as the time to spend it - that is by January - the Prime Minister has said, "I am not going to give you a dollar for every dollar". The Prime Minister cannot be trusted to do something about the timber industry, as this Government has been trying to do for the past two years, given what he did to charities overnight and the fact that he has welshed on pensioners' taxation. Senator Richardson has said to all those people who hold health cards that they will have to wait a further six months before they can get free dental care.

In the circumstances, the timber industry has every reason to worry. I wrote to the Prime Minister and asked whether he intended to honour the South East Forest agreement and provide industry with long-term export licences. This agreement is of fundamental importance to the security of wood supplies to the industry in the southeast. We cannot go it alone. The Federal Government must accept its responsibility for the fate of the timber industry and its workers. These initiatives represent an effective and credible long-term strategy for addressing environmental issues while ensuring the sustainable development of the State's natural resources. Through this whole process the Government has demonstrated that it is willing to listen to all sides on this argument, recognising that people want jobs as well as a good environment in which to live.

ALLEGED RACIST COMMENTS OF MINISTER FOR AGRICULTURE AND RURAL AFFAIRS

Dr REFSHAUGE: My question without notice is directed to the Premier and Treasurer. Did the Premier attend a press conference today with the Minister for Agriculture and Rural Affairs during which he was questioned about his notorious coon comments?

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

Dr REFSHAUGE: Why did the Premier tell the House that he was unaware of those comments? Will the Premier sack the Minister for Agriculture and Rural Affairs if he repeats racist comments?

Mr FAHEY: The answer to the first part of the question is yes. So far as the interview is concerned, the question was asked but was not answered by the Minister for Agriculture and Rural Affairs, and I am unaware of what the Minister said in 1988.

Mr SPEAKER: Order! I call the honourable member for Coogee to order. On many occasions I have said that it is important that questions are listened to in silence.

OPPOSITION AGRICULTURAL MARKETING POLICY

Mr BECK: My question is addressed to the Minister for Agriculture and Rural Affairs. Is the Minister aware of Opposition statements affecting agricultural marketing and reducing import costs to farmers? Is the Government likely to adopt any of Labor's suggestions on these matters?

Mr ARMSTRONG: The Government and I have been increasingly concerned about the Opposition's inability to contribute any positive ideas to agricultural and rural debates in this State. There has been the rare inquiry to my office for correction of something said by the honourable member for Port Stephens. For almost 18 months the honourable member for Port Stephens kept sending representations on fisheries to the wrong office. He could not even send his representations to the correct office.

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

Mr ARMSTRONG: On a slightly more serious note, that is a sad reflection on the Labor Party which, under the late Jack Renshaw, gave agriculture prominence in its portfolio listings. Recently I asked my research staff to collate the contributions made by Labor, including those made by the Leader of the Opposition, in the hope that we might find something constructive. The end result was a blank. However, we did locate a small business statement which the Leader of the Opposition delivered on 5th May at Murwillumbah. It said:

> Agriculture is a classic small business industry with an estimated 90 per cent to 95 per cent of all participants being family farms. These farms have traditionally operated on a long-term average return to capital investment of around 3 per cent compared to 9 per cent to 13 per cent for mining, manufacturing and tertiary service industries.

There was no mention of agriculture and small business. The statement rambled on about the need for more employment and it delved into writings of European economists 50 years ago, but said nothing about agriculture, marketing, reducing input costs and the rural infrastructure base. We tried to find other ventures by the Leader of the Opposition outside of the Wollongong to Newcastle corridor. It was a battle to find such trips and so far we have had no luck in locating any contribution from him on agriculture or broader rural issues. In short, we had to go back to 15th November, 1990, to find a definitive statement on agriculture by the Leader of the Opposition. On "ABC Country Hour" the Leader of the Opposition said, "Farmers cannot be described as part of Labor's natural political base in New South Wales". Clearly he was turning his back on farmers in New South Wales. The Labor Party does not recognise or want farmers. The Leader of the Opposition said so. I thought that as Labor had abandoned farmers completely perhaps we might find something constructive on broader rural affairs matters. We tried decentralisation - regional development. Following the success of New South Wales Agriculture head office relocation, I felt that the Labor policy might build on this achievement.

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

Mr ARMSTRONG: Again I was disappointed.

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

Page 2469

Mr ARMSTRONG: In May 1992 the *Mudgee Guardian* reported, "Mr Carr said he did not see much scope for increased decentralisation of government departments". That is the view of the Leader of the Opposition on decentralisation. The report continued, "Mr Carr said he was determined a Labor Government would be remembered as the government which put decentralisation back on the political agenda of this State". On 10th January, 1993, the shadow minister for industrial development, the Hon. Brian Vaughan, was reported in the *Sun-Herald* as saying, "I don't think regional development in New South Wales will happen. Nobody wants to live in the bloody country. Last night they wanted to see the fireworks display on Sydney harbour - it's as basic as that". That statement was from Labor's spokesman on industrial development. He said, "No one wants to live in the bloody country". So much for Labor.

We are left with the impression that the Labor Party has no contribution to make with respect to the development of agricultural policy. However, there may be one remaining ray of hope - the honourable member for Broken Hill. On 30th April, 1991 this House was debating the Grain Marketing Bill and during that debate the honourable member for Broken Hill said, "As I am the only Labor member with a country electorate I shall stir up honourable members opposite with a little of my knowledge. The honourable member for Port Stephens has an electorate that is half country but I am a real country member". The Labor Party has no policy; it has no interest. It has turned its back on rural New South Wales; it will not go out to rural New South Wales; and it is about time it apologised for having the hide -

Mr SPEAKER: Order! I call the honourable member for Wallsend to order. I call the honourable member for Newcastle to order. I call the honourable member for Mount Druitt to order. I call the honourable member for Peats to order.

Mr ARMSTRONG: - to mention rural New South Wales.

Mr SPEAKER: Order! The Chair does not appreciate the nonsensical interjections we have just had from the Opposition benches. I have on my list a number of members who have been called to order. Members will have to guess whether they are on the list. Many members on the Opposition benches can conclude that they are probably on one call to order.

ALLEGED RACIST COMMENTS OF MINISTER FOR AGRICULTURE AND RURAL AFFAIRS

Mr MARKHAM: My question without notice is directed to the Minister for Agriculture and Rural Affairs. Will the Minister now apologise to the Aboriginal people for comments he made in Queanbeyan on 29th January, 1988? He said "We've got to get rid of crime, drugs, hoons and coons".

Mr Newman: On a point of order. We could not hear the question. Could the honourable member for Keira repeat it?

Mr SPEAKER: Order! Did the Minister for Agriculture and Rural Affairs hear the question?

Mr ARMSTRONG: Yes, I heard the question. This Opposition is pathetic. It failed in 1991.

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

Mr ARMSTRONG: Those opposite should recognise rural New South Wales instead of trying to score a few cheap political points -

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

Mr ARMSTRONG: Those opposite are an abysmal lot.

Mr SPEAKER: Order! I call the honourable member for Gladesville to order. I call the Leader of the Opposition to order.

MARITIME SERVICES BOARD

Mr PETCH: My question without notice is directed to the Minister for Transport and Minister for Tourism. Is the Minister aware of the Leader of the Opposition's criticisms of the Maritime Services Board? Are the criticisms justified?

Mr BAIRD: I thank the honourable member for Gladesville for his question. He is an outstanding member for Gladesville - a vast improvement on his predecessor.

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

Mr BAIRD: Just when we thought that the Opposition had absolutely no policies except those of burrowing Brian and the tunnel -

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

Mr BAIRD: - we have this document entitled "Employment Growth and the Small Business Challenge" under the name of the Leader of the Opposition, Bob Carr.

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

Mr BAIRD: The Leader of the Opposition has the gall to produce such a paper in light of what the Federal Government has done to small business in this country. We all know the standard joke: how do you get a small business in Australia? Buy a big business and wait a couple of years.

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

Mr BAIRD: We have had an incredible number of bankruptcies with respect to small business - a record number. The bankruptcies have been brought about by the negligence of the Labor Government in

Canberra. The Leader of the Opposition has produced a program to tell us how to do things. He has no experience at all, and simply comes out with these papers. There are criticisms of the Maritime Services Board in the paper of the Leader of the Opposition. One could almost imagine that this was a forgery, as happens a lot on the other side. We have "Porkies Pam" and her productions of paste and paper.

When we came into office the Maritime Services Board was a bloated, inefficient bureaucracy. There was no question about that. It employed more than 3,000 staff and had a heavy debt. Today it employs just 1,108 staff, the debt has been halved and it returned a record $35 million dividend to the State last year. Only the Leader of the Opposition could find fault with a system which has been transformed from a moribund, non-commercial operation into the most profitable and commercial port authority in Australia. It is a model for the rest of Australia. I think we should pay tribute to Max Moore-Wilton, now the Director-General of Transport, who led much of the turnaround of the organisation.

[*Interruption*]

It is absolutely true. I ask the Leader of the Opposition to point out any port authority in Australia which has gone through the same reforms and can boast the same achievements of the New South Wales Maritime Services Board.

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

Mr BAIRD: The former Minister for Transport said of Max Moore-Wilton, "He was the most outstanding public servant in the Federal public service". What did the mates of those opposite do to him? They sacked him because they could not cope with his reforms. So he came to this Government and carried out the reforms.

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

Mr BAIRD: We are the beneficiaries. If those opposite want to check they should ask Peter Morris what he said at the world ports conference about Max Moore-Wilton.

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

Mr BAIRD: We can all be proud of this record. I am pleased to be able to announce that the MSB and its authorities will have another record year in developing trade in New South Wales in the current financial year. The facts speak for themselves.

[*Interruption*]

I am sure the Leader of the Opposition does not want to hear this; he is the one who produced this rubbish about the MSB.

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

Mr BAIRD: Last year total trade reached 113 million tonnes, the highest throughput of any port authority in Australia. The Leader of the Opposition claims that port charges have increased. But again the facts speak for themselves. Port management charges per tonne of cargo have actually decreased from $1.64 per tonne in 1987-88 to $1.35 per tonne this year. I advise the House that the Government is currently considering pricing proposals from the MSB which will further reduce port charges for the next financial year. The fact is Sydney's charges for a container vessel are approximately 60 per cent of those in Melbourne, our main competitor. The Leader of the Opposition claimed that we had the highest port charges.

Our charges on ships are about the same as the charges at great commercial ports such as Rotterdam and Hamburg. The Leader of the Opposition conveniently neglected to point out that when Labor was in power Sydney's container charges were the highest of any major port in Australia. The Leader of the Opposition produced his paper, criticised the Maritime Services Board, said that Sydney has the highest charges when it does not; yet under the former Labor Government Sydney did have the highest charges. That is standard hypocrisy from the Opposition. While reducing charges, we have also been able to reduce the debt of the Maritime Services Board. In fact, its external debt has been nearly halved, from more than $520 million when we came to office to less than $300 million. That, of course, has resulted in significant savings in interest payments for the taxpayer.

I am sure the Opposition does not want to know about the facts, but the average revenue per employee has risen from about $49,000 to more than $200,000 per employee today under the present Government - an increase of more than 100 per cent. The MSB is one of the few port authorities in the world to have an AA rating. In fact, the Industry Commission, under the Federal Government, has recommended that the approach this State is developing in regard to the MSB should be used as the model for all Australian general cargo ports to follow. I note that this is only a discussion paper but I believe it should be consigned to the rubbish bin where it belongs.

SURRY HILLS POLICE TRANSFER

Ms MOORE: My question without notice is to the Minister for Police. Is it true that there are plans to transfer the patrol commander at the Surry Hills police station to another position? Could the Minister explain why an officer who had developed a high level of expertise in working with the lesbian and gay community is to be transferred out of an area with a large lesbian and gay population?

Mr GRIFFITHS: I thank the deputy leader of the Hatton party for her question. I am not aware of that specific transfer, but I do not think a person needs to be gay to work with gays.

SMALL BUSINESS ASSISTANCE

Mr YABSLEY: I address my question without notice to the Minister for State Development and Minister for Arts. Is the Minister aware of claims about small business costs contained in a discussion paper released by the Leader of the Opposition? What has the Government done to assist businesses in these tough economic times?

Mr COLLINS: I thank the honourable member for Vaucluse, my predecessor in the State Development portfolio, for his timely question. I am aware that claims have been made in relation to small business by the Leader of the Opposition in the document already referred to in this House today by the Minister for Transport and Minister for Tourism. The paper contains various universal catchcries relating to payroll tax relief, deferral of capital gains taxes on the sale of small businesses, and keeping down State government charges for electricity and water. I want to deal with a couple of the issues in this paper. First, payroll tax. The paper mentions the

need to lift the payroll tax threshold, by setting a five-year goal of doubling the threshold to $1 million, with a series of increases ranging from $150,000 over the first two years; to $100,000 for each of the next three years.

The paper states this will allow companies to employ an extra four or five employees a year - a figure disputed by Treasury analysts in this State. They say that an increase in the threshold from $500,000 to $650,000 in the new financial year will extinguish the payroll tax liability for 1,526 taxpayer groups. The revenue saved for that group would be only $7.6 million, or approximately $5,000 per group for the entire year - hardly sufficient to employ four or five additional staff. The Leader of the Opposition says such an idea will cost the Government half a billion dollars in lost revenue by the fifth year. Where does the money come from? His mates in Canberra will be asked to kick in to return to New South Wales a fairer share of Federal grants. One has to ask what is the chance of that happening when Australia is stuck in the greatest recession in 60 years, a recession that the Prime Minister said we had to have.

In regard to capital gains tax, the Leader of the Opposition claimed that the lack of roll--over relief reduces the mobility of resources between one small business and another. Advice from the New South Wales Treasury shows that the Commonwealth Income Tax and Assessment Act already contains a number of provisions for small businesses to seek relief from capital gains tax. These provisions enhance the mobility of capital between individuals and businesses under common ownership. I turn now to State charges for water and electricity for business. The Government leads the way in reforms for electricity and water charges for New South Wales businesses. While other States are increasing prices by up to 10 per cent, the Premier announced in March that domestic electricity charges for the next financial year have been frozen at current rates. For businesses, an average cut of 6 per cent in real terms has been achieved.

Bulk electricity charges from Pacific Power to distribution authorities have been reduced by a further 6.5 per cent in real terms, enabling a further reduction in the cost subsidies facing commercial and industrial customers. This, in turn, will give further relief to those customers. Turning to water rates, Treasury advises that during this financial year there has been a real reduction of 1.1 per cent in water bills for commercial customers. The Leader of the Opposition has built a reputation in this State on his ability to deliver a message of confusion and double-speak to different audiences. He has no problem getting up in the middle of a recession in front of sectional interest groups, a trade union or an arm of the Labor Party, to voice great anger and hostility towards the reforms being undertaken by the Government with its trading enterprises such as Pacific Power and the State Rail Authority. But at the business end of town it is a completely different story. He put on his suit of economic respectability and ducked down to the Australian Institute of Company Directors to deliver a different message. The view he expressed there was diametrically opposed. Suddenly we witnessed a very sober acknowledgment by the Opposition that governments do not have access to bottomless pits of money. He told the Institute of Company Directors that he wanted to "keep the pace of microeconomic reform in New South Wales cracking".

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

Mr COLLINS: He wanted to keep it cracking "throughout the State's public sector - in water, rail, electricity and all other areas relevant to the State's economic performance".

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

Mr COLLINS: The Leader of the Opposition obviously wants to run with the foxes and hunt with the hounds. The Government is making changes which will make it easier to do business in New South Wales. Apart from the service charge reforms already mentioned, there has been a reduction of $220 million in land tax alone this year, which will have a major impact on business. We have reduced the burden of business regulations. Since 1988 more than 80 business licences have been removed. Additionally, the Premier has stated that, conditional upon changes at the Federal level, important changes in tax arrangements will assist Sydney's bid to attract regional headquarters of businesses. On top of these wider Government changes to assist companies doing business in this State, I have established within the Department of State Development an office of small business, an office of regional development and an office of manufacturing. I thank the

honourable member for Vaucluse for asking his question and giving me the opportunity to point out the flagrant hypocrisy that the Leader of the Opposition has been peddling as he goes round the State playing off one group against another.

Page 2472

ALLEGED RACIST COMMENTS OF MINISTER FOR AGRICULTURE AND RURAL AFFAIRS

Mr CARR: My question is directed to the Premier. In view of the failure of the Minister for Agriculture and Rural Affairs to apologise for his racist remarks to the Aboriginal people of this State, will you state that those remarks are absolutely unacceptable to you and your Government? Will you sack him if he repeats them?

Mr FAHEY: As the Minister for Agriculture and Rural Affairs said a short time ago, the Opposition is pathetic. I do not even have to raise my voice, it is so well known by everybody on this side. At a time when there are difficulties in the community in relation to recession -

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

Mr FAHEY: - at a time when the mate in Canberra of the Leader of the Opposition has reneged in relation to dental care for pensioners and taxation relief, at a time when he has dumped on charities from a great height -

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

Mr FAHEY: - when the people have given money for charity -

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

Mr FAHEY: - at a time when there are many issues of concern to the community, all the Leader of the Opposition can come up with is some vague attempt to try to resurrect some alleged statement of several years ago.

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

Mr FAHEY: I would have thought occasionally I would get a question from other Opposition members.

Mr SPEAKER: Order! I call the Leader of the Opposition to order for the second time.

Mr FAHEY: How long is it since Ernie asked a question in this House on matters for which he has responsibility? I do not even know what they are, but he has not asked a question so I am never going to find out. How long since aboutFace got on his feet to ask a question in this House about his responsibilities or constituents? Right down the line, day after day, nothing comes because there is nothing there. I would have thought that maybe there would be a question on workers' compensation but no, workers' compensation has been an outstanding success.

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

Mr Whelan: On a point of order. It has always been acknowledged in this Parliament and others that the Premier is responsible for the statements of his Ministers. Mr Speaker, I am not the author of those words; they are those of a former great Speaker, Speaker Ellis.

Mr SPEAKER: Order! The honourable member for Ashfield will state his point of order.

Mr Whelan: The Premier should be asked to answer the question.

Mr SPEAKER: Order! There is no point of order involved, as the honourable member for Ashfield well knows.

Mr FAHEY: We do not get questions on workers' compensation, because when the coalition was elected to government in 1988 it inherited a system that was $500 million in the red. It cost 3.2 per cent of wages for workers' compensation. The benefits given by the Labor Government, the government of the workers, provided second-rate social security. We quickly turned the situation round with good management. We reduced the cost from 3.2 per cent to 1.8 per cent of wages and increased benefits for injured workers by several hundred million dollars a year. The deficit of $500 million was turned around to a credit of about the same amount as a contingency fund. But we do not get questions about workers' compensation because the Government's record is good. I could go on to speak of so many areas.

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

Mr FAHEY: By proper management the Government has made government trading enterprises operate efficiently and productively. The benefits have been passed back to the domestic uses of power and to industry.

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

Mr FAHEY: Questions are not asked on these matters by Opposition members because the Government is performing well.

Mr SPEAKER: Order! There is far too much interjection. Virtually no-one in the House can hear what is going on. It is certainly very discourteous to the Hansard staff who are trying to record what is being said.

Mr FAHEY: Is it any wonder that Opposition members on the backbench are talking -

Mr SPEAKER: Order! I call the Leader of the Opposition to order for the third time.

Mr FAHEY: The Leader of the Opposition should go back to room 32 if he wishes to discipline some of the blokes that are talking on planes. One recently made it abundantly clear to everyone who would listen that it is only a matter of time before there is a change in the leadership of the Opposition:
Page 2473
he will be gone. Is it any wonder that all the questions come from to the honourable member for Campbelltown? The Leader of the Opposition does not give the questions to the honourable member for Liverpool because he is afraid that the honourable member for Liverpool might develop some sort of profile and the Leader of the Opposition will be upset.

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

Mr FAHEY: All we get in this House are points of order from those members who have to rely on room 32 to survive the preselection process. It is about time the Leader of the Opposition said something that was relevant to the House.

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

JERVIS BAY MARINE HERITAGE

Mr SMITH: My question without notice is directed to the Minister for Natural Resources. Is the Minister aware of the exceptional marine heritage value of Jervis Bay? If so, what is the Government doing to protect Jervis Bay?

Mr CAUSLEY: The honourable member for Bega would be as appalled as I am to know that the Leader of the Opposition has not as yet had the decency to apologise to the honourable member for Port Macquarie for calling her a silly bitch. That is what he did. He has a hide to stand up here and talk about the new Leader of the National Party when he uses such disparaging remarks about women. I am sure the honourable members on this side find that despicable.

Mr SPEAKER: Order! There is far too much interjection from both sides of the Chamber. With seven minutes of question time remaining I have an unimpressive list of members who are on calls from one to three. I warn honourable members who have been called to order so far, that they are now all deemed to be on three calls to order and if any of them attract my attention between now and the end of question time they will leave the Chamber. I call the honourable member for Bankstown to order.

Mr CAUSLEY: The honourable member for Bankstown has a brother in the country, so I suppose he is a member who represents the country - that is about as close as they get. What is more, his brother votes for me. I must say that this side of the House has also noted that members of the Opposition were so contemptible that when the honourable member for Port Macquarie was pregnant they were parading around with pillows up their fronts - that is the type of people they are and yet the honourable member tries to pour scorn on this side of the House. He should apologise and be a man.

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

Mr CAUSLEY: Jervis Bay is one of the jewels of Australia's national heritage. It is located approximately 180 kilometres south of Sydney, it is one of the most popular recreation, holiday and retirement areas in New South Wales whose national significance has been recognised by its inclusion on the Register of the National Estate. Jervis Bay and its adjacent waters contain a wide variety of relatively undisturbed and pristine aquatic habitats including: some of the most significant seagrass beds in New South Wales; important mangrove and saltmarsh areas; rocky reefs; and sand beds. These habitats support an extensive diversity of marine fauna and flora including: over 211 species of fish - many being of recreational and commercial importance; more than 200 species of invertebrates; several species of marine mammals; and many wader and sea bird species, including penguins. Jervis Bay offers also an outstanding amenity in terms of its exceptional beauty, clear waters, majestic cliffs, long stretches of undeveloped shoreline, clean white sandy beaches, great fishing, fantastic diving, fascinating Aboriginal and European history, and adjacent terrestrial attractions.

Jervis Bay's State and national significance has long been acknowledged by the New South Wales Government. New South Wales Fisheries has initiated a process which will lead to the declaration of a marine reserve, encompassing the State waters enclosed by - and adjacent to - Jervis Bay. Last week in this Chamber I said, heaven help the coal industry if the member for Blacktown ever got her green fingers into government. I say today, heaven help Jervis Bay, as the member for Blacktown wants to make it a national park. It would be locked up for ever and no one could utilise its benefits - no one - not even King Neptune would be allowed into Jervis Bay. On second thoughts, the member for Blacktown may have an affinity with King Neptune; his three-pronged trident would certainly highlight her triple-A rating. One prong for antimining; one prong for antidevelopment and a third prong, of course, for anti everything. Mr Speaker, it is expected that the Jervis Bay Marine Reserve will be gazetted by early 1994.

[*Interruption*]

I am interested to hear comments from the member for Ashfield opposite who interjects because there is no doubt in my mind that though we have only caught him out once for being wrong, I suspect that he has been wrong on a number of occasions. The honourable member for Ashfield twice got it wrong the other day. We often forget about his little episode with bending the boot. I dare say that the people in his branch are remembering that at present, as he is having all sorts of problems with pre-selection. I am sure they are remembering the fact that he was involved with the only Minister of this Parliament ever to be sacked and gaoled. I am amazed that the honourable member for Ashfield would even attempt to make an interjection in

this particular environment. The Marine Reserve will help to ensure that the exceptional marine heritage of Jervis Bay and its environs will be protected, used wisely and available for the future enjoyment and appreciation of everyone. Examples of marine heritage protection include: unique examples of New

South Wales marine and estuarine ecosystems; maintenance of the area's significant diversity and abundance of marine and estuarine habitats and marine resources; conservation and management of important fish stocks; provision for continued research and environmental education; and reduction of conflict between fishing and conservation of marine resource.

In March a planning officer with extensive experience in marine resource management was appointed to undertake the development of the management plan. The Jervis Bay Marine Reserve, in common with the Solitary Islands Marine Reserve and Towra Point Aquatic Reserve in New South Wales and the Great Barrier Reef Marine Park in Queensland, will be managed as a multiple-use area where all reasonable uses may be undertaken provided they are consistent with the long-term conservation of the area's exceptional qualities. Many activities presently occurring in the area will not be changed by the marine reserve. However, some activities may be limited or prohibited in certain areas. A system of graded levels of protection through the use of zones will be utilised for the management of Jervis Bay Marine Reserve. The proposed zones include, most importantly, sanctuary zones, as well as refuge zones and general use zones.

The sanctuary zones will protect sensitive and or ecologically significant areas, habitats and communities as what we call "look but don't touch" zones. Any activity that removes marine life or damages the habitat is prohibited. Refuge zones will act as buffers around sanctuary zones and also protect other areas that are not as sensitive. They will provide a level of protection that prevents alteration or damage to habitat. Some fishing activities may be permitted, but some extractive or other activities which conflict or may affect habitat may be prohibited. General use zones are the least restrictive zones. Most existing uses may continue, provided they are within the constraints of sound environmental management. They will also make the buffer zones the more protected zones of the reserve.

New regulations will support the management plan. The New South Wales Government and New South Wales Fisheries recognise the importance of public participation in the management planning process and will ensure public support and, in turn, the success of the marine reserve. The planning officer is undertaking extensive consultation with organisations, groups and individuals who utilise or have interests in Jervis Bay. These include commercial and recreational fishers; divers; conservation groups; the Aboriginal community; local, State and Commonwealth government departments, community groups and researchers. Further public participation in the management planning process will involve a widely advertised three-month period of formal public review of the draft management plan later this year.

There will also be public meetings and discussions with key interest groups during this period. Written submissions will be reviewed and, where appropriate, incorporated into the final management plan. The proposed management plan will take into account present and future conservation, scientific, commercial and recreational uses and requirements. The creation of the Jervis Bay Marine Reserve by the New South Wales coalition is yet another example of how the Government is prepared to adopt a sensible and balanced approach - and for the benefit of the honourable member for Blacktown, I repeat the word "balanced" - to the protection of such important natural features.

PETITIONS F6 Freeway Emergency Telephones

Petition praying that the House will consider the installation of emergency telephones on the F6 Freeway from Yallah to the north of Wollongong, received from **Mr Rumble**.

Canley Vale Railway Station

Petition praying that the Government not proceed with plans to automate ticket sales at Canley Vale railway station and ensure the comfort and security of rail commuters by maintaining adequate staffing levels, received from **Mr Newman**.

Toongabbie Railway Station

Petition praying that the State Rail Authority retain platform staff at Toongabbie railway station and other western Sydney railway stations in the interest of passenger safety, received from **Ms Allan**.

State Rail Authority Heritage Buildings

Petition praying that heritage buildings in the Newcastle region be allowed to be used by arts and crafts people and that Newcastle Contemporary Artists Incorporated be given approval to occupy a building on the Honeysuckle land for use as a gallery of contemporary art and cultural workshop, received from **Mr Gaudry**.

Newcastle Rail Services

Petition praying that the rail line between Civic railway station and Newcastle railway station not be closed, received from **Mr Gaudry**.

Hunter Valley Railway Line Privatisation

Petition praying that the House support the retention of the Hunter Valley railway line in public ownership and that the rail line between Civic railway station and Newcastle railway station not be closed, received from **Mr Gaudry**.

Capital Punishment

Petition praying that the Government will hold a referendum on the reintroduction of capital punishment in extreme cases of murder where there is absolutely no doubt that the offender committed the crime, received from **Mr Windsor**.

Public Housing Tenant Water Charge Liability

Petition praying that the House reject the proposed amendment to the Residential Tenancies Act to charge public housing tenants for water consumption, received from **Mr Sullivan**.

Lake Macquarie Fish Reserves

Petition praying that the House ban professional fishing in Lake Macquarie for a five-year period and commission a feasibility study on methods to prevent further deterioration of the lake's marine life, received from **Mr Hunter**.

Lidcombe Hospital and Auburn District Hospital

Petition praying that the House reject any proposals to cut back services or staffing at Lidcombe Hospital and Auburn District Hospital but instead support an increase in services and staffing at the hospitals, received from **Mr Nagle**.

Hepatitis C

Petition praying that the Government act to combat hepatitis C, received from **Mr Yeadon**.

Public Hospital Privatisation

Petition praying that the House will reverse the Government's decision to privatise public hospitals, received from **Mr Hunter**.

Newcastle Acute Hospital Beds

Petition praying that the House support the provision of increased funding for acute hospital beds in Newcastle, received from **Mr Gaudry**.

Ingleburn and Macquarie Fields Police Stations

Petition praying that the House provide, as a matter of urgency, a permanent police station at Ingleburn and upgrade the existing police station at Macquarie Fields, received from **Mr Knowles**.

Sydney Casino Slot Machines

Petition praying that the House not allow the proposed Sydney casino to operate slot machines, received from **Mr Face**.

Caroline Bay Multi Arts Centre

Petition praying that the House order the establishment of a commission of inquiry under the environmental protection Act to consider the environmental and fiscal effects of the Multi Arts Centre proposed for Caroline Bay, East Gosford, order a half-term election for the ten aldermen of Gosford City Council on 18th September, 1993, and order the council to cease expenditure on the centre until the results of the election become known, received from **Mr McBride**.

Stockrington Rail Waste Dumping

Petition praying that the House assess the proposal by Stockrington Rail Waste to dump rubbish in the Stockrington, Minmi, Seahampton, Butti area, received from **Mr Price**.

BUSINESS OF THE HOUSE

Printing of Reports

Motion by Mr West agreed to:

That the following reports be printed:

Environmental Impact Statement Strategy Progress Report from the Forestry Commission pursuant to the Timber Industry (Interim Protection) Act 1992, dated 30th March, 1993.

Report of the Building Services Corporation for 1992.

Report of the Technical Education Trust Funds (Technical and Further Education Commission) for 1992.

SUBORDINATE LEGISLATION (AMENDMENT) BILL

Bill read a third time.

COMMONWEALTH GRANTS COMMISSION RECOMMENDATION

Consideration of Urgent Matter

Mr FAHEY (Southern Highlands - Premier, and Treasurer) [3.8]: I move:

That this House calls on the Prime Minister to adopt the recommendation of the Commonwealth Grants Commission as a first step towards correcting the unjustified discrimination against New South Wales taxpayers.

This matter is of the utmost importance not only to the Parliament of New South Wales but also to the State and the people of the State. As honourable members are aware, New South Wales subsidises the other States and Territories, other than Victoria, to the extent of $1.4 billion per year. The combined New South Wales and Victorian cross-subsidy to the smaller States and Territories is $2.5 billion per year. That is almost twice as much as Australia provides in foreign aid. It needs to be appreciated that the elimination of this cross-subsidy would either enable New South Wales to massively increase services such as health and education to the people of this State, or allow the Government to provide tax relief and to achieve a balanced budget. The rationale for this expensive cross-subsidy is the principle of fiscal equalisation. In this way the larger States have subsidised the other States and Territories so that they are in a position to provide services at a standard level funded by taxes not in excess of a standard level.

While there is a case for some level of fiscal equalisation, it must be recognised that the extent of fiscal equalisation undertaken in Australia is more extensive than in any other federation. Part of the historic reason for fiscal equalisation was the compensation for the smaller primary industry-based States for the cost of tariff protection, which was said to assist the industrialised States of New South Wales and Victoria. Clearly, because of the industrialisation that has occurred in the other States, and the reduction in tariffs that has occurred and will continue to occur, there is no longer a valid reason for such a huge subsidy. In short, the massive subsidy paid by New South Wales taxpayers is out of date and totally unjustifiable.

Why should people from western Sydney or the

Central Coast subsidise the pay rise granted by the Queensland Government to that State's teachers? Why should the people of Maitland and the Hunter Valley pay for a new hospital in Perth? More important, why should anyone in New South Wales assist South Australia to overcome the multi-billion dollar disaster with its State Bank? South Australia has already received a $600 million handout from the Federal Government in respect of that matter. Why should the people of New South Wales pay to bail out the poor management of Labor States? New South Wales and Victoria are seeking fundamental reforms in this regard which, while not eliminating fiscal equalisation, will substantially reduce its level, simplify the whole process and make it much more transparent to the community.

Every five years the Commonwealth Grants Commission undertakes a major review of the methodology to assess fiscal equalisation. It must be stressed that this review accepts as its objective the continuation of full fiscal equalisation. The commission has recently presented its report, which concludes that in fact there has been excess fiscal equalisation. The report will be considered at the Premiers' Conference in July. The commission has recommended that New South Wales' share of financial assistance grants should be increased by $163 million from 1993-94 onwards, to correct what it accepts is the excess level of fiscal equalisation. One could argue whether we should have fiscal equalisation in the form in which it occurs in this country. It may have been fine in the past when there was some compensation required for the benefits of the industrialised areas - the benefits received from tariffs - but those days are gone. When it comes to communication and connection, opportunities that might not have existed 20 years ago are occurring in many small towns in all States of Australia.

Accepting the fact that Australia is going to have fiscal equalisation, the excess level of fiscal equalisation

has been determined by the Commonwealth Grants Commission to amount to a disadvantage to New South Wales of $163 million, and the recommendation is that, of that particular pie New South Wales should get an additional $163 million for the next five years. I note there is not one member of the Opposition present. Wait: the honourable member for Broken Hill has just come back into the Chamber. The New South Wales Government has a number of concerns about the recommendations.

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

Mr FAHEY: The Commonwealth Grants Commission report is consistent with its longstanding support for full fiscal equalisation. Because of that, it in no way addresses the fundamental objections of the New South Wales Government about the enormous level of the annual $1.4 billion cross-subsidy. The Commonwealth Grants Commission has only moved on what it has termed the excess subsidy. Secondly, while the implementation of the recommendation will provide that extra $163 million to New South Wales next year, it will not compensate the State for the excess level of cross-subsidy that has been imposed on the people of New South Wales during the past decade.

The cross-subsidy for the past 10 years is estimated to have cost the New South Wales people almost $2 billion in total. So, even using the formula - if the Government accepts that that is the way things should happen - New South Wales has missed out on $2 billion during the past 10 years. It is of great concern to the New South Wales Government to hear reports of the Queensland Premier seeking to avoid implementation of these recommendations. All States accepted the terms of reference and all States should accept the referee's ruling. All States in the Commonwealth have accepted the neutrality and objectivity of the Commonwealth Grants Commission. Now they must accept the findings.

Queensland is now and will continue to be a prime beneficiary of fiscal equalisation. It is beyond understanding why $800 million is redistributed from the citizens of New South Wales and Victoria to assist the citizens of Queensland. It is widely recognised that Queensland has felt the recession least and runs a balanced budget, thanks to the generosity of the New South Wales and Victorian people and the previous management of the coalition parties in Queensland. The Prime Minister and his Treasurer have been silent on the Commonwealth Grants Commission recommendations since they were announced. The people of New South Wales are waiting for an indication that the Commonwealth will accept the report. The Prime Minister has no choice but to implement those recommendations. It was an impartial recognition that New South Wales has been unfairly treated by Canberra, especially in the past five years.

Any delay or modification of the recommendation of the Commonwealth Grants Commission should be firmly and clearly rejected by the Commonwealth Government. That is why the Parliament of New South Wales today must remind the Prime Minister and the Commonwealth Treasurer of their responsibilities towards New South Wales, and call on them to support full implementation of the recommendation of the Grants Commission on general revenue grant relativity. I hope this motion will be supported by all members. There is no room for apologists for the Prime Minister on this issue. It is time the Labor Party and all members of this House put New South Wales first. The people of New South Wales deserve a fair go in regard to financial grants and this is only the first step towards ending that discrimination.

Mr ROGAN (East Hills) [3.17]: Let there be no doubt that the Opposition will support the motion. The position of the Opposition is quite clear; it has been unequivocally stated on a number of occasions by the Leader of the Opposition during the past five years. When Labor was in office, I was particularly

committed to the principle that has been outlined in the motion today. Indeed, when Labor was in office under Neville Wran, there was some redressing of the imbalance that existed under the grants sharing formula, which sees New South Wales continually being done out of its share of the taxes derived from this State.

This campaign, this crusade of the Government, came about only when it started to feel the real pinch as a result of its bad economic management. That is when honourable members started to hear from the Government. When the coalition parties were in Opposition, we heard very little from them, if anything.

When the Government at that time put forward any propositions, the then Opposition, under its former leader, Mr Greiner, continually took the position that Labor was creating an excuse to obtain more money.

The imbalance and the way in which New South Wales has been unfairly treated did not begin with the current Federal Government; it began with the Fraser Liberal Government. The Leader of the Opposition has made a number of speeches on this issue and has issued press releases over a period of time seeking a better deal for this State. I am sure all honourable members want to ensure that the taxpayers' money is returned to the State to be spent on services for the people. Under the current revenue sharing arrangements recommended by the Grants Commission, New South Wales and Victoria continue to subsidise the other States. As Jack Lang said, "Federation is a conspiracy against New South Wales". That is still true 60 years later.

The per capita financial grants to the States for the current financial year are as follows: New South Wales $606; Victoria $595; Queensland $906; Western Australia $956; South Australia $1,047; Tasmania $1,232; and Northern Territory, an extraordinary $4,899. It is absolutely ludicrous that, in the 1990s, a person living in Tweed Heads, New South Wales, should attract a Federal grant of $606, yet a person living over the border in Coolangatta, Queensland, should attract a grant of $906. The Opposition attitude to this matter has been consistent. On 31st March, 1989, the Leader of the Opposition issued a press release headed "New South Wales loses out again" in which he said:

> The release of the Grants Commission's 1989 report on Commonwealth payments to the States is a disappointment for the people of New South Wales.
>
> The Grants Commission recommendation again entrenches New South Wales as a second-rate State in Commonwealth-State financial relations. The Commission's findings, based on the existing distribution of funds, would mean that New South Wales would lose a further $67.8 million in Commonwealth funds. This is in addition to the $32.8 million reduction received at last year's Premiers' conference.

There should be no argument from honourable members that New South Wales, which contributes more than other States, deserves its fair share of the Commonwealth tax dollar. However, during the last Federal election campaign the Fahey Government supported the Hewson policy under which New South Wales would have been done in the eye completely. Even more services would have been lost to the people of this State. On 2nd September, 1992, Premier Fahey said that he could not wait for the election of a Hewson-led government. In a statement to this House he said, "They are addressed by a package called Fightback . . . if one looks at the entire package, one gets an answer and by God we need an answer in this country". The electorate was not looking for that answer, and the Hewson deal was rejected.

There is little point in the Government bleating and crying crocodile tears on behalf of the people of this State when it supported a policy that would have further eroded government services in this State. I should dwell a little on the services that the people are receiving under this Government. The overall sell-off of State assets by the Government in an effort to climb out of a financial hole of its own making has cost the people dearly. The Opposition believes that the New South Wales taxpayers deserve a better deal. If agreeing to this motion means that taxpayers will receive a better deal, then the Opposition will support it. However, given this Government's record on seeking a fair go for New South Wales, the Opposition questions the sincerity of this motion. In the past few years the Government has increased State taxes and has cut back on basic services all in the name of economic rationalism; New South Wales was going to be managed better.

When the Greiner Government came to office the people were told that because State debt was the great bogey, taxes would have to be increased and government services reduced. After five years of a Liberal Party-National Party Government in this State the debt is higher now than when the Government came to office. We have had all the pain but virtually no gain. In summary, the Opposition will support any motion of this House that will ensure New South Wales taxpayers are better off, and are treated equitably and fairly. However, the Opposition regards this motion as hypocritical of the Government, which is crying crocodile tears on behalf of the people of New South Wales, whom the Government has hurt badly over the past five years and will continue to hurt in the future.

Mr LONGLEY (Pittwater - Minister for Community Services, and Assistant Minister for Health) [3.27]: I support the urgency motion: That this House calls upon the Prime Minister to adopt the recommendation of the Commonwealth Grants Commission as a first step towards correcting the unjustified discrimination against New South Wales taxpayers. Since 1988 this Government has successfully cushioned the people of New South Wales from some of the worst effects of Paul Keating's recession - effects that have been brutally felt in Victoria, South Australia, Tasmania and Western Australia. In those States, irresponsible and uncaring Labor governments have, until the recent election of Liberal governments, compounded the devastating effects of Keating's vandalism of the Australian economy.

Page 2478

I have spoken before in this House about how Commonwealth delays, mismanagement and general stuff-ups in funding for important community services programs have caused additional hardship for the victims of Labor's recession. Funding for the child care places that the Federal Government promised in the 1990 election campaign three years ago has yet to be fully delivered. Last year the Federal Government caused an unacceptable delay in the delivery of funds for the supported accommodation assistance program, a program designed to help the homeless. Yesterday we witnessed a further breathtaking backflip as the Federal Government callously tossed away key election promises on dental care, child care and help for charities - again delays and lies.

The Federal Government has delayed its $18 million dental scheme which was promised during the election campaign; it will probably never happen. The Federal Government lied to the charities during the lead up to the election. Mr Keating said, "The Government will match dollar for dollar cash donations from the Australian public". That is a lie. The Federal Government is not doing that at all. It raised the hopes of those in need and those who worked so hard for the charities; it ruthlessly crushed those hopes when the time came to deliver the money. The Federal Government is also delaying its child care subsidy stunt of the election campaign. That is part of the pattern of uncaring and irresponsible planning, the planning that results in the inequitable system of State funding which discriminates against New South Wales. This motion seeks to redress that.

Mr Keating has destroyed the broader movement to reform Federal-State relations. At the special Premiers Conference held in October 1990 it was New South Wales which was committed to fundamentally reviewing intergovernmental relations. Our commitment to driving this change still stands. We must make sure that resources get to older people and people with disabilities through the home and community care program, to homeless young people through the supported accommodation assistance program, to families through the provision of child care programs and to Aboriginal people through generic and specific programs. Keating, since becoming Prime Minister, has deliberately hijacked the reform process which was under way and which would have delivered real results to individuals and families in need.

This is all part of the same pattern of the uncaring, unresponsive Government which has for so long allowed the unfair discrimination against New South Wales that this motion is about. It has created a funding structure and system that, as I am sure the Opposition would agree, hurts the people of New South Wales. When this is combined with the ways in which the Federal Government has hindered the delivery of community services funding, honourable members will appreciate the effects this has on the disadvantaged and vulnerable within our community.

This motion is just one step in attempting to redress this situation. It is imperative that the Prime Minister of Australia adopt the Grants Commission recommendation so that New South Wales can take that one small but critical step towards redressing that unfairness. My main concern in this motion is the human impact of the uncaring Federal Government. This is one small way in which this House can state in clear and unequivocal terms that it is committed to the people of New South Wales, particularly those who are most disadvantaged and who have been most hurt by the recession. The House must support this motion and send a clear message to the Keating Federal Labor Government.

Mr J. H. MURRAY (Drummoyne) [3.32]: Australian State governments are responsible for a larger share of the total public expenditure than State or provincial governments in comparable federations, such as Canada, West Germany, Switzerland and the United States. However, they raise a much smaller proportion of taxation revenue than do any other of their international counterparts. The States depend on a range of taxes and charges which are ad hoc, regressive and unfair, narrow, subject to competition and erosion, and largely unaccountable. Added to this, after the 1980s recession the State revenue base collapsed, primarily because of a fall in the two chief revenue sources - payroll tax and stamp duties, which account for 55 per cent of New South Wales tax revenues - and caused State governments to be in a state of fiscal siege.

The proposal of the Grants Commission, under the new formula, would give an extra $1.64 million a year in general Federal grants, which is long overdue. The Labor Party recognises that. The populous States - New South Wales and Victoria - are subsidising the rest of Australia. An estimated $1.4 billion of revenue raised in New South Wales will not come back to the people of New South Wales. This situation is the core of the problem with respect to Commonwealth-State relationships. There is a growing inability of the States to meet their fixed expenditure commitments from their own tax base.

It is interesting to see how this situation is going to be tackled in Victoria. An article in the *Australian Financial Review* of 21st April, 1993, states that the Victorian Liberal Premier's solution to this problem is a radical revamp of Commonwealth-State relations. He advocates that the States collect all taxes and pay the Federal Government a fixed share of revenue. In other words, the Victorian Premier wants income taxes taken over by the States. The most recently elected Liberal Premier in Australia is advocating that. He believes that the Commonwealth should remove itself from those areas and should retain responsibility for areas of national significance, such as defence, foreign affairs and communications. The Victorian Premier says that the problem with the States is their lack of ability to be involved in taxation. He wants to get his grubby hands on to that tax base.

About a month later the Premier of New South Wales advocated the exact opposite. One wonders what is behind the motion moved by the Premier. The Premier advocates that the States go back to

basics. He said that the States should surrender their responsibilities for employment, training and housing programs to the Federal Government. In other words, the Premier of New South Wales is saying the complete opposite to the Premier of Victoria. Where do the Liberals stand on this issue? This seems to be a rehash of the republican debate. The Premier of New South Wales has come into this House advocating one policy with respect to republicanism, the Federal Leader of the Liberal Party has said, "Let's sit still and do nothing", and the Premier of Victoria says the complete opposite. If this motion is passed today, how are we to convince Liberal Parties outside New South Wales that they have to back it?

Federal-State financial relations will become increasingly explosive as we move to the year 2000 because of the way the economy is changing and being changed. For decades a disproportionate share of the Commonwealth's general purpose grants has gone to the less populous States, as I have indicated. This has been done in the name of allowing the smaller States to provide a standard of service comparable to that of the two larger States. That may have been all right in 1901, but it has now brought about a form of protection for Western Australia, Tasmania and Queensland. New South Wales should stand up and be counted with respect to this proposition. The New South Wales Labor Party has taken the lead in this regard. Even though it has not brought this motion before the House today, over the last two years Bob Carr has indicated that New South Wales should receive a greater proportion of the taxpayers money that leaves this State and goes to Canberra. I have pleasure in supporting the proposal that this House calls on the Prime Minister to adopt the recommendation of the Commonwealth Grants Commission as a first step towards correcting the unjustified discrimination against New South Wales taxpayers.

Mr SOURIS (Upper Hunter - Minister for Finance, Assistant Treasurer, and Minister for Ethnic Affairs) [3.37]: I support the motion. It is interesting that members of the Opposition have come forward one after another to support the motion. They had 10 years in government and have had five years in Opposition, during

which time we have not heard a whimper from them with respect to Commonwealth-State financial relations. In that time New South Wales has been robbed of billions of dollars which rightfully belong to the taxpayers of this State. Those funds belong to New South Wales. The arguments of the members opposite carry no weight with me; they had every opportunity to raise this issue during their 10 years in government and subsequent 5 years in Opposition. The Leader of the Opposition issued a press release on 5th May and stated that the proposals in the Labor Party platform for business relief, jobs boost and so on were seeking a fairer share of Federal Government general revenue grants to enable payroll tax relief. That implies a revenue neutral suggestion, which does not redress the wrong and imbalance of the present system of Commonwealth-State financial relations.

If New South Wales received the extra $1 billion or more it was entitled to, the State could double the payroll tax threshold of $1 million over five years. This would allow small business to take on extra employees at lower cost. There is a contradiction anyway, with a reference to an extra $1 billion and a revenue offset of the equivalent amount. This does not address the fundamental problem. The second point made by the Leader of the Opposition in his press release urged the Federal Government to defer tax on capital gains realised on the sale of small business. That is simply a Federal tax issue and has nothing to do with Commonwealth-State financial relations. One wonders where the policies are and whether that rhetoric has any substance whatsoever. That shows up the hypocrisy we have heard from Labor over the past 15 years, particularly the 10 years under the former Labor Government, which took no action to redress the awful wrong that had been created.

We saw during the election campaign for the Federal Parliament the Labor Government making the most outrageous promises and allowing the Federal Budget deficit to balloon to the order of $15 billion. We know exactly how they propose to make those adjustments to bring that Budget somewhat into line. Two strategies have been identified. It does not surprise me that one of the payers will be the States. It does not surprise me to hear and now expect that the Federal Government will take an even harder line on Commonwealth-State financial relations to redress the awful imbalance that Government has created in its own budget deficit. Second, I note in passing that the Federal Government has identified productivity and efficiency gains in government trading enterprises as a means of receiving a return on those assets to redress the awful deficit the Federal Government created in the lead-up to the Federal election. We anticipate that the Federal Government will try to cover up its appalling budget deficit, which it allowed to balloon to an unbelievable $15 billion, at the expense of the States. This is totally unacceptable, totally unfair and inequitable, and ought to be attacked by every member. Members opposite should tell their Canberra mates that they are raking off moneys from this State that rightfully belong to the taxpayers of this State.

Mr FAHEY (Southern Highlands - Premier, and Treasurer) [3.42], in reply: I thank my ministerial colleagues, the Minister for Finance and the Minister for Community Services, the honourable member for East Hills and the honourable member for Drummoyne for supporting the motion. It is a matter of grave concern to the State to constantly be propping up the smaller States and Territories, as New South Wales has done for ever. The Grants Commission report demonstrates that New South Wales has supported other States beyond any balance and in excess of what fiscal equalisation is about. That makes abundantly clear how difficult it is to provide necessary services in this State when the Commonwealth is not giving us a fair go. A considerable amount of lobbying is being conducted

by Premiers in the smaller States and by the Queensland Premier, who has been quite open about the whole matter. It is farcical that Queensland, with its budget in surplus, with its economy bubbling along because of its tourism industry and increasing population - and because of its good management for many years by a former coalition Government - should be receiving money from New South Wales and Victoria.

In fact, it hurts even more when one looks at Victoria and its economy, which is starting to improve as a result of better management following the election of a coalition government in that State. It is farcical that people in Victoria - a rustbucket State when the coalition came to office there last year - should be subsidising people in Queensland. The Grants Commission has made its recommendations, and has accepted many of the arguments and suggestions of all States and Territories. We must accept the umpire's decision. That decision

will benefit New South Wales to the extent of $163 million. This State will be able to consider opportunities without the need to increase taxes - which this Government has not looked at - or to cut services during the recession to meet its community service obligations.

The Leader of the Opposition, the spokesman on finance for the Opposition, has not bothered to speak in this debate. He has left it to two other members to put the case forward in support. It is clear that he is not willing to make statements against the Prime Minister or against his mates in Canberra in any shape or form. He has indicated on many occasions that he is an apologist for the Federal Government. The claim was made in debate that the Leader of the Opposition had previously backed the idea. He must have hidden his light under a bushel. I have not seen any statements in that regard. He is continually talking about the numbers. The number that the honourable member for Ashfield should worry about is 32, not 15. If the Leader of the Opposition had been serious about the support which must come from all members of this Parliament, he would have been part of this debate. As to the claims that taxes in this State are higher than in other States, I draw attention to the numerous documents that have been released, and to the numerous bar charts contained in publications associated with the Budget Papers. That is simply another Labor lie and has no substance to it whatsoever.

I would hope that in the days ahead the Commonwealth will accept that New South Wales cannot carry Australia on its shoulders. This State has been asked time and again to use its broad shoulders to carry the rest of Australia, the smaller States and Territories, especially after Labor governments in some States have got into strife. It seems the Federal Government will offer support only if a State gets into trouble. If that happens, if the bank is blown, or if a State experiences difficulties, such as those that occurred in Western Australia in the past - and as happened with Victoria's borrowings under the Kirner Government - the Commonwealth Government will come to the party and offer some support. We are not going to get into trouble in New South Wales. We have no intention of doing that. Sound financial management will continue whilst ever we are in government, and that will be for a long time yet. At the same time the people of this State require some support from a Prime Minister hailing from New South Wales. He has forgotten that people in the Bankstown area are subsidising people in Perth, Darwin and Townsville. That is just not good enough. His own people should tell him. I thank honourable members for supporting the motion.

Motion agreed to.

JOINT SELECT COMMITTEE UPON THE SYDNEY WATER BOARD

Suspension of certain standing and sessional orders agreed to.

Dr MACDONALD (Manly) [3.47]: I move:

That the amendment proposed by the Legislative Council to paragraph (2) of the resolution for the terms of reference for the Joint Select Committee upon the Sydney Water Board be agreed to.

Since this measure went to the Legislative Council I have had a meeting and discussion with the Minister responsible for the Water Board portfolio. I agree to the changes that have been proposed.

Motion agreed to.

Message

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

TOTALIZATOR LEGISLATION (AMENDMENT) BILL

Bill introduced and read a first time.

Second Reading

Mr SCHIPP (Wagga Wagga - Minister for Sport, Recreation and Racing) [3.50]: I move:

That this bill be now read a second time.

The purpose of the proposal before the House is to amend the Totalizator Act 1916 and the Totalizator (Off-Course) Betting Act 1964 to provide that certain moneys from the operation of totalizators which are now being credited direct to the Racecourse Development Fund or the Racing Assistance Fund are to be paid into the Consolidated Fund and appropriated by Parliament. At present the legislation provides that in respect of betting on totalizators, one-half of 1 per cent of investments on doubles and multiple selection totalizators is to be deducted from the investment pool for payment to the Racecourse Development Fund. For the information of members, moneys paid into the Racecourse Development Fund are used primarily to provide finance towards the cost of permanent improvements to racecourses and training facilities throughout the State. Similarly, the legislation provides that a small percentage of

investments on superfecta totalizators is to be paid to the Racing Assistance Fund. Racing Assistance Fund moneys are used to help racing clubs remain viable and to fund scientific research into racing animals.

A recent study of the value of the racing industry to the economy of New South Wales shows that the industry contributes approximately $930 million to the New South Wales gross domestic product and provides direct employment for about 50,000 people, representing the equivalent of approximately 16,500 full-time jobs. In the current financial year the contribution from the racing industry to consolidated revenue is expected to be approximately $325 million. With this in mind I am sure that members will appreciate the importance of maintaining a viable racing industry in the State. At present the moneys paid to the Racecourse Development Fund or the Racing Assistance Fund as a result of totalizator operations are credited direct to the respective funds. However, under policies developed with the introduction of accrual accounting and net appropriations to departments, receipts of the nature of these collections should be paid into the Consolidated Fund and be appropriated by Parliament. The legislation provides for amounts equal to those paid to the Consolidated Fund to be credited to the respective funds. I commend the bill to the House.

Debate adjourned on motion by Mr Face.

LIQUOR TAXATION (AMENDMENT) BILL

REGISTERED CLUBS (TAXATION) AMENDMENT BILL

Bills introduced and read a first time.

Second Reading

Mrs COHEN (Badgerys Creek - Chief Secretary, and Minister for Administrative Services) [3.54]: I move:

That these bills be now read a second time.

The principal aim of the bills now before the House is to insert into the liquor and registered clubs Acts provisions relating to the taxation of gaming devices in hotels and clubs. At present, those provisions are prescribed by regulation. The bills will also ensure that other provisions relating to the cancellation of licences and certificates of registration for non-payment of fees are transferred to the Acts, and will provide a more efficient system of the payment of those fees. Honourable members will be aware that the Government during

its first term introduced a new duty scheme for gaming devices in hotels and amended the scheme for registered clubs. The aim in both cases was to introduce a simple and fair duty system. The new schemes were placed in the liquor and registered clubs regulations. This was appropriate as it allowed for the schemes to be monitored, with any fine-tuning required to be undertaken quickly and efficiently. Clubs and hotels have adapted well to the schemes.

It is now appropriate that these taxation provisions be transferred to their respective Acts. This is in line with the longstanding tradition that taxation matters be contained in principal statutes - not regulations. The bills now before the House will achieve that. As I have already mentioned, the bills will also transfer certain provisions concerning the cancellation of liquor licences and club certificates for non-payment of fees into the respective Acts. Honourable members may be aware that liquor licence and club registration fees may be paid in two equal instalments. The first is due on 15th January each year and the second is due on 15th May. As a one-off exception, the May 1993 instalment may be paid in two equal parts due on 1st May and 1st June. If those instalments are not paid on time, penalties for late payment accrue for two months.

In January 1988 the then Government placed in the regulations a provision which had the clear intention and effect of automatically cancelling a licence or certificate if an instalment remained unpaid after two months from the due date. In November last year the Supreme Court held that this provision was outside the regulation-making powers contained in the Liquor Act. A subsequent appeal against the court's decision was dismissed. The bills now before the House will resolve this issue by lifting the existing cancellation provisions for non-payment of liquor licence fees, along with those relating to club registration fees, from the regulations into the substantive Acts. The bills also transfer similar provisions relating to gaming device industry licences.

On the advice of the Solicitor General, the bills contain provisions which will validate licence cancellations made under the existing regulations. These provisions serve only to validate events which have already occurred - they do not attempt to change the rules which have applied since 1988. The bills have been drafted so these provisions do not apply to any licence or certificate where Supreme Court proceedings challenging the validity of the regulations have commenced. I am aware that the liquor industry, like other elements of our community, is feeling the strain of these difficult times. To assist the industry, this Government has implemented a range of concessions. For example, in its first term the regulation which suspended licences and certificates if fees were not paid by the due date was repealed. This enabled licensees and clubs to continue to trade for a further two months after the due date so that they may meet their fee obligations.

Further assistance to the liquor and club industries will be provided through these bills. They contain provisions which allow licensees and clubs who have had their licence or certificate of registration cancelled for non-payment of fees to apply for reinstatement of the licence or certificate. Of course, applications will be approved only where there is a reasonable explanation for non-payment. The outstanding fee and any other moneys due must also be paid. That is clearly a less punitive measure than the previous automatic cancellation without the possibility of reinstatement. The bills also provide for

the efficient operation of the direct deposit system used for paying fees to the Liquor Administration Board. Where a licensee or club pays fees to a bank using that system, the date the bank receives that payment will be considered to be the date that payment is received by the board.

Honourable members may wish to note that the peak liquor industry associations have been consulted, and their comments have been addressed. The bills do not represent major changes to the liquor laws. They merely transfer certain taxation provisions from the regulations to the respective Acts. They also provide licensees and clubs with a second chance where their licence or certificate has been cancelled for non-payment of fees, and protect the industry from late payments caused by delays in the banking system. Those provisions are important ones for the liquor and club industries. I commend the bills.

Debate adjourned on motion by Mr Face.

ENDANGERED AND OTHER THREATENED SPECIES CONSERVATION BILL

Bill introduced and read a first time.

Second Reading

Mr HARTCHER (Gosford - Minister for the Environment) [4.5]: I move:

That this bill be now read a second time.

The Endangered and Other Threatened Species Conservation Bill was introduced into Parliament to lay on the table during the autumn session as part of a process of public consultation on the original natural resources package of legislation. The bill has been amended in light of this consultation process and will now lay on the table to allow for further public discussion before being debated in the budget session. The aim of this legislation is to promote the recovery of endangered and other threatened species of Australian animals and plants occurring in New South Wales and maintain their genetic diversity. The Opposition's legislative attempts in this area, the Endangered Fauna (Interim Protection) Act, has done little or nothing to further the protection of our native species. All it has done is to impose an additional layer of bureaucratic regulation on development and activities often vital to the economic and social welfare of the State.

The Opposition bill fails to adequately integrate decisions about nature conservation with planning and other resourced decisions that take into account all relevant matters - social, economic and environmental. I stress, however, that the Government had endangered species legislation on its agenda long before the Opposition introduced its legislation. In contrast to that legislation the bill promotes a balanced and rational approach to the protection of threatened species through integration in the planning system. This will ensure that all values and interests are taken into consideration. This is consistent with the principle of an ecologically sustainable development which states that decision-making processes should effectively integrate long-term and short-term economic, environmental and social equity considerations.

I now explain to the House the provisions of the bill. The bill requires the Director of National Parks and Wildlife Service to prepare recovery plans for endangered species. The director must consider what positive steps should be taken to ensure the return of endangered species to a position of viability in the wild. In addition, the bill encourages and indeed requires decisions about species conservation to be taken in consultation with other agencies with resource planning and environmental responsibilities. The director will need to consult any government agency potentially affected by the recovery plan. The submissions of those agencies must be considered.

The bill encourages the integration of measures, the conservation and protection of native species within the system of environmental planning and assessment in the State. Accordingly, the Environmental Planning and Assessment Act will be amended by the bill to clearly authorise the making of environmental planning instruments for the protection, conservation and recovery of native species and their habitat. Where habitat is designated as critical habitat by a planning instrument, that is habitat whose protection is necessary for the survival of the species, any damage to that habitat will attract very significant penalties.

The designation of a habitat as critical in a planning instrument will require the approval of the Minister for Planning. The Minister for Planning will consider and assess desirability of any proposal of the National Parks and Wildlife Service to specify critical habitat in a planning instrument in the light of the objects of the Environmental Planning and Assessment Act. Thus the Minister will need to consider the social and economic welfare of the community, as well as the protection of the environment. Public participation is an integral part of preparation of local and regional planning instruments. The public will thus have the opportunity to comment on proposals for protection of native species and their habitat by environmental planning instruments before their implementation.

The bill provides for the protection of both endangered and other threatened species of animals and plants, vulnerable, rare, indeterminate and insufficiently known species. The task of assessing the eligibility for species will be given to an independent scientific committee with a broad range of expertise. A species will only be able to be listed on the recommendation of the committee. The criteria for listing, which the committee is to apply, are set out in the Act and are generally consistent with international standards. In particular, a species will only be eligible for listing as endangered if it is likely to become extinct within a 20-year period. Provisions have also been included to refine the criteria in accordance with advances in scientific thinking and available technology. Finally the bill repeals the Opposition's Interim Protection Act and restores the
Page 2483
National Parks and Wildlife Act 1974, as it was before the Opposition's misguided attempt at amendment.

The bill amends the offences relating to the taking and killing of endangered and other protected fauna in the National Parks and Wildlife Act. Those provisions were the subject of the proceedings in the Land and Environment Court to stop logging in the Chaelundi State Forest. The court held that the taking or killing offences extended to habitat destruction and degradation which disturbs an endangered or protected species, leading either immediately or over time to a reduced population. The interpretation has potentially far-reaching consequences, not only for forestry operations but for a broad range of activities and development in this State. The Opposition attempted to deal with the problem by relying on the licensing system for the taking or killing of fauna already set up by the Act. It has made that system unwieldy and cumbersome and imposed onerous requirements in relation to the obtaining of licences. This has meant that many undoubtedly sustainable proposals have been tied up in red tape. At the same time I doubt whether the Opposition's legislation has achieved anything tangible in protecting fauna. The amendments made by the bill will confine the scope of the taking and killing offences and thus limit the need for licences.

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

Mr HARTCHER: The provisions will be restricted essentially to the hunting, killing, injuring and capturing of endangered and other protected fauna. These offences will require proof of intention to kill, injure or capture the fauna concerned. The new offence of damage to critical habitat - identified in the environment planning instrument - will more effectively safeguard habitat from damage as people will actually know where the habitat is and what they can and cannot do in the area. Following public consultation and review by a parliamentary legislation committee the Government has made some significant amendments to the legislation. The most important of these amends the bill to provide for the listing of threatened species on a State, rather than on a national, basis. This ensures that species that are endangered in New South Wales but may not be threatened in other States can, nevertheless, receive the full protection of our State's law.

This was in response to strong support from the general public and from the scientific community. In response to concerns from both industry and conservation interests, the bill has also been amended to provide for increased opportunities for public participation in the preparation of recovery plans. Membership of the scientific committee has also been widened to include experts in marine ecology. This is in addition to experts in the field of vertebrate and invertebrate biology or ecology, plant ecology or biology limnology, conservation genetics and population dynamics. I commend the bill to the House.

Debate adjourned on motion by Ms Allan.

STAMP DUTIES (AMENDMENT) BILL

Second Reading

Debate resumed from 19th May.

Mr SOURIS (Upper Hunter - Minister for Finance, Assistant Treasurer, and Minister for Ethnic Affairs) [4.10], in reply: The Stamp Duties (Amendment) Bill essentially contains three rather routine amendments which, generally speaking, provide exemptions from financial institutions duty by three particular electronic

methods. The first is Taxline, an electronic facility for solicitors to pay stamp duty. Secondly, the new credit union clearing house operation is being given the same exemption as a similar existing clearing house operation. The third exemption will enable law stationers, Lawpoint Pty Limited, to effect settlements using electronic means. The Government believes it is important that these amendments be implemented by 1st July. I commend the bill.

Motion agreed to.

Bill read a second time and passed through remaining stages.

LOCAL GOVERNMENT BILL

IMPOUNDING BILL

LOCAL GOVERNMENT (CONSEQUENTIAL PROVISIONS) BILL

ROADS BILL

TRAFFIC (PARKING REGULATION) AMENDMENT BILL

Local Government Bill, Local Government (Consequential Provisions) Bill, Roads Bill and Traffic (Parking Regulation) Amendment Bill reported from Committee with amendments, and Impounding Bill reported from Committee without amendment.

Adoption of Report

Mr PEACOCKE (Dubbo - Minister for Local Government, and Minister for Cooperatives) [4.14]: I move:

That the report be now adopted.

Mr WHELAN (Ashfield) [4.14]: I move:

That the motion be amended by omitting all words after the word "That" with a view to inserting in lieu thereof the words "the report concerning the Local Government Bill, Impounding Bill, Roads Bill and Traffic (Parking Regulation) Amendment Bill be now adopted but the Local Government (Consequential Provisions) Bill be recommitted for reconsideration of clause 2 and schedule 3 as amended.

Question - That the words stand - put.

The House divided.

Ayes, 44

Mr Armstrong	Mr W. T. J. Murray
Mr Baird	Mr O'Doherty
Mr Blackmore	Mr Packard
Mr Causley	Mr D. L. Page
Mr Chappell	Mr Peacocke
Mrs Chikarovski	Mr Petch
Mr Cochran	Mr Phillips

Mrs Cohen	Mr Photios
Mr Collins	Mr Rixon
Mr Cruickshank	Mr Schipp
Mr Fraser	Mr Small
Mr Griffiths	Mr Smiles
Mr Hartcher	Mr Smith
Mr Hazzard	Mr Souris
Mr Humpherson	Mr Turner
Mr Jeffery	Mr West
Dr Kernohan	Mr Windsor
Mr Kerr	Mr Yabsley
Mr Kinross	Mr Zammit
Mr Longley	
Ms Machin	*Tellers*,
Mr Merton	Mr Beck
Mr Morris	Mr Schultz

Noes, 46

Ms Allan	Mr Markham
Mr Amery	Mr Mills
Mr Anderson	Ms Moore
Mr A. S. Aquilina	Mr Moss
Mr J. J. Aquilina	Mr J. H. Murray
Mr Bowman	Mr Nagle
Mr Carr	Mr Neilly
Mr Clough	Mr Newman
Mr Crittenden	Ms Nori
Mr Doyle	Mr E. T. Page
Mr Face	Mr Price
Mr Gaudry	Dr Refshauge
Mr Gibson	Mr Rogan
Mr Harrison	Mr Rumble
Mr Hatton	Mr Scully
Mr Hunter	Mr Shedden
Mr Iemma	Mr Sullivan
Mr Irwin	Mr Thompson
Mr Knowles	Mr Whelan
Mr Langton	Mr Yeadon
Mrs Lo Po'	
Mr McBride	*Tellers*,
Dr Macdonald	Mr Beckroge
Mr McManus	Mr Davoren

Pairs

Mr Downy	Mrs Grusovin
Mr Fahey	Mr Knight
Mr Glachan	Mr Martin
Mr Tink	Mr Ziolkowski

Question so resolved in the negative.

Amendment agreed to.

Motion as amended agreed to.

In Committee (Recommittal)

The TEMPORARY CHAIRMAN (Mr Hazzard): Order! Local Government (Consequential Provisions) Bill. The question is, That clause 2 and schedule 3 as amended stand part of the bill.

Mr WHELAN (Ashfield) [4.28], by leave: I move:

Page 2, clause 2, lines 5-7. Omit clause 2, insert instead:

Commencement

2.(1) This Act commences on a day or days to be appointed by proclamation, except as provided by this section.

(2) Clause 6 of Schedule 3 commences on the date of assent to this Act.

Schedule 3. At the end of the schedule, insert:

Dismissal of Sydney City Council

6. The Minister administering the Local Government Act 1919 or the Local Government Act 1993 (or any other Minister) must not, at any time before the next ordinary election of members of the Sydney City Council, recommend to the Governor the dismissal of the Council, or all or any of its members, except on a resolution of the Legislative Assembly and a resolution of the Legislative Council following the consideration of a report of a public inquiry held under the relevant Act.

This amendment arises from direct Government action, direct in the sense that recently in the House the Minister for Local Government stated that there would be a commission of inquiry under the auspices of the commissioner to inquire into a review of the five-year forward plan supporting material submitted by the Sydney City Council to the Minister on 7th May and subsequent information provided on 17th May. The terms of reference have been indicated publicly by the Minister. What the Minister has not stated is the Government's real intention. When one reads the bona fides of the terms of reference, one sees that the sting is in the tail. The terms of reference state that in the event the commissioner is of the opinion that council plans are not adequate or that it is not able to implement them satisfactorily, or that it is unlikely to achieve a sound financial level, the commissioner is to make appropriate recommendations, and is to report to the Minister by 23rd August.

Honourable members know the sorts of recommendations a commissioner will make should that commissioner be directed by the Government. In local government there is a sorry saga of direct, and in some cases, wilful interference by governments of the day in the orderly running and disfranchisement of people who have been elected on false bases. The false basis on which the Government would act here is so-called alleged financial mismanagement by the Sydney City Council. How can this already strapped Government propose to spend millions of public dollars on a three-month inquiry whose terms of reference do not go to the very heart of the council's competency? Fortuitously the Minister's earlier public statements indicate what he and his Cabinet colleagues contemplate in regard to the reform agenda proposed by the newly revamped civic reform party,

which is the main sponsor of the Cabinet's decision. That white shoe brigade obviously has a great deal of influence - considerably more than the public would ordinarily expect - on the role and continued operation of the Liberal Party and National Party in this State.

We know with absolute certainty that word of a revival of the Civic Reform group began in 1993 when another former well-known Liberal, Nick Greiner, and his wife joined its ranks, together with Ian Thompson,

and began attending council meetings regularly. Recently other Liberal members of Parliament including Michael Yabsley; former staffers of former Premiers, Ian Kortlang, Matthew Playfair, formerly of Shroeders - now a Liberal researcher - David Mortimer, the Chief Executive Officer of TNT; and retailers Rob Ewing, Paul Symons and John Gowing, have all become active members. In March, Civic Reform's Ian Thompson provided to the Minister for Local Government and others a so-called independent assessment of the council's finances. His report alleged that the council had run up a 1992 deficit of $26.8 million. The Auditor-General examined council's records and found that the deficit was $14.1 million. Thompson's report was discredited not only by the Auditor-General but also by Coopers and Lybrand, who pronounced that it was wrong in its analysis. I know that the Minister has engaged Coopers and Lybrand - one of the big eight - for some years, and holds them in high esteem, as I do. There should be no doubt in the Minister's mind that the Civic Reform report was wrong in its financial analysis.

In May the Minister for Planning and Minister for Housing used a civic reform breakfast as a venue to announce an inquiry into a plan for Greater Central Sydney. The Minister for Local Government has a sorry record in relation to indicating what his intentions and those of the Government are. Some of his allegations against the Sydney City Council are outrageous. He has tried to create fear in the minds of the public by suggesting that the Sydney City Council was under great financial stress. For argument's sake, as early as 1972 the Minister said that since October 1992 the council foreshadowed the need for loans of $6 million, $8 million and $9.5 million for the Capitol Theatre. That is not correct. I hope the Minister will give an honest answer because if he does not, I will tell the Parliament and the people the accurate position. The Minister said also, "I am still waiting for the council to respond to my request for further information on these loan allocations". Only one formal loan application was made in October for $4.5 million.

The Minister said in December that the council's income declined 31 per cent over the last three years. In absolute terms it did not decline 31 per cent; it declined $.3 million in absolute terms and 6.7 per cent in relative terms from December 1989 to December 1992. The Minister said, "Council's expenditure increased 10 per cent over the last three years". Council's expenditure actually declined by $34 million in absolute terms or 20.1 per cent in relative terms from December 1989 to December 1992. This is an indication of the Minister's intentions. It is an indication that someone is winding up the Minister because there are no bona fides in his ministerial statement.

In 1992, the Minister said, "Only 52 per cent of Council's reserve were cash backed". That is not true. It compares favourably with the 1989 figure where there was a 33 per cent cash backing. The Minister should be applauding the Sydney County Council. Since 1992 it has had a 19 per cent increase in its cash backing of reserves - hardly an organisation that one should put the boot into. The Minister made personal attacks on the Lord Mayor, but I shall not speak further about them. He said that a severe cash crisis is likely, notwithstanding what I have told him. His intentions are clear in his press statements. The Minister said that council has spent $23 million in cash reserves, which represents an increase in working fund deficits of 17.4 per cent. The 1992 working fund deficit was 14.1 per cent. I did not think up these figures. The figures were supplied by the Auditor-General.

Mr Peacocke: On a point of order. The honourable member for Ashfield should be brought back to the amendments. The matters he is raising will be decided by the commissioner and have no relevance to this consideration.

Mr Whelan: On the point of order. These matters are being dealt with in globo. I understand the Minister's deep sensitivity on the issue, but I am entirely in order. Schedule 3 deals with the reasons why power should be taken from the Minister and vested in the Legislative Assembly and the Legislative Council. It is essential that this be done because the Minister has evidenced to the public a biased intention. That has to go on the public record. For that reason, what I am saying is relevant. I want the Parliament to agree to it. The Government's intention is clear.

The TEMPORARY CHAIRMAN (Mr Hazzard): Order! The amendments, even taken in globo, are narrow in their ambit. At this stage the honourable member for Ashfield is ranging to the limits of the debate. I

direct the honourable member to return to the amendments. The licence given thus far might not operate for much longer.

Mr WHELAN: On 8th April, 1993, the Auditor-General gave an opinion which was released publicly. The Auditor-General, Mr Harris, by letter dated 8th April, 1993, said:

> In my opinion the statements of account are full and fair statements, properly drawn up in the forms provided by the Minister for local government, are in accordance with the books of the council and the provisions of the Local Government Act 1919.

Why does the Minister not stand up in this Parliament and move a no confidence motion in the Auditor-General? The Auditor-General, by letter dated 8th April, says that there is nothing wrong with the city council's finance; he says that it is a full and fair statement, properly drawn up. Coopers and Lybrand,

a firm used by the Government, agreed and said that the council is a sound financial body. There would not be one council, business, or enterprise in this nation not facing some form of financial constraint. There is no validity in the Minister appointing a commissioner for this purpose. The Minister is being led by the nose by the newly formed Civic Reform organisation. The sooner he gets out from under and throws these people to the wolves the better. They will not do the Minister or his party any good. The organisation has been a failure in the past and it will be a failure in the future. Why is this organisation involved? It is involved because it wants control of the city and the development plans for the city. Those developers are the major financial supporters of the Liberal Party. The Minister, however, is a member of the National Party.

Mr Peacocke: On a point of order. This matter has no relevance whatsoever to this debate.

The TEMPORARY CHAIRMAN: Order! I indicate to the honourable member for Ashfield that unless he particularly wants to address me on this issue - which is probably a pointless exercise, but if he wishes to he can -

Mr Whelan: Of course I want to comment. First of all, I refer to the motivation of this amendment, which is that the Government is asking for a commission.

The TEMPORARY CHAIRMAN: Order! Is the honourable member speaking to the point of order?

Mr Whelan: Yes, I am speaking to the point of order. The Government is asking for a commission. I am advising the Committee about the intention of the Government in relation to this proposal and why I moved the amendment. The intention is clear. The intention is this: the Government says that its agenda is to have an inquiry, the Minister says that -

Mr Peacocke: Are you on the point of order?

Mr Whelan: Of course I am on the point of order. The Minister's powers should be removed and placed in the hands of the Legislative Assembly and Legislative Council and, for those reasons, all the information is relevant.

The TEMPORARY CHAIRMAN: Order! I indicated earlier to the honourable member for Ashfield that the amendment he is addressing - which is proposed section 6 referred to in schedule 3 - has a narrow ambit; that is, whether it will require a Minister to not, at any time before the next ordinary election of members to the Sydney City Council, recommend the Government's dismissal of the council. That is the issue before the Committee. At the moment the honourable member for Ashfield is using the opportunity to have a broad ranging debate on matters which go far beyond the ambit of this particular provision. For the second time, I direct the honourable member for Ashfield to return to the strict ambit of this provision, recognising that the proposed amendment has a narrow scope.

Dr Macdonald: I have sat back and watched this point of order develop -

The TEMPORARY CHAIRMAN: Order! Is this a further point of order?

Dr Macdonald: It is to the point of order.

The TEMPORARY CHAIRMAN: Order! I have ruled on the point of order.

Mr J. H. Murray: On a point of order. I note that proposed section 6 states, in part, "Following the consideration of a report of the public inquiry". Any member who comes to the rostrum and wishes to talk in relation to how that public inquiry is to be held should be able to make comments within the ambit of this legislation. The Minister is continually interrupting the honourable member for Ashfield so that he cannot pursue the matter. I ask you, Mr Temporary Chairman, to -

The TEMPORARY CHAIRMAN: Order! The honourable member for Drummoyne will come to the point of order or I will direct him to resume his seat.

Mr J. H. Murray: Mr Temporary Chairman, I ask you to rule that the Minister should not take frivolous points of order in future.

The TEMPORARY CHAIRMAN: Order! There is no point of order.

Dr Macdonald: On a further point of order. Amendment No. 2, which has been moved by the honourable member for Ashfield, is very general and is headed "Dismissal of Sydney City Council". The matters referred to in debate on this amendment are very general. Mr Temporary Chairman, you have stated that the amendment is very narrow but it has been particularly phrased so that it is broad. It is headed "Dismissal of Sydney City Council".

The TEMPORARY CHAIRMAN: Order! Is the honourable member for Manly canvassing my ruling or raising a fresh point of order? There is no point of order.

Mr Whelan: On a further point of order.

The TEMPORARY CHAIRMAN: Order! There is no point of order before the Committee.

Mr Whelan: I said, "On a further point of order". Mr Temporary Chairman, I draw your attention to the fact that the Government has announced an inquiry, and the amendment refers to a report under the Local Government Act. I draw your attention to section 649 of that Act. I am entitled to refer to the reasons for that report.

Mr Peacocke: I simply reject that as a valid point of order.

The TEMPORARY CHAIRMAN: Order! Did the honourable member for Ashfield refer to section 649?

Mr Whelan: The inquiry is under section 649 of the Local Government Act 1919. I am reading from the Minister's letter.

The TEMPORARY CHAIRMAN: Order!
Page 2487
Under the Local Government Act 1919; not 1993?

Mr Whelan: This is the Local Government Bill 1993, as distinct from the Local Government Act 1919. I am referring to the terms of inquiry under section 649 of the Act.

The TEMPORARY CHAIRMAN: Order! I ask the honourable member for Ashfield to clarify the matter again. I do not want the situation to go on unnecessarily, but I would like it clarified.

Mr Whelan: In simple terms, the amendment deals with a report; the report deals with the request by the Minister for Local Government under the Local Government Act 1919, section 649. I am talking within the ambit of that section.

Mr West: On the point of order. I should have thought that in this recommittal we are talking about a narrow provision and that members should not be permitted to discuss the entire principal Act. We are talking about the small, narrow band that seeks to amend the Local Government Bill, which is before the Committee. You have already ruled on the point of order, Mr Temporary Chairman, and I seriously believe that the only way members opposite can proceed in this manner is to formally move dissent from your ruling.

Mr Whelan: Further to the point of order. Perhaps the Clerk could draw up a dissent resolution and that will enable the House to resolve this matter once and for all.

The TEMPORARY CHAIRMAN: Order! Is the honourable member for Ashfield seeking to move dissent from the Chair's ruling?

Mr Whelan: Yes, and I would seek to continue while the Clerk draws up that dissent motion.

The TEMPORARY CHAIRMAN: Order! The honourable member's time has expired. The honourable member for Ashfield has sought the assistance of the Clerk in these matters. I will hear the honourable member for Bligh on the amendment.

Ms MOORE (Bligh) [4.51]: I support the amendment. I regret that it does not go as far as the amendments I moved to clauses 254 and 255 of the bill, which sought to provide that any decision in relation to the dismissal of Sydney, Newcastle or Wollongong councils would have to be made by the Parliament and not by the Minister. Had those amendments been accepted, there would not have been any need to take up further time of the Parliament on the matter. I regret that we have been forced to move this further amendment now. I am disappointed that the Minister has announced an inquiry into Sydney City Council on the very day we completed our exhaustive, responsible and fruitful work on the Local Government Bill.

I believe the Minister is undermining the principles of that bill and is devaluing his and our achievement. What could be more important? The principles of that bill relate to autonomy and independence. What could be more important than allowing a council to get on with the job it has been elected to do, and that is exactly what Sydney City Council is doing. I have a real concern about the inquiry the Minister has announced. Though it could be argued in the public arena that Sydney City Council has had financial problems and that mechanisms need to be put in place to overcome those problems in the future - and on the face of it one could say the Minister could inquire into Sydney City Council - the political agenda is that any inquiry may lead to a possible dismissal that would be a gross interference in the democratic process.

I am concerned also about the terms of reference for the inquiry that the Minister has announced, especially in light of the fact that in April and May the council forwarded to the Minister monthly financial reports. On 7th May the council forwarded to the Minister its financial strategic plan for 1993 to 1997. That plan shows that the council will eliminate the cumulative deficit by 31st December, 1995, under the base model - which assumes cross-servicing will continue with South Sydney council - and by 31st December, 1994, under the optimal model, under which most cross-servicing will cease. Cross-servicing is an issue I am concerned about but I will not raise that now. Given that the Minister has all that information, why would he set up an inquiry under a commissioner to examine whether or not that plan, which that council has put together responsibly, will meet the targets that the council will set itself? I have real concerns about the Minister's agenda.

My other great concern is who will be the commissioner. When the State Government sets out to

manipulate a city council, the commissioner often plays an important role. One need only examine the sordid history of Sydney City Council, which has been politically manipulated by successive State governments, to know there is a most important reason for the amendment being moved and debated in this place today. The Government carved up Sydney City Council. The Government moved 70,000 residents to South Sydney to ensure that those communities would not elect independent representatives. The Government set up the Central Sydney Planning Committee to ensure that democratically elected representatives would not make major planning decisions. The Government emasculated Sydney City Council and took away its planning function by giving it to appointed representatives of the State Government. Those representatives dominated the Central Sydney Planning Committee and removed 70,000 of the council's residents.

Not content with that, the Government wants total control. The Government wants the Central Sydney Planning Committee and Sydney City Council to be nothing more than the playthings of State Parliament. It is a most tragic day for this House, for the Minister and for all parliamentarians. The Minister, after introducing this historic bill to establish autonomy and independence in local government in New South Wales, set up a mechanism under which he can, during the parliamentary recess, dismiss a

democratically elected council. That council is making most responsible decisions and taking most responsible action to get on top of its finances in a way that no other council has done in decades. I am in a position to speak with some authority because I was a member of that council under the former Labor Government, which for political reasons dismissed the council in 1987. I think it is tragic, Minister.

Dr MACDONALD (Manly) [4.56]: It is interesting how fate often plays into one's hands as one travels through life. It seems that fate has played into our hands, for in the dying hours of the Local Government Bill the inquiry was announced. Indeed, that nexus gave an opportunity to provide the necessary safeguards that this amendment provides. I believe in fate and believe that is the way things work. I view this proposal as an attack on the Independents. Though I am not familiar with the details of the history of Sydney City Council, from what I have learnt in my dealings with and briefings by Sydney City Council over the past few months it appears that the Independents are at risk. I turn to a clause that was moved by the honourable member for Bligh, that is, the 114th amendment, in which she sought to insert a clause covering Newcastle, Wollongong and Sydney councils which would provide similar safeguards to those proposed in the amendment. In other words, both Houses of Parliament would have to resolve to dismiss a council. That proposal was not carried by the Labor Party - a great disappointment at the time. It is interesting how the sands move. Indeed, it has taken this threat of an inquiry to make them move. I would argue, if we are talking about process, that such a provision should cover all councils. Why should any council, duly elected, be dismissed by a Minister?

Mr Peacocke: We are not talking about dismissal.

Dr MACDONALD: We are talking about potential dismissal. We are not talking about whether an inquiry should be established. We are talking about the process that should follow the report of that inquiry. All councils, whether in Sydney, Wollongong or Bullamakanka, should have similar protection from other levels of government. All levels of government are sensitive to outside interference. A former Federal Government was dismissed by Governor-General Kerr. There is great sensitivity about the role of governors in this country and their reserve powers to dismiss State governments. It is enormously important to be protective of those who are duly elected and to have the necessary safeguards and checks and balances to avoid abuse of power. In general terms I would argue that a provision such as that being sought in relation to Sydney City Council should perhaps apply to all councils. A council adjoining my electorate was dismissed in 1986 by the previous State administration; indeed, the subsequent inquiry showed that dismissal was quite unjustified. Not only was Sydney City Council dismissed - Warringah council was also dismissed. I have attempted to enter the debate about the merits of the history of Sydney City Council and its plans. However, the Independents have spent many hours on this issue, and have done so over the past few months at the invitation of the Minister, with whom we had a briefing, and also the Lord Mayor of Sydney.

In fact, I have one of a number of documents with which we were provided that goes through the history, correspondence, reports and plans. I am very impressed with the work that has been put in. The honourable

member for Ashfield referred to the Auditor-General's Report. I will quote a sentence that he did not quote, "The council is to be commended for undertaking a program of improvement to the financial accounting systems and associated reporting functions". The Auditor-General certainly is not sending out any signals that would suggest there should be surreptitious dismissal of the council. The terms of reference of the inquiry have been alluded to and each one has a prospective component. The first refers to the plan; the second refers to the proposals; the third refers to a review of management issues; and the fourth refers to policies adopted to achieve the plan.

The terms of reference do not provide for the sort of scrutiny that many of the documents supplied to us give on the history of this matter. I am concerned about the motives. Indeed, if there is any concern about the motives that is even more reason for Parliament to have a role in the matter when the inquiry has been completed. A final point is that one of the better clauses in the new Local Government Bill provides that there should be résumés of all candidates in future local government campaigns. I hope that Civic Reform will clearly disclose which political party it belongs to, because this element has caused great concern.

Mr Jeffery: It should apply to the Labor Party.

Dr MACDONALD: Yes, it should apply across the board. I would welcome that. I fully support the amendment. It is fortuitous that we have the opportunity to deal with it today. I should like to see the report dealt with by both Houses of Parliament in September.

Mr PEACOCKE (Dubbo - Minister for Local Government, and Minister for Cooperatives) [5.3]: I have never seen a more preposterous or breathtakingly sinister amendment of a piece of legislation. The very interesting aspect of the amendment is that it extends only to the next election of Sydney City Council. Why? The reason is patently obvious: the Labor Party, if it should by some horrible mischance be re-elected to government after the next election, will revert to its old form when it dismissed Sydney City Council. In fact, the last dismissal of a council in this State was in 1987 when the Sydney City Council was dismissed without inquiry by the Unsworth Government. This Government introduced into the Legislative Assembly the provision for section 649 inquiries. When that amendment to the Act was passed it was widely acclaimed by the Independent members of the House, the Labor Party, the Local Government and Shires Associations and everyone

concerned with local government because it was a major step forward for the independence of councils.

Obviously no government of any flavour can allow any council to travel down the track to bankruptcy without seeking to intervene. I will not answer the allegations made by Frank Sartor in his wild ravings on the radio and in the newspapers. Nor will I answer the rubbish that has been spoken by the honourable member for Ashfield because everything I have done has been open and public and the place for that to be tested is before the inquiry. This debate illustrates only too well why the inquiry system should be utilised in this case. I have given Sydney City Council about eight months to produce figures relating to its solvency and the state of its finances. Day after day and week after week I had to put up with changing figures from Sydney City Council. No two days were alike. I have already given that council far too long to rectify the situation and provide accurate figures.

I wonder what interest the honourable member for Ashfield is attempting to protect. I wonder what interest the Independent members are trying to protect. I believe this matter should be referred to the Independent Commission Against Corruption; that is how seriously I take it. Honourable members opposite are accusing me of being dishonourable in what I have done about this matter. I have given Sydney City Council every possible opportunity to come up with accurate figures, to give me information that would enable me to make an accurate assessment of the situation. Why do I want those figures? Should it matter to me? Of course it should, because I and the Government have a responsibility to the ratepayers of the city of Sydney, as we have to every ratepayer in the State of New South Wales, to protect their interests.

If honourable members think that we could make a fair assessment from the pile of unintelligible rubbish

that Sydney City Council provided, I invite them to go through the material again. The situation is simply this: Sydney City Council can recover the position in limited ways. A couple of those ways involve extensive borrowings. Another way is a massive rate increase next year. I am not out to find out who mucked up the system; I know the financial accounting system of Sydney City Council is a mess. It has been a mess for years. It probably has been a mess for nearly a century. Alderman Sartor has been a member of Sydney City Council for 10 years. He has been on the finance committee of Sydney City Council for many years. He had a report from the Department of Local Government after a routine inspection in 1991 which said that the council's financial affairs, in effect, were in a mess. Did he do anything then? No, not a single thing. He sat there until last year, when he came into my office and begged for a rate increase of 5 per cent, which I was extremely reluctant to give, because I know the little hairdressers and shopkeepers in the shopping malls of Sydney are battling to stay afloat and a 5 per cent increase in rates would filter down to them and that could be disastrous.

I granted the increase but one of the conditions was that there should be an assessment of the need for the increase. Following that assessment it was revealed that the council was in deep trouble. The fact is that the council is in deficit to the extent of $22.5 million or thereabouts - I do not have the figures in front of me. If we do not correct the situation, if we wait for weeks or months seeking accurate information from the council and write more and more letters, the end of the year will have arrived and the ratepayers of this city, who are already battling for survival - including owners of empty buildings - will be faced with a disaster of mammoth proportions. I did not seek to crucify Alderman Sartor. I expected that when I announced the inquiry he would say, "That is great. I can get in there. I can vindicate my position. I can prove publicly and openly that I have done everything right".

Ms Moore: Then support the amendment.

Mr PEACOCKE: I let you speak; you let me speak. Why do we need a public open inquiry? Because that inquiry can go in and look at the books of the Sydney City Council and can ask for a response on the spot. It does not have to write letters month after month and year after year, trying to get information which changes almost on a daily basis. I am not after Alderman Sartor's scalp. I could not care less about Alderman Sartor. What I do care about is efficient, honest, open local government; and that is the issue that is involved here.

Why is it that the honourable member for Ashfield can confine this amendment merely to Sydney City Council? Why did he say that it will end in 1995? That is a cynical manipulation of what has happened. What better way could there be for an honest council, an honest mayor, a mayor who, instead of waffle, was prepared to face the facts of his council's financial difficulties, however caused, to rectify the situation? What better way than to go to an open inquiry and have things fixed up. I have never said I am going to sack Frank Sartor or Sydney City Council. No one in this Chamber can say that I said that. I said that if a due, honest, open and public inquiry recommended his dismissal, I would have to take that course. If the inquiry recommended against taking such action, of course, I would not sack him. I do not want to sack councils. Under Labor's old rules I could have sacked seven or eight councils in this State with no trouble at all and had every justification for doing so. Many members of this House have asked me to do just that. I do not want to do that.

I want to get councils back on track for the sake of their ratepayers and for the sake of the democratic system of local government. I will not go into the details furnished by the honourable member for Ashfield; they are rubbish. However, whether they are rubbish is a matter that can be proved openly and honestly in an inquiry. I am simply using the form of inquiry that this House agreed was a preferable way to go. I resent Alderman Sartor's comments about me, publicly and openly. I could easily answer much of what he said. My temptation is to tear up his

writs, but I am not going to do that. I will not sue him - let him rave like he has instead of answering accurately what has been put to him. What I have said is that this is his opportunity to have his name cleared, to have the council's name cleared, and to have the name of the honourable member for Bligh cleared - as she said, she was a member of the council.

Am I doing anything wrong by merely seeking to get that council back on track for the sake of the

ratepayers? Do members opposite say that I have no power to order the inquiry? Does the Opposition say that I am wrong? What can I say to the ratepayers of Sydney if at the end of this year, after months of writing and trying to get figures, the council's deficit increases by $30 million to $40 million and rates increase 20 per cent or 30 per cent? Am I wrong to say that now is the time to get on top of the matter? If the inquiry says that Frank Sartor is doing things right, good luck to him. No one would be happier than I that the council continue. However, I deeply resent the remarks of several speakers opposite alleging that I am doing this for political reasons. Any council in New South Wales would say that I have never acted for political motives in local government, and I never will. It may well be that Civic Reform does benefit from the dismissal of the council. If that ultimately happens after due inquiry, that is what government is all about. The Independent members of this House had no compunction in seeking a public inquiry in respect of HomeFund. That is democracy.

Ms Moore: But you are not going to be dismissed afterwards, are you, without any recourse to Parliament?

Mr PEACOCKE: Who knows? I do not know the outcome. The councils of this State are, for better or worse, creatures of the State. They cannot be otherwise. I do not think any honourable member would let the councils do what they like and let the ratepayers put up with it. That is the real issue. Why is Alderman Sartor so upset about this inquiry? Instead of saying that this is a great thing and he could clear his name, why does he attempt to vilify me and call me an incompetent bumbling numbskull. I do not care what he calls me; that does not worry me. Events will prove either he was right or I was right. The proper place for matters to be proved will be at an open, public inquiry that will obtain all the facts. If the Opposition wants to pass this amendment, it has the numbers to do so; I cannot stop that occurring. If the Opposition does that, how will it explain its position? How will the honourable member for Bligh explain her position to the other councils in this State, which will say to her, "Why did you do it only for Sydney and not for us?"

Ms Moore: My amendment was for Wollongong and Newcastle.

Mr PEACOCKE: Why did you confine the amendment to Sydney, Wollongong and Newcastle?

Ms Moore: Because Minister Peacocke would not accept everything I put to him, and he knows that.

Suspension of so much of standing and sessional orders as would preclude the postponement of private members' statements until the conclusion of consideration of the recommitted Local Government (Consequential Provisions) Bill agreed to, on motion by Mr West (by leave).

Mr PEACOCKE: The three Independent members came to see me some months ago about this very matter and asked me to do two negative things: first, not to order an inquiry into Sydney City Council while the House was up. The honourable member for South Coast will remember that. My answer at that time was that I would do my duty as I saw it and would not be deterred from that duty to satisfy honourable members opposite. The second thing the Independents asked me to do was not to dismiss the council while the House was up, and I agreed to that. I have done everything I promised. I said to the Independents that the Department of Local Government was an open book, that every document I had was available to be looked at. I have never gone back on that. No one could accuse me of that. My file on this matter is still an open book, not only to the Independents but to every member of the Opposition.

I will not answer the matters raised by the honourable member for Ashfield because I do not wish to prejudice this inquiry. I will not publicly say anything or answer any allegation made by the Lord Mayor of Sydney Alderman Sartor because it would be prejudicial to his interests. I do not want the commissioner to have any preconceived opinion. It may be some few days before I can announce who is to be the commissioner, because I am prepared to go to extraordinary lengths to select a commissioner who has no political affiliations, no affiliation with me, no affiliation with the Government, and who is capable of conducting this sort of inquiry. I will ensure so far as I am able that the inquiry is quick, is not drawn out and does not drag on for years. I will ensure that whatever the recommendation of that commission, I will act upon it admirably and honestly, as is my duty as a Minister of the Crown.

I can do no more than that. The passage of this amendment will present another major problem. Should it be found at the end of June or at a similar time that the council's position has deteriorated to such an extent that its technical solvency is in danger, I would have to ask the Premier to recall Parliament or Parliament would have to wait until next September to deal with the matter. I hope that will not be the case, but if it is, the Opposition will be accountable to the ratepayers and citizens of this city. I complete my contribution by repeating what I said when I started, my obligation is clear: to protect the interests of the people who live and own property in this city and who have to pay the costs of the city. It is to protect the interests of the whole State, because Sydney is the mother city of the State and has an effect on all citizens. I reject the amendment. Bearing in mind the numbers on the floor of the House, the amendment may well succeed. If that happens, today will be a disgraceful day in the history of this House.

A great deal of time has been spent on the Local Government Bill. I enjoy people saying to me that it is a great bill and so forth. I wish this situation could be seen in its true light - not as a vendetta against Frank Sartor, not as a political stunt, but as a genuine effort to protect people who need protection.

Mr HATTON (South Coast) [5.21]: I have not been involved and will not become involved in vituperation or name and blame. I believe I can bring a clinical opinion to this argument. Whether the Sydney City Council survives is of no great moment to me. I appreciate the content and sincerity of the Minister's remarks. I appreciate that he has supplied the documents we have asked for. He gave us the time we asked for. I want to underline that what he said, in relation to matters I can vouch for, is the truth. However, what happened after that is of some relevance. When we left the Minister, I walked away with the firm impression that the council was in a mess and that I should think carefully about whether to support it. In the limited time available, I was determined to try to find the facts to the best of my ability. Later we met the new manager of the council, Katie Lahey, the mayor and four of the seven councillors.

I asked the Minister to return and speak to the two senior officers from his department about what I had said at the meeting and about some of the tough questions that I asked both sides. I said to certain people, "This is what the mayor says, what do you say about that?" and, "That is a fairly serious charge, what do you say about that?" It was a fairly tough, blunt, knock-'em-down drag-'em-out discussion because I wanted to get to the bottom of what was happening. I came away feeling that one of the major problems facing the city council was a matter of history. If this inquiry is fair dinkum, it should open up the history of the problems. What caused the parlous situation? I have grave concerns about Leon Carter and his management of the council. I have grave concerns about the administrators who were appointed after the last council was sacked. I came to the conclusion that the change in the accounting methods showed up many of the inadequacies of previous administrations. I also came to the conclusion that Frank Sartor did himself no good at all in some of the emotional statements he made, the way he reacted, and believing it was all a plot.

I tried to cut through that in my mind and look at it clinically. I feel as I did when I made the point of principle on the floor of the House about the sacking of councils. Not all councils should be subject to the sanction that matters have to come before Parliament before the Minister can sack them. Of the 117 or 119 councils around the State, some are small. I believed that consideration should be given to leaving that power with the Minister, but the larger councils should not be dismissed if 100,000 or 200,000 people are involved. I remember saying that in the case of some councils, that figure represents six electorates. Do you take away the elected representatives of six electorates without the matter being discussed in Parliament? I did not vote for the first amendment moved by the honourable member for Bligh, and supported by the honourable member for Manly, which objected to all councils being sacked. However, I supported Sydney, Wollongong and Newcastle councils and recognised that there was an anomaly with Parramatta, Blacktown and Sutherland councils and other councils administering areas with large populations.

I am sticking true to that principle. I wish to make another point about the inquiry. As someone formerly involved with local government, I understand that the Minister has the right to put in a team of inspectors. Do the council over! Publish the results! I am a little concerned about the inquiry. I supported and applauded the Government for the introduction of that provision. At least the rorting that went on previously could not

continue. It went on under the Labor Party. The Labor Party cannot deny that it sacked people for political purposes. I well remember events in regard to Liverpool council. The Labor Party earns no marks from me from that point of view. I support the amendment on that principle. I am concerned about the history of the council. The council deserves credit for changing the method of accounting which threw up the parlous state hidden by the previous method of accounting. I am impressed by Katie Lahey, the new manager.

Mr Peacocke: So am I.

Mr HATTON: The Minister says he is also. I may be wrong, but I would not be very wrong. She said that she was appalled to find that under the previous administration either none or very few people in the whole of the accounting section at Sydney council had formal qualifications.

Mr Peacocke: One.

Mr HATTON: One. Who is responsible for that? Is Frank Sartor responsible for that?

Mr Peacocke: That person has been there for two years.

Mr HATTON: He has been there for two years and he has some responsibility, but honourable members know that the city council had a fossilised structure under the previous town clerk and the town clerk before him. That cannot be reversed overnight. For those reasons I support the amendment. I do not get involved in the emotion that occurred. I do not criticise the Minister. I repeat what I said in the second reading debate. As the Minister for Local Government, he has achieved what no other Minister has achieved - even eminent Ministers for whom I have a great deal of time like Harry Jensen, who was Lord Mayor of Sydney three times. The present Minister has re-written the Local Government Act in an up-to-date form that will drag local government into the twenty-first century. I was speaking to one of the staff involved in the legislation as we left the Chamber the other night and said, "We have been working on this for three months". He said, "We have been working on it for six years". I pay credit to the Minister's staff also. But I stand by my principles.

Page 2492

Ms MOORE (Bligh) [5.30]: I want to correct a couple of statements made by the Minister for Local Government and Minister for Cooperatives. First, the Minister spoke about Frank Sartor being a member of the council for 10 years. I suppose some people might be amused that I am being put in a position of so strongly defending him, because there is some history of my not agreeing with Frank Sartor all the time. That is well known. I always give credit where it is due - as I have in respect of what the Government has done, and what you have done, Minister. Frank Sartor has not been an alderman for 10 years, but for eight years. It was not until he became Lord Mayor 18 months ago that he was able to examine the financial situation of the council and put in place mechanisms to overcome its problems and set it on a path of probity and good management in the future.

The Minister has talked about the Sydney City Council having financial problems, perhaps for the past century, but I want to refer to the past 30 years. In the past decade there was a Labor administration - until the Government permitted elections to take place after 1988. In the dying years of that administration, there was a Liberal-Labor administration - a Lib-Lab administration. Honourable members may recall the Premier of the day, Neville Wran, said, "If you lie down with dogs, you get up with fleas". And we did. Alderman Bingham and Alderman Hartup were caucasing across the table during council meetings, the Lib-Lab coalition. Before that, there was a decade of Civic Reform, and before that a decade of the Australian Labor Party. Perhaps they were responsible for the fossilised structure that the honourable member for South Coast has described.

I should like to correct also what has been said about my position in regard to dismissals. The Minister knows, from discussions I had with him, that my first amendment proposed no dismissal of democratically elected councils throughout the State. That is my first position. My second position, after that discussion with the Minister - which I thought might succeed in this place with the support of either the Government or the

Opposition - was that the key councils of Wollongong, Newcastle and Sydney not be dismissed without the matter being referred to the Parliament. That was not acceptable. I accept what the Minister has had to say about the hypocrisy displayed by the Opposition in respect of this issue.

I do not believe this is good legislation, because it will be in force only until the next election. I have a real concern that if a Labor Government is elected in the future, it will want to have the power to dismiss a democratically elected council. I care about Sydney City Council. One reason I stood for State Parliament was so that I could continue to have an independent voice in an area where the Unsworth Government had, for political reasons, dismissed a democratically elected body that performed such an important function. I want to ensure that my comments are placed on the public record. I also want to say that the arguments about efficient and honest local government, put by the Minister in opposition to the proposed amendment, are arguments for the amendment. The Government would have its inquiry and then bring the matter back to this hung Parliament for open discussion on a bipartisan basis.

That would be the end result of what the Minister is endeavouring to achieve, in terms of efficient, honest local government - not making some decision. I have already said how impressed I am with what the Minister for Local Government and Minister for Cooperatives has done in regard to the Local Government Bill, though in many areas I do not think he has gone far enough. Perhaps what the Minister is saying is right, that he does care about the interests of Sydney and the ratepayers and he wants to ensure that there are no long-term problems. New South Wales has a century of history of successive political parties and successive governments manipulating the jewel in the crown, the mother of the councils, for political purposes. They all wanted control of development. They all wanted control of the city.

As I said before, it was not enough to carve up the city, to emasculate the city, to emasculate the planning function and to remove the residents; the Government wants total control. I do not know if it is because members of the Government want to be in the welcoming line with the Civic Reform mayor when the Queen or some other dignitary visits the city. I do not know what the Minister is fighting so hard for here. I do not know why he is fighting to get rid of a mayor who, for the first time this century, has taken quite drastic action to set Sydney City Council on the road to financial responsibility. I ask why the Minister opposes the amendment if it means that, after the inquiry, the matter will come back to this place for a proper and open debate. Secondly, why is the Minister opposing this amendment if, in fact, he has the April and May financial reports from the council and he has the council's strategic plan for the years from 1993 to 1997. Why does the Minister not accept that information?

Mr PEACOCKE (Dubbo - Minister for Local Government, and Minister for Cooperatives) [5.34]: I will tell the honourable member why I do not accept the information. I have said, and I mean, that I will do whatever the inquiry recommends. Is the honourable member going to do any less or any more? If, for instance, the inquiry were to say that Alderman Sartor's administration was poor and had led to the financial situation in which the council finds itself -

Ms Moore: In 18 months?

Mr PEACOCKE: If it were to say that - and that is what the inquiry is for - does the honourable member suggest that she would then not dismiss the council? The honourable member would act no differently, but in the months that it would or could possibly take, the council could get even further into the mire and drag its own ratepayers down. I suggest to the honourable member for Bligh that she call into my office later on, and I will show her the April figures for Sydney City Council. Honourable members will recall that Alderman Sartor, when he said we were fools for saying the council would have

$8,000 cash, said how well the council had done in March. The Government's figures were based on the figures which he supplied. I notice he has not come out and blown the trumpet about the April figures. The honourable member should come to my office later and I will show her the figures for April. I am not going to say any more about the matter. All I have suggested is that if urgent, early action has to be taken on the recommendation of the commissioner, any Minister for Local Government should be in a position to act because

delay could be fatal for many more years for the council. That is my motive for opposing this ridiculous, hypocritical and bad piece of legislation.

Mr WHELAN (Ashfield) [5.36]: I have listened with interest to the debate. The amendment I moved on behalf of the Australian Labor Party goes to the very issue of why the Minister conducted an inquiry. I can tell the Minister why the Opposition has some doubt. I have already given reasons why the Opposition does not believe this is a bona fide Government commission of inquiry; why Cabinet gave the Minister permission to announce the terms of reference of an inquiry under section 649. On 8th March, in the Parliament of New South Wales, the Minister announced that there would be an inquiry if he was not supplied with the relevant information. On page 5457 of *Hansard* the Minister said something more, which is important. He said, "If I am not satisfied by the actions of the council I will be left with no alternative but to call for a public inquiry". Without being sexist, Minister, your slip showed when you said, "which may lead to the appointment of an administrator and the removal of the council".

Mr Peacocke: And that is exactly the situation.

Mr WHELAN: Minister, you had been supplied with the financial figures. You had all the information; the letters from Coopers and Lybrand; the letters from the Auditor-General saying that the financial accounting methods were proven. The Minister had them all on 8th March. He had the bodgie return submitted by Thompson of the Civic Reform Association, the absolutely dead-set bodgie return, to give some validity for the removal of the Sydney City Council. That was sent by the city council to Coopers and Lybrand, a company that the Government uses, and that the Opposition would also use. They say, about the Thompson reform plan, in the 3rd last paragraph of their letter dated 17th March, "In our view the propositions put forward by the author, Thompson, are not sustainable and are not in accordance with what we believe to be appropriate accounting practice for local government entities".

That blew the Civic Reform dissidents out of the water. That was Coopers and Lybrand. At the same time, the Minister talks about dismissal. The New South Wales Auditor-General Mr Harris said the council's financial accounts are dealt with in a proper manner. The malafides behind the Government's intention give rise to the amendment that has been proposed today. It is the Government, not the Minister, that is the lick spittle for the civic reform movers and shakers, the new move by Nick and Kathryn Greiner and those other pro-developer people who are trying to get hold of the Sydney City Council. It is not an attack on the Minister. It is an attack on the Government for being used as a lick spittle by Civic Reform in its attempt to control the Sydney City Council. If the Minister does not see this as a disingenuous attempt to grab control of the purse of the Sydney City Council, the whole of his Cabinet is thick. I do not believe that the Minister is thick on this issue.

This is a deliberate attempt by the Government to find a rationale to put in an administrator to dump the Sydney City Council. When would this have taken place? The Minister's terms of reference state, "The Commissioner is to report to the Minister by 31st August, 1993". The Parliament will not be sitting in August. We do not know who the commissioner will be, but we are almost guaranteed that the person to be appointed will have more bona fides than the person who was going to be appointed when the Minister made his announcement. The Government would have had carte blanche. The Government would have directed the commissioner on what the report would contain.

I am not here to justify the council's financial position. I am encouraged from what I have read from Coopers and Lybrand and the New South Wales Auditor-General. I am convinced of the Government's malafides in relation to the Sydney City Council. We will have to accept the appointment of the commissioner providing that it is a bona fide inquiry where council officers are adequately represented. What worries me is the Government's wilfulness in wasting money on an inquiry. This is an already cash-strapped Government. The Minister has said that the council is a cash-strapped council, yet the financial impost will fall heavily on the Government and the purse strings of the people of New South Wales.

Where have the 140 staff of local government been for the past five years? This alleged deficit did not

happen overnight; it happened over a considerable period of time. The Minister should not worry about calling for an investigation into the Sydney City Council; he should look at the home fires first. The Minister should look at his own department to see what has been happening. Vast numbers of people are employed in that department and one would ask why they did not give the Minister's predecessor the same sort of advice that brings him to this conclusion.

Mr PEACOCKE (Dubbo - Minister for Local Government, and Minister for Cooperatives) [5.43]: By the time the Auditor-General furnished his report on the council's finances, which was only up to the end of 1992, a further $600,000 deficit had been discovered. The reason for the inquiry is that my department has been given varying figures and different information.

Mr J. H. Murray: Why would the inquiry not be given different figures?

Page 2494

Mr PEACOCKE: Because the inquiry can demand the information from sworn witnesses. I do not have the power to do that so far as I know. Finally, the report will be public, open and beyond any doubt and I think that should satisfy the Committee.

Question - That the amendments be agreed to - put.

The Committee divided.

Ayes, 47

Ms Allan	Mr McManus
Mr Amery	Mr Markham
Mr Anderson	Mr Mills
Mr A. S. Aquilina	Ms Moore
Mr J. J. Aquilina	Mr J. H. Murray
Mr Bowman	Mr Nagle
Mr Clough	Mr Neilly
Mr Crittenden	Mr Newman
Mr Doyle	Ms Nori
Mr Face	Mr E. T. Page
Mr Gaudry	Mr Price
Mr Gibson	Dr Refshauge
Mrs Grusovin	Mr Rogan
Mr Harrison	Mr Rumble
Mr Hatton	Mr Scully
Mr Hunter	Mr Shedden
Mr Iemma	Mr Sullivan
Mr Irwin	Mr Thompson
Mr Knight	Mr Whelan
Mr Knowles	Mr Yeadon
Mr Langton	Mr Ziolkowski
Mrs Lo Po'	*Tellers*,
Mr McBride	Mr Beckroge
Dr Macdonald	Mr Davoren

Noes, 45

Mr Armstrong	Mr O'Doherty
Mr Baird	Mr Packard

Mr Blackmore	Mr D. L. Page
Mr Causley	Mr Peacocke
Mr Chappell	Mr Petch
Mrs Chikarovski	Mr Phillips
Mr Cochran	Mr Photios
Mrs Cohen	Mr Rixon
Mr Collins	Mr Rozzoli
Mr Cruickshank	Mr Schipp
Mr Fraser	Mr Schultz
Mr Griffiths	Mr Small
Mr Hartcher	Mr Smiles
Mr Humpherson	Mr Smith
Mr Jeffery	Mr Souris
Dr Kernohan	Mr Turner
Mr Kerr	Mr West
Mr Kinross	Mr Windsor
Mr Longley	Mr Yabsley
Ms Machin	Mr Zammit
Mr Merton	*Tellers*,
Mr Morris	Mr Beck
Mr W. T. J. Murray	Mr Downy

Pairs

Mr Carr	Mr Fahey
Mr Martin	Mr Glachan
Mr Moss	Mr Tink

Question so resolved in the affirmative.

Amendments agreed to.

Recommitted clause as amended and schedule as amended agreed to.

Local Government (Consequential Provisions) Bill reported from Committee secundo with further amendments, and report adopted.

Bills read a third time.

PRIVATE MEMBERS' STATEMENTS

STOCKRINGTON WASTE DISPOSAL

Mr PRICE (Waratah) [5.55]: I draw to the attention of the House a problem which could occur in the electorate of Waratah. I refer to the development of an enormous waste disposal area in a region generally known as Stockrington. Stockrington is primarily a holding by a coal company which no longer works the coal seams under the ground. It is a large area which borders on the villages and towns of Minmi, Seahampton, Butti and, to a lesser degree, Black Hill. A proposal has been put forward by the company Stockrington Rail Waste to develop this vast site - in the vicinity of 40,000 hectares - for a waste disposal area for the next 50 years. The site would accommodate the majority of putrescible waste available from metropolitan Sydney. The proposed method of transport is road, using the F3 freeway, and, as an alternative, to redevelop a railway

line extending from Hexham railway station, across the Hexham wetland to Stockrington and beyond.

Whilst this proposal may have some useful points so far as the metropolitan councils of Sydney are concerned, it offers nothing but horror and concern for the people in the Stockrington region. I understand that the cost factor will be such that it is only marginal in terms of the metropolitan councils deciding to relocate their waste to the north. Why should they do that? Why spoil an excellent bushland area purely and simply because there are no landfill sites of a suitable size and nature in the metropolitan area of Sydney? It seems to me that the cost factor will, in many cases, make greater recycling opportunities far more attractive to Sydney councils. I recommend that those sums are done well before any significant application is made by this company to allow that sort of development to occur in the former coalfields of the lower Hunter.

I foresee a number of other problems, not the least of which is leachate. Whilst every effort could be made to prevent leachate getting into the existing waterways, there is no guarantee that pollution would not occur. The area is sufficiently close to the
Page 2495
Hexham wetlands to cause disastrous contamination problems in that area. That would disrupt the natural wildlife - that area is virtually a wildlife reserve - and interfere with the grazing properties bordering the area. The proposed site contains a motor cycle club racetrack, an already approved sacred Aboriginal site and it is, in part, the site for the extension of the F3 freeway from Minmi to Stockton.

The community is concerned that, given the fact that the proposed railway site through the Hexham wetlands has its reservation outside of the time frame the original legislation allowed, the site may not be available. Therefore, should this proposal continue, transportation would be via the F3 freeway. The equivalent of three trainloads per day would be translated on to heavy duty trucks on the freeway. That is a frightening prospect. There should be stringent consideration of any proposal this company puts forward. Why should we destroy further villages in the lower Hunter? The F3 freeway has done a pretty good job on towns such as Seahampton and Minmi already. This proposal would further perpetrate discomfort upon these people by not only creating a waste disposal area but a waste disposal for people who live hundreds of kilometres away. This is a distressing indictment of our present situation. [*Time expired*.]

SPRINGWOOD VIADUCT TRAFFIC

Mr MORRIS (Blue Mountains) [6.0]: I wish to draw attention to a traffic black spot in the township of Springwood between the railway and Macquarie Road, the old Great Western Highway. This problem exists at Springwood's viaduct and is often referred to as the hole in the wall. Many years ago the Great Western Highway was relocated, and that took a lot of traffic away from Springwood. Over the years Springwood has grown rapidly and is still one of the fastest growing towns in Australia. However, a lot of traffic is still using the old Great Western Highway, now called Macquarie Road. Springwood has two sections - the downtown central business district, an area of growth which extends from the railway station to the police station, with shops, doctors' surgeries, the ambulance station, new car saleyards, garages and so on. On the other side of the line is the Baptist Old Peoples Home, churches and other buildings.

The viaduct is very narrow and has two pedestrian walkways, one on either side, but neither is of prescribed size. The residents of Springwood have brought to my notice the need for the viaduct to be widened. However, though work is being done on the western railway line to Mount Victoria, this need has been overlooked. I took it upon myself to contact the engineers working for the State Rail Authority and Blue Mountains City Council. We had a meeting in my office, where a suggestion was made that a meeting be held on site. A suggestion was made that the engineers could drive another passage through the viaduct for a pedestrian walkway, which would give more room to vehicular traffic in the heart of what is known as the hole in the wall. Buses and large trucks negotiating the hole in the wall have to pass on to the wrong side of the road to negotiate the bend. Old people using that walkway regularly, given the amount of vehicular traffic, are taking their lives in their hands.

I wish to bring this problem to the notice of the Minister for Transport through the good offices of the Minister for Consumer Affairs and Assistant Minister for Education. The work is estimated to cost about $200,000. Work could be fast-tracked and commenced almost immediately. The bridge is in a fairly dilapidated condition. The State Rail Authority is upgrading the bridge with new girders and new decking but has done nothing about the walkway. I bring this matter to notice and request that something be done urgently to alleviate this black spot. Residents are waiting for a major accident to happen there. Most of the local people know about it and do their best to get around that bad bend. However, those who are unfamiliar with the area, driving at night, in fog or bad weather, may not know what is ahead of them. I appeal to the Minister for Transport to fast-track this work as soon as possible and to make money available for this badly needed project.

Mrs CHIKAROVSKI (Lane Cove - Minister for Consumer Affairs, and Assistant Minister for Education) [6.5]: I congratulate the honourable member for Blue Mountains on his obvious concern for his electorate. I assure him I will bring the matter he has raised tonight to the attention of the Minister for Transport as soon as possible.

LIDCOMBE HOSPITAL CLOSURE

Mr NAGLE (Auburn) [6.6]: Tonight I raise a matter that verges on privilege but it is appropriate that it be raised in private members' statements. About 74,000 people live in the Auburn electorate, and about 200,000 live in the Bankstown-Granville-Parramatta region. Those people have many special interests. One in six of those people are over the age of 65, and the population has a large ethnic component. Before the Government came to office in 1988 the area had three hospitals - Lidcombe Hospital, St Josephs Hospital and Auburn District Hospital. In 1989-90, St Josephs Hospital acute care section was closed. Now we are told there is a possibility that Lidcombe Hospital will close. That hospital, like St Josephs Hospital, is more than 100 years old and is an important landmark in the area. I have been told by the Minister in a number of letters that no decision on Lidcombe Hospital has been made. However, the matter of virtual privilege arises out of an 8-page supplement that appeared on Wednesday, 12th May in the *Review Pictorial*. I am told that the supplement cost about $7,500.

The reason for the insertion of that supplement into the journal was to attempt to convince people that what the Government was doing was good for the areas of Lidcombe, Auburn and surrounding environments. Significantly, if Lidcombe Hospital

were not to close, why were only St Josephs Hospital and Auburn District Hospital mentioned in the 8-page supplement, and Lidcombe Hospital omitted? Though Lidcombe Hospital is still in operation, it is on the verge of closure and has been for 12 months. This 8-page document, at a cost of $7,500, was a personal attack on me and the work I have been doing in the electorate, and will expose the people of Auburn and other electorates to the downgrading of health services in that region. I have written a number of letters to the Minister about pamphlets distributed in the electorate, about an advertisement appearing in the *Sun-Herald* and also about the 8-page supplement, which tell untruths about what is really happening with the health system. One of the untruths is that people are described in this and other articles as clients or customers of the health system. These people are not clients or customers, they are patients of the health system. In a letter dated 13th April I brought that to the Minister's attention, as follows:

> When one cares for elderly people in their own home, who are ill and/or frail, they are patients of the service and they are not clients or customers of the community health service. If they are not ill, then they may be called clients, but the distinction should be "illness or frailty" which equals "patients" because one needs to have "patience" to care for them.

The situation is such that one of the doctors at Lidcombe Hospital described the administration of the health system in Auburn and elsewhere in similar terms. Why do 8-page supplements appear in local newspapers, and why are pamphlets distributed in the electorate and advertisements placed in the *Sun Herald*? The reason is that the health ministry can be likened to the Titanic, speeding through the mists towards a waiting iceberg.

Too many people in the Health Commission are steering from the bridge, yet down in the boiler room there is no one. The crew is diminishing because money is being diverted from the stokehold, that is, from patients and patient health care, to technological equipment and the administration of the health system. Unlike the Titanic, the health system administered by the Minister for Health will never reach the iceberg; it is so top heavy it will roll over. A glossy and very expensive pamphlet was distributed in the electorate. The $7,500 8-page supplement in the *Review Pictorial* did not carry the word advertisement but looked like part of an official series of articles by the newspaper.

Cancer Unit 3E at Lidcombe Hospital will close at the end of June. The operating theatre at Lidcombe Hospital is due to close in November 1993. Food for patients at Lidcombe Hospital is brought from Fairfield District Hospital because catering facilities at Lidcombe Hospital were closed down. Yet we are being told that Lidcombe Hospital has not been closed and will not be closed. I ask the Minister for $8,000 to rectify the record and tell the truth about what is really happening. Where is the Minister tonight, and why will he not face me? The fight for Lidcombe Hospital has just begun. I assure the Minister it will be a fight to the finish before he closes another hospital in the Auburn electorate.

SNOWY MOUNTAINS STOCKMEN

Mr COCHRAN (Monaro) [6.10]: I often speak in this House to defend someone in my electorate or to deal with something negative. I am pleased to say that tonight I shall speak on a positive and exciting initiative of community members in my electorate. I commend those people, in particular Councillor Neen Pender from Berridale, who now lives in Jindabyne, a member of the Snowy River Shire Council, and the community of Jindabyne for organising a pilgrimage of the remaining men from Snowy River to the Stockman's Hall of Fame in Longreach. This commendable effort should be placed on the record of the House. Five Penders in the one family are going, along with members of the Golby family, the Barrys, the Westons, the Mugridges and the Moulds. On 15th July they will travel by bus from Jindabyne all the way to Longreach. This will be an exciting event for these wonderful old fellows. I understand that at least two of them have never been past Bredbo, which is only about 50 kilometres from where they now live. Others have been on droving trips throughout New South Wales.

I have a great deal of admiration for these colourful characters. They are part of the culture of the Snowy Mountains. Their records, stories and memories are important to Australia. Our history should be recorded at places such as the Stockman's Hall of Fame. From time to time I have heard wonderful stories from these old fellows, not only of the skills of the mountain stockmen but also of their bravery in World War II on the Kokoda Trail and in other battles such as in the Middle East. I admire these old men who are now in their twilight years. Councillor Pender will take them to record their recollections at the Stockman's Hall of Fame. Their stories will be fondly read by future generations. Some have travelled extensive distances droving on horseback. One of them once drove a mob of cattle from Goondiwindi to Bairnsdale - from the Queensland border to the southeastern tip of Victoria. They drove about 1,000 bullocks and did not lose one on the way. This will be the first trip some have made out of their own region since then. It is a really great adventure for them and something they will all enjoy.

The bus trip is being jointly sponsored by Lake Crackenback village and Snowliner Travels in Cooma. I understand the National Parks and Wildlife Service will provide assistance along the way. Such events should be encouraged by all members in their local communities. Older people should be encouraged to record their memories so that future generations may gain their wisdom and be delighted at their stories. I also place on record that the Penders have plaited some greenhide whips to be exhibited at the Stockmen's Hall of Fame along with a piano accordion that was owned by a drover named Bung Harris, who once worked for my ancestors. He certainly would have been known to Breaker Morant, who served in the same unit as him in the Middle East. No doubt he had great stories to tell. No doubt future members for Monaro will be able to look back on what I have said today, go to the Stockman's Hall of Fame and be reminded of this event.

NARARA VALLEY HIGH SCHOOL

Mr McBRIDE (The Entrance) [6.15]: I rise to alert the House to community concerns relating to delays of Narara Valley High School and the impact of these delays on students and their families. First, I will address the issue of delays to construction. In reply to my question on notice No. 773, answered on Wednesday 12th May, the Minister for Education and Youth Affairs acknowledged that the projected budget for 1992-93 was underspent by $151,000. Further, land acquisition for the site is still incomplete as the period in which the owners can appeal against the amount of compensation has not yet elapsed. The land acquisition problem is not settled notwithstanding that land was originally acquired for the school a decade ago. There is also the problem of flooding. The flood prone nature of the site of the school is well known to the Department of School Education, the council and local residents. It is an essential component of the planning process.

Planning for the school is continuing, even though to my knowledge the issue of flooding and the evacuation of students from the site in a flood emergency have yet to be resolved. Further, not one sod of soil has been turned on the site. Yet the Minister for Education and Youth Affairs states in her answer, "The anticipated handover date for the completed project is July/August 1994". The Minister expects the Central Coast community to believe that Narara Valley High School, a comprehensive high school, can be built from scratch in less than 12 months, notwithstanding that the site has not yet been acquired and the flood problems associated with the site have not been resolved. However, I note that there is a convenient escape clause. In relation to the time commitment of July-August 1994, the answer states:

> This is contingent upon the project being uninterrupted by matters which are beyond the control of the Department of School Education.

I have already noted two of those. In simple terms, the statement means that if it rains the project will be delayed. It is about time the Minister faced the facts, publicly acknowledged the problems and advised the Narara Valley High School community accordingly. There will be 640 students in years 6 to 10 in demountable facilities within North Gosford High School awaiting their new high school at the start of next year. To suggest that year 10 students should be relocated in the third term or fourth semester of the year is also clearly ridiculous. The new school will not be available, given the most favourable circumstances, until the first term of 1995. It is about time the Government stopped trying to con the local community into thinking it will occur before then.

Let me give an example of how the bungling is impacting on individuals within the school community. I refer to a letter from R and J Weston, 61 Perratt Close, Niagara Park. In summary, the letter appeals to me to inform the House of the burden placed on Mrs Weston and the education of her twin sons resulting from the delays, misleading advice given to her by the Government and the compounding effect of making Gosford High School a select school for the region while Narara Valley High School students are still in demountables. Students who normally would have gone to Gosford school cannot go to that school because it has been made a select school and they now have to go to Narara Valley High School, which is in demountables. There has been a problem in programming the activities. Attached to the Weston letter is a copy of a letter from the Minister for Education and Youth Affairs to the Westons dated 5th July, 1991, which in part states:

> The major difficulty associated with the provision of a permanent school has been the identification of a suitable site. In this regard the Department . . . has recommended the purchase of land in the Fountain's Road area. I have approved of negotiating proceeding and I expect that acquisition details will be finalised in the near future.

Almost two years later acquisition of the site is still incomplete and half a thousand students and their families from the State seats of Gosford and The Entrance are being disadvantaged by the incompetence of this Government. I urge the Minister for Education and Youth Affairs to write immediately to the Narara Valley High School community advising a realistic completion date for the new school so the parents can plan the educational future of their children.

PICTON SEWERAGE SCHEME

Dr KERNOHAN (Camden) [6.20]: I am concerned about the delay and lack of progress associated with the promised Picton sewerage works. My concern deepened when I read the article in today's *Sydney Morning Herald* entitled "Revamp for water clean-up program". The article stated that the clean waterways program, which included the construction of the Picton sewerage works, is to be split between five government departments. The works were to be state of the art when planned but it has been found to discharge into Stonequarry Creek - a class P waterway. Consequently, the initial cost of the sewerage works has blown out because of the need for special environmental treatment. What was proposed was a dual reticulation system which would pipe back to households disinfected effluent to be used for washing cars, flushing toilets, and so on - a good example of water reuse, rather than let it continue to discharge into a protected creek. However, this would all cost money. Environmentalists in the region agreed that costs could be covered by drawing on the special environmental levy, which has been collected for the purpose of cleaning up our waterways.

I have received letters of support from five environmental groups; Camden Residents Action Group, Wollondilly Residents Environmental Network, National Parks and Wildlife - Macarthur Branch, Bargo River Protection Society, and Wirrimba Sanctuary. I have also received letters from the Coalition of Hawkesbury and Nepean Groups for the Environment - the major protector of the Hawkesbury-Nepean river system, past president

David Hughes, secretary George Threlfo, and vice president Jenny Smith, asking "What is happening to the Picton sewerage works? The SEL money should be going into this and it should be going ahead". The problem is that the soil in the area of Picton, Thirlmere and Tahmoor has very poor absorbent characteristics. Those three towns are the largest towns in New South Wales not to have reticulated sewerage. Those towns are feeding sewage effluent from individual septic systems into the head waters of the Hawkesbury-Nepean system. Something has to be done about this.

I am informed that money is available for the sewerage works. It has been budgeted for. Environmentalists agree that it is proper to spend money on environmental works. The question is: what is the hold up? This matter has been on the boil since 1932 - that was the first time a sewerage system was suggested and proposed for Picton. An environmental impact statement for this purpose was completed in April 1991, but delays have been occasioned by people trying to organise a way around this environmental problem. A way around the problem has been found so I do not see why, because of a change in the system of the clean waterways program, the project should not go ahead. The Water Board should get the money from the program and the Picton sewerage works should go ahead as soon as possible.

Mrs CHIKAROVSKI (Lane Cove - Minister for Consumer Affairs, and Assistant Minister for Education) [6.24]: I assure the honourable member for Camden that I will bring her concerns to the attention of the Minister responsible for the Water Board as soon as possible.

KANGALOON PUBLIC SCHOOL PRECINCT SPEED LIMIT

Mr HARRISON (Kiama) [6.24]: I wish to bring to the attention of the House my concern about the existence of a 100 kilometre speed limit on a road that passes by Kangaloon Public School, which is located in the Kiama electorate. Early in April the school's headmaster made a formal application for a limited speed zone outside the school. The application was subsequently considered by the Roads and Traffic Authority. Members of the Kangaloon Parents and Citizens Association are quite correctly pressing for the school to be given as a matter of high priority a school speed zone. In support of the school being granted high priority, it should be noted that the current speed limit outside the school, on Kangaloon Road, is 100 kilometres an hour. The road, as well as catering for normal car traffic, is also extensively used by gravel trucks carrying gravel from local gravel pits at all hours of the day. There is no bus transport to the school, which means that all the students either have to walk to school or be driven by their parents. Consequently, Kangaloon Road near the school becomes very congested with parents in their cars dropping off and collecting children. On occasions,

they have to make a U-turn. As there are no footpaths, pedestrians are forced to walk on the narrow shoulders of the road. The vision of drivers approaching the school from the west is restricted because of a slight crest in the roadway. The school is located in part of the southern highlands, and the frequent heavy fogs in the area further restrict the vision of approaching drivers, making them unaware of the presence of parked cars or pedestrians.

I realise that there is only a limited amount of funding available for the creation of school zones as such, but given the conditions that prevail at Kangaloon I request that high priority be given to such an allocation of funding. If a full school speed zone cannot be provided in the immediate future, then I request the immediate reduction of the speed limit on both approaches to the school, and adjacent to the school, to a maximum of 60 kilometres an hour, with appropriate oversize "school children ahead" signs on both approaches. I am indebted to the Kangaloon Parents and Citizens Association and its president, Cheryl Schofield, for providing me with the excellent supporting information I have used in my statement to Parliament this evening. I am also indebted to the Minister for Roads who has answered a request of mine to be present in the House and to respond to this statement.

This might be the last time that I speak in this House in this autumn session of Parliament. I am not sure whether Parliament will meet again tomorrow, next week or whenever. I would like to finish on a high note and be able to go back and say to the good citizens of Kangaloon that I have been successful. Should this be the last time that the Minister is on his feet in this autumn session - I do not know his intentions for the rest of the session - I hope he is able to finish on a high note too and give me some good news to take back. I thank the Minister for being present. Kangaloon is a beautiful, small rural village in the highlands. I should like to put the concerns of the citizens of that community and say to them that I have received a sympathetic hearing and some good news.

Mr W. T. J. MURRAY (Barwon - Deputy Premier, Minister for Public Works, and Minister for Roads) [6.27]: I thank the honourable member for his presentation of the proposals on behalf of Kangaloon Public School. The matter of speed zones around the Kangaloon school was first discussed by the Wingecarribee council traffic committee on 9th February, 1993. It was further discussed at the next traffic committee meeting on 23rd March, 1993, where the honourable member for Kiama put forward the case for the school. After the meeting the principal of the Kangaloon school submitted an application for a speed zone around the school. The application was subsequently received by the Roads and Traffic Authority on 26th March, 1993.

As a result of this request, the Roads and Traffic Authority gave the application a priority listing. Independent to this process, the Roads and Traffic Authority has been reviewing all speed zones in the Wingecarribee shire. The results of this Roads and

Traffic Authority review will be considered at the next traffic committee meeting on 13th July, 1993. Indications are that the general speed limit through the Kangaloon village will be reduced to 80 kilometres an hour and therefore a 60 kilometres an hour speed limit, within the school zone, would then be appropriate. It is expected that council will consider the matter after the traffic committee meeting. The Roads and Traffic Authority expects to implement the speed zones by August 1993.

IRRIGATION SCHEME PRIVATISATION

Mr SMALL (Murray) [6.29]: I bring to the attention of the House an important matter regarding the irrigation districts in my electorate. Honourable members should be aware of a little of the history of the matter. In about 1987, the Hon. Wal Murray, who was then the leader of the National Party, visited the area to speak to the representatives of the southern irrigation district irrigators. They were anxious to take over the management of the irrigation districts. At that time the Hon. Wal Murray indicated his willingness to consider whether the assets could be handed over lock, stock and barrel to the irrigators. The coalition Government came to office in 1988 and at that time the irrigators were eager to set up a management board. The former Government was in favour of a such a board. Five years have passed since the procedures to establish a

management board were put in place.

Kelvin Baxter was appointed as chairman of the board, and under his chairmanship the board has done an excellent job of managing the southern districts. The Minister for Natural Resources, the Hon. Ian Causley, has worked with the board in a capable and commendable way. The board is now anxious to be privatised. I am pleased that the Minister for Finance, Assistant Treasurer and Minister for Ethnic Affairs, the Hon. George Souris, is in the House. Today he was elected Deputy Leader of the National Party. I sincerely congratulate him on his election. As Assistant Treasurer and adviser to the Premier he has been good enough to speak to the management board. He has explained the necessity for corporatisation prior to privatisation. He, I and the Minister for Natural Resources are enthusiastic about assisting the irrigators in my electorate to go down the privatisation track.

The irrigators are eager to be handed the task of privatisation. I have no doubt they will succeed. The takeover must be managed competently and safely, and in a way that will not result in long-term problems. Because the irrigators do not want corporatisation before privatisation, they have sought legal advice. I understand that they have been advised that there is no reason for them to undertake corporatisation. However, to be fair, the nature of that advice would depend on the type of information being given to the legal advisers and a knowledge of correct government procedures. I have spoken to the Premier and he has pointed out that the Minister for Finance, a person with great ability, knows the correct direction to take. I would like the irrigators to go down the privatisation track, but in the correct manner. I ask the Minister to explain the reasons why corporatisation is necessary.

Mr SOURIS (Upper Hunter - Minister for Finance, Assistant Treasurer, and Minister for Ethnic Affairs) [6.34]: I welcome the opportunity afforded to me by the honourable member for Murray to speak about the privatisation of our irrigation schemes. I am pleased that he has recounted our meeting in the irrigation area. At that meeting I particularly noted the concerns raised by irrigators about privatisation. I acknowledge that these irrigation schemes have been encouraged to move to privatisation. The Government finds itself in the somewhat unusual position of the proposed government trading enterprise encouraging the acceleration of privatisation rather than the Government itself. The honourable member for Murray has asked me to explain why corporatisation is necessary prior to privatisation. The simple fact is that to ensure that the privatised entity has a proper commercial and legal basis, it is necessary not only to incorporate the entity but also to corporatise it. That involves five principles, and I refer particularly to the competitive environment. The entity's commercial standing needs to be demonstrated and the entity needs an independent and autonomous board capable of acting commercially on a sound financial footing. The Government believes that once privatised, the entity should expect long-term survival and long-term improved and efficient service to the irrigators.

COURT TRANSCRIPTION FEES

Mr WHELAN (Ashfield) [6.36]: I am concerned about a letter I received on 12th May from Greg Walsh and Company, solicitors. The letter sets out what I hope will turn out to be an anomaly in the administration of justice. I hope either the Attorney General or the Minister for Justice will provide the necessary financial assistance. A woman, to whom I will refer as Mrs G, was involved in protracted litigation with the Australian Guarantee Corporation. The proceedings related to a debt and ultimately Mrs G lost her home. Prior to Mrs G losing her home, her husband had been tragically killed in a motor vehicle accident. The poor lady had a lot on her mind. Mr Walsh advised her that he would take on the matter pro bono. In other words, he would ensure that her case was properly argued before the Supreme Court. While some may regard this as rare, he did not charge any fee whatsoever. To his great surprise, he received an account from the transcription service, which is under the administration of the Attorney General's Department, asking him to pay a fee of $4,075.50 for work that he had done pro bono. As honourable members are aware, the transcript is available to the judge free of charge. It is also available to the plaintiff. The transcription service has charged Mr Walsh $4,075.50 for a transcript that was already available to other persons.

This was a special instance where a legal adviser gave professional services free of charge. To expect that solicitor to pay out of his own pocket the sum of $4,075 is, in my opinion, exceptionally unjust. The transcription fee for one piece of transcript is $6.50. That is why the total cost of the transcript was so high. I ask the Minister for Finance, Assistant Treasurer and Minister for Ethnic Affairs to convey to the Attorney General and to the Minister for Justice my request that funds be provided by the Government. Without that, the downside is that there will not be any solicitor who will undertake pro bono work. It is difficult enough to find any solicitor to do such work.

The Minister would be aware of recent Government decisions to remove civil jurisdiction claims from the Legal Aid Commission. Those who are involved in civil matters - such as in this instance the defence by AGC of a mortgagee's claim - are no longer entitled to legal aid. Mrs G could not obtain legal aid, so a solicitor volunteered his services. In order to properly prepare her case, it was necessary for the solicitor to obtain a transcript. No solicitor should take on work pro bono - not contingency, pro bono, free of charge - and then be expected to pay $4,075. The injustice stands by itself. I ask the Minister for Finance, Assistant Treasurer and Minister for Ethnic Affairs to take up the matter with the Attorney General and the Minister for Justice in order to allay the fears of Mr Walsh, and others who might wish to do voluntary work, so that they are not dissuaded from filling a void because the Government action has, regrettably, removed the right of persons to apply for legal aid in respect of civil matters.

Mr SOURIS (Upper Hunter - Minister for Finance, Assistant Treasurer, and Minister for Ethnic Affairs) [6.41]: I thank the honourable member for Ashfield for raising this matter. All I can do, having no particular knowledge of the case, is undertake to accede to his request and refer the particulars to the Attorney General and to the Minister for Justice. I hope the points he has made, which are now recorded by the Parliament, will be taken into consideration by those two Ministers.

HIV-AIDS COMMUNITY HEALTH CENTRES

Mr PHOTIOS (Ermington) [6.42]: What I consider to be a very serious and disturbing issue has become very public in the past day or so. I refer to a very sensitive program which the Government administers and which I support. I make it quite clear to the House in my initial remarks that the issue is the existence of HIV-AIDS community health centres and their establishment both in mobile and permanent form to assist in keeping to a base minimum the level of HIV infection among intravenous drug users.

It is clear that the work that has been undertaken in New South Wales - indeed, in Australia which leads the world in World Health Organisation standards - is to be applauded. Three per cent of drug users in New South Wales are HIV positive, compared with some 45 per cent in New York. This clearly demonstrates the program's success. Having said that, and having made quite clear my compassionate and sensitive support for the program, I want to say that I am disturbed, and consider it disgraceful, that the New South Wales Department of Health through the Northern Sydney Area Health Service has sought to establish an HIV-AIDS community health centre in a shopfront location in Victoria Road, West Ryde, without any consultation with me as the local member; without any consultation with the local community, both residential and commercial; and without consultation, as I understand it, with any other agency of the Government.

This matter was brought to my attention yesterday by Alderman Peter Graham after he had had the benefit of discussion at Ryde council, where the development application was approved. For my part, I first learned of the establishment of the centre from the front page of the local weekly *Times*. What an extraordinary way for the local, community-based member to learn of an AIDS centre opening at West Ryde! I have spoken to the AIDS co-ordinator for the northern region today, and I have taken up the matter personally with the Minister. In both instances I have described this as an absolute disgrace. It is inexcusable. I asked the Minister to immediately halt the signing of the lease, which otherwise would take place tomorrow.

I am pleased to announce to the House that that is what will happen. The lease will not be signed. There will be community consultation - which is appropriate in respect of these cases, because it is a very sensitive issue. Condoms and needles will be given out - and appropriately so, under the program - but it has to be done in a sensitive way. The needle exchange program will not proceed until such time as a major consultation phase has been completed. That announcement came as a surprise to me, and certainly came as a surprise to the community, to the West Ryde Chamber of Commerce and local residents. At this point I want to make it clear that I am not opposed in principle to such a program. I realise that a needle or syringe exchange program is in place to protect the health of the community as well as drug users. I agree that it is a very successful program. For some years I have personally supported the needle exchange program in my electorate, in its mobile form. It has created no controversy and has been an excellent service.

To open an HIV-AIDS community health centre in a shopfront facility on Victoria Road, adjacent to a heating and air conditioning company without consultation is clearly unacceptable. Having said that, may I say that, given my concern at the establishment of the clinic and my complaint directly to the Northern Sydney Area Health Service, I am pleased to note that the Minister has stepped in at my request to halt the signing of the lease for the new premises - which was to be signed tomorrow - and no further action will take place until the view of the community has been sought and I am satisfied that a level of consultation has occurred. I regret having had to raise this issue because such programs should be dealt

with in a discreet and sensitive way. However, it has become necessary because consultation did not take place. Accordingly, the program will not continue until appropriate consultation with the community takes place.

Mr SOURIS (Upper Hunter - Minister for Finance, Assistant Treasurer, and Minister for Ethnic Affairs) [6.47]: I am not surprised that the honourable member for Ermington has raised this matter in the Parliament for he is a community-based member of Parliament who participates in the democratic process and consultation process in his electorate. This is especially so in regard to an issue such as the one he has raised tonight. It is a matter of great sensitivity and will be subject to considerable community involvement and comment. I know the modus operandi of the honourable member for Ermington. I am not surprised that he has already had discussions with the Minister or that he has managed to halt progress in respect of this particular issue until consultation takes place. It is an ample demonstration of the work of the honourable member for Ermington. I hope there will be consultation with the community that will lead to a successful solution and the location of this project within his electorate. I note his comments in support of the service. I commend the honourable member for the way he has approached the issue and the action he has taken.

Private members' statements noted.

[*Mr Acting-Speaker (Mr Chappell) left the chair at 6.49 p.m. The House resumed at 7.30 p.m.*]

CATTLE COMPENSATION (AMENDMENT) BILL

Second Reading

Debate resumed from 12th May.

Mr MARTIN (Port Stephens) [7.30]: As one of its objects The Cattle Compensation (Amendment) Bill seeks to resolve a major controversy that has been continuing for some time in agricultural circles. The issues should have been addressed long ago. In the 1960s and 1970s funds were raised through a levy imposed by rural land protection boards, then known as pastures protection boards - to control cattle tuberculosis and brucellosis. That money was used to compensate farmers when their livestock tested positive to these diseases. The objects of this bill are:

to authorise payments to be made from the Cattle Compensation Fund to finance research and other programs benefiting the cattle

industry; and

to provide for the establishment of an Advisory Council to advise the Minister in relation to certain expenditure proposed to be made from the Fund (including research grants) and in relation to the extension of the provisions of the Act to any particular disease, condition or infestation of cattle to which the Act does not currently apply; and

to require that a review of the purposes and operations of the Fund be undertaken in 5 years' time.

An amount of roughly $9 million has been held in that fund for some time. Since the 1970s rural land protection boards have not raised any money through levies. In the past moneys raised through a slaughter levy also went into that fund. Rural communities throughout New South Wales are concerned that the Government may wish to use this money to try to balance its budget. Constant representations by members of the rural community have prevented the Government from transferring that money to consolidated revenue. Brucellosis has been virtually wiped out and the incidence of tuberculosis in cattle has been massively reduced. Full marks must go to the former Government for its efforts in this area.

Major difficulties occur with testing for tuberculosis and brucellosis. Tuberculosis in humans shows up through the application of the Mantoux test, but this test causes concern because it gives confusing results. Cattle tuberculosis is a different strain of tuberculosis from that which infects humans but the effects of both are similar. Brucellosis is quite different. I often wonder whether the Minister for Agriculture and Rural Affairs has contracted that disease because, after a strain-19 test, it usually shows up in knee and elbow joints. Brucellosis can be contracted by humans, particularly those working in the slaughter industry. Full marks must go to those responsible for eradicating the disease.

The Opposition is concerned because already $2 million has been paid out from the Cattle Compensation Fund, which was widely reported in the media as having been set up to conduct research at Armidale. This bill will legitimise the exercise already undertaken by this Government. It is wrong for this Parliament and for industry to presume that it can use moneys from the fund. Through concerted effort a number of diseases have either been eradicated or their incidence reduced. Some positive steps have been taken to rid this State of footrot. There must be consultation with industry to ensure that money from the fund is spent wisely. New South Wales Agriculture and the agricultural sector in New South Wales have been starved of funds. Because of our present economic climate the Minister for Agriculture and Rural Affairs will pay only 80 per cent in interest subsidies to people suffering from the effects of the drought. It is vital for us to monitor this area closely.

A provision in the legislation requires the concurrence of the Premier for any payments from the fund. Has this provision been inserted in the legislation because the Premier does not trust the Minister? What is it really about? Perhaps the Minister will tell us when he replies in this debate. I sincerely hope he does. If he does not, could that be because he has arrogantly accepted the leadership of the National Party and forgotten what this is all about? The Opposition supports this positive legislation, but we need strict controls to ensure that the money is well spent. We require the concurrence of the vast majority of producers - not a select few. At times the cattle industry is divided. We must ensure a broad industry input in any activity in this area.

With this positive attitude, and in the interests of good parliamentary practice, I assure honourable members that the Opposition will be monitoring what happens to these funds. The Opposition will make constant inquiries to ensure that the funds are well spent. We will seek input from the cattle industry to ensure that the Government is doing the right thing with the remainder of the $9 million - it is currently $7 million because $2 million has already been spent. I commend the bill because it is positive. It deals with the growers' money. If representatives of the beef industry and honest people had not spoken out earlier, this money would have gone into consolidated revenue. I commend the achievements of the good people who have been able to assist the rural sector of New South Wales, who need much more help and not the neglect they have suffered in recent years.

Mr RIXON (Lismore) [7.40]: I support the bill. In 1951 the Cattle Compensation Act was passed to enable a fund to be developed to provide compensation to cattle owners whose cattle had contracted diseases such as brucellosis and tuberculosis and were destroyed or condemned at abattoirs. Money for the compensation fund came from two main sources. One was stamp duty on cattle slaughtered, which was collected under the Cattle Compensation Taxation Act; the other source was from levies placed on former pastures protection boards. The Cattle Compensation Taxation Act was repealed in 1987, and no stamp duty has been collected since then. Pastures protection boards have not paid any levies since 1975. Even though the money for the fund has not been collected since 1987, the amount of money in the Cattle Compensation Fund has continued to increase.

Brucellosis and tuberculosis have virtually been eliminated from cattle herds in New South Wales, reducing the calls on the fund, and the account has attracted valuable interest payments. The account stood at $9.02 million as at 30th June, 1992. This bill introduces two important provisions. First, a service fee of 5 per cent for managing the funds has been paid to consolidated revenue. The bill lowers that service fee to 1 per cent of yearly income. Second, the bill will allow funds from this account to be used for research useful to the cattle industry. Up to the present the funds have not been able to be used for research to benefit the cattle industry; and, because of restrictions placed on the use of money from the fund, the industry has received little real benefit in recent years. Now, $2 million from the fund will be used to set up a cattle and beef industry meat quality research project.

The core participants in the project will be the University of New England, Armidale; the CSIRO divisions of animal production, animal health, food processing and tropical animal production. The New South Wales Department of Agriculture and the Queensland Department of Primary Industries are also involved in the project. Programs will be developed to cover major issues relating to meat quality, which is the key to the future of the beef industry. The four objects of that research will be: first, to identify and resolve the key meat science issues that are restricting Australia's ability to meet domestic and export market specifications for meat at the lowest possible price; second, to develop genetic technologies to breed cattle suited to these new markets; third, to design feeding and management strategies to comply with meat quality objectives which can be used in the various environments in Australia; fourth, to overcome major problems associated with intensive beef production arising from concerns about health, welfare and environmental pollution.

Whether a beef producer is producing top quality pasture-feed cattle, intensive lot-fed beef, heavily marbled beef, or top quality lean beef, this research is important and of relevance to them all. The graziers who are producing weaners or are growing out young store cattle or are finishing cattle, need to be running a well managed and efficient organisation. Also, they must help to produce the end product desired by the consumer. Instead of allowing cattle industry funds to accumulate and stagnate, the funds should be put to use for the benefit of the cattle industry. I congratulate the Minister for Agriculture on this initiative and express my support for the provisions of the Cattle Compensation (Amendment) Bill.

Mr ARMSTRONG (Lachlan - Minister for Agriculture and Rural Affairs) [7.45], in reply: I thank the honourable member for Port Stephens, leading for the Opposition, and in particular the honourable member for Lismore for their contributions to this important legislation. The honourable member for Port Stephens indicated the support of the Opposition, which I appreciate. There is no doubt it is common sense, practical, workable and achievable legislation that should have been introduced some time ago. However, the cattle industry is complex. The politics of the cattle industry are extremely complex. Sometimes, historically, that complexity has led to the cattle industry suffering because of its own internal politics - the north versus the south, the fatteners versus the breeders and the internal personnel within the industry. There are nods from the Opposition, and I am sure there is general support from them.

Cattle industry politics have matured in recent years. I appreciate and recognise that this legislation has the support of all sides of the House. I acknowledge the input of the New South Wales Farmers Association over about four years. In addition, when matters have been referred to the Cattlemen's Union, the Dairy Farmers Association, their responses have been prompt, honest and factual. The New South Wales Farmers

Association has an abiding interest in the legislation and I am delighted to have its support in principle for the bill. The honourable member for Port Stephens mentioned the Rural Assistance Authority. He was going very well tonight, giving his support. I thought we would have some bipartisan good humour and enter into the spirit of political friendship. I owe something to the honourable member for Port Stephens because in recent weeks he has allowed me to lift my profile
Page 2503
here. He has been a very easy target, and he sticks his head up. He did it again tonight. I was going to be nice to him tonight. The fact of life is he wants to talk about the wool drought package introduced by the Federal Labour Party in order to cover its bungle in dismantling the Australian wool industry 18 months ago, when their former Minister for Primary Industry, Mr Kerin, spoke about the reserve price for wool of 700c a kilogram being immutable.

Mr Martin: On a point of order. This legislation is about the Cattle Compensation Fund; it is not about wool or the wool industry. I ask that the Minister return to the leave of the bill. Matters he raised are not in the context of the bill.

Mr Armstrong: On the point of order. The subject-matter to which the honourable member for Port Stephens refers was introduced by him when leading for the Opposition on the bill. I would not have attempted to introduce it myself, because I understand the standing orders and have respect for you, Mr Speaker. However, I feel duty bound to correct the record of the Parliament as the honourable member for Port Stephens has decided to stray from the standing orders and introduce extra subject-matter.

Mr SPEAKER: Order! I did form the impression that the Minister for Agriculture was briefly responding to minor digressions by the member for Port Stephens in his contribution. I ask the Minister not to dwell on this subject for too long, though he is entitled to respond to the remarks of the member for Port Stephens.

Mr ARMSTRONG: The honourable member for Port Stephens just does not understand the State Government's position. The New South Wales Government is giving more support to the so-called Crean package than is the Labor State of South Australia. South Australia is offering 50 per cent for core debt and 100 per cent for new debt. The honourable member does not understand that. By allowing 80 per cent for all debt the New South Wales package will provide a considerable advantage, about 15 per cent more than the offer made by the Labor State of South Australia. The honourable member does not understand that, but then one cannot get the message through to a drip. The honourable member referred to the National Party leadership. I should thank him for his congratulatory message this evening and his complimentary remarks. He could have made them, and I am sure he wanted to, so I have made them for him.

I thank the honourable member for Lismore. He is a cattleman with an impeccable knowledge of the industry and he represents one of the strongest cattle areas in the State. The honourable member is completely familiar with the intention of the legislation, which has been sought by the industry. The Government has responded to industry wishes. Under the regulations an advisory committee will be established. The committee will be fully representative of the major organisations in the cattle industry and will proffer advice to the Minister for Agriculture, who will accept or deliberate upon the recommendations. The provisions of the bill will ensure that the funds are exhausted within the five year period.

Motion agreed to.

Bill read a second time and passed through remaining stages.

POLICE SERVICE (COMPLAINTS, DISCIPLINE AND APPEALS) AMENDMENT BILL

Second Reading

Debate resumed from 11th May.

Mr ANDERSON (Liverpool) [7.52]: I lead for the Opposition on this matter. The bill seeks to alter aspects of what became known as the 1983 discipline package, which was announced on 4th November, 1983, and debated in this Chamber on 10th November, 1983. That package, like the present changes, involved legislative and administrative action. The first item referred to in the explanatory notes to the bill is the existing procedure regarding what became known as the PRAM Act - the Police Regulation (Allegations of Misconduct) Act. At the time of the introduction of the discipline package in 1983 I doubt that anyone believed that it would remain substantially unchanged for almost 10 years. I anticipated a review of the legislation after approximately five years. Had that occurred, I believe a considerable amount of misery may have been avoided, and I use the word misery in its true sense.

The 1983 package incorporated in modern form a number of concepts that had proved to be successful elsewhere. In the formulation of the package, which related to the discipline of the New South Wales Police Service, I took account of the Lusher report of 1981 and the report by Mr Justice Stewart of the Royal Commission into Drug Trafficking in Australia. I paid particular attention also to things that had been done by Sir Robert Mark as the Commissioner of the London Metropolitan Police Force and Patrick V. Murphy, the Commissioner of the New York Police. Many of the things they had done could not be adapted to this State, but they were considered and in part incorporated in the legislation. As always, one had the benefit of the learned text *Police: Force or Service?* written by Inspector J. K. Avery, as he was at that time- - later to achieve some prominence at a slightly higher rank. I was a member of the joint Committee on the Office of the Ombudsman when it inquired into complaints against police, which the Minister for Police in his second reading speech dubbed the Tink committee.

After the May 1991 election I and other members of the committee were replaced. It was acknowledged then, as it needs to be acknowledged tonight, that the climate in which the discipline package - the existing procedures in many ways - was introduced in New South Wales was vastly different from the climate that exists 10 years later. At that

time, public confidence in complaints procedures and the New South Wales police force itself was different from what it is today. The discipline package and other measures about which I spoke at some length last night contributed to the change, as did the desire for change generated from within the Police Service. It is interesting to briefly cast one's mind back to the debate that took place on 10th November, 1983. I shall make brief reference to some of the things said on that occasion to demonstrate the similarity between what was said then and some of the comments made by the Minister for Police in his second reading speech on this bill. On 10th November, 1983, when introducing the legislation I said, among other things:

> Police chiefs from around the globe have agreed that corruption is endemic to policing. The very nature of the police function subjects officers to tempting offers. Police officers are susceptible to the same human failings as any other members of the community, but temptation crosses their paths far more often. Policing experts agree also that the answer to this complex problem is not easy; there is no overnight panacea. They concur that the solution lies in the police force accepting that corruption, if untreated, can become systemic, and that measures are necessary not simply to detect misconduct but to prevent it. That is what the discipline package and the bills are designed to achieve.

That was the basis of the bills introduced at that time. My comments then were significant because, though others had said it, that was the first time I know of that it was acknowledged in this Chamber that corruption is endemic to law enforcement and that the rotten apple theory really had and has no relevance. In the debate on those bills in 1983 many comments were made that were then regarded with disappointment but which today are accepted as a reality. Reference was made to the lodging of complaints and to encouraging people to come forward. The other amazing thing about the debate on that occasion is that at a later stage, when the Opposition responded, leading for the Opposition at that time was Mr Greiner, who signalled his tentative support with criticisms of the bill. He was followed in the debate by the shadow minister for police at the time, Mr J. Clough, who had a slightly different view of things. At that time the Opposition was in the fortunate position of having its leader say one thing and Mr Clough say something slightly different. That was advantageous for

them but difficult for those who sought to put the position of the Opposition in a reasonable way.

A short time ago I referred to what the Minister had said in his second reading speech. Among other things the Minister said, " . . . it is essential that a mechanism to scrutinise police behaviour be available to the public. It is vital that this mechanism attracts complete public confidence. This bill further improves that complaint mechanism". I would be the first to concede that this bill does improve the complaints mechanism. There was always going to be a requirement to review and refine the legislation introduced a decade ago. It is a pleasure tonight to see my and the former Government's initiatives being changed. It is important that people understand that, because it shows that the measures introduced 10 years ago worked and that the objectives of the Parliament, in adopting those measures, have been achieved.

I turn now to the part of the bill that deals with changes to complaints procedures, which the Opposition supports. It is significant that the proposed legislation excludes from the complaints procedure certain internal police reports that concern the internal management of the Police Service. Over a period when court and other decisions required those sorts of documents to be classified as complaints within the meaning of the Act, complaints of any nature were sent to the Ombudsman and were investigated. I am sure that honourable members in their electorate office work have come across a situation where they wish to bring a matter to the attention of the patrol commander, district regional commander or the Commissioner of Police, but it is not the intention or the desire of the constituent that the matter become the subject of a formal complaint within the meaning of the Act, yet in recent years if there is an opportunity to find a complaint, then off it goes. That would appear to be corrected in this measure. The Minister said in his second reading speech, "The principal objective of the bill is to improve the existing scheme of complaint management to eliminate shortcomings, deficiencies and problems that have become apparent since the last significant changes were made". The Opposition supports that statement.

One of the real difficulties that will be occasioned whether the legislation is changed or not, but most certainly if the proposed changes are implemented, is that they will not work if the Ombudsman's office is not properly resourced. I know these matters are being looked at, but I find it difficult to comprehend why the Independent Commission Against Corruption has so much more funding available to it than the Ombudsman's office. At the end of the day, our constituents are more likely to come in contact with the Ombudsman's process than the ICAC. I find it a matter of considerable concern that when one brings a matter to the attention of the Ombudsman, more often than not one receives a letter saying that they will not investigate it because they do not have the resources to investigate it.

[*Interruption*]

My colleagues say, too right, but it is wrong. People will start to lose faith in that complaints mechanism. People with a genuine grievance have gone to their local member, who has a look at it and says, "This has some merit" - it is not and should not be for the local member to investigate it. The local member sends it off in accordance with the law and practice, but an investigation is declined because the Ombudsman is underfunded. I hope that, if the Government is committed to the proper concepts and objectives expressed by the Minister in his second reading speech, this issue will be properly and urgently addressed. Otherwise the police and the public, of which they are a part, will continue to lose faith in the system notwithstanding the worthwhile

amendments being introduced. The next measure I refer to is the change to the conciliation procedures. In the Minister's second reading speech he made some pertinent remarks about this proposal. He said:

> The Tink report focused on the need to rid the current complaint system of procedures that are cumbersome, time-consuming and wasteful of resources . . . In particular, the Tink committee emphasised the importance and value of conciliation as a means for resolving many complaints.

Why would they not? At page 23 of that committee's report there is a table relating to conciliated complaints. It deals with five successive financial years up to 1990-91. The percentage of complaints conciliated, starting from 1986-87, were: 11 per cent; 6 per cent; 6 per cent; 6 per cent; 6 per cent. It is somewhat ironic that 6 per

cent relates to the clear-up rate of motor vehicle thefts and house breaks-ins. But in evidence to the committee Mr Landa, the Ombudsman, said:

> Let me say that I do not think anything less than a 25% conciliation figure should be considered satisfactory. In the American system, they talk in terms of 50% conciliation.

And why would they not? We ought to be aiming not merely for 25 per cent but for a far greater percentage, provided that justice is done to the police officer the subject of the complaint and that the complainant is satisfied with the outcome. Of course, it will involve major changes of attitude on the part of the Police Service as an entity and on the part of serving police. The legislation provides that any statement made by a police officer in a conciliation in good faith for the purposes of that conciliation is not admissible in any disciplinary proceedings against the police officer relating to the conduct concerned. That of course is a good start, but we have got to get to a situation where police and the public believe in conciliation. It is time that people understand that police officers are not robots. They are human beings. They make errors of judgment and they make mistakes. I do not suggest for one moment that conciliation is appropriate for shonks, people who are brutal or people who commit criminal offences. I am talking about the countless number of complaints one receives for other matters. The Minister indicates agreement. If he has the police portfolio for much longer he will, as his predecessor, my successor and I did, come across complaints that a police officer did not smile, that a police officer did smile, that he was not wearing his hat correctly, or that he snapped his notebook closed too quickly. They are the level of some of the complaints.

Provided a member of the public is civil, there is no reason for a police officer to be rude, but the basic culture and attitude of serving police must change. If they admit the truth, if they concede that they made an error of judgment or that they made a mistake - and again I am not referring to criminal conduct - the whole world is not going to fall down upon them. Instead of punishment there will be counselling, guidance and there may be, as perhaps required under the circumstances, improved supervision. The sooner we get to that situation, the conciliation rate will go up and morale and productivity will increase. Community support, which police should value above everything else, will increase. It is not something that we, the legislators, can make happen. We have all had cause to say in the past, "You can't legislate against stupidity and you can't legislate to change attitudes. You can educate and you must encourage". I exhort all those who will play a role with respect to these provisions to ensure that there is a change of attitude amongst the working police and their hierarchy so that people will be encouraged to concede an error and not be confronted with an overreaction.

If we conciliate a matter, it is resolved quickly. Members on both sides of this House have had somebody come to them with a complaint which has subsequently been investigated by the Ombudsman, if he can find the resources. That complaint then celebrates anniversaries because of the timetable. Not only is the complainant frustrated by that process - believing that things are being covered up - but so too is the police officer against whom the complaint is made. If the complaint is legitimate, it will be a worry for the police officer, but even if it is not - and despite protestations to the contrary - the career of the officer is virtually put on hold. The officer's family also suffers.

Everyone understands that 14 months was too long to look into the Rigg matter. It does not matter what sort of a complaint police officers have against them, it weighs upon their mind. If we can encourage effective conciliation we can make the constituent or the complainant happy without necessarily causing difficulties with respect to the time taken to resolve the matter. I totally support this. It will not surprise anyone that the greatest difficulty confronting law enforcement agencies in other countries is the delay in dealing with police complaints. The Minister for Police just nodded his head. I am pleased to see that this is happening. I know that the committee spent a lot of time dealing with this issue.

I refer to changes in investigation procedures. The explanatory note clearly points out that under the current PRAM Act investigations are carried out by the commissioner and, with certain exceptions, by a specially constituted internal affairs branch. That will not be retained as a requirement. The commissioner will be able to make appropriate arrangements for police investigations beyond the centralised command to the regions. It will also allow the Ombudsman to take over investigations before, during or after a police

investigation if he is satisfied that it is in the public interest to do so. There are some additional monitoring provisions as well. The Minister for Police has stated, "In developing the Government's reform agenda for the Police Service, I have made the point repeatedly that it is a central principle of good management that clear lines of responsibility, command and accountability must be maintained". I understand the motivation for these changes and I concur with them.

Page 2506

Regional, district and patrol commanders should not be so preoccupied with being bean counters and balancing budgets because they lose sight of their most important responsibility - the men and women under their command and the service they are providing to the public. Regional, district and patrol commanders - and even the lower levels, to the person in charge of the relief; it does not matter whether it is one constable in a station and two in a car - should be accountable for what takes place under their control in whatever form. That has to happen. They should not be able to say, "It's not my worry, someone else can worry about this. I am doing my best. I am within budget. I am responsive. I go to community meetings".

Patrick Murphy indicated in his book - which I think was called *The Commissioner* - the difficulties he came across when enacting some of his reforms in New York following the Knapp commission of inquiry. It is some years since I have read that book. If my recollection serves me correctly, Murphy had a number of people observing different precincts. He finally called in a commander of a precinct and asked, "How are things in your precinct?" The answer was, "Everything is fine". Murphy asked, "Really?" He then opened a drawer, took out a list and proceeded to tell the commander who were doing things that they should not have been doing. The precinct commander's response was along the lines, "Goodness gracious me" - although other words were used - "it looks as though I've had it". Murphy's response, appropriately, was, "No, you haven't had it, but if you don't fix it up and stop it happening again you will have had it". I am obviously using different words to those that were used, but that was the thrust of the conversation. They have a responsibility to do it and this legislation makes that responsibility a greater imperative.

Although there are concerns with respect to regionalising to this extent with respect to investigations, I do not know what else can be done. The public has not seen what I understand to be a quite superb report from Inspector General Wilson with regard to the considerable difficulties being confronted by the internal affairs system. I think there is a genuine attempt by the service and the Government, to its credit, to address those concerns. It would be remiss of me, as it would have been last night, not to acknowledge that Inspector General Wilson is present in the public gallery.

The patrol commanders, the Ombudsman, the public, and the legislators all have responsibilities; the Police Service has responsibilities to itself and the public. An issue which seems to have escaped the notice of those given the task of ensuring that these old laws, new laws and existing laws work is that they have a responsibility to play by the rules. They can hardly go out and deal with errant police for breaching police rules or society's rules if they do that themselves. A little later I will move an amendment, which I will refer to now as the Ellis amendment. The litany of difficulties is well known. People have said to me, "As part of the discipline package of 1983, you were the creator of the internal security unit". Others call it the internal police security unit, or IPSU. Quite frankly, I do not care what they call it - I created it: it was the internal security unit. It has now gone - it has been renamed and reformed.

I have no regrets about the concept but I have some regrets about what happened beyond it. Police engaged in internal affairs, by whatever name, have a responsibility to play by the rules. I do not believe that anyone who has an objective look at what happened in Operation Raindrop, for example, can say that fairness was exercised. I concede that it started in 1986 but the alarm bells went off in 1989, yet it continued. A couple of police went to gaol; one had a stroke; one had a breakdown. Of the 10 police involved, with a couple of exceptions, all have left the New South Wales Police Service.

From my own personal knowledge the New South Wales Police Service could ill afford to lose some of them. But even when they were found to be innocent, the service could not cope and did not know how to, or

would not, deal with them appropriately. No, it is not the fault of this system that is being debated tonight, one only has to take the time to become aware of the destruction of Sergeant Bill Pinkerton through an outrageous allegation and what it meant and still means to him and his family. I do not know what the answer is, but the system does not allow matters to be tested. People tell me that former Senior Constable Trevor Otten was the greatest street policeman of the past decade, yet he is no longer a member of the service. He was charged with departmental charges, but before they could be determined he resigned during a hearing of the tribunal, I understand, on a piece of toilet paper, and then suffered a major epileptic seizure.

Those matters should be looked at but we lack a mechanism to do that. It is hard to rectify the sins of the past, but it is important as we go forward with this new legislation that all those involved, in whatever capacity, should guard against it happening again, so that we will never again see the disgrace that occurred with regard to Meni Caroutas and some of the others involved in that situation. The motivation of those involved was probably good, but their methods were not, nor was the outcome. People's lives were destroyed. Only recently - and I acknowledge and praise the Minister for Police for his response - I raised a matter involving Paul Kenny and two other former policemen, McMillan and Maxwell. For six-and-a-half years Kenny and the others had sought justice, yet it took the inquiry established by the Government and the report by John Nader, Q.C., to indicate clearly what had happened. I praised the inquiry, though I got a serve from the Attorney General in the other place

Because the system did not allow those men or others on their behalf to get to the truth of the matter, people were hurt in the process. I acknowledge that. In some cases they were people whom I knew, and knew well. I had an obligation to bring the matter to attention. They were hurt by it. I apologise for the
Page 2507
hurt to those subsequently found not to have committed any wrongdoing which logic suggested they might have committed. But nothing has been done to the wrongdoers. I promised a journalist mentioned in the matter, not by name, that I would apologise for an allegation, which appears to have been erroneous, made in the course of the investigation that the journalist had been responsible for indicating to another person the source of a particular story. I apologise to her.

I understand why they are upset. But how upset must Paul Kenny be - six-and-a-half years out of the Police Service, without any compensation, yet he was innocent. He now has a document that says he and the others were innocent, yet nothing has happened to the perjurer and heroin dealer. The same goes for these others. In Operation Raindrop two heroin dealers and subsequently admitted perjurers were granted indemnity on the condition that they told the truth in the witness box. They did not and conceded they did not. That indemnity should be withdrawn and they should be prosecuted. Instead we find they are in a witness protection program. They are the things that cause difficulty. I believe police will cop it sweet provided they are treated in accordance with the rules, when the occasion demands they be investigated, and matters are considered on their merits. But too often matters are not looked at on their merits. We end up with situations like the Blackburn matter, in which people of enormous rank are dealt with by processes.

The only person involved in the Blackburn inquiry to be convicted of an offence was the most junior, a constable with very little service. All those with stripes and pips remain, and properly so, but the constable wore it. The prosecutorial authorities, not content with obtaining a conviction, want to have another go at him. That is what is unfair, and that is why it is difficult to explain to people why these things ought to happen. The integrity of the Police Service is vital. The integrity of those conducting investigations is equally vital. I am not talking about their inherent honesty but the way they go about it. There are rules. If people break the rules, they are dealt with in one way or another. But those investigating have to play by the rules, or else all is lost. It is interesting, when pursuing argument about how investigations will be conducted out in the regions, to refer briefly to an article in a book I referred to last night entitled *Policing Australia: Old Issues, New Perspectives*, to which Commissioner Mick Miller, Commissioner of the Northern Territory police force, contributed a chapter. At page 116 he quoted from a 1991 article from the Bureau of Justice Assistance of the United States Department of Justice and International Association of Chiefs of Police:

> It is the integrity of each individual officer that is most valuable in protecting the department from corruption. Management's

most important task, therefore, is to provide an environment in which the individual can perform with integrity. This environment can be achieved through open and honest management, officer communication and by the high integrity example of role models in senior positions.

I have no difficulty with that. I think it is spot on, and it is what must happen. I quote further from page 126:

There is clearly a need to make managers more responsible and accountable for the malpractice of their own people.

I believe the intent of the Minister's legislation is to force responsibility and accountability upon those who up until now may not have been keen to accept it. That sort of response is necessary. The next part concerns changes to reporting procedures. Every member acknowledges there are delays, as did the Minister in his second reading speech. These are matters that cannot be conciliated. The current provision is that the investigation of a complaint is to be included in a report to the Ombudsman within 180 days after notification of the complaint; if not, the Ombudsman may investigate the complaint. These proposals are aimed at achieving fast resolution by reducing that period of time to 90 days for complaints of a class or kind agreed between the commissioner and the Ombudsman. Of course, the 180-day period will be retained for matters requiring longer investigation.

But one must ask why it takes six months to conduct an inquiry? Why does it take three months to do an inquiry? On an average complaint, where there might be six witnesses or ten witnesses, why cannot statements be obtained within the following week? Why cannot the matter then be considered and decisions made as to what will or will not happen in terms of that part of the investigation? I cannot imagine sitting around for six months, whether as a complainant or the person complained of, waiting for the matter to be determined. That would be worse than whatever penalty might be imposed if a person is found to have been wrong in his or her actions. Yet in Scotland a person charged with an indictable offence has to be tried within about 110 days. We are well intentioned, but we have the present situation. It is not this Minister's fault; it is nobody's fault. It is the way things have happened. This has to change. I do not believe that the integrity of the investigation will be compromised or made less effective by doing it just a little bit faster than under the existing provisions or the proposed provisions. The next section of the explanatory note is headed "Police Personnel Records" and it reads:

The proposed Act will provide that complaints against police officers which are not sustained will not be included in the police internal affairs report which is provided when that police officer is being considered for an appointment or promotion. However, the report will include details of any investigation or proceedings in respect of that officer which have not yet been concluded.

I am delighted; I do not have any problem with that. I can imagine some people saying, "That is funny, because you are the one who brought that other provision in". That is true, but it was in a different climate when there was great cynicism about the promotional system. With that provision and other actions we have established a far greater acceptance of the integrity of the people being appointed. For that I make no apologies. But I believe that that result

supports what was being done. I am delighted to see that that is now what is being done. In dealing with that aspect the Minister said in his second reading speech:

Honourable members will no doubt recognise that this deliberate omission gives effect to another of the recommendations of the Tink report. In doing so, a much fairer situation is created and the promotional prospects of officers cannot be adversely affected by unfounded allegations.

I support what the Minister says: that that is not the reality. I concede that I was responsible for anonymous complaints coming into the system, but again I do not apologise. But those provisions are being used by malicious people to thwart the promotion of many police. Though I agree with what the Minister says, what is to be guarded against now is not the member of the public making the complaint but an anonymous police officer. Time and again a person applying for a promotion suddenly finds that a couple of anonymous complaints come in. So that officer is culled before interview. He does not even make it that far. He keeps

getting culled until 12 months down the track and the complaints are dealt with and discarded. People may ask what else we could do. I suggest that we use the provisions that I put in in 1983 which allow people to be promoted and, if subsequently a complaint is sustained against them, they can be demoted. That provision ought to be utilised. I can think of no way of guarding against the malicious. The anonymous complaint procedure must be maintained but we must not allow the situation to be abused by people seeking for their own ends to prevent the promotion of people by unfair means. The next section is headed "Privileged documents". I have a problem with this. I intend to move two amendments in Committee and one of them will concern this section. The explanatory note to the bill states:

> The provisions of section 59 of the PRAM Act will not be re-enacted. Under that section, documents specially created under the police complaints system are not admissible in any criminal or other proceedings (other than police disciplinary proceedings). Accordingly the admissibility of those documents will be regulated by the general rules relating to admissibility.

Why was there not any consultation on this issue? Where did it come from? Why did the Minister not mention this in his second reading speech? This provision will mean that police suddenly will be different from everybody else: they will lose the right to silence. In the United States if you are not read the Miranda you cannot be forced to answer questions in criminal proceedings. In the United Kingdom under the Police and Criminal Evidence Act 1984 there is a similar provision. No other State in Australia denies people the right to remain silent. I do not say I understand why the provision is contained in the bill but in the absence of any explanation - I am assured that there was no adequate consultation on this - I do not believe it should remain. More importantly, it is alleged that the reason police should not retain the right to silence is that police have a better understanding of the law than the average member of the community so they know their rights.

If that is the principle, if that is the basis on which the Government puts up this provision, let us see the amendment that includes judges, magistrates and members of the legal profession. They know the law too and would have the same understanding. It is a ludicrous argument. There will be all sorts of problems if we ever change the current position whereby we remove the legal requirement that police officers must answer questions in regard to departmental charges. If they do not, they are guilty of disobedience and may be dismissed. I have no difficulty with that. But this cannot be justified in the case of criminal matters. A white flag is being shown. I think the Minister would like me to exercise my right to silence, but I will not. I am delighted at the Minister's indication and I will move an amendment in regard to that provision. The final part of the explanatory note deals with disciplinary provisions. It states:

> The bill re-enacts, in modern form, the existing provisions relating to discipline, subject to consequential changes and the exclusion of express provision to enable the Commissioner to formally admonish a police officer in those cases where the conduct of the officer is not satisfactory but does not justify the preferment of a departmental charge.

I support the provision allowing minor matters to be dealt with by admonishment. In Committee I will move an amendment which, for want of better title, I call the Ellis amendment. Perhaps if I take the time to deal with this matter now it will make the Committee stage very quick; I will not repeat it in Committee.

Mr Griffiths: Do you promise?

Mr ANDERSON: I promise. The Minister knows why I am doing it and it is important that other people know. More than three years ago a detective inspector of police called Bill Ellis who had had 29 years of unblemished service, a man highly regarded by all who knew him, who had page after page of appraisal reports calling him a man of the highest integrity and great capacity, was demoted to the rank of senior sergeant. He subsequently left the Police Service a broken and shattered man. His family was shattered. His wife has waged a constant campaign for more than three years. With the exception of the New South Wales Opposition the only voice heard to support him has been that of Alan Jones on Sydney morning radio. The select committee took up the cause after a submission from Mrs Ellis. I have never seen a more determined woman than Shirley Ellis, who would describe herself as a quiet women who has never done anything like this in her life. But she saw her husband and family destroyed wrongly. He is not a crook. I do not know Bill Ellis; I have never met him. I spoke to him on the telephone so that I could speak to his wife.

I should explain why I am so keen on this. I asked a question upon notice about this of the Minister. In 1983 I brought in the provision to allow a commissioned officer to be demoted, under that process. There had been a doubt whether the power existed, so in 1983 I introduced the power. I asked the Minister: How many commissioned officers in

New South Wales have been demoted since 1983? It will not take me long to read the answer. The answer is: "One. 14th March, 1990, Detective Inspector W. A. Ellis". One! The argument at the time was that he was promoted to the position of inspector as a positional promotion in internal affairs and because he was deemed no longer suitable to be in internal affairs he had to be transferred. Sounds reasonable. In the same question I asked, "How many commissioned officers, promoted to a position, have been moved to another position?" Does that sound reasonable? The answer was 72. Page after page of names. What was Ellis' crime, one might ask. It must have been extraordinary. It was extraordinary, or at least the penalty was.

One should understand that an officer under the rank of inspector, a commissioned officer, does not have a right of appeal. Ellis was taken before the Police Tribunal of New South Wales. Sitting on that tribunal was Judge Sinclair. On 3rd November, 1989, the date of the determination, Ellis faced four departmental charges. One charge was dismissed, that of using words subversive of discipline. It was dismissed, not proven, out, finished, no longer a consideration. The other three charges - and this is what ruined this man and his family and probably cost him in excess of $200,000 in lost salary and superannuation benefits - were similarly worded: disrespectful of a chief inspector. Ellis did not know about the charges. They arose out of a telephone conversation he had with another person. However, his telephone was tapped. Of the three charges, two related to a detective chief inspector, and the other to a chief inspector. Ellis' crime was that he used disrespectful terms.

Goodness me! If it were possible to charge members of Parliament with a similar offence, one member would be demoted every five minutes during question time. Honourable members would be stunned to know that I cannot read into the *Hansard* the words he used on the telephone; they are not exactly words one would use in a parliamentary Chamber. However, I heard them once or twice when I was a member of the police force. I certainly heard them while sticking my head into a scrum. I most certainly have heard them in Caucus meetings. They are words not unheard of. This was a private telephone call that was bugged for lawful purposes. The judge said:

> The respondent has been a
>
> - member of The Force for 29 years
>
> - His record contains no adverse entry
>
> - He has a reputation as a police officer with a high standard of integrity and an officer who is direct but fair to others.

The judge heard all the evidence and sighted the record of Mr Ellis. The judge recommended a reprimand on each of the three charges. A reprimand! Ellis was demoted by His Excellency on the recommendation of the Minister of the day, the matter having been recommended to him by the Commissioner of Police. Being a commissioned officer Ellis had no avenue for appeal. He tried appealing to the Government and Related Employees Appeal Tribunal, but it was found that he had no right of appeal to GREAT because he was a commissioned officer. The senior chairman of that tribunal, Mr J. L. Lynn said:

> The Tribunal can understand that the appellant considers he has been harshly and unjustly treated when the Police Tribunal, which had the advantage of hearing the evidence of witnesses to assist it in determining the facts of what occurred, recommended that a reprimand was the appropriate penalty for the misconduct found proved against the appellant . . .
>
> The Tribunal considers, however, that in fairness to the appellant it should record the finding that on the evidence made available to it in these proceedings there is nothing to suggest that the appellant had any foreknowledge of, or played any part whatever in the

criminal activities of . . .

Reference is then made to the other person. For more than three years the Opposition has consistently raised this issue and suggested to the Government that there needs to be a minor amendment to this legislation to allow a commissioned officer, about whom the Minister of the day recommends to the Governor demotion or dismissal, to make a written submission to the Minister, which the Minister must take into consideration before making any recommendation. Bill Ellis could not even make a written submission to point out the injustice that was done to him. My argument is: if Bill Ellis is a crook, he should be charged with being a crook and put in the dock. But I know he is not a crook. We cannot allow what happened to this man to happen to someone else.

The community can ill afford to lose a police officer described by the court as having 29 years of high integrity service - a man who was firm but fair. If anyone thinks there are no people in the New South Wales Police Service who did not deserve to be dismissed before Bill Ellis, then he is wrong. I shall persist with my amendment although I realise it may not succeed. What I am doing tonight is in furtherance of years of effort in an attempt to ensure that what was done to Ellis will never happen again. To his credit Minister Griffiths in response to the recommendations of the Joint Select Committee upon Police Administration will take, or has taken - and I do not want to detail this because it is not fair - action which may see this matter finally reviewed. I thank the Minister for that. I await the outcome with great interest. As a matter of principle I am moving the Ellis amendment tonight. I now quote from page 115 of *Policing Australia: Old Issues, New Perspectives*:

> The "rotten apple theory" or the "myth of the rotten apple" has been a recurring theme in relation to police corruption . . . New York Knapp Commission (1973) . . . Patrick Murphy, the New York City Police Department's Commissioner responsible for many subsequent reforms as having said:
>
> > The `rotten apple' theory won't work any longer. Corrupt police officers are not natural-born criminals nor morally wicked men, constitutionally different from their honest colleagues. The task of corruption control is to examine the barrel, not just the apples - the organization, not just the individuals in it - because corrupt police are made, not born.

It is all well and good for the Parliament to put in place, review, revise, and reinvigorate the processes, structures and laws, but ultimately if the community

is to succeed with regard to police discipline and dealing with the issues of corruption, then police must be confident that they will be treated fairly by the system. The system must treat them fairly or else it loses its value. Similarly, members of the community must be satisfied that their complaints will be properly, swiftly and effectively investigated. When that happens, when that is achieved - and it is something that can be generally achieved, otherwise why bother having the committee and the legislation - then and only then will inroads be made. The community of New South Wales must work with police against those who are not prepared to live by society's rules. I support the bill.

Mr TINK (Eastwood) [8.49]: It is a great pleasure to support the bill, which arises from a report of the Committee on the Office of the Ombudsman. Earlier in the debate I was interested to listen to the honourable member for Liverpool speaking about the evolution of police complaints procedures in New South Wales. The bill has been an evolutionary process. Just as the 1983 package is now being reviewed and renewed, in perhaps a longer rather than shorter time frame, the proposals before the House will be revisited and renewed. The legislation is a significant package, not least because there seems to be broad consensus on the essential elements of it. That process has involved lengthy hearings and conferences about the changes that need to be made. People who have, in the past, been miles apart, have been brought closer together. The result is a strong package that should advance police accountability significantly.

The bill could perhaps best be described as a rejigging of the complaints process which will allow everyone, to use the jargon, to come out with a win-win result. The Ombudsman is a key player in the whole process of complaints against police. He will now have more significant powers to investigate and get to the bottom of serious matters such as the Angus Rigg affair far more quickly. He will be able to go in early and, if

necessary, investigate straightaway rather than have to wait for a lengthy period until the matter has been investigated by the police. That is significant for a number of reasons. The bill will allow the Ombudsman to investigate matters while the evidence is fresh. It will allow him to be fair to all parties concerned because he will have the best evidence before him. It will allow matters to be dealt with speedily. I know that has been of great concern to the Police Association and its members.

The Police Association resents its members being left in limbo, for years at a time in some cases, with their reputations in jeopardy until complaints are resolved. The legislation will allow matters to be dealt with extremely quickly. From the point of view of the commissioner and senior commissioned officers, it is important that complaints against police officers, particularly serious matters, are dealt with independently so that action can not only be taken but can be seen to be taken. It cannot be suggested, although inevitably any such suggestion is wrong, that in some way a complaint has not been correctly resolved because senior police are too close to the investigation. The commissioner and senior commissioned officers regard that as a significant advantage in the legislation. On the other side of the coin, the Ombudsman has indicated that about 80 per cent of all police complaints notified to him are so-called minor matters. It is important from the point of view of the Police Service and the Ombudsman that as many of these matters as possible are dealt with in a commonsense way at the police patrol level. It is quite inappropriate and unnecessary for all these matters to be referred to the Ombudsman, to be referred up and down and all over the place. The result is a tremendous waste of resources and real constipation, if I can use that expression, developing in the whole police system. Police who may be the subject of only minor complaints start to become paranoid about matters being referred to the Ombudsman.

Under the current system, unsustained complaints are placed on promotion records. The matters to which I have referred result in police and complainants seizing up and the whole system clogging up. The legislation proposes a practical solution. As many of these sorts of matters as possible will be dealt with on a commonsense basis at the patrol level. Where a complainant wants to accept an apology and is happy for a complaint not to go to an Ombudsman, so be it; it should not go there. That is why this bill will provide tremendous advantages at the lower end of the police complaints spectrum. Both sides of the coin became apparent fairly early, but as the committee got going it was important to establish checks and balances. I am pleased that those checks and balances have been included in the legislation. When the committee was investigating minor matters being returned to the police to deal with, it was important to ensure that safeguards were available. The honourable member for South Coast suggested that a proposal should be included in any legislation for random auditing of police stations to examine their conciliation records. That is a crucial check and balance in the whole scheme of things that will lend credibility to the police dealing with conciliation matters on their own account. I am pleased that that significant recommendation has been included in the bill.

A number of other recommendations in the report have been adopted in the legislation. That says a great deal about the sort of work that can be done by parliamentary committees dealing with difficult executive issues. For example, for many years the police and the Ombudsman have been unable to agree on how to formulate a system dealing with police complaints. Each side recognised that major problems were involved. The committee was able to draw both sides together and get them to put issues on the record. The committee was then able to approach the matter from different perspectives and obtain an agreed result that everyone could live with. I would like to pay particular tribute to certain people in connection with this whole exercise. I begin with the Commissioner of Police. In recent times in this

House I have been highly critical of the commissioner in relation to the Pickering matter. I do not back away from what I said about the commissioner in that regard.

However, it is appropriate and proper for me to pay full tribute to the commissioner in this instance because the work he put into the committee and into the report and the bill is an absolute credit to him. I sometimes think the bill would have been difficult to achieve without his involvement because he had the unique experience of being a former president of the Police Association. He had the necessary perspective. He also had the perspective of someone who had spent some time in the internal affairs department. He was able to bring that experience together, show some leadership and push some members of the Police Service in

directions they may have been a little reluctant to take to secure acceptance of the package.

Another person I particularly want to mention is Assistant Commissioner Col Cole who, as all honourable members know, has had a few matters on his mind recently. However, it is important to say that his involvement in this package was also extremely important. I appreciate his contribution and believe it to be significant to the result that has been achieved. On the other side of the fence, the Ombudsman and the Assistant Ombudsman, Keiran Pehm, played a significant role in the end result. They have also gone out on a limb and given a little ground to ensure the right result. They perhaps moved forward further than many others in relation to some aspects of conciliation, particularly Aboriginal complainants. They made useful suggestions about the inclusion in the legislation of particular safeguards for Aboriginal complainants. Those safeguards make the package acceptable to the broad group of police complainants, if I can refer to them that way.

I would also like to thank the members of the committee for their input. The report was bipartisan. It was important to have a bipartisan committee to achieve the desired result. Without becoming involved in the internal politics of the Australian Labor Party, I point out that the committee included members like the Hon. Dr Meredith Burgmann who have a strong interest in particular constituents. They lent credibility to the end result. I refer also to the honourable member for Smithfield, who is known to have lively discussions with Ms Burgmann. They enriched committee debate. The contribution of the honourable member for South Coast was important, not only in relation to the internal audit aspect but also in relation to many other aspects. His contributions led to a result which hung together well. At present, a conference of police commissioners from around the world is taking place in Sydney. The conference is examining systems of investigating complaints against police. It was interesting to hear the great interest they expressed in this bill and the committee's report.

I found myself taking part in a hypothetical with a number of other persons, the moderator being Peter Thompson from the Australian Broadcasting Corporation. The participants were not told until the last minute the roles they were to play. Just before I went on to the podium, the Ombudsman informed me that I was to play the role of the Ombudsman, which proved to be very interesting. Beside me was Eddie Azzopardi, who was playing the role of the President of the Police Association.

Mr Scully: How did he handle that role?

Mr TINK: Very well. He knows all the tricks. That is on a lighter note. On a more serious note, I inform members that the Police Association was an important contributor in this process. It proceeded on a very broad front, taking the membership forward in some areas that may not have been easy; pushing the positive aspects of what was on offer, as well as some of the things that its members would have to become accustomed to. All round, it has been a good result. It is interesting to note that the person in the Police Service who will be responsible for all this, Jeff Jarratt, the new Assistant Commissioner for Professional Responsibility - who happens to be a constituent of mine - is coming up to speed in respect of this legislation. If the legislation is to work, Jeff Jarratt has the job of reducing what I believe is a very complicated statutory scheme to very simple points so that patrol commanders can get on top of their responsibilities. He also has the primary responsibility of getting around to all the stations and regions to audit what is happening. I am sure that is in very capable hands. I believe he is an excellent choice for that job, Minister.

Mr Griffiths: Absolutely.

Mr TINK: The Minister, the Police Association, the Ombudsman and the Commissioner of Police will get this legislation up and running and it will be another 10 years before someone stands in this House and says, "It is time we were rid of these ramshackle amendments of 1993 and got on with the new process". It will happen, but hopefully not for a decade.

Mr MOSS (Canterbury) [9.2]: The legislation is principally the result of an inquiry by the parliamentary Committee on the Office of the Ombudsman into the powers of the Ombudsman with respect to police. It would appear that the legislation will receive the support of both Houses of Parliament. The committee eventually agreed with the recommendations that were made. I am pleased that the Minister has indicated that

he is happy with one of the amendments proposed by the Opposition and, with the exception of one other amendment, the legislation may receive bipartisan support. The bill offers a fairer deal both to the police and to the Ombudsman. So far as gains for the police are concerned, the police will benefit from the complaints lodgment aspect and also the disciplinary procedures that occur as a result of complaints.

There will be big gains for the Ombudsman. In

particular, he will have far greater input into police investigations that will undoubtedly reduce his workload in respect of minor complaints which he is currently required to consider. With regard to the sections of the bill that deal with the exclusion of certain complaints, there has to be a commonsense approach to excluding certain complaints. Of course, they would be of a certain internal reporting nature related to internal management. As I see it, the Police Regulation (Allegations of Misconduct) Act was too strict. There was too much scrutiny under that Act of this type of complaint. However, there are safeguards that allow for the exclusion of complaints that are only of a class and a kind agreed to by the commissioner and the Ombudsman. No doubt, any complaints that are to be excluded would be of a minor nature, insignificant, or frivolous.

The bill makes provision for a category of complaint which will allow the commissioner to admonish a police officer. I believe it is essential to have a provision such as that because there are complaints in between those that are frivolous and those that are serious. In the past those complaints had to go through the same process as did serious complaints. They were referred to the Ombudsman at great expense and took up a great deal of time. A police officer can be admonished by the commissioner even if a complaint is of a minor offence but which is one that warrants some disciplinary action, probably by way of caution.

It is pleasing to note that, under this legislation, complaints that are not sustained will no longer be included on records that deal with promotion. However, I have some difficulty with this particular clause of the bill, because any inquiry or any uncompleted investigation would still be reported on in the case of an officer seeking promotion. I realise that it would be a mistake to promote a police officer subsequently found guilty of an offence committed before the promotion procedure had commenced; that officer would not have been promoted if the offence had been proved prior to commencement of that procedure.

There is an argument for the reporting of uncompleted investigations, but we are living in a society where people are considered innocent until proved guilty. This section relates to the PRAM Act in that it will still allow police to smear other police purely for the purpose of preventing the promotion of a fellow officer. Having said that, I see no way out of a situation where an uncompleted investigation should be reported. I must emphasise that under the provisions of this bill there will be less likelihood of a police officer smearing another police officer for the sake of preventing that officer's promotion. That is because the commissioner can now exclude minor complaints and those with no substance, and he can admonish officers for extremely minor complaints. More important is the fact that police investigation of complaints at patrol level must be reported within 90 days instead of the existing maximum period of 180 days. That should ensure there is less likelihood of an investigation being under way at the time of a promotion procedure.

I turn now to conciliation. Some form of conciliation has always taken place, and that had to be agreed to by the Police Association and the Ombudsman. That will still be the case. The difference is that it will become mandatory for conciliation to occur in respect of certain complaints of a class and kind agreed to by the Ombudsman and the Commissioner of Police. That will relate to complaints that are not of a serious nature and which do not amount to an indictable offence. Also, investigations can proceed when conciliation breaks down. It is essential that there be some provision to allow investigation to be carried out when conciliation breaks down.

A reading of the bill would indicate that if conciliation breaks down the commissioner may cause a complaint to be investigated; the bill does not say that he must do so. I can see the logic behind that, because if it were suggested that a complaint must be investigated when conciliation breaks down, no one would wish to proceed with conciliation. It is a fact that it is extremely difficult to get people around a table for conciliation because, human nature being what it is, no one wants to give ground; no one wants to conciliate. Conciliation

of minor complaints must be mandatory in order for the process to get under way. There is a provision to proceed further if conciliation breaks down but only if it is considered important to carry out an investigation.

When representatives of the Aboriginal community gave evidence before the Committee on the Office of the Ombudsman they said in no uncertain terms that they were not happy to conciliate with police. This measure will go a long way to satisfying the Aboriginal community's concerns because a number of conciliations may be handled by the Ombudsman's office and the police would be a second party to the process only. Many Aborigines would be happy to conciliate provided the Ombudsman was the adjudicator. However, where conciliation breaks down between the Aboriginal community and the police, there must be a mechanism to consider whether or not the complaint is sufficiently serious to proceed to a further investigation. It makes sense to allow the Ombudsman to take over before, after or during an investigation. It makes sense for him to be permitted to sit in on police interviews and to obtain information and records that relate to an investigation. This was a concern of the Ombudsman. When he attended the committee he spoke of the frustration he experienced with material concerning police investigations taking, at times, up to six months to be forwarded to him. He said:

> Six months after the event, longer in many cases, the Ombudsman must analyse the papers that have been produced by the police investigation seeking to determine whether or not police have addressed the relevant issues and whether the investigation has been properly conducted. Where they have not, the waste of resources by police investigation is compounded by the resources which the Ombudsman must expend in examining the papers and remedying the deficiencies.

Page 2513

Though this measure may not be widely accepted in police circles, it will certainly speed up the investigation process. It will save resources and provide the Ombudsman with up-to-date information. At the end of the day it should ensure that the Ombudsman's findings are more accurate. If there is no difference to the outcome of the investigation, at least the Ombudsman's involvement will be seen to be more beneficial. Under this bill all complaints handled by police will no longer be referred to the Ombudsman, and the Ombudsman will not have to adjudicate on all the complaints that police now handle. The cross-checking that took place in the past not only took up considerable time on the part of the Ombudsman but also encouraged police to refer almost all matters to the Ombudsman's office.

To give an example, a constituent of mine wrote to me complaining that one morning it took her twice as long to get to work because police had double parked outside Campsie court house. She said that the police should be setting an example and should not be breaking the law. I deemed her letter to be a crank letter. At that time I decided not to forward it on to the local police sergeant because if he wrote back with a logical explanation, the woman may well have claimed that the police were supporting their own. I thought the best way to handle the matter was to send the letter to the Minister. Within a week of forwarding the letter to the Minister I received a reply saying that the matter had been referred to the Ombudsman. It was a trivial issue. The matter was investigated and I was asked whether I wanted to be advised personally or whether the police should correspond with the complainant only. That inquiry probably cost about $2,000.

There could have been 1,000 good reasons for the police to double park outside the court house that morning. Some hardened criminal may have been called before the magistrate to be charged. There may have been a demonstration under way. That is just one example of trivial matters being investigated. It is sensible that matters of a certain class and kind be dealt with by conciliation, with no input from the Ombudsman. However, the bill allows for the Ombudsman to carry out random audits at any time if he so wishes. The legislation has many gains for the police and for the Ombudsman. The bill largely follows the recommendations of the Committee on the Office of the Ombudsman with respect to his role in investigating complaints against police. With the exception of the amendments that have been foreshadowed by my colleague the honourable member for Liverpool, the Opposition does not oppose the legislation.

Mr SCULLY (Smithfield) [9.15]: Though I do not wish to detain the House for too long, I speak to the Police Service (Complaints, Discipline and Appeals) Amendment Bill mainly in my capacity as a member of the

Committee on the Office of the Ombudsman. I could not let the bill pass through the House without commenting on it. The bill emanated originally from a special report that the Ombudsman prepared for the Parliament on resources to his office. Arising from that report the committee investigated the major source of complaints to the Ombudsman - being police complaints. I congratulate the honourable member on putting together a commendable report, which was the major source of the legislation now before the House. I understand it took him many hours to prepare this worthwhile report, and it will certainly stand the test of time.

I am interested in the development of conciliation. It was of concern to the committee that conciliation was not being developed, that a memorandum sent out to patrol commanders to pursue conciliation was not good enough, and that there was not a strong attempt at patrol command level to pursue conciliation. I hope that this legislation is an indication to the police at patrol command level that the Parliament would like police to pursue conciliation of minor or trivial matters to a greater degree. I was incredulous of the types of complaints that the Ombudsman had to investigate. Many complaints included complaints about a police officer who smiled when writing out speeding tickets, that a police officer who wrote out the ticket looked stern, an officer closed his notebook quickly, or strode away with joy on his face. The Ombudsman is required to investigate this sort of nonsense. I hope this legislation will eliminate the paper chase between the Commissioner of Police and the Ombudsman and that complaints will be dealt with at patrol command level.

The legislation covers indictable offences. Most complaints that I have heard about are of an assault nature. Normally matters of assault cannot be dealt with by conciliation. I know of an incident where an assault case was dealt with by conciliation. It was not what I would call a major assault but an assault did take place. A 14-year old constituent of mine said to a police officer stationed at one of the three police stations in my electorate, "Who do you think you are talking to asking me to come over to you". The police officer went over to the boy, took hold of his shirt and ripped it open. A relative of the boy came to my office and said, "I do not want to put this police officer's job on the line, but I want a new shirt, an apology and I want the patrol commander to make a notation in his book". That is how the matter was dealt with. I received a telephone call from the patrol commander who said, "I want to thank your constituent because I am convinced that my police officer assaulted that boy, but because of the conciliatory process the officer conceded at the first instance that he had done the wrong thing; and it will be the lesson of his life". In 20 years that bloke may well be a senior police officer and all the better for the experience. He learnt the process. Under the old system he would probably be thrown out of the police force.

The bill will assist in changing the culture. At the committee level we continually received assurances from the police. For example, we had heard that the students of the police academy were taught to lie in the witness box. The commissioner said, "They are not taught that". I accept that. I believe the commissioner and the senior command are

doing their utmost to change the culture. I was concerned, as was the committee, that this was not getting into the coalface, into the trenches. A message from Parliament might help to change the culture at the coalface so that eventually police officers at the lowest level of command realise that we expect them to behave in a certain way and to appreciate that they provide a service. The police in my electorate accept that they provide a service; they are not providing a force which is to be feared.

The committee recently went to New Zealand. I found that visit quite interesting. I do not know whether the Minister for Police has had the opportunity to visit the police complaints authority in New Zealand. I suggest that the Minister talk to that authority if he can. The New Zealand authority was quite surprised that we spelt out in detail how we regulate police complaints. Their system seemed to be more open-ended. I felt that they were not as aggressive in dealing with complaints as we are. We had only a quick trip to New Zealand. I hope it is possible for the Minister's department to have a closer look at the New Zealand police complaints authority. I got the feeling that it was not as fair dinkum about pursuing complaints as we are and that it was more concerned with smoothing over problems and keeping everyone happy, including the police and the community. I understand that our system is quite aggressive and that police complaints which have merit are pursued by the Ombudsman and the senior police. The people of New South Wales recognise that, as has the Police Service. I recommend that the Minister examine the police complaints authority of New Zealand.

Mr HATTON (South Coast) [9.23]: The Government should be proud of the Police Service (Complaints, Discipline and Appeals) Amendment Bill. It is a key piece of legislation. Over many years I have invested a lot of time and thought into the issues of discipline, appeals and complaints. I was a member of the Committee on the Office of the Ombudsman. That committee was chaired by the honourable member for Eastwood. I thank the honourable member for his kind comments. The committee examined the police complaints mechanism. Because of the continuing allegations of corruption during the Wran era there was pressure to establish the Office of the Ombudsman, yet when it was established it had no power to investigate the police. That was a deliberate act of the Wran Government.

George Masterman, Q.C., was the pioneer; he was the first Ombudsman. He pushed at the walls, entered the public debate and was finally given power to investigate the police. He kept pushing to expand the investigative role of the Ombudsman. It was a new experience for the police and they bitterly resented it. He was breaking into a closed shop. The old closed shop scheme had good officers who were set up, who were marginalised, and some people made it difficult for them to take on the corrupt sectors of the force. In some cases investigations were compromised, records were lost, et cetera. I remember talking to the department of internal affairs about matters to do with the death of Don Mackay and the mafia in Griffith. Within 24 hours of speaking to internal affairs, a person in Brisbane was terrified out of his wits. That is how quickly the message got through; that is how much they could be trusted.

People came to me in those heady days asking where they could go, who they could turn to. I could not tell them. Under both schemes I took police who were under pressure to the commissioner. I took them to the Ombudsman, Mr Masterman. Good police could be, and are, harassed by abuse of the complaints mechanism. That is recognised from day one. The Ombudsman became involved in a paper war - part of it his fault and part of it the fault of the police - because of the war of attrition that went on. This was a massive inefficient use of resources. Unsubstantiated complaints were used against police. The Ombudsman could only reinvestigate, but evidence was lost, the trail was cold or evidence was tampered with and witnesses were pressured.

The Ombudsman committee gave me, as one of its members, a chance to push for change and reform. The Minister for Police has acknowledged the good work of that committee. This bill owes a lot to that committee. I had the benefit, through a Churchill fellowship, to look at complaints procedures in Sweden and Canada. For example, in Canada the Government devolves contract policing into the provinces. The Auditor-General is able to audit procedures and protocols - performance audits as well as financial audits - handle complaints from the public, the precinct and the area. The Auditor-General would even ask court officials how they thought the police were performing, whether they thought that the police were lying down on cases, and whether they were doing a good job. This led to my attitude towards the audit powers of the Police Board. I pushed solidly for that in amendments to the bill yesterday. We must have external scrutiny. We are light years away from where we were in the Wran days and in the George Masterman days. We now have the Independent Commission Against Corruption, the Ombudsman and the Police Board.

I wish to refer to the former Minister for Police, Ted Pickering. He was dedicated to accountability, to openness. He examined and pioneered procedures to improve the integrity of the force, especially in the drug and theft area, in particular with respect to stolen car rackets. He brought valuable evidence before that committee, much of which has been referred to the ICAC. I believe that a lot will come out of that evidence. Ted Pickering fought the war, the department won the battle - he left - but the department has lost the war. If people in the department feel that they should not be accountable, they will be even more accountable than they ever were before. As I said yesterday, the Minister will have much more power to exercise over the police force, in keeping with his responsibility.

Ted Pickering and the honourable member for Liverpool, as former Ministers for Police, would have been able to do a lot more had they had the powers and had they had the climate. Ted Pickering upset some people - I have no doubt that both of those former Ministers did. Many in the force then and many in the force now

admired Ted Pickering's courage and commitment. I was stunned yesterday and today at the cheapness of the shots of the Minister for Police during question time. I have supported the Minister. I thought what was a genuine misunderstanding might have been put to rest in a private discussion we had - perhaps it is because the amendments went through and he did not want them to go through. The Minister strutted the stage; he deprecated me. He must recognise that he is in a strong position. Those who have stood toe to toe over the years to fight corruption pushed for accountability - whether they were Ministers, members of this Parliament, the Eddy Azzopardis of this world or the general public. A long history is behind this. Those people need to be recognised.

It is very easy for the Minister to take cheap shots. After the late nights, weekends and weeks that I put into the police committee, I am very proud I had something to do with the result. But where is the amendment even now to the Drug Misuse and Trafficking Act to ensure that drugs are destroyed or have the same weight and purity as the drugs seized? The Hon. E. P. Pickering pressed for that but he was ignored. I supported him. If my efforts have helped to vindicate him, I am proud of that. He was constantly under attack, as is any Minister, and as is the present Minister. Those who want to take on the corrupt in the police force or to radically change it cannot do so unless they are men and women of courage. That applies also to those on the beat who want to take on the corrupt forces around them. The Minister is a Johnny-come-lately, in a position of strength, standing on the record of people who have fought tooth and nail over the years. The Minister has bipartisan support - unprecedented in the 20 years I have been a member of this House - to straighten out the police force and give support to the vast majority of police who want to do a good and honest job.

The Minister must acknowledge this commitment and the courage of former Ministers. I do not take lightly insults to my colleagues, calling them the Hatton party. The Minister should read the confidential evidence on the role played by the honourable member for Bligh when she put herself at risk right in the heart of what is probably the most corrupt area in Australia, taking on the corrupt elements dealing drugs at Kings Cross in the Bligh electorate. Tell me she cannot think for herself. Tell me she does not have a genuine interest. She worked very closely with former Minister Pickering. She does not need to be told, nor do I, that she is a member of the Hatton party. She stood up. She deserves my support and recognition, and that of everyone else, for the risks she has taken in pushing for openness and accountability.

The test, Minister, is the day you have to show courage, the day you have to take risks, the day you do not have both sides of Parliament solidly behind you, the day you have to take on the police union. I support the right to silence. I would have liked that amendment in the bill, but I do not think the Minister has the courage to take on the police union on that matter. There are sound reasons why that should not be. I would accept the civil liberties argument. However, because police are in a special and privileged position in which they can exercise power over other people and employ the rights of special constables, a right to silence should have been included in the bill. That right would have been available had it remained as a provision in the bill. Minister, when things are loaded against you and you lack massive bipartisan support, on the day you step out of the trenches and take on the corrupt and powerful, on the day you have to listen for the creak on the stairs - as I and a few other people have - that is the day you can stand up and criticise John Hatton in this House. The Minister took on the honourable member for Manly. He ought to attend some of the meetings of the Independents. He will see that we contest our opinions solidly and get down to really tough talking.

Mr Downy: Oh yeah?

Mr HATTON: The honourable member for Sutherland says, "Oh, yeah". He does not know what he is talking about. He does not have any idea. The honourable member for Manly demanded accountability over incidents at the Manly police station. Let him speak for himself later in this debate. Minister, that is when you will earn respect.

[*Interruption from gallery*]

Mr ACTING-SPEAKER (Mr Hazzard): Order! Members of the public in the gallery should desist from making noise that might interrupt the debate.

Mr HATTON: I am talking of people such as the Hon. E. P. Pickering, John Avery and the honourable member for Liverpool, people who pioneered real change against the odds and in difficult circumstances. The Hon. E. P. Pickering deserved my loyalty and that of others. He made mistakes and paid for them. I, and others, criticised him for those mistakes. In the past few months I have come to know Ted Pickering a lot more. The bill rests on those pioneers, people of courage. This is a good bill with mechanisms for safeguarding the integrity of the force and protecting the good names of the vast majority of honest police officers. This bill will let the light in, cut the paperwork, resolve specific complaints by conciliation, and instigate formal complaint investigation when conciliation fails. It will allow the Ombudsman direct investigation, something unprecedented and unheard of, and something police certainly would never have worn a few years ago. We are light years away from those days. [*Extension of time agreed to*.]

Page 2516

If the honourable member for Liverpool, with all his faults, had tried to do it, no way in the world could he have achieved it. That aim could only be achieved in the present climate. The Ombudsman has power to intervene, to be an observer and to audit procedures. Long delays have occurred. In specific cases those delays will be shortened, where formerly police officers, their families and friends had to suffer. The bill will remove the public stain of unsubstantiated complaints by providing that they not be included in the report, where inclusion would unfairly affect promotion prospects and reputation. A balance mechanism is provided through appeals to the Government and Related Employees Appeals tribunal against police officers. GREAT appeals also provide a mechanism for promotional matters. However, I would like to see one particular change. I do not like police to be put in double jeopardy. Where is the justice in a constable or a sergeant, but a constable in particular, who has been in the force for only a few years but has become embroiled in a major problem, losing his or her superannuation?

Compare that experience with that of a superintendent or other officer who has been in the force for 20 or 30 years, and who loses his or her superannuation pension. Where is the justice in that? That really has worried me because it encourages the cover-up. Who am I to say I would be so strong if someone came to me at my age in life and said, "Okay, Hatton, we have found out something about you and you are going to lose your pension"? Would there not be a great temptation to cover up, for I would be thinking not only of myself but also of my wife and family? If the penalties are not high enough, increase them. Let there be some equity in the system. Senior officers in particular should not be put at risk of their pensions being wiped out, no matter how severe the transgression, short of a really serious offence. It is important to safeguard benefits that have been accumulated over a lifetime. That jeopardy mitigates against officers owning up and copping it sweet, and adds to the culture of protection.

The whole point of lateral recruitment is that those on senior executive service packages, who are in a position for a given period of time, have to perform or are out. Someone will come in to take their place. Yet only one person has been laterally recruited into the police force at the senior levels. If an SES scheme is to offer all its benefits, let it be a true SES scheme. That is a real battle and challenge for the Minister - so much a battle but a new area to win. The Minister will certainly be taking on a battle with lateral recruitment. I throw down that challenge to the Minister. The Minister should set himself a goal, so that people can be brought in from outside the force. The bill gives power for the Minister to bring people in from outside the department on secondment, or to second officers to other departments.

Add to that the ability to bring in people with managerial experience and experience from a different part of the world, from outside the force, to take managerial and senior posts within the force. That will be the test of the State Emergency Service and accountability. That will be the test of courage and commitment of the Minister. It will be an important contribution to openness and accountability. There will then be people in the force in senior positions who are not wedded to the culture of cover-up, who are not in the old mates club and who will be challenging many of the systems that are in the force because they have not grown up with them. They will bring with them their new ideas. So we will not get the vertical filing system and there will be fewer lost files. We can never say that bureaucrats will not lose files; it depends how tough the issue is. I hope there

will be fewer lost files. Some police then will not be carting files around with them, as the Independent Commission Against Corruption has mentioned, so that they own the files and the files can "disappear" when it is convenient.

I commend the Government and I commend the bill. It is a most important package of legislation. But I repeat that it stands on the sacrifice, to a large extent, of Ted Pickering. He resigned on a point of principle because he misled the House. The Commissioner of Police knowingly cut him down and did not give him the opportunity to go public to retract. The police commissioner is still there but the Minister is not. I said some tough things in the minority report of the committee. I ask people reading the *Hansard* of this debate to read the minority report and to read about the evidence that disappeared - notebooks, diaries, faxes and computer disks. Hundreds of them disappeared when it was convenient for the police case. Then they will not be able to tell me that there was not a conspiracy against the Minister in many areas. It is his sacrifice on which this bill and the bill that went through the House yesterday stood. In the ultimate I supported him for it and I am very proud of it.

Dr MACDONALD (Manly) [9.43]: I support the bill and I support many of the remarks made by previous speakers. I have not had the privilege of serving on the Ombudsman's committee or the police committee and I do not claim to have a vast knowledge of the background of the bills or many of the issues that have been raised. However, in the two years I have been in this place my electorate has experienced tragedies within the Police Service. There have been deaths of two detainees while in custody. This has sounded loud alarm bells in the community. There has been a call for increased levels of accountability, which is relevant to this bill. I shall not comment on the matters raised by the Minister last night, but I think it was inappropriate, ill-informed and inaccurate for him to say what he did. I have attempted to work closely with the Police Service in my area not only in response to the two deaths in custody but also in trying to develop initiatives which would help to alleviate the problems that emerged from those cases.

One of those cases involved the management of an unconscious detainee taken into police custody. I have attempted to work constructively in correspondence and personal conversations with

members of the Minister's department to develop new protocols for managing that sort of situation, particularly drawing on my medical experience. It is enormously difficult to determine whether an unconscious person is inebriated or has suffered a head injury. Only by working on such matters can the police improve their methods and show the public that they are trying to improve their methods and allowing public scrutiny of them. The Minister's disparaging comments about the Independent members last night were inconsistent with my previous expectations of the Minister. Maybe it is because we are all tired at the end of a week.

I wish to make a few general points about the merits of this as a complaints bill. Improving levels of accountability have been a feature of the Parliament over the past few years. In a sense it is part of a recognition of consumer rights. More specifically, it was a strong feature of the charter of reform developed between the Government and the Independent members. Only this week we have been debating the Local Government Bill, which also provides for increased levels of accountability. The bill before us is consistent with this trend in various ministries and in various areas of society. The Minister for Health has proposed a health care commissioners bill which will improve access to information and mechanisms for accountability and the handling of complaints. The Attorney General has on the table a legal services ombudsman-commissioner bill, which was an initiative of the Independents, particularly the honourable member for South Coast, to deal with public concerns about complaints against the legal profession.

A number of these initiatives are moving in parallel, which I welcome. An adequate complaints system is needed for the Police Service. We need a method of dealing with complaints, conciliation and the introduction of equity into the system. Members of the Police Service have enormous responsibility but, at the same time, great opportunities for secrecy and looking after themselves. As the honourable member for Liverpool mentioned, police have a knowledge of the law which many of us do not have. If we get on the wrong side of police they have the capacity to have an enormous effect on our lives. When people receive infringement notices for a parking or speeding offence they realise how great life is without them. Many people are

vulnerable if ill will is generated towards them from the Police Service. The Police Service must be opened up. There must be transparency and an adequate complaints mechanism. I support the bill and welcome it as another mechanism of accountability in various ministries, and I commend the Minister for it.

Mr GRIFFITHS (Georges River - Minister for Police) [9.49], in reply: This bill is an act of common sense. I thank the honourable members for Ashfield, Eastwood, Canterbury, Smithfield, South Coast and Manly for their comments. I join with my colleague the honourable member for Liverpool in welcoming the Inspector General who is in the gallery. I also acknowledge the three vice-presidents of the Police Association, who are also well known to my colleague. I am sure they are absolutely thrilled to know that Eddie Azzopardi was parading tonight as the future president of the Police Association! I also acknowledge the commander of the mounted police. I am also delighted that the patron of the mounted police is gracing us with her presence tonight; I am only disappointed she did not stay for the entire debate. However, I am sure she will stay for this part.

I will be clear on a few points mentioned by my colleagues. I say upfront that 99 per cent of police in the New South Wales Police Service are the best in the world; operationally they are second to none. There is one per cent we would like to get rid of but I am sick and tired of people making wild accusations, innuendo, about police officers. The honourable member for South Coast and I appeared before the committee. I was there for four hours - I was pleased he was able to remain there for 16¼ minutes, he was too busy to stay for four hours - and I had re-arranged my Ministerial timetable to be there. I considered it important and he did not. He had another luncheon and was sorry but was too busy to attend. For me it was vital. What we are doing tonight is history for the New South Wales Police Service. As I said to the honourable member for South Coast, if he has evidence of corruption of any one of my officers, put it on the table and I will hang them higher than anyone else; but if you do not, keep your mouth shut, because I will go to the wire for every one of my officers. I am sick and tired of hearing wild accusations about police officers. This is all about better deals.

[*Interruption*]

The wimp from the Hatton party interjects. He missed out on the deputy leadership but he is the wimp. New South Wales has the best Police Service in the world.

[*Interruption*]

Now the deputy leader of the Hatton party interjects.

Dr Macdonald: You are a joke.

Mr GRIFFITHS: The honourable member talks about jokes. Once out, he will never return to this House; his days are numbered. The honourable member for Smithfield mentioned the New Zealand complaints system which is very appropriate, from what we hear it is very positive. The honourable member will be pleased to know that on the weekend my director general and my chief of staff will be looking at the New Zealand complaints system and I am sure that they will enjoy that opportunity. I implore this House to come to a conclusion tonight before this debate finishes: to end the attacks on my commissioner, end the attacks on the New South Wales Police Service. Tony Lauer is one of the most outstanding commissioners this State has ever produced. He has my support, he has my loyalty and I will not move from that position.

The attacks must end tonight; we must move forward. If honourable members opposite want to continue the attacks, I will play the game with them. If they want to stand up and be counted and act responsibly then I will walk that path with them. Unless there is evidence to the contrary, end the attacks tonight. There has been no evidence. The joint select parliamentary committee saw no evidence to suggest that any action should be taken. We should walk that path tonight. The honourable member for South Coast talked about cheap shots. I have heard all about John Hatton and the corruption vote on the South Coast. I asked the Police Association,

the Commissioned Officers Association, my staff and the Parliament to bring to me what John Hatton has achieved in the field of corruption - everyone of them brought me a blank piece of paper. Not one thing.

When the honourable member for South Coast spoke to the House a couple of years ago he said there would be no allegations and no lies. He made a big thing of saying that he was placing his life at risk and would make an important statement in a week. If he was placing his life at risk, why would he wait a week before making the statement? Why not do it 30 seconds after he announced it? The Winchester case was interesting but produced no results. There were accusations of perjury. One should not make wild allegations. As I said to the honourable member for South Coast, if he has evidence he should give it to me and I will pursue it vigorously and relentlessly. I will not tolerate unfounded, irresponsible accusations against my officers. This Government has the courage to attack corruption. Unquestionably the commissioner will lead the way.

I pay tribute to my friend and colleague Andrew Tink, the honourable member for Eastwood, who has done a brilliant job. I pay tribute also to members of the Opposition who joined that committee. They did a magnificent job. This is a fantastic bill which will result in a better deal for the New South Wales Police Service. At present 3,000 complaints are lodged against police each year. Approximately 80 per cent of those complaints are made by members of the public. More than 90 per cent of the complaints relate to matters of the nature of customer service incidents. I was delighted to hear members from both sides of the House talk about frivolous complaints. Every frivolous complaint costs us three trees and about $5,000. That nonsense must stop. I look forward to hearing the two amendments that will be moved by the honourable member for Liverpool and shall speak to them. I commend the bill.

Motion agreed to.

Bill read a second time.

In Committee

Schedule 1

Mr ANDERSON (Liverpool) [9.56]: I move:

Page 31, Schedule 1 (2). After line 11, insert:

Certain documents privileged

172A.(1) A document brought into existence for the purposes of this Part is not admissible in evidence in any proceedings other than an inquiry under section 197 or proceedings which concern the discipline of police officers and which are dealt with by:

(a) the Commissioner; or

(b) the Police Tribunal; or

(c) GREAT.

(2) Subsection (1) does not apply to or in respect of:

(a) a document comprising a complaint; or

(b) a document published by order of, or under the authority of, either House, or both Houses, of Parliament; or

(c) a document published under section 161(3) or 197(5); or

(d) a document that a witness is willing to produce.

(3) Subsections (1) and (2) do not operate to render admissible in evidence in any proceedings any document that would not have been so admissible if this section had not been enacted.

Mr GRIFFITHS (Georges River - Minister for Police) [9.56]: The argument by the member for Liverpool is highly persuasive and the Government accepts the amendment.

Amendment agreed to.

Mr ANDERSON (Liverpool) [9.57]: I move:

Page 35, Schedule 1 (3). After line 31, insert:

(3) Before making a recommendation to the Governor with respect to the penalty to be imposed on a commissioned police officer under this section, the Minister must:

(a) invite the police officer to make a written submission to the Minister (within a reasonable time specified by the Minister) with respect to the penalty which might be imposed by the Governor; and

(b) take into consideration any such submission made by the police officer.

(4) Subsection (3) does not affect any obligation of the Minister under this Act to obtain or take into consideration the recommendation of the Police Tribunal with respect to the penalty.

Mr GRIFFITHS (Georges River - Minister for Police) [9.58]: The Government has concerns about this amendment, but I will accept it on behalf of the Government with a commitment from the honourable member for Liverpool that if it causes significant concern, I would expect the honourable member for Liverpool to support a subsequent amendment at a later time.

Mr ANDERSON (Liverpool) [9.59]: I am stunned and delighted and I give that commitment. It is not my intention to create an unworkable situation but I have spent more than three years trying to get an anomaly corrected. This may not be the complete answer but if a flaw is found I will be happy to support an amendment to bring about an effective way to avoid commissioned police officers being dismissed or demoted without at least having the opportunity to make a written submission.

Amendment agreed to.

Schedule as amended agreed to.

Bill reported from Committee with amendments, and report adopted.

ELECTRICITY (AMENDMENT) BILL

Page 2519

Second Reading

Debate resumed from 12th May.

Mr ROGAN (East Hills) [9.59]: I lead for the Opposition in this debate. The Opposition does not oppose the legislation, although an amendment will be moved in the Committee stage, notice of which has been given to the Minister. As I understand it, a number of amendments will be moved by the Government in the Committee stage which could best be described as being of a technical nature and seek to correct the drafting errors in the bill. The legislation follows the failure of the House to pass the Electricity Corporations Bill at the

end of the last session. As the Minister said in his second reading speech, there are a number of key differences between this bill and the Electricity Corporations Bill. The more controversial aspects of the previous legislation will not be proceeded with. Principal among those is the schedule 2 concept of electricity distributors. Prospect, Illawarra and Shortland currently operate as distribution bodies and will continue to do so, subject to the changes incorporated in the legislation.

Broken Hill City Council and Tenterfield Shire Council will continue to operate as joint local government councils and electricity distributors. I note also that in his second reading speech the Minister said he does not propose to transfer the 132kV system to rural county councils. By and large that will be welcomed by those councils. If any option had been given to the major distribution bodies - Sydney, Prospect, Illawarra and Shortland - I am sure they would have opted not to have assumed control of the 132kV system. Honourable members know they had no real option. They were simply told they had to assume ownership and control of that system. It was a means of simply transferring the Government's debt across to the county councils. About $450 million worth of Electricity Commission assets were to be transferred to the county councils.

The purpose of the legislation is to constitute the State's electricity distributors, excluding Sydney Electricity, as bodies corporate under the Electricity Act. As honourable members know, at present the responsibility for the operations of electricity distributors around the State is divided between the Minister for Local Government, who administers the Local Government Act, and the Minister for Energy, who administers the Electricity Act and, indeed, other legislation governing the energy sector of the State. The legislation provides that the number of board members - and they will now be called board members - of county councils will be not fewer than five and not more than 13. The traffic route lighting subsidy account and the hazardous poles relocation program will be transferred to the Roads and Traffic Authority.

The legislation contains a rather unusual provision. However, as it has been inserted in the legislation at the behest of the Local Government Electricity Association on behalf of its constituent councils, the Opposition does not oppose it. It will be interesting to see how it works in practice. I refer to the provision allowing constituent councils of a distributor, if they wish to exercise the option, to nominate a person for a directorship position who possesses managerial, commercial, financial or other qualifications, rather than an elected person. The Minister has the power to appoint two additional directors to metropolitan distributors and one additional director to rural distributors. That power has existed in the Act since major reforms were introduced by the former Labor Government in 1987.

The provisions I have outlined could be described as the major provisions. I would now like to address one or two remarks specifically to the legislation and indicate some areas of concern. In relation to one of those concerns the Opposition will move an amendment in Committee. Earlier I referred to Broken Hill and Tenterfield councils. Proposed section 6B(1) provides that those councils may, if the Minister approves, exercise the functions of electricity distributors. The Broken Hill City Council in particular expressed a great deal of concern when the original legislation was introduced. That concern related to the council's belief that if it had to separate its electricity distribution function from its local council function, it would incur a large establishment cost, additional staff would have to be employed and the flexibility and multiskilling facets of the existing council operation would be reduced.

I am pleased that the Government has listened to the persuasive arguments advanced by the Opposition, particularly those of the honourable member for Broken Hill, in relation to the earlier legislation. The bill incorporates provisions to allow the two councils to which I have referred to continue their joint functions. Proposed section 6C sets out the principal functions of electricity distributors. I shall not detail all of the functions but among those functions is the promotion of energy conservation and of measures to increase the efficiency of energy transmission and use. The legislation specifically requires councils to promote energy conservation and to put in place measures to increase the efficiency of energy transmission. The bill provides a legislative basis for county councils to put in place measures to address the key issues of greenhouse gas emissions and energy conservation. Some councils already have such measures in place, others do not. Though the issues of energy conservation and the reduction of greenhouse gas emissions may seem to have gone off the boil, so to speak, they are still major issues faced by New South Wales, Australia and the world. I

believe the provisions to which I have referred have great merit. They certainly have the strong support of the Opposition.

I know that the Minister responsible for the Office of Energy would have received a fairly lengthy critique prepared by Prospect Electricity in regard to the proposed legislation. My colleague the honourable member for Penrith, who will also speak to this bill and who is a member of the Prospect Electricity Board - as it will be known - will deal in some detail with the concerns of Prospect Electricity.
Page 2520
However, I want to make some reference to the concerns as foreshadowed and indicate that they are acknowledged by the Opposition. Though there are no amendments proposed at this stage to address those concerns directly, I give an assurance on behalf of the Opposition that they will be addressed when the national grid comes into operation in two years. It will create an entirely different environment, so far as the competitive commercial nature of electricity distribution and generation is concerned. However, as this legislation deals principally with distribution, that is something the Opposition will address. By the time the national grid is in operation, Opposition members will be occupying the Government benches.

Prospect Electricity has expressed concern about clause 6C of the legislation, which it believes will limit its functions so far as electricity distribution and ancillary matters are concerned. Prospect Electricity believes it will restrict its commercial freedom; is of a non-commercial nature which is opposite to the claimed intention of the bill - which is purportedly to make distributors more businesslike and competitive; and will create a grossly one-sided competition whereby electricity distributors such as Prospect compete from a diversified base for the supply of various energy products and services, whereas under present proposals Prospect can be competed against in respect of both supply and tendering functions by competitors who suffer no such restrictions.

I believe there is an acknowledgment of the concern expressed by Prospect Electricity, a concern that will be addressed when the electricity grid becomes operational and there is a competitive market in the distribution and generation of power. So far as clause 6F is concerned, Prospect believes it will face open competition for the supply and provision of network services, such as construction and maintenance, from any competitor based anywhere in Australia and indeed anywhere overseas but, in return, it will be unable to compete outside its district without ministerial approval. Clause 6F specifies that an electricity distributor may exercise its functions outside its distribution district except with, first, the approval of the Minister on the recommendation of the corporation; and, second, on such terms and conditions as may be approved by the Minister on the recommendation of the corporation and after consultation with electricity distributors whose distribution districts are affected.

Schedule 1 deals with ministerial control of distributors. Concern has been expressed by some in the electricity distribution area that the ministerial control might be restrictive and not provide the scope they believe they should have to operate their commercial activities. That is a reasonable provision. There needs to be ministerial control if the Government of the day is to have overall control of the industry. If I were sitting in the Minister's chair, that is something I would certainly want to exercise, as I know any responsible Minister in Government would. The next clause I refer to is one in respect of which I foreshadow the Opposition will move an amendment. I refer to schedule 1, clause 6L which deals with the contracting out provisions of the legislation. The House has just completed debating the extensive clauses on the Local Government Bill. One clause in respect of which the Opposition moved an amendment to that bill - which was that the clause be removed - was a clause expressed in exactly the same terms as this one.

The provision in the Local Government Bill related to the requirement that councils contract out works, the estimated cost of which is not less than $250,000. In my view, that is an unnecessary restriction on councils - in the present instance we are dealing with county councils - and some of the arguments put forward by my colleague the honourable member for Coogee in respect of the Local Government Bill apply equally to the present legislation; that is, that the aim of the legislation is to give local councils more autonomy and decision-making powers, and that this clause is a further restriction on those bodies who presently have a choice to contract out. Additionally, because county councils are required to perform to certain criteria laid down in

performance agreements, I submit they will be judged on their overall performance at the end of the day if they do not measure up to criteria. Thus, in my view, it is unnecessary to include this particular provision. For that reason, the Opposition proposes to move an amendment to have that clause removed from the legislation.

The legislation provides for the appointment of a board of directors - a minimum of five and a maximum of 13. Two additional directors may be appointed by the Minister to metropolitan councils and one to rural councils. In reference to the concerns raised by Prospect Electricity, while they may not be of such moment that they require any amendments to be moved in this instance, nevertheless, the Labor Party in government would give a commitment to thoroughly examine those provisions with a view to updating them. Schedule 1 covers establishment of funds that county councils are required to maintain. What Prospect Electricity said about this measure has merit. It stated:

> At the time of design of this Code, many councils still applied "fund accounting" principles. A fund is defined as an independent fiscal and accounting entity with a self balancing set of accounts. Closely related to fund accounting generally is the maintenance of sinking funds for the repayment of debt.
>
> The fund system of accounting reflects the influence of British heritage and its institutions. Fund accounting arose last century because, without the sophisticated accounting systems of today, it was the only feasible way of keeping track of allocations of money. With the advent of today's sophisticated computer based accounting systems, fund accounting has become completely anomalous. It remains a physical system for recording and reporting financial transactions.
>
> The establishment and maintenance of funds leads to inflexibility, undue complexity and unnecessary expense in both the accounting system and overall financial administration. It hampers effective cash management and results in an undue administration burden on the organisation. Funds accounting also stands in the way of the adoption of a commercial enterprise model of accounting in councils. The adoption of program budgeting by a government organisation supplants the necessity of fund accounting for funds management purposes.
>
> The use of sinking funds is an obsolete financing practice

> in an age of complex and sophisticated financial instruments . . .
>
> Except to the minimal extent required by law, fund accounting and the use of sinking funds will be abandoned. This clause includes the reversal of all "internal loans". Those funds currently established and not required by law must be reversed . . .

There is merit in what Prospect Electricity has put forward. Because of the complexity of the amendments that would have to be moved, the Opposition does not intend at this time to move any in this regard. I merely flag that the views submitted by Prospect Electricity will be taken into account by the Labor Party when it attains office. Some concern has been expressed that proposed section 7S - personal liability of directors of county councils - may have the effect of holding board members liable for any decisions taken by them. I have ascertained from the Parliamentary Counsel that the proposed section is a standard section used in other legislation, such as the Local Government Bill, where people are elected or appointed to boards. My understanding is that board directors should have no concerns about the proposed section.

Proposed section 37(2)(qq) deals with the regulation restricting the removal or the trimming of trees by Sydney Electricity. Following a report in the *Daily Telegraph Mirror* that Prospect Electricity intended to remove 80,000 trees growing under power lines in the next 10 years, my colleague the honourable member for Blacktown introduced the Western Sydney Tree Preservation Bill. In discussions with the Opposition, representatives of Prospect Electricity denied the allegation, but the Opposition introduced the legislation to force the authority to implement an alternative to savage pruning and removal of trees.

Prospect Electricity responded to the Opposition's concerns by producing a plan to discontinue with the use of bare overhead wiring for extensions of the distribution system in urban and rural residential areas for voltage levels up to and including 22,000 kV. This plan, when implemented, would see the increase of underground cabling and aerial bundling cabling. In all probability the Opposition will not proceed with its

legislation because of the regulation making powers contained in the Electricity (Amendment) Bill. The Opposition will wait to see the introduction of these regulations. Provided they meet the requirements to ensure the protection of trees the Opposition, in all probability, will not proceed with its legislation.

Proposed schedule 8 deals with boards of directors and remuneration. The legislation spells out that a director of an electricity distributor is entitled to be paid as the Minister may from time to time determine in respect of the director. I ask the Minister for an assurance that the remuneration to be established will be in accordance with that which is currently being paid, not that which is being paid by Sydney Electricity. Board members of Sydney Electricity are paid a remuneration of the order of $25,000 a year, whereas board members of county councils are paid the remuneration that aldermen of county councils are entitled to, namely $3,000 a year. In the precursor to this legislation, the Electricity Corporations legislation, the Opposition had proposed an amendment along those lines, but in view of the assurances that were given the Opposition does not propose in this instance to move such an amendment. However, it would be reassuring to hear from the Minister that in accordance with the legislation he would set the remuneration for board members at the level at which they are currently paid.

Proposed schedule 9 deals with board meetings. The Opposition is concerned that because the character of these bodies has changed members will become board directors, and it has been indicated in correspondence from Prospect Electricity that the strategic significance of proposed sections 6N and 6O and accompanying proposed schedules 8 and 9, councillors who are members of a board should conduct their meetings in accordance with what might be the practice of boards anywhere, that is, conducted without the public and the media being present.

I would be somewhat concerned if this were taken literally. If there was commercial confidentiality or an industrial matter where somebody had to be dismissed, I could understand that they would go in committee, like councils do. However, I should like to think that the Minister would ride shotgun over the county councils to ensure that they do not take the opportunity to have closed meetings - excluding the public and the media - in discussing matters of public concern that the public is entitled to know about. It would be encouraging if the Minister said in his reply that he will maintain some vigilance in this area and ensure that these meetings are not closed to the public.

I received a letter from the Association of Professional Engineers and Scientists of Australia only today. I am not sure whether my parliamentary colleague will address this. That association expressed concern that the bill no longer requires the position carrying responsibility for engineering matters within a distributor - at the moment it is at assistant general manager level. That position has been removed by this legislation. The association's concern is not with the lack of requirement for assistant general managers as such but that the legislation would say nothing about the level within a distributor's organisation at which the responsibility for engineering matters should reside. The association believes that the position carrying responsibility for engineering matters is either that of general manager of a county council or, as is more often the case, assistant general manager - which, by operation of the relevant award, has a relativity of 90 per cent of the general manager's rate of pay. This device ensures that the position carrying responsibility for engineering matters is a senior position able to exercise genuine independent responsibility.

In the view of the association it would be possible under the new legislation for the position carrying responsibility for engineering matters to have

a relativity as low as 55 per cent of the general manager's rate. That is based on current figures and depends upon the general manager's rate at a particular distributor. The association believes that such an arrangement would not lead to the position carrying responsibility for engineering matters having any effective, independent, professional responsibility in the circumstances. That is a concern. It has been drawn to the attention of the Opposition in correspondence received only today. I have not had the time to fully explore these concerns.

I give the association an assurance on behalf of the Opposition that if in the operation of this legislation it becomes apparent that the failure of the bill to require that the position of the assistant general manager be held

by a qualified person leads to a diminution in the responsibility of the professional engineers, the matter will be looked at in the future. The Opposition supports this legislation, with the exception of the amendment I have foreshadowed. The Opposition recognises that with the passage of the Local Government Bill if this legislation is not passed, it will leave the county councils in the land of the limbo. A lot of their powers with respect to entry on to properties, digging up of roads, et cetera, would no longer apply. As such, the passage of this legislation is necessary to ensure that those powers are maintained. The Opposition supports this legislation.

Mrs LO PO' (Penrith) [10.36]: I rebut what the Minister for Conservation and Land Management and Minister for Energy has said with respect to the chairman of Prospect Electricity. If I do not, it would seem that I condone the Minister's ill chosen and spiteful remarks, which I do not. The Chairman of Prospect Electricity was doing exactly what the council wanted him to do, protecting the citizens of western Sydney from a rip-off of $75 million. The Minister and I both know that the Government has not put a zac, or 5c as its now, into Prospect Electricity, yet the Government got a $75 million dividend. The Government was able to get that dividend through the provisions of the Finance and Audit Act. I am pleased to say that the honourable member for Drummoyne will move a private member's bill with respect to that matter. I put the Minister on notice that Alderman Jim Morris had the support of the council; he had the support of the media; he had the support of the community. From what I detected at the Local Government Electricity Association conference, he had the support of a lot of our colleagues in the LGEA. The Minister was very clever by making the deadline 30th April because he knew the conference was on the following Monday.

Mr West: I never thought about that.

Mrs LO PO': I am sure you did, Minister. I want the Minister to know that Alderman Jim Morris had earned the respect of people in western Sydney; he was doing the right thing, protecting the money that belongs to western Sydney. That money does not belong to this Government, and never will. I want to set the record straight. The Minister made quite a hero of Alderman Jim Morris because people were in stunned amazement that the Minister was hurt so badly by him.

Mr J. H. Murray: Mortally wounded.

Mrs LO PO': Yes, I like that. I have been persuaded by colleagues who are far wiser than I am not to move amendments, but I will seek assurances in their place. Issues causing me concern include clause 6C, clause 6F, clause 6L, clause 6R, clause 6T, clause 6V, clause 7I and clause 7Y. I will refer to those clauses individually. It seems to me that the Government is asking electricity distributors to be commercial. I think they are ready for the task; Prospect Electricity is. Having encouraged them to be commercial, the Government under clause 6C has given them a list of functions that do not allow them to be competitive and commercial. The Government cannot have its cake and eat it too.

The tenure of the bill to make distributors more commercial is appreciated, particularly by Prospect Electricity. The criticism is that their hands are tied. If competition is introduced, the Government cannot maintain the controls it has been accustomed to in directing outcomes desired from the industry; it will operate under the free hand of competition or be tied to the Office of Energy for ever. The Government has to make a decision. That is a disappointment with regard to provisions in this bill. The Government had the opportunity either to go totally commercial or keep electricity distributors tied to a bureaucracy. It chose to tie their hands; they cannot be commercial, given the list of functions in the bill. That is disappointing.

My colleague the honourable member for East Hills has spoken to clause 6F, and it is regarded with real concern. I seek assurance from the Minister. The Minister said on the record that competition will not be introduced until 1995. I ask the Minister in reply to make a statement of rebuttal on that. Much depends on it. If competition is introduced, electricity distributors will be tied up by clause 6F, which limits their exercise of functions without the approval of the Minister. They could be picked off by Broken Hill Pty Company Limited or the gas company, or by other sections of free enterprise in Australia or throughout the world, yet not be able to be competitive because of the provisions of clause 6F. The gas company does not have to seek the Minister's approval for anything, yet that clause requires electricity distributors to seek the Minister's approval for certain

activities. Given the provisions of the Local Government Bill, contracting out is an obvious anomaly. However, that is more a matter of good governance.

Clause 6R is interesting in that the funds system of accounting reflects old-fashioned British heritage and institutions. In a 1993 bill, accounting procedures are being entrenched that were modern at the turn of the century. The Electricity (Amendment) Bill is a most modern measure and should contain the most modern accounting practices. However, the bill has locked in archaic and anachronistic practices that do not fit the times. I ask the Minister to think carefully

about that. If it is found, as I am sure the Minister will, that the provision is out of step with modern thinking, an amendment will be moved to bring those accounting procedures on to a more modern footing. In terms of modern technology, the system of recording financial transactions is archaic. I suggest the Minister do something about that in respect of both the general fund and the trust fund.

I turn to clause 6B. As we move into a competitive commercial environment it is essential that each distributor have flexibility in its accounting and financial reporting procedures, in response to this commercial reality and the need to rationalise the multiplicity of requirements across various statutes, standards and codes. The Accounting Standardisation Committee of the Electricity Council at its meeting on 24th February this year recommended to the Electricity Council that the code of accounting practice for electricity councils in New South Wales be removed as a regulation from the current Electricity Act and be made a non-mandatory guideline. Clause 6B of the bill would reinstate the code as a mandatory regulation in the hands of the Minister and Office of Energy, contrary to the recommendations of the Accounting Standardisation Committee. Once again, the accounting components of the bill have fallen short. They are not up to speed or modern enough, and they need to be readdressed.

Clause 7I deals with special purpose companies. As distributors continue developing value-added services with the private sector in order to enhance their position for future competitive conditions, and also as they develop joint ventures with private enterprise in order to better perform core services, they will increasingly wish to do so within corporate structures. Existing controls requiring government approval for joint venture companies in the private sector are sufficient without going to the extreme of the current bill in outlawing them. I think the Minister should readdress that. I ask the Minister to pay full attention to the next matter, on which I am seeking his total commitment. Clause 7Y provides that the Minister may direct transfer of assets, et cetera, of an electricity distributor. There is a vicious rumour running around western Sydney which says - Minister, I want your total attention.

Mr ACTING-SPEAKER (Mr Tink): Order! The member will address the Chair and confine herself to the debate.

Mrs LO PO': This is very important to me.

Mr ACTING-SPEAKER: Order! If it is very important to the honourable member, she should address the Chair.

Mrs LO PO': There is rumour in western Sydney that, if the Government wants its next billion dollars, it is going to ask for that from Sydney Electricity and, as a quid pro quo, give some of the assets of Prospect Electricity to Sydney to get the $1 billion. I want the Minister's assurance that there will be no takeover of the Prospect Electricity area by Sydney Electricity. Clause 7Y, on page 25 of the bill, provides exactly that. Interestingly, on the next page there is provision for dissolution of county councils. On page 25 there is provision for direction of assets from one distributor to another, and on the next page there is mention of dissolving county councils. That is more than a coincidence, I should think. I ask the Minister to give assurances to me and to the people of western Sydney - who will hear about this tomorrow morning - that there is no intention for Sydney Electricity to subsume any part of Prospect Electricity's area. I ask the Minister to rebut that in his reply.

I would prefer if the amendments were not in the legislation but as they are, we will manage them as best we can. I join with the honourable member for East Hills in suggesting that if we find anything that does not work, we will certainly introduce amendments, a private member's bill or whatever measure is necessary to bring protection back into an electricity industry that is doing an excellent job, though that is probably not fully acknowledged by the Government. The Government regards electricity industries, water boards and other utilities as a convenient way of getting money to buffer its mismanagement of financial affairs. I put the Government and the Minister on notice that the people of western Sydney will not cop that any further.

Mr MILLS (Wallsend) [10.47]: I am pleased to have the opportunity to support the remarks of my colleague the shadow minister for Minerals and Energy, the honourable member for East Hills, on the Electricity (Amendment) Bill. Following what happened in this House in November last year, also at the end of a session, when the original proposals for the Electricity (Amendment) Bill were defeated, I am delighted that the Government has taken on board what the House decided and has proceeded with those parts of the reforms the Government knew would be regarded as worth while by the whole House. The new bill has a lot to recommend and has received quite a deal of support in the community and industry.

I wish to make three points. First, in support of the honourable member for Penrith in regard to clauses 7Y and 7Z, I also seek assurances from the Minister about the integrity of Shortland Electricity, subject to these clauses. I should like to hear guarantees of the integrity of Shortland Electricity with regard to transfers and other procedures proposed in clauses 7Y and 7Z. Second, Shortland Electricity, as a result of the kinds of transfers that might result from those two clauses, should not be saddled with debts from surrounding areas through transfers, dissolutions or other actions. Third, the clause that stands out among many others is clause 6L, the contracting out provision. As I read through the Act, that clause stood out like a beacon, attracting my attention to the possibility that perhaps the Government had not learned of the kinds of things that the Parliament, in its present state of numbers, is prepared to tolerate in Government bills.

The contracting out clause is so similar to the compulsory contracting out clause that was defeated in the Local Government Bill that I think for

consistency, because of the close parallel, this clause should be defeated. I urge the support of the House, particularly that of the Independent members, for the amendment foreshadowed by the honourable member for East Hills. The Opposition has had representations from the Association of Professional Engineers and Scientists, Australia, the union to which I belonged for many years while I worked in private enterprise as a scientist. It is now amalgamated with the engineers association. The engineering side of the association has expressed its concerns about some of the provisions of the bill. I shall quote some of the points made by the association in a letter signed by the general secretary of the association, which states:

> As an industrial organisation we are most concerned at the exclusion of industrial arbitration for senior staff members on employment contracts . . . the business of an electricity distributor would not be viable unless the senior staff identified as long term employees of the organisation . . . Given the reality of their employment status it is most unfair for the legislature to exclude all recourse to industrial arbitration for the resolution of employment disputes. We request that this part of the bill be modified to allow such disputes to be dealt with by an independent arbitrator of some kind.

The House should note the concerns of the professional engineers, who are at the core of maintaining the service of electricity distributing bodies. I do not believe we should dismiss those concerns as being old-fashioned or buried in a hidebound union. The APESA is a very different association of professional employees. In many cases its members work with market agreements rather than awards. The association is progressive and up to date in representing people. It is entirely justified in expecting this House and the Government to take notice of its concerns. The letter from the APESA goes on to state:

> The Bill proposes that for a position to be designated a senior staff (contract) position the remuneration for the position must be at least that of the "executive band" of the Local Government (State) Award. This is an inappropriate prescription because the Local Government Award has no application in this industry.

That will have to be tidied up at some stage, either now or in the near future. The letter continues:

> An appropriate reference as a means of defining senior staff positions to be covered by contract would be to refer to the lowest level of the Executive Support Officer band of the County Councils (Electricity Undertakings) Classifications and Rates of Pay Interim State Award.

That sets out the process the APESA proposes to follow to overcome the problems it identified earlier. Finally, the association went on to say that it was concerned about the way in which the bill had been presented and debated in the Parliament because there was no opportunity for interested parties, including the association, to comment. That is sad given that the previous bill was defeated in the House and that in the six months interim the Government could have organised for more wide-ranging consultation with organisations, including the leading association representing professional engineers, the professionals at the core of the electricity distributing industry. I support the remarks and the position of the honourable member for East Hills and I commend the foreshadowed amendment.

Mr WEST (Orange - Minister for Conservation and Land Management, and Minister for Energy) [10.55], in reply: I thank honourable members opposite for their contributions and their considered opinions on the legislation. The genesis of this bill was probably an event when my predecessor, the Hon. Robert Webster, was Minister for Energy and attended a Local Government Electricity Association conference in Mudgee where he outlined a certain direction of the Government. The discussion process proceeded and when I became the Minister responsible I progressed the matter to the bill stage last year. At that time I believed I had clear acceptance by all the major players - I really did. Motions were carried by all the distributors. However, I accept the politics of this Chamber. I realise what Parliament and politics are about. Today's bill is a reflection of the politics of the Chamber last December. It is also a reflection of the need to shape the boards of the distributors as best we can to meet challenges in the interim period. We have just seen in this Chamber the most significant changes to the Local Government Act in 30 or 40 years. This legislation comes forward in what I would describe as a non-controversial, simple manner to put in place a transition so that county councils will no longer be responsible to dual Ministers. They will recognise their role in the distribution of electricity and be responsible to a Minister under the Electricity Act.

In that regard I acknowledge and appreciate the comments made by honourable members opposite. Some were so detailed that I will not be able to give a full response in the debate at short notice but I will take them on board. However, I shall respond to the honourable member for East Hills in detail on some of the aspects raised so that they can be considered by the industry more broadly. The honourable member for East Hills and the honourable member for Penrith know that the bill has been drawn in a very limited time because of constraints imposed. The Government has consulted with the LGEA and some of the key distributors to get feedback. The Opposition has had feedback from some of the industrial groups. That is an appropriate way for legislation to be formed. The amendments I move will reflect the process of consultation since the bill was drafted. The amendment foreshadowed by the honourable member for East Hills reflects the decision of this House in respect of contracting out. The Government obviously does not like that decision but in terms of continuity I will not oppose that amendment. I simply place on record that the Government believes that that process is important to achieve efficiencies in local government and electricity distributing areas.

I shall try to cover some of the aspects raised. The honourable member for East Hills sought an assurance regarding levels of remuneration for

directors on distribution boards. I am advised - I am sure the honourable member will appreciate this - that the rates that are paid as part of remuneration to directors will have to recognise the contribution and responsibility of directors. This will vary from board to board, depending on the size of the operation. That is how the matter will be determined. For example, within government, directors' fees are assessed according to the size of the trading enterprise and, therefore, the responsibility involved.

There will be no blowout in fees, but levels will be within guidelines which obviously reflect the contribution and responsibilities involved. I also note that chairmen do receive special rates and conditions,

over and above ordinary members' rates. I am aware of the concern about these meetings becoming closed meetings. The Government is not attempting to close meetings of these boards; it genuinely wants to maintain the level of openness in respect of the operations of these boards that has existed in the past under the auspices of the Local Government Act and the Minister for Energy. The only times the Government would be seriously looking for meetings to be closed is when there are confidential matters relating to staff matters. That happens now. We are not seeking to have that position changed. I can assure honourable members of that.

There was what appeared to be a specific plea on behalf of Prospect Electricity in relation to the trust funds provisions, which could have an impact on Prospect. The matter has been drawn to my attention and I have taken it into account. I am also advised that, as far as can be established, Prospect probably is the only distributor that does not have a trust operation. There may be others but they have not come to notice. I believe that the provision is in accordance with good accounting principles. I do not believe it would cause Prospect Electricity undue hardship to set up such a fund. I am more than happy to discuss the process with Prospect, as would the Office of Energy. If it is good for the majority, the Government must ensure compliance right across the board.

The honourable member for Penrith raised concerns about the future of competition. In that respect she referred to a speech I made at the Local Government Association conference about competition coming into place in 1995. That related to the potential of a national grid for eastern Australia taking place. That has yet to be agreed to, though we have all agreed in principle. A lot of negotiation needs to be carried out. The date in 1995 has to be agreed to at a heads of government meeting, one of which is to be held next month. I was referring to a suggested time frame and which I believe was reasonable. In terms of anything coming ahead of that, that will ultimately be out of my hands. It will be put into the hands of the Premiers and the Prime Minister at the heads of government conference.

Comment was made about the accounting procedures and how we seem to have gone back light years. The best advice I have is that the accounting procedures proposed in this measure are in fact the same accounting procedures that have been adopted in the Local Government Bill that has just passed through this House. Perhaps that matter could be looked at. If that assertion is correct, we have just taken local government legislation back light years. I suspect that has not happened. I do not want to take the matter any further. I simply draw attention to it. The provisions in this bill mirror, as best they can, the provisions for local government, updating present provisions and reflecting that process in the new regime.

Now we come to the big issue, proposed section 7Y. I had to really pay attention. I reassure the honourable member for Penrith that the provisions she is talking about in 7Y are not exactly as they were in the original Local Government Act, but they have been updated to reflect the industry to which they relate. One rumour is that Sydney Electricity is to take over Prospect Electricity. The honourable member for Wallsend suggested there might be a shift in major assets and so on in respect of Shortland County Council. This provision allows for incremental changes in boundaries. That may occur, just as they have occurred in the past. A major change can only be made by way of a regulation.

Mr Rogan: And an inquiry.

Mr WEST: I understand an inquiry is required as well, but I am not sure about that. But a major change certainly requires a regulation. Members of the Opposition should not be concerned about a change being made without their ability to examine the proposal for the change, because the change must be made by regulation and the change proposed under the regulation can be examined by the Parliament; the regulation will provide that opportunity. That is the safety valve and protection that the Opposition is seeking. I have briefly covered the principles that were involved. I will be moving a number of amendments to tidy up the legislation. I will have the officers examine any other aspects that have been raised. If it is considered necessary, the bill will be further amended. I commend the bill to the House.

Motion agreed to.

Bill read a second time.

In Committee

Schedule 1

Mr WEST (Orange - Minister for Conservation and Land Management, and Minister for Energy) [11.6]: I move:

Page 9, Schedule 1(3), line 35. Omit "another electricity distributor", insert instead "an electricity supply authority".

The purpose of the amendment is to provide for an electricity distributor to enter into a contract with another electricity distributor or the Electricity Commission or Sydney Electricity or other bodies included in the definition of "electricity supply authority" without being required to invite tenders. It
Page 2526
has been pointed out that the provision contained in the schedule is too narrow. All of these amendments have resulted from direct consultation.

Mr ROGAN (East Hills) [11.7]: I take the opportunity to speak to this amendment and I will be speaking to the next amendment to be moved by the Opposition. Thereafter I probably will not comment in any detail on any of the further amendments. Suffice to say that the Government paid me the courtesy of providing me with a draft of the amendments that the Government will be moving. I am aware of those amendments. I do not believe I will need to speak to each of them. The Minister will be outlining the reasons for those amendments, which fall into two broad categories: amendments of a technical nature, and amendments to overcome drafting problems resulting from the removal of sections from the Electricity Act. The Opposition agrees with the overall thrust of the amendments. I make those remarks on this amendment and probably will then remain silent when the remainder of the amendments are moved, with the exception of the next amendment, which I will move.

Amendment agreed to.

Mr ROGAN (East Hills) [11.9]: I move:

Page 11, Schedule 1(3), lines 3-39. Omit all words on those lines.

I foreshadowed this amendment during the second reading debate. It refers to the contracting out provisions and brings the bill into conformity with the changes made in the Local Government Bill, debate on which concluded only a short time ago. The Opposition believes it is unnecessary to impose a provision on county councils that they must not provide goods, materials, services, facilities or works which are estimated to cost not less than $250,000 or such greater amount as may be prescribed by regulation unless the distributor complies with certain provisions. I reiterate that county councils are now required to perform in accordance with performance agreements. For that reason only, the provision is unnecessary. If county councils are not operating efficiently and could achieve greater efficiencies by contracting out, that will show up in their overall performance. That will come to the notice of the Minister of the day and, indeed, will be revealed by performance reviews.

It should be pointed out, as happened in the debate on the Local Government Bill, that in rural areas where the appropriate skills are not necessarily available and could be provided by contractors in lieu of personnel working for county councils, if those works were contracted out certain staff positions could be made redundant. A county council may find, having made those positions redundant, that the contractor is aware that the council does not have the capabilities within its organisation to carry out those works and will increase the price of the works which had previously been carried out by county council staff. At the end of day that may be uneconomic and will lead to a loss of positions in rural areas where work is not readily available. The contractor doing the work may move elsewhere and the county council would then not have the necessary skills

available. For all of those reasons the Opposition believes that the clause should be omitted.

Mr WEST (Orange - Minister for Conservation and Land Management, and Minister for Energy) [11.12]: Obviously the honourable member for East Hills has repeated the words of his colleague in respect of a similar clause that was removed from the Local Government Bill. Anyone considering this amendment should take into account the words that were used by my ministerial colleague the Minister for Local Government. The Government opposes the amendment but accepts the reality of the numbers in the House.

Amendment agreed to.

Mr WEST (Orange - Minister for Conservation and Land Management, and Minister for Energy) [11.13]: I move:

Page 34, Schedule 1(18), lines 15-34. Omit all words on those lines, insert instead:

Estimation of electricity supplied but not properly registered.

26I.(1) This section applies in the following cases:

(a) an electricity distributor finds that metering equipment has ceased to register or has ceased to register correctly the quantity of or demand for electricity supply;

(b) an electricity distributor finds that electricity has been supplied without passing through metering equipment;

(c) an electricity distributor finds that metering equipment registering supply is no longer of the appropriate rating to register the quantity of or demand for electricity supplied;

(d) a person is convicted of an offence under section 30.

(2) The electricity distributor may estimate the quantity of or the demand for electricity supplied but not registered:

(a) in a case referred to in subsection (1)(a), (b) or (c), for any period of up to six months before the finding was made; or

(b) in a case referred to in subsection (1)(d), for any period for which the person convicted of the offence abstracted, caused to be wasted or diverted, consumed or used electricity that was not properly registered.

(3) The customer, or in the case of a conviction under section 30, the person convicted is liable to pay for the electricity so estimated.

(4) Metering equipment is to be regarded as not registering correctly if (and only if) its error in registration is greater than 2%, either in excess or deficiency.

The purpose of this amendment is to allow an electricity distributor, after a person has been convicted by a court of theft of electricity, to establish the quantity of electricity stolen and to send out an account to the person liable for it. This amendment is again a result of extensive consultation with the Local Government Electricity Association. The association has made specific points and the Government has tried to comply as best it can with those requirements.

Amendment agreed to.

Mr WEST (Orange - Minister for Conservation and Land Management, and Minister for Energy) [11.14]: I move:

Page 37, Schedule 1(18), line 33. Before "efficient", insert "safe and".

The Local Government Electricity Association has recommended this amendment. It explicitly allows distributors to interrupt supply to ensure the safe operation of the electricity distribution system.

Amendment agreed to.

Mr WEST (Orange - Minister for Conservation and Land Management, and Minister for Energy) [11.14]: I move:

Page 37, Schedule 1(18), line 39. After "machinery", insert "or equipment".

This amendment explicitly provides exemption from liability for failure of equipment as well as machinery. The Local Government Electricity Association expressed concern that the term "machinery" may be too narrow and not be read as including lines and transformers, et cetera. The amendment obviously expands that definition and reflects the association's concerns.

Amendment agreed to.

Mr WEST (Orange - Minister for Conservation and Land Management, and Minister for Energy) [11.15]: I move:

Page 40, Schedule 1(24)(d), line 8. Omit "and".

This amendment simply corrects a typographical error in the drafting.

Amendment agreed to.

Mr WEST (Orange - Minister for Conservation and Land Management, and Minister for Energy) [11.15]: I move:

Page 50, Schedule 1(26), lines 26-30. Omit all words on those lines, insert instead:

(b) at any other time - the vacancy is to be filled as soon as practicable (but, in any event, within three months) at an election, or by appointment, in accordance with regulations made for the purposes of section 6O(1)(a).

This amendment clarifies the filling of a vacancy in office for an appointed director and includes a director nominated by local councils as approved under proposed section 6O(1)(a)(ii).

Amendment agreed to.

Mr WEST (Orange - Minister for Conservation and Land Management, and Minister for Energy) [11.16]: I move:

Page 54, Schedule 1(26), lines 36-38. Omit all words on those lines, insert instead:

(a) the commencing rate of pay for the classification of Executive Support Officer in the County Councils (Electricity Undertakings) Classification and Rates of Pay (State) Award as in force at the commencement of this clause; or

This amendment is designed to correct the reference in the bill to the award to one applying to the electricity industry and has again been requested by the Local Government Electricity Association.

Amendment agreed to.

Mr WEST (Orange - Minister for Conservation and Land Management, and Minister for Energy) [11.16]: I move:

Page 55, Schedule 1(26). After line 31, insert:

(5) The board may appoint a person to act, for a period of not more than 6 months at any one time, in the office of general manager during the illness or absence of the general manager (or during a vacancy in the office of general manager) and the person, while so acting, has all the functions of the general manager and is taken to be the general manager.

(6) The Governor may, at any time, remove a person from office as general manager on the recommendation of the Minister and at the request of the board.

(7) The board may, at any time, remove a person from office as acting general manager.

The purpose of this amendment is to permit the board to appoint an acting general manager for a period of up to six months. If this provision were not included, it would be necessary for the Governor to make such appointment. It is again a machinery change that helps assist and simplify the whole process and is again an amendment that has been discussed with the Local Government Electricity Association.

Amendment agreed to.

Mr WEST (Orange - Minister for Conservation and Land Management, and Minister for Energy) [11.17]: I move:

Page 56, Schedule 1(26), line 19. After "report to", insert "the board of directors of".

Again this amendment corrects a drafting omission.

Amendment agreed to.

Mr WEST (Orange - Minister for Conservation and Land Management, and Minister for Energy) [11.17]: I move:

Page 57, Schedule 1(26), line 30. After "were references to", insert "the board of directors of".

Again this amendment corrects a drafting omission.

Amendment agreed to.

Mr WEST (Orange - Minister for Conservation and Land Management, and Minister for Energy) [11.17]: I move:

Page 60, Schedule 1(26), lines 6-9. Omit all words on those lines, insert instead:

(b) the appointment of an employee if the term of employment is for:

(i) not more than 12 months; or

(ii) two or more periods that together are not more than 12 months in any period of 2 years.

This amendment is required because of an amendment in Committee to the Local Government Bill. The amendment reflects that change.

Amendment agreed to.

Mr WEST (Orange - Minister for Conservation and Land Management, and Minister for Energy) [11.18]: I move:

Page 60, Schedule 1(26). After line 31, insert:

Temporary appointments

21.(1) If a position other than the general manager (but including a senior staff position) within the organisation structure of an electricity distributor is vacant or the holder of such a position is suspended from duty, sick or absent, the general manager may appoint a person to the position temporarily.

(2) A person who is appointed to a position temporarily may not continue in that position for a period of more than 12 months.

This proposed section seeks to permit temporary appointments other than the general manager to the staff of an electricity distributor.

Amendment agreed to.

Mr WEST (Orange - Minister for Conservation and Land Management, and Minister for Energy) [11.18], by leave: I move:

Page 64, Schedule 1(26), line 9. Omit "councillor", insert instead "member".

Page 64, Schedule 1(26), line 15. Omit "councillor", insert instead "member".

The bill as printed refers to a councillor of a defunct county council. Some members of county councils are councillors, others are aldermen. I am informed that they are generally referred to as members. For the sake of precision, it is proposed to omit "councillor" and insert instead the generic term "member".

Amendments agreed to.

Mr WEST (Orange - Minister for Conservation and Land Management, and Minister for Energy) [11.19]: I move:

Page 65, Schedule 1(26), lines 19-22. Omit all words on those lines, insert instead:

(2) The regulations may make provision for or with respect to the transfer of any such water supply functions from the electricity distributor to any other body with the consent of the Minister administering the Water Supply Authorities Act 1987. In particular the regulations may provide that references in any other Act or instrument to an authority involved in the supply of water are to be construed as or as including references to a body to which such functions are transferred.

This amendment specifically relates to the three dual purpose county councils, those which supply water and electricity. The amendment proposes that the Governor may make regulations to transfer the water supply function from the electricity distributor if at some time in the future it is the wish of the constituent councils to do so. But before a regulation can be made, the Minister for Energy must obtain the consent of the Minister administering the Water Supply Authorities Act 1987, currently the Minister for Natural Resources. Parliament can review such a move if it is ever proposed and may disallow the regulation if it opposes the changes. Again the amendment results from consultation with my ministerial colleagues and again is as a result of their concern that the Minister for Energy should not be responsible for the dual functions of water and electricity where there are dual purpose councils.

Amendment agreed to.

Schedule as amended agreed to.

Schedule 3

Mr WEST (Orange - Minister for Conservation and Land Management, and Minister for Energy) [11.20]: I move:

Page 71, Schedule 3, lines 14-20. Omit all words on those lines.

The Local Government Electricity Association has requested that there be no appeal to GREAT in respect of dismissal or promotion. The LGEA has advised that the unions have agreed before the Industrial Commission that the awards provision entered under the enterprise agreements are adequate to cover such grievances.

Amendment agreed to.

Mr WEST (Orange - Minister for Conservation and Land Management, and Minister for Energy) [11.21]: I move:

Page 75, Schedule 3, line 19. Omit "3B", insert instead "3C".

The proposed amendment will correct a typographical error.

Amendment agreed to.

Schedule as amended agreed to.

Bill reported from Committee with amendments, and report adopted.

POLICE SERVICE (COMPLAINTS DISCIPLINE AND APPEALS) AMENDMENT BILL

Bill read a third time.

BILLS RETURNED

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

Police Service (Management) Amendment Bill
Statute Law (Miscellaneous Provisions) Bill
Statute Law (Penalties) Bill
Stamp Duties (Amendment) Bill
Subordinate Legislation (Amendment) Bill

SPECIAL ADJOURNMENT

Mr WEST (Orange - Minister for Conservation and Land Management, and Minister for Energy) [11.24]: I move:

That this House at its rising this day do adjourn until

Friday 21st May, 1993, at 9 a.m. with the routine of business pursuant to the Sessional Order for the last sitting day of the week.

I propose that the routine of business be pursuant to sessional order for the last sitting day of the week. I move this special adjournment tonight with a view to the House sitting tomorrow in order to deal with business as on a normal Private Members' morning and then complete some matters that were adjourned today - by agreement, I believe, between all parties - with regard to the South East Forests Protection Bill, in respect of which the Opposition gave notice of its proposed amendments only half an hour before the introduction of the bill. The amendments are of a substantial nature and officers of my department and others will consider them overnight to see whether any are acceptable.

In respect of other Government business, I indicate - as I have already indicated to the manager of business for the Opposition - the bills that the Government wants to get through the House tomorrow. They are not bills that will take us through to the end of the night. By way of general form, and to facilitate proceedings for honourable members tomorrow, it may be appropriate when we get to that time to dispense with Private Members' statements and continue with the bills, but that is something that can be dealt with tomorrow. Hopefully, that will get us through the program and the House will rise as 7 p.m. or 7.30 p.m. and it will not be necessary for the House to sit next week.

I believe that in respect of the amount of business that remains, it is important to keep the momentum and for the House to sit tomorrow. I apologise to honourable members for the inconvenience and I have notified members of the Opposition. I am sure some harsh words will be addressed to me and I will wear the wrath of honourable members from the Opposition and my colleagues. I have also discussed this matter with the three non-aligned Independents. The House needs to complete certain requirements to meet their agenda as well. If we can meet those mixed agendas, we should have general compliance.

Mr WHELAN (Ashfield) [11.26]: What the Minister for Conservation and Land Management and Minister for Energy did not say is what the Government's real motives are for this proposal. So that honourable members are in no doubt, tomorrow, Friday, will be treated as a Thursday. It means that when the House resumes tomorrow it will be treated as Private Members' morning from 9 o'clock until 1 p.m. There are no guarantees for the following times. A number of allegations have been made and it is important that the parliamentary record show the Government's undertakings in relation to the following matters.

First, that amendments to the HomeFund legislation, dealing with the powers of the Ombudsman and the powers of the Auditor-General, will proceed and the select committee appointed by the Parliament will proceed and not be thwarted in any respect by the failure of the Government, or failure of the passage of the legislation; second, the return, in unamended form - not necessarily to this House - of the Local Government Bill which was passed by this House, and all amendments, including the final amendment; third, private members' undertaking and Independents' undertaking and statements by Independent members to me that the South East Forests Protection Bill, No. 4 on today's business program, will be passed by this House tomorrow; fourth, a commitment by the Government that the Ombudsman legislation, part of the 4-year package - and we know the attitude of the Government - will go through and become law; and as I said, HomeFund approved by the Legislative Council in all respects, and passed, so that the parliamentary select committee is not restricted by the absence of this Chamber.

Once the House rises tomorrow evening - whether it be 11 o'clock or 6 o'clock - it will be the finalisation of the parliamentary session. There is no mention by the Government of a meeting of the Standing Orders and Procedures Committee. The Minister made a commitment at the opening of the session that private members' motions would be dealt with on the reserve dates. Honourable members have diarised these dates, but no suggestion was made that the Parliament would sit tomorrow. Honourable members have asked why we are sitting tomorrow. We can only speculate that perhaps there will be a new dawning for an already ailing Government. It is somewhat like the analogy of the Titanic and the swapping of deck chairs.

Mr West: I am under instructions from my new leader.

Mr WHELAN: He will not be leader for long. I do not know what the attitude of the Independents is. I

appreciate that the Independents' agenda would obviously include legislation that is important to them, for instance, the Anti-Discrimination (Homosexual Vilification) Amendment Bill in relation to which some members of the Government failed to vote. It may be that when that legislation reaches the upper House the Government will give a commitment to bind its members and it will be passed by the Legislative Council. That may be part of the deal - part of the arrangement. All I require is a commitment from the Government that the matters I have mentioned will be resolved. Opposition members were led to believe that the Industrial Relations (Contracts of Carriage) Amendment Bill would proceed. Obviously, and regrettably, if I read the nuances of the Minister's expression correctly, that will not be the case.

Page 2530

There are many other important bills of which notice has been given, including the Education Reform (School Violence) Amendment Bill. That bill, introduced by the honourable member for Riverstone, has caught the Government napping. Other bills for which notice was given include the Azzopardi Inquiry Bill, the Post-Conviction Inquiries (Quashing of Convictions) (Johann Ernst Siegfried Pohl) Bill and the Workers Compensation (Journey Claims) Amendment Bill. There are a number of bills on the notice paper. Members were given an undertaking that such matters would be dealt with on the reserve dates. That is why Tuesday, Wednesday and Thursday of next week were set aside in our diaries. The Government, belatedly - no earlier than 6 o'clock tonight - suggested that the Parliament should sit tomorrow. Members are available and ready to sit next Tuesday, Wednesday and Thursday to deal with the private members' program.

Unlike at other times during the day, the Government now has the numbers to succeed, but so far as the Opposition is concerned it intends to divide the House on this issue. I shall put on record the guarantees that we have sought. I do not start in any order of importance, but we wish to deal with the Legislative Council amendments concerning the HomeFund Select Committee (Special Provisions) Bill, the Local Government Bill, the South East Forests Protection Bill, and the legislation involving the Ombudsman. These matters are vital and essential to the Opposition. We do not like having to accept the reality of not having the numbers, but we reserve the right as an Opposition to protest. At the beginning of the session I recall the Minister for Conservation and Land Management saying, "If it is necessary to sit, we will sit". Somehow that has all changed. The Parliament has not sat on a Friday for years. The only time it did was when it was dealing with constitutional amendments, and the Parliament sat for 36 hours straight. That was the only Friday the Parliament sat without notice, and at that time it was a continuation of the Thursday sitting. Tomorrow, we will have an out-of-turn debate. The Government does not want the Opposition to interfere with the swapping of seats on the deck - the old Titanic principle. The Government wants to go to Government House to present to the people of New South Wales a new image - a whole new Government. I do not know whether the Minister for Conservation and Land Management will be there.

Mr West: He may not be.

Mr WHELAN: On his own admission the Minister says he may not be there. We are dealing with serious proposals. I ask the Minister to give me assurances in the form that I requested. The Opposition will oppose the motion to sit tomorrow. My final question to the Minister is, could he tell me of his motivation in announcing that the Parliament was to sit on Tuesday the 1st June, Wednesday the 2nd June and Thursday 3rd June. Members had already put aside next week in their diaries. Honourable members were prepared to sit but the Minister is now walking away from that commitment. The Opposition wants some guarantees in relation to the matters I raised, and for that reason it will oppose the Government's adjournment motion. We acknowledge that we will be beaten, but on principle we will divide the House. I have personal commitments, and I do not wish to be parochial. Reserve dates were set aside for next week. I recorded those dates in my diary - they are still vacant. I have made arrangements for tomorrow which I will have difficulty cancelling. If a division is called, I will vote with the Opposition. I will not support a change to the sitting pattern of this Parliament at such a late hour. Members will have great difficulty amending their schedules. The Government has made a rash and silly decision. I will be voting against it.

Mr WEST (Orange - Minister for Conservation and Land Management, and Minister for Energy) [11.41],

in reply: I am not going to respond to all of the hype of the honourable member for Ashfield. He has obviously forgotten about the days when Terry Sheahan was the Leader of the House when extra days were put on all the time. The honourable member, to use a phrase, referred ad nauseam to the Local Government Bill. That is an important bill. We must devote our hearts and minds to the seriousness of the time frame. Obviously local government bodies have not advised the Opposition about the need to get the bill in place within a certain time frame. It is important that that be done, and that is why I have tried to work within that time frame and why this Parliament should sit tomorrow. It will affect the time frame if we have to adjourn the House until next week. I am trying to be as honest as I can. It may be that is my trouble - I am too honest with the lot of you. I apologise for the lateness of the hour of the notification. I have been trying to negotiate this with the manager of Opposition business since Wednesday to get a resolution about whether or not the Parliament will sit.

[*Interruption*]

The honourable member for Ashfield said at first, "Let's sit Friday". I challenge him to deny that.

Mr Whelan: I did not suggest that we sit Friday - not ever. I said we should sit on Tuesday.

Mr WEST: No, that is not correct.

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

Mr WEST: We were trying to discuss whether we -

Page 2531

Mr Whelan: On a point of order.

Mr West: There is no point of order.

Mr SPEAKER: Order! I call the honourable member for Ashfield to order for the second time. The honourable member knows that there is no point of order involved.

Mr WEST: Again, I can only apologise for the lateness of notification. I have endeavoured to negotiate with as many members as possible. I may have missed one or two, and for that I apologise. I have not drawn up a list for tomorrow. If I could get some time out of this House, I may have a chance. I have been in the Chamber since 9 o'clock this morning doing everyone else's business. When I can work out tomorrow's program I will give the Opposition a copy of it. The honourable member for Ashfield referred to the agreement with respect to the homosexual vilification legislation - he said that it has to be passed. That is not the agreement that I have with the honourable member for Bligh. I have an agreement with the honourable member for Bligh that the legislation will be presented to the Legislative Council, but it will not necessarily be passed. It will be debated and resolved; there is a big difference. The honourable member understands that. I wanted to put the record straight.

The honourable member for Ashfield also said that we have set aside reserve dates. On 25th February I said, "If honourable members believe there should be more time set aside, I shall consult with the Premier with a view to making alternative arrangements within the present timetable". We have been negotiating constantly with the Opposition and the Independents to get through this program. I believe that I have endeavoured to get through these procedures and to honour the agreement as best I can. I do not know what I have to do to satisfy the Opposition. I realise that the role of the Opposition is to oppose, but, by the same token, I think the Opposition should be fair and respect the fact that I negotiate and consult much more than my predecessors did when Labor was in government. Members opposite should remember that. Things are different now. There is a spirit of co-operation. I ask honourable members to give consideration to allowing the House sit tomorrow, to get business out of the way so that we do not have to worry about next week.

Question - That the motion be agreed to - put.

The House divided.

Ayes, 48

Mr Armstrong	Mr Morris
Mr Baird	Mr W. T. J. Murray
Mr Blackmore	Mr O'Doherty
Mr Causley	Mr Packard
Mr Chappell	Mr D. L. Page
Mrs Chikarovski	Mr Peacocke
Mr Cochran	Mr Petch
Mrs Cohen	Mr Phillips
Mr Collins	Mr Photios
Mr Cruickshank	Mr Rixon
Mr Fraser	Mr Schipp
Mr Griffiths	Mr Schultz
Mr Hartcher	Mr Small
Mr Hatton	Mr Smiles
Mr Hazzard	Mr Smith
Mr Humpherson	Mr Souris
Mr Jeffery	Mr Tink
Dr Kernohan	Mr Turner
Mr Kerr	Mr West
Mr Kinross	Mr Yabsley
Mr Longley	Mr Zammit
Dr Macdonald	
Ms Machin	*Tellers*,
Mr Merton	Mr Beck
Ms Moore	Mr Downy

Noes, 46

Ms Allan	Mr Martin
Mr Amery	Mr Mills
Mr Anderson	Mr Moss
Mr A. S. Aquilina	Mr J. H. Murray
Mr J. J. Aquilina	Mr Nagle
Mr Bowman	Mr Neilly
Mr Clough	Mr Newman
Mr Crittenden	Ms Nori
Mr Doyle	Mr E. T. Page
Mr Face	Mr Price
Mr Gaudry	Dr Refshauge
Mr Gibson	Mr Rogan
Mrs Grusovin	Mr Rumble
Mr Harrison	Mr Scully
Mr Hunter	Mr Shedden
Mr Iemma	Mr Thompson
Mr Irwin	Mr Whelan
Mr Knight	Mr Windsor
Mr Knowles	Mr Yeadon
Mr Langton	Mr Ziolkowski

Mrs Lo Po'	
Mr McBride	*Tellers*,
Mr McManus	Mr Beckroge
Mr Markham	Mr Davoren

Pairs

Mr Fahey	Mr Carr
Mr Glachan	Mr Sullivan

Question so resolved in the affirmative.

Motion agreed to.

House adjourned at 11.51 p.m.