## LEGISLATIVE ASSEMBLY

Wednesday 19 September 2001

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

**Mr Speaker** offered the Prayer.

## BILL RETURNED

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

Crimes Amendment (Aggravated Sexual Assault in Company) Bill

## AUDIT OFFICE

### Reports

**Mr Speaker** tabled, pursuant to section 38E of the Public Finance and Audit Act 1983, the following reports:

e-government—Use of the Internet and related technologies to improve public sector performance, dated September 2001
Better Practice Guide—e-ready e-steady e-government: e-government readiness assessment guide, dated September 2001

**Ordered to be printed.**

## BUSINESS OF THE HOUSE

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

**Motion by Mr Whelan agreed to:**

That standing and sessional orders be suspended to permit the consideration of the matter of public importance after the conclusion of Government Business Order of the Day No. 4 [Public Finance and Audit Amendment (Auditor-General) Bill].

## LIQUOR (RUGBY LEAGUE GRAND FINAL SPECIAL PROVISIONS) BILL

### Second Reading

**Debate resumed, by consent, from 18 September.**

**Mr OAKESHOTT** (Port Macquarie) [10.02 a.m.]: The Opposition supports the legislation. Go the Sharks!

**Mr FACE** (Charlestown—Minister for Gaming and Racing, and Minister Assisting the Premier on Hunter Development) [10.02 a.m.], in reply: Let the game begin.

**Motion agreed to.**

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

## PUBLIC FINANCE AND AUDIT AMENDMENT (AUDITOR-GENERAL) BILL

### Second Reading

**Debate resumed from 18 September.**

**Ms MOORE** (Bligh) [10.03 a.m.]: I commend the Government for acting to fix the serious problem created when advice from the Crown Solicitor severely restricted the Auditor-General's powers by placing an inappropriately narrow interpretation on his powers to examine matters arising from an audit. However, I am disturbed by the long delay. I understand that the Auditor-General, Bob Sendt, has written to the Government on four occasions this year calling for action to restore the previously, and generally, assumed power of the Auditor-General to report on issues incidental to an audit.

I understand that the Government agreed, in response to his concerns, to take action during the budget session. The fact that it did not leads me to question its commitment to accountability and transparency. As the Auditor-General has observed, "We can only assume that the Government does not view a reduction in [his] reporting powers to Parliament as a matter requiring priority attention." The extreme limitation imposed on the New South Wales Auditor-General by the Crown Solicitor's interpretation is the most significant threat to the effective operation of an Auditor-General in Australia since the Liberal Party of Victoria sought to bypass its Auditor-General.

I share the New South Wales Auditor-General's concern that such a reduction in information provided to the New South Wales Parliament would be detrimental to proper accountability—and to the proper functioning of Parliament. I strongly support the proposition of the New South Wales Auditor-General that this Parliament explore what powers and functions are appropriate for an Auditor-General in the twenty-first century. Modern democratic societies expect more than a financial analysis of government agencies and operations.

The Auditor-General examines government probity, governance, waste and management inefficiencies and, therefore, plays a vital role for the Parliament and the community. Auditors-General must provide objective, independent information to Parliament so that the Government of the day is accountable. A government not committed to accountability and open process will resist providing an Auditor-General with the ability to fully investigate issues of public accountability and public administration—and to provide this advice to Parliament. An opposition seeking to perform its role of holding the Government to account will be hampered by not having an Auditor-General with effective and comprehensive auditing powers.

What a difference being in Opposition makes. To listen to the honourable member for Hornsby last night one would believe that the Coalition has had a long-time commitment to the independence of the Auditor-General. One only has to cast one's mind back to the early 1990s, when Coalition Ministers in the Fiftieth Parliament railed against the Auditor-General constantly. What a difference being in Opposition makes, because when in Opposition, members are able to assess the importance of the vital roles of people such as the Auditor-General. I am disturbed that this Government has ignored the New South Wales Auditor-General's recommendation that his role be described to reflect the wider role that Auditors-General have taken on, and have been generally expected to take on, over the past decade or so to be able to serve parliaments and the community.

Auditors-General should have the scope to inquire into any matter concerning the use of public resources, either on request or on their initiative. I have prepared an amendment, which I had planned to foreshadow until I heard the contribution of the honourable member for Hornsby last night. I will certainly

support his amendment, which will provide for a more adequate response to the recommendations of the Auditor-General and will reflect similar legislation in other jurisdictions, as he said last night. I will also certainly support his other two amendments not be so that the Treasurer is the only one who can decide to refer a matter to the Auditor-General, but so that it can be done by a parliamentary committee or other Ministers, or either the upper or lower House. His third amendment was about disclosure of confidence to the Public Accounts Committee. These are very worthwhile amendments and I commended the honourable member for Hornsby for his contribution last night, and I hope that his commendable contributions will continue when and if he is in government.

**Mr RICHARDSON** (The Hills) [10.08 a.m.]: I support the comments of the honourable member for Hornsby in regard to this legislation, which is certainly a step in the right direction, but members on this side of the House do not think it goes far enough. I draw the attention of the House to comments made by the Auditor-General in his Report to Parliament 2001 Volume Three. In response to the Crown Solicitor's opinion on his reporting powers under the Public Finance and Audit Act 1983, the Auditor-General said:

> If auditors-general are expected to do no more than private sector auditors that interpretation may be acceptable. But parliaments and the public have come to expect much more from public sector auditing. Commentary on major changes in public sector agencies' functions, on significant developments affecting their operations, on compliance with laws and regulations and on issues of probity and efficiency are some of the additional roles expected of public sector auditors.
>
> On my understating of the Crown Solicitor's opinion, much of what has traditionally been included in Auditor-General's Reports to Parliament, at least since 1983 when the Act in its current form was passed, could now be deemed outside my legislative mandate.

There is no question that the Government has sought to address the very serious issues raised by Mr Sendt in his reports to Parliament. The proposed section 27B to be inserted into the Public Finance and Audit Act states:

> (a) declares that there is to be an Auditor-General for the State, and
>
> (b) sets out the functions of the Auditor-General including:
>
> (i) the existing function of auditing the public and other accounts, and
>
> (ii) a new function of providing audit or audit-related services to Parliament at the joint request of both Houses of Parliament, and …

The honourable member for Hornsby has outlined the problems with that matter. The section continues:

> (iii) a new function of providing audit or audit-related services to the Treasury at the request of the Treasurer, and
>
> (iv) the existing function of reporting to Parliament, and
>
> (v) a new function of doing anything that is incidental to the exercise of the Auditor-General's functions, …

Exactly what is meant by the words "doing anything that is incidental to the exercise of the Auditor-General's functions" needs edification. There is grave concern that there would be no outlet or avenue for members of Parliament and the public to raise matters of complaint about the actions of Government—for example, in a matter such as the one I referred to the Auditor-General earlier this year. In April this year I brought to the attention of the Auditor-General inappropriate material that was posted on the web site of the Ministry for the Arts. That issue could not have been referred to the Ombudsman or

ICAC, but where would it go? Honourable members on this side of the House, including the honourable member for Hornsby and I, believe it is appropriate for the Auditor-General to examine and comment on issues like that, as he did in his latest report to Parliament. I bring to the attention of honourable members the statement that appeared under "Cultural Development Policy" on the web site of the Ministry for the Arts:

> The days of a narrow, Sydney-based, Liberal arts policy are over. The Carr Government has introduced creative programs across every sector of the arts, responding to the needs of small rural communities as well as those in Sydney and larger regional centres.
>
> The Fox studios at the former Showground, brought to fruition by the Carr Labor Government after years of Liberal-National Party dithering, are state-of-the-art studios equal to the best in the world.

**Mr O'Doherty:** It is not true, apart from anything else!

**Mr RICHARDSON:** I agree with the honourable member for Hornsby that apart from anything else it is not true. Honourable members should be under no illusion—it was an initiative of the previous Minister for the Arts, the honourable member for Willoughby, to attract Fox studios to the showground. It is entirely inappropriate for such blatantly party-political material to be included on an official government web site. I challenge the Minister for Education and Training to suggest that it was an appropriate use of taxpayers' money. I have no problem whatsoever with the Government laying down its program for the Arts on its official web site. The Auditor-General wrote to the then Director of the Ministry for the Arts, Roger Wilkins, who is the most senior public servant in New South Wales, being also the Director General of the Cabinet Office. In that letter the Auditor-General asked Roger Wilkins for his views on the matter, the circumstances under which the material was approved and any action he proposed to take. Mr Wilkins acknowledged that, in retrospect, it probably would have been wise to remove the political references. But he gave a clear indication that no action would be taken.

I found that astonishing. Not only was this appalling politically biased material posted on an official government web site, but the Director-General of the Cabinet Office and the Ministry for the Arts, the most senior public servant in this State, clearly indicated that no action would be taken. One assumes that the Premier was aware of it, but if not, he is still the responsible Minister. Mr Wilkins also said that users of the web site can make suitable allowance for such material. One assumes that people will be able to sort out the wheat from the chaff.

Appropriately, Mr Sendt did not think that was right so he wrote to the Premier. By this time the Premier had come to understand that this issue was a little bit too hot for him just to sit on his hands and that he had to do something. Mr Wilkins finally agreed to remove the offending material from the web site, but he took three months to do so. What will be the circumstances as a result of this legislation being passed by the Parliament? The Opposition does not know because the legislation does not go far enough. The Opposition is concerned that there still will be no avenues for complaints such as the one I made.

Most honourable members would recognise that government in the twenty-first century needs to be accountable. There need to be mechanisms by which government can be made accountable and the office of the Auditor-General is one of the more important mechanisms. I still question whether this bill provides for the Auditor-General to investigate matters such as the one I raised with him earlier this year. The honourable member for Hornsby foreshadowed that he will move an amendment to include a general function for the Auditor-General "to promote public accountability in the public administration of New South Wales". I would have thought that would have been unacceptable to members of the Government. It is the exact wording that has been used in the Auditor's-General Act in the Australian Capital Territory. It is similar to other jurisdictions where the Auditor-General has an acknowledged broader focus, which is what we believe the Auditor-General should have in New South Wales.

If the Government does not support this amendment and does not believe it is an appropriate use of the powers of the Auditor-General, I want it to state quite clearly the limitations of the powers of the Auditor-General. Indeed, if it defines those limitations, where should one go with complaints such as the one I appropriately made? Does the Government believe my complaint was unwarranted and unjustified? Was it an appropriate use of taxpayers' resources to put this blatantly political material on a government web site?

These important issues go to the heart of transparency and accountability in government in New South Wales. Of all the legislation the House will be debating in the current session there is no other that has more far-reaching consequences for good government in this State in the future. It is an absolute given that the Auditor-General should have the right to audit the books. But, as the Auditor-General said, his role is greater than that of a private auditor and the Opposition believes that his role should also include promoting public accountability in the public administration of New South Wales.

The honourable member for Hornsby also suggested to the House by way of a foreshadowed amendment that the definition of those people who can request the Auditor-General to conduct a performance audit should be expanded. The legislation proposes that both Houses may make a referral but that falls way short of the Auditor-General's proposal, which is for either House and for parliamentary committees to be able to refer matters to him. Once again, this is an element of good government and accountability that should not be overlooked. The bill also fails to allow the Minister to make a direct request—a Government request must come through the Treasurer. Therefore, the Treasurer effectively controls what the Auditor-General can and cannot do when the Auditor-General is responsible to neither the Treasurer nor the Government; he is an officer of the Parliament. I repeat: this issue is fundamental to accountability and the good government of this State; it will not go away.

**Mr DEBNAM** (Vaucluse) [10.23 a.m.]: I am delighted to have the opportunity to speak to this bill on an issue that we have discussed in this House many times, the Public Finance and Audit Act. It is an Act of shame for the Carr Government and has been for six years. I would like to run through what has happened over the past six years when it comes to the financial management of New South Wales. It is one of the more extraordinary situations with government in Australia and lack of transparency. I see that the public gallery is acknowledging the Government's arrogance and lack of transparency and accountability by voting with their feet, the same as they did in the by-election in Auburn a few short days ago where the Government was slammed. It is a demonstration of public will.

**Mr SPEAKER:** Order! The honourable member for Vaucluse will address his remarks through the Chair.

**Mr DEBNAM:** The honourable member for Hornsby made a number of points in his contribution last night. He eloquently put the Opposition's case but I would like to emphasise a couple of points he made in closing. He said:

> The Coalition wants to provide a broad range of people with the opportunity to raise issues with the Auditor-General because the Auditor-General is an officer of this Parliament, not a servant of the government of the day.

That is the issue and has been an issue in this House for decades. I acknowledge, as the honourable member for Bligh said, that perhaps previous governments did not live up to all their expectations, but the Carr Government has raised hypocrisy to new heights on this issue. Over the last six years we have seen transparency and accountability undermined and attacked at every opportunity. The Treasurer of New South Wales, Michael Egan, has clearly spent his time on only two things: undermining accountability in New South Wales and raising tax revenue. The honourable member for Hornsby continued:

> I will summarise the Coalition's position by stating that the Coalition will work in this Chamber and

> also in another place, the upper House, to restore accountability in New South Wales through reviving the powers of the Auditor-General. But more than that, the Coalition will act to ensure that the Auditor-General in this State is able to do his job properly by providing accountability in the public affairs of New South Wales. The Coalition will give the Auditor-General broad powers. We will allow either House to report matters to him for investigation.

The interesting thing in New South Wales politics in recent years is that finally the upper House has some power to put the Government in a very difficult position. And, clearly, the Coalition, on behalf of the people of New South Wales, will use that power ruthlessly to pursue what can only be described as a morally corrupt Government when it comes to financial management. The honourable member for Hornsby has eloquently outlined the case. I want to make a couple of related points. This is the 10-year anniversary of the Treasury's review of the Public Finance and Audit Act and it goes back beyond the Carr Government. I think I am correct in saying that in 1991 Treasury started a long-term—we had no idea what long term meant at that stage—review of the Public Finance and Audit Act. It was acknowledged 10 years ago that this Act was out of date and was not serving the interests of the people of New South Wales or the Parliament. Treasury formally acknowledged it had to do something about it. That review continued and the Act is still under review. A number of papers have been prepared, the matter has been discussed in both Houses and bills have been debated. This has been a 10-year acknowledgment that the Act is out of date and not viable for New South Wales in the twenty-first century.

It is also the sixth anniversary of the General Government Debt Elimination Act. Those two Acts summarise the situation in New South Wales. The Public Finance and Audit Act should be the umbrella legislation that oversees financial management in New South Wales. But because it is so out of date the Treasurer and the Minister for Education and Training, who has faithfully followed the Treasurer's orders in this House in delivering various bills, have used that legislation politically at every turn. A couple of times a year the Act is amended and various provisions are changed, simply to improve the escape hatches for the Treasurer of New South Wales. They are not in the interests of the people of New South Wales but they are in the interests of the Carr Government and the Labor Party. The General Government Debt Elimination Bill was an extraordinary piece of work dreamt up in the election campaign prior to 1995 and was one of the first bills presented to this House in April 1995. It was a bill of extraordinary hypocrisy. In my speech at that time I spoke about it reminding me of an old destroyer, full of escape hatches and for over six years we have seen every one of those escape hatches used.

It was the amendment to the half-yearly reporting that went through just prior to Christmas last year that effectively made the half-yearly reporting a four-monthly reporting where we do not get the final figures. That was done because we are coming up to an election, which is now only 18 months away. This makes a substantial change to reporting to the people of New South Wales in the run-up to the March 2003 election. The combination of a completely out-of-date Public Finance and Audit Act and a completely political General Government Debt Elimination Act has allowed the Government extraordinary latitude in finding loopholes in financial management reporting to cover up its mistakes in complete contempt for the people of New South Wales.

One can ask what has happened in New South Wales after six years of Carr Government. Do we have timely reporting in financial management? No, we do not. Do we have transparency in terms of financial management? No, we do not. Do we have accurate budgeting? No, we do not. Do we have responsible financial management? No, we do not. Do we have government honesty? No, we do not. Do we have government hypocrisy? As Ansett would say, "Absolutely." The answer to the last question is what it is all about. The Premier and Michael Egan are clearly the experts in government hypocrisy and have been for six years.

This bill relates specifically to the Auditor-General's powers and is about constraining a watchdog. The wider issue is that financial management in New South Wales has run off the rails. I take the simple view that Treasury has a lot of work to do if it is to clean up the mess created over six years and very little time in which to do it. The Auditor-General is one of the most important watchdogs in New

South Wales. Several honourable members have referred to what happened in Victoria when the government of the day decided to attack the Auditor-General of that State. The Carr Government has also declared war on the Auditor-General. That attack, which has continued quietly and subtly over six years, is to the Government's disadvantage because the people of New South Wales know that there is a watchdog who acts in their interests and they will know whether the Government attacks that watchdog—which is what it is doing.

As the honourable member for The Hills said, this bill goes to the heart of transparency and accountability in New South Wales. The honourable member for Hornsby has outlined several amendments, and I hope that the Government will come to its senses and agree with the Opposition about this bill. This issue also goes to the heart of government arrogance in New South Wales. That arrogance has increased to extraordinary levels over six years, as was evidenced by the Auburn by-election when voters gave the Carr Government a big slap. I predict that this Government will receive a much harder slap in 18 months. In the 10 days following the Auburn by-election, the Government—whether through the honourable member for Kogarah or the Premier—has demonstrated to the people of New South Wales that it did not hear the message from Auburn. The Government has utter contempt for communities across the State and it has not seen the error of its ways. I predict that in 18 months there will be an even bigger swing against the Government.

As I said before, we do not have timely financial reporting in New South Wales. Yesterday I put a question on notice highlighting the fact that the Government's monthly financial reports have been overdue for the past three months. Why has that happened? It is because Treasury produces them and puts them on Michael Egan's desk, where he leaves them until he is ready politically to do something with them. That inaction regarding monthly reports sums up the Government's attitude to the Public Finance and Audit Act and the General Government Debt Elimination Act. The Government will do whatever it takes to achieve its political ends. It is a shame that Treasury has not found other ways to disseminate that information. Michael Egan is effectively frustrating the will of the people of New South Wales and, through his actions, trying to frustrate the will of the Auditor-General. That will not work because the people of New South Wales understand the role of watchdogs and will side with those watchdogs against the Government. In his second reading speech the Parliamentary Secretary said that the Government intends:

> … to provide the Auditor-General with the widest possible power to report, consistent with the matters being reported having some direct or indirect relationship with the Auditor-General's functions.

Let us be absolutely straightforward: that is a misleading statement. It is typical of the rhetoric we hear from the Carr Government on any issue. This Government is guilty of the worst possible hypocrisy towards the people of New South Wales—as is evidenced by that second reading speech. If the Government wants to give the Auditor-General the "widest possible power to report"—they are extraordinary words—it should support the Opposition's amendments. Where did this bill come from? It is a consequence of the watchdog's trying to hold this Government to account. In his 2000 report the Auditor-General said:

> Of the seven principles set out in the General Government Debt Elimination Act 1995 it is only possible to conclude at this time that one is definitely being achieved.

This issue arose because the Auditor-General highlighted the fact that the Government had tripped on its own politically inspired legislation. The Carr Government reacted by attacking and constraining the watchdog. It sent Michael Egan running to the Crown Solicitor to try once again to fence in the Auditor-General. Government members should be ashamed. The Minister for Education and Training should be ashamed because he was party to the Treasurer's political action. I have no doubt that the entire Cabinet knows what it is doing with regard to the Auditor-General and that backbench members have no idea about the Government's involvement. The reality is that this problem would not have arisen

if the General Government Debt Elimination Act were enforceable. Those who read that Act will find that it is purely political legislation. The bureaucracy is laughing it off, but the people of New South Wales will not be laughing it off. We will draw it to their attention continually over the next 18 months as we highlight the hypocrisy of the Carr Government.

Implicit in this debate is the question of prospective financial information and whether the Auditor-General has wide powers to comment on that. I urge Government members to read their speeches about the collapse of HIH Insurance and Ansett and recall what they want the Federal Government to do in relation to those two private companies. Government members want the Federal Government to have wide, deep insight into the operations of two private companies, yet this bill seeks to constrain a watchdog whose job is to examine the public sector and perhaps also consider prospective information. Hypocrites that they are, Government members claim that the Federal Government should have deep insight but that the Carr Government should not. I suggest that the Carr Government allow the watchdog to fulfil his task. The Opposition will pursue in the next 18 months wider issues regarding the Auditor-General's powers. We will also pursue the Government's hypocrisy on financial management and its contempt for the New South Wales community.

**Mr AQUILINA** (Riverstone—Minister for Education and Training) [10.38 a.m.], in reply: Listening to the rhetorical spray of the Opposition one is inclined to believe that this legislation aims somehow or other to restrict the power of the Auditor-General. The bill states precisely the opposite. For the edification of honourable members, I repeat that the overview of the bill states:

> The object of this Bill is to amend the *Public Finance and Audit Act 1983*:
>
> (a) to extend the Parliamentary reporting powers of the Auditor-General.

That is precisely what this bill does: it gives legal sanction to a number of powers that the Auditor-General has exercised over the years but which, as the Crown Solicitor's advice points out, were outside his legal jurisdiction. We need to make sure that we get the picture right. Despite claims being made by the Opposition, this bill seeks to extend the powers of the Auditor-General and to give legal sanction to powers that the Auditor-General has been exercising for some years, but which have been shown by the Solicitor General to be beyond the powers that the Auditor-General has. The Opposition, quite extraordinarily, has made all kinds of claims about the measures contained in the bill. The second reading speech stated that the aim of the bill is to provide the Auditor-General with powers consistent with the Auditor-General's function. The word "function" needs to be borne in mind in this debate. What are the functions of the Auditor-General?

The legislation does not entitle the Auditor-General to question the merits of policy objectives of the Government, including any policy objective of the Government contained in a policy decision of Cabinet. Those are not functions of the Auditor-General. The amendments foreshadowed by the Opposition would give the Auditor-General, in a sense, a blank cheque in respect of any powers that the Auditor-General wants, giving the Auditor-General an open go in making assessments and judgments on the policies of government. If Coalition members were in government, they would be the first to run away from doing that, as they did over a number of years. It was a Labor Government that introduced the Public Finance and Audit Act 1983. At the time, a number of current members of this House were serving on the Public Accounts Committee. That was groundbreaking legislation among governments throughout Australia.

Mr Speaker, I note you nod your head. You are a former chairman of the Public Accounts Committee, as indeed I am, and as indeed was the Premier before I took over that role. There is a long history of Labor governments, including the Wran and Unsworth governments, providing powers to the Auditor-General under the Public Finance and Audit Act. The honourable member for Vaucluse spoke a lot of nonsense on issues of timeliness and transparency as well as financial management. This Government has the most transparent financial obligations of any government in Australia. Labor led the

way in introducing the 1983 Act, and it is doing so again with this bill.

The bill addresses specific problems that the Crown Solicitor's advice said exist because the Auditor-General had been exercising functions beyond the legal powers of the Auditor-General. The Government is introducing legislation to give the Auditor-General the legal powers that he needs to exercise functions that have been beyond the ambit of the appropriate legislation up till now. This bill will widen the Auditor-General's powers, giving the Auditor General more say in the direction of government and on the financial performance of government. But the Government is not giving the Auditor-General a say in government policy, or a blank cheque to write his or her own powers, because strictly speaking that is not the function of the Auditor-General.

It needs to be borne in mind that the Auditor-General's Office is one of the many public performance watchdogs in this State. The Independent Commission Against Corruption, the Police Integrity Commission and the Ombudsman are other authorities that have powers related to the transparency of government and the operations of government. Indeed the Auditor-General has functions that complement the functions of those other bodies, but does not have functions that override or hamper the functions of those other public bodies. The Government will oppose the amendments foreshadowed by the honourable member for Hornsby. The Government is fair dinkum about discharging its roles and responsibilities in relation to accountability and about the provision of suitable and appropriate powers to the Auditor-General. This Government is all about financial management, timeliness in financial reporting and transparency in that financial reporting. However, it is not about giving the Auditor-General or any other watchdog authorities the power to determine and drive government policy.

**Motion agreed to.**

**Bill read a second time.**

**Mr SPEAKER:** I welcome Elizabeth Walsh and Anne Curtis, their friends and family. Elizabeth and Anne are attending the Parliament to receive a New South Wales Community Service Award. I congratulate you.

**In Committee**

**Clauses 1 to 4 agreed to.**

**Schedule 1**

**Mr O'DOHERTY** (Hornsby) [10.45 a.m.]: I also welcome Elizabeth Walsh and Anne Curtis of Huddart Avenue, Normanhurst, and their friends and family, who are here to receive a Community Service Award for acts of extreme compassion following the murder of a Normanhurst woman late last year. It is coincidental that I speak on this bill at the time I was scheduled to present that award. Hopefully, that presentation will take place soon. The Government and Parliament of New South Wales recognise your acts of compassion and bravery, and thank you and congratulate you on them. By leave, I move Opposition amendments Nos 1 to 4 in globo:

No. 1 Page 3, schedule 1 [1], proposed section 27B (3). Insert after line 9:

(a) to promote public accountability in the public administration of the State,

No. 2 Page 3, schedule 1 [1], proposed section 27B (3) (b), lines 13-15. Omit all words on those lines. Insert instead:

(b) to provide any particular audit or audit-related service at the request of the Legislative Assembly, the Legislative Council or a Parliamentary committee,

No. 3 Page 3, schedule 1 [1], proposed section 27B (3) (c), lines 16 and 17. Omit all words on those lines. Insert instead:

(c) to provide any particular audit or audit-related service to the Treasurer at the request of the Treasurer or to any other Minister at the request of that other Minister,

No. 4 Page 4, schedule 1 [5]. Insert at the end of line 24:

, or

(f) the provision of any information sought by the Public Accounts Committee in the conduct of its functions under section 57.

Last night, during the second reading debate, I spoke to some of the antecedents to these amendments, so I will not labour those points. However, I will, very briefly, spell out what the amendments will do. The Minister for Education and Training is wrong. The New South Wales Opposition is not seeking to blur the distinction, which he referred to, between policy decisions, which are properly the role of Cabinet, and accountability, which is properly the role of the Auditor as an officer of the Parliament of New South Wales. What the Opposition seeks to do is to bring into the twenty-first century the accountability that is provided by the Auditor-General. I remind the Government that the Auditor-General works for the Parliament. He is an officer of this Parliament, and is therefore an officer serving the people. He is not an officer who reports to the Treasurer. The Auditor-General is not a public servant who is at the direction of a Minister. That is where the Government falls over every time. It wants to be able to direct what the Auditor-General does, and seeks to constrain the role of the Auditor-General in providing public accountability.

The Coalition wants to open up that process so that New South Wales can have accountability that is equal to the best in the world. We want world's best practice. The amendments that I have moved will bring New South Wales into line with other jurisdictions, such as the Australian Capital Territory. Amendment No. 1 seeks to make it a function of the Auditor-General "to promote public accountability in the public administration of the State". That is as good a description as one will get, and it is from the Australian Capital Territory Act. It spells out what an auditor should do in a modern democracy such as New South Wales. The Government prides itself in introducing the Public Finance and Audit Act 1983. Good on it! But it should bring that Act into the twenty-first century by agreeing to the Opposition amendments.

I hazard a guess that crossbench members of this House and the upper House will agree with not just the Coalition but the Auditor-General himself. It is the Auditor-General who has asked Parliament for this function to be written into the Act. He has also asked for the other amendments that I have moved, on behalf of parliamentarians who care about accountability. I refer to members on this side of the House and members on the crossbenches, but probably not members of the Australian Labor Party. It is a shame that Government members will not support amendment No. 1, and that the Government is thereby limiting the Auditor-General in what this Parliament requires him to do. Other jurisdictions also have broad-brush roles for their auditor. In very recent times there was an audit forum of all heads of national audit agencies in the United Kingdom. That public audit forum—the consultative forum, as it was known—prepared a public statement about objectives for auditors in modern democracies. That included the wide scope of public audit. They saw their role as not only providing an opinion on financial statements prepared by public bodies but also covering issues such as regularity, propriety and value for money.

As we consider the budget of the Cabinet of New South Wales, which is presented each year, and as we consider the demands of our electorates, it is important that we have the Auditor-General's opinion on things such as value for money of agencies and so on. I moved amendment No. 1 to enable

the Auditor-General to promote public accountability in the administration of the State. As I said last night, for the first time this will give the Auditor-General an outcomes statement to work towards. His role is not just to provide a narrowly defined service but to provide a broad outcome—that is, to promote public accountability. I will mention briefly my other amendments, which refer to these questions. The Government wants the Auditor-General to do work that is referred to him only by both Houses of Parliament.

Both Houses would have to pass identical motions to refer a matter to the Auditor-General—for example, the Grains Board collapse. In earlier years the HomeFund issue might have been referred to the Auditor-General. Both Houses of Parliament would have to refer such a matter to the Auditor-General. That is ridiculous and it does not follow democratic process in this House. It is a good thing that the upper House has increasingly assumed greater responsibility for review and accountability. If we are to have a bicameral system the upper House must do its job properly. I believe that the upper House is doing its job properly. The Government has lost control of the upper House.

There is a substantial coalition of interest between members on the crossbenches and Opposition members for greater scrutiny through the use of parliamentary committees. We want those committees or either House to be able to refer matters to the Auditor-General, not just both Houses together, which is the same as saying, "The Government has the right of veto because it has a majority in the lower House." Amendment No. 3 makes it possible for any Minister—it might be the Minister for Education and Training—as well as the Treasurer to refer a matter to the Auditor-General, which is a much more sensible arrangement. It will give the Minister some additional time to work out any emerging problem within his or her portfolio. If a problem emerges the Minister can immediately refer it to the Auditor-General and seek expert advice. That takes the issue out of the political sphere and it gives the Minister more time to manage the situation. I would have thought that any Minister sitting around the Cabinet table would want this provision.

**Mr Aquilina:** You have obviously never sat around a Cabinet table.

**Mr O'DOHERTY:** The Minister should wait—he will see. Amendment No. 4 will enable the Auditor-General to work more closely with the Public Accounts Committee, particularly when he is auditing something and he comes across information which, for commercial reasons, cannot be publicly released. If the Public Accounts Committee is conducting an inquiry and it considers that that information should be made available to it, this amendment would enable that to happen. This sensible and modern provision will give a bit more scope to the Public Accounts Committee, a statutory committee of this Parliament, to do its job. I sometimes wish that it did its job a little more independently. The Auditor-General has asked Parliament to pass these amendments. These are not amendments that are owned by any one parliamentarian. They are certainly not owned by me. We have been asked by the Auditor-General to pass these amendments. In a statement released yesterday the Auditor-General stated:

> There are a number of reasons why it would be preferable for the Auditor-General's functions to be based more on "outcomes" ... rather than solely on processes.
>
> First, issues of accountability, governance and probity are increasingly being accepted as appropriate issues for auditors-general to address. These issues are not necessarily associated with the audit process.

That is the difference. The Auditor-General is saying in this public statement that the Government's amendments do not go far enough.. The Auditor-General mentioned a number of other things that are yet to be done, such as the conclusion of the rewrite of the Public Finance and Audit Act. We must make sure that we have an Auditor-General who ensures best practice. We do not want the Auditor-General muzzled by a Government which has clearly demonstrated in everything it has done that it does not like the openness and accountability required by modern democracies.

**Mr AQUILINA** (Riverstone—Minister for Education and Training) [10.55 p.m.]: I state at the outset that the Government does not agree to these amendments. Although I addressed the reasons for that in my reply to debate on the second reading of the bill, I would like to make a few more specific comments. First, the Auditor-General has a specific function in relation to financial and performance audits. The Auditor-General does not have a broad public accountability function—an issue that must be addressed in this Chamber. As I said in my reply to debate on the second reading of the bill, other bodies carry out the broad accountability aspect, including bodies such as the Police Integrity Commission, the Ombudsman, the Administrative Decisions Tribunal and the Independent Commission Against Corruption. All those bodies have a responsibility for government accountability and they address that government accountability.

The Auditor-General plays a role in relation to financial accountability and the performance of audits, but he does not play a role in relation to the broad accountability of the whole aspect of the operations of government. That issue must put in perspective. In a nutshell, that is why the Government is opposing these amendments. The Auditor-General is only one of a number of persons and bodies responsible for promoting public accountability in New South Wales. I place on record that important aspect as it relates to the Government's attitude to this bill. As I indicated earlier, the Ombudsman and the Administrative Decisions Tribunal promote public accountability by enabling members of the public to complain about government action or inaction and to seek an independent review of government decisions. The Independent Commission Against Corruption and the Police Integrity Commission promote public accountability by identifying and dealing with corruption in government.

What will happen if we give the Auditor-General broad accountability powers which go across the specific powers of these other public watchdog bodies? We will have confused legislation and we will have a confused public outlook. People will not know who to go to and they will not know who has carriage of a particular issue. Instead of complementary roles we will have overlapping roles. Instead of promoting accountability we will have mass public confusion about who has jurisdiction over what. As well as those independent bodies legislation such as the Protected Disclosures Act is aimed at ensuring the protection of public officials who themselves contribute to public accountability by disclosing corrupt conduct, maladministration or serious and substantial waste in the public sector.

Then, of course, there is the role of Parliament. As the Opposition rightly pointed out, the Auditor-General does not report to the Treasurer or to any Minister; the Auditor-General reports to Parliament. Parliament, therefore, plays an important role in ensuring public accountability. Parliament is the ultimate watchdog, in a sense, as it is the representative of the people. The Auditor-General promotes public accountability by auditing the financial statements of agencies, the public accounts and the total State sector accounts. The Auditor-General also promotes public accountability by conducting performance audits to ensure that authorities are carrying out their activities effectively, economically, efficiently and in compliance with all relevant laws.

This aspect of performance audits goes back to the mid-1980s. In those days it was a courageous concept—a concept which was promoted by the Premier when he was Chairman of the Public Accounts Committee. That concept was continued in my period as Chairman of the Public Accounts Committee and it was effectively promoted when Mr Speaker was Chairman of the Public Accounts Committee. Giving the Auditor-General a broad public accountability function is unnecessary as he has specific functions in relation to financial and performance audits. As I stated earlier, giving the Auditor-General a broad public accountability function could result in several problems. Instead of being complementary to the roles of other public watchdogs it could create confusion for the general public. It may even, in a sense, cause some interference or malfunctioning of the functions of other independent agencies. It could also distract the Auditor-General from promoting public accountability through the core auditing functions.

The Government does not agree to the Opposition amendments. We commend the bill in its

present form because it broadens the powers of the Auditor-General. The bill also gives legal sanction to actions taken by the Auditor-General that the Crown Solicitor suggests the Auditor-General may not have been empowered to take. It goes on long way towards providing and promoting increased financial accountability and increased accountability for performance audits.

**Question—That the amendments be agreed to—put.**

**The Committee divided.**

**Ayes, 38**

| | | |
|---|---|---|
| Mr Armstrong | Mr Kerr | Mrs Skinner |
| Mr Barr | Mr Maguire | Mr Slack-Smith |
| Mr Brogden | Mr McGrane | Mr Souris |
| Mrs Chikarovski | Mr Merton | Mr Stoner |
| Mr Collins | Ms Moore | Mr Tink |
| Mr Debnam | Mr O'Doherty | Mr Torbay |
| Mr George | Mr O'Farrell | Mr J. H. Turner |
| Mr Glachan | Mr Oakeshott | Mr R. W. Turner |
| Mr Hartcher | Mr D. L. Page | Mr Webb |
| Mr Hazzard | Mr Piccoli | Mr Windsor |
| Ms Hodgkinson | Mr Richardson | *Tellers,* |
| Mr Humpherson | Mr Rozzoli | Mr Fraser |
| Dr Kernohan | Ms Seaton | Mr R. H. L. Smith |

**Noes, 46**

| | | |
|---|---|---|
| Ms Allan | Mr Greene | Mr E. T. Page |
| Mr Amery | Mrs Grusovin | Mrs Perry |
| Ms Andrews | Mr Hickey | Mr Price |
| Mr Aquilina | Mr Hunter | Ms Saliba |
| Mr Ashton | Mr Iemma | Mr Scully |
| Mr Bartlett | Mr Knowles | Mr W. D. Smith |
| Ms Beamer | Mrs Lo Po' | Mr Stewart |
| Mr Black | Mr Markham | Mr Tripodi |
| Mr Brown | Mr Martin | Mr West |
| Miss Burton | Mr McBride | Mr Whelan |
| Mr Campbell | Mr McManus | Mr Woods |
| Mr Collier | Ms Meagher | Mr Yeadon |
| Mr Crittenden | Ms Megarrity | |
| Mr Face | Mr Moss | *Tellers,* |
| Mr Gaudry | Mr Newell | Mr Anderson |
| Mr Gibson | Ms Nori | Mr Thompson |

**Question resolved in the negative.**

**Amendments negatived.**

**Schedule 1 agreed to.**

**Schedule 2 agreed to.**

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

## SOUTH-WESTERN SYDNEY BANKING SERVICES

### Matter of Public Importance

**Mr DEPUTY-SPEAKER:** I call the honourable member for Liverpool.

**Mr Hartcher:** Point of order: Under parliamentary convention, matters of public importance relate to matters that are of significance to the State or regions of the State, as distinct from private members' statements which, by custom and as reinforced by recent rulings of the Speaker, relate to a member's electorate or to information that a member receives in relation to his electorate.

**Mr Ashton:** What's the point of order?

**Mr Hartcher:** I am developing the point of order.

**Mr Ashton:** You make a point of order, you don't develop it.

**Mr Hartcher:** The point of order is that the matter of public importance as listed falls outside the customary guidelines of the House in that it relates to a general subject, banking, but it then confines the general subject to a specific area—south-west Sydney. By convention of the House, banking or banking in regional and rural New South Wales would be matters of public importance. But banking in south-west Sydney relates to the electorates in south-west Sydney, and it is not a matter of public importance, as defined by Speakers, since their introduction in 1993. Accordingly, the matter falls outside the custom and rulings, and should not be considered by this House to be a matter of public importance. The honourable member for Liverpool is entitled to raise this matter as a private member's statement.

**Mr Lynch:** To the point of order: There are three insurmountable procedural difficulties with the point of order which demonstrate the honourable member's complete lack of knowledge of the forms of this House. First, he is in breach of a ruling of Speaker Rozzoli, who said that if honourable members have an objection to matters of public importance they should object at the time they are announced, not when a member gets up to speak. I recommend to the honourable member that he adhere to the rulings of Speaker Rozzoli. Standing Order 121 states that as this matter has already been determined by the Speaker to be a matter that ought to be dealt with, it should be dealt with procedurally by way of motion, rather than by way of a point of order. The honourable member for Gosford should occasionally acquaint himself with the forms of this House.

Third, no rulings support the honourable member for Gosford. The only proposition he can point to is Standing Order 121, which requires that the matter be definite. Clearly, it is definite. Finally, and substantially, it seems pretty obvious that a matter such as this is a matter of public importance. On numerous occasions I have raised matters of public importance which deal specifically with particular parts of Sydney, and they have been treated as matters of public importance.

**Mr DEPUTY-SPEAKER:** Order! Bearing in mind that the Speaker has already allowed the matter of public importance to go forward, I do not uphold the point of order.

**Mr LYNCH** (Liverpool) [11.14 a.m.]: On 27 July this year the Miller branch of the Commonwealth Bank closed, which left the Miller shopping centre with no bank branch. The decision of the bank—a classic case of profit being put before people—was greeted with outrage by the residents of Green Valley. As a demonstration of that outrage many people signed a petition, which I prepared, objecting to the

closure. I sent the petition to the bank, together with a request that the bank reconsider its decision to close. Perhaps it is not surprising that it was to no avail. I received a letter dated 19 July from the regional manager of the bank in response to the petition I submitted. The response stated, in part:

> When we do make a difficult decision to close a branch, the bank always ensures that our customers are left with suitable alternative banking arrangements.
>
> ATM services will be retained at the Miller shopping centre, allowing our customers access to their funds 24 hours a day, seven days a week.

Many residents of my area would now regard that undertaking by the bank to provide adequate alternative services and access to their funds 24 hours a day, seven days a week as nothing more than a calculated insult. Thirteen days ago, on Thursday 6 September, a number of social security payments were deposited into the bank accounts of recipients who were entitled to them. In particular, those payments include Veterans Affairs pensions and family allowance payments. On the day that those payments went into recipients' accounts, the Commonwealth Bank ATM at Miller ran out of money. My office received phone calls from social security beneficiaries who, in many cases, were distressed by the fact that they could not access their money. In every case they were very angry.

It was bad enough that the bank treated residents of Miller and Green Valley with such contempt that it proposed to close the bank branch, but now, to add insult to injury, it cannot even deliver what it promised as its second-best fallback position: ATMs with enough money in them to enable people to access their money. As a matter of principle the money should have been available. It was, after all, not the banks' money; it was money that belonged to the customers of the bank. For many people it was well beyond a matter of principle. Many of the people who wanted to access their money needed it to survive. They rely upon money that goes into their accounts, to which they are entitled by law and which they should, as a matter of commonsense, be able to access. It is intolerable that their money is not available. It is intolerable as a matter of principle.

Mrs Joyce Silver was one of those who contacted my office. She was angry and distressed. Mrs Silver currently resides in the Green Valley area, and has shopped at the Miller shopping centre for 37 years. She was angry and concerned not only for herself but also for some of her friends who are physically unable to travel to other places to access other ATMs and who would have been considerably inconvenienced and experienced some difficulty if they had to travel elsewhere. That was bad enough, but things got worse. Thursday 13 September was the next day on which various social security payments were to go into accounts. My understanding is that age pensions, disability support pensions, sole parent payments and widow pensions were paid last Thursday. With all the inevitability of a Greek tragedy, once again the Commonwealth Bank ATM at Miller ran out of money.

The Commonwealth Bank ATM at Miller has managed to run out of money on two Thursdays in a row on what is known as pensions day. On anyone's view, it is an absolute outrage. It is bad enough that the bank was taken away, that the one remaining bank branch at the Miller shopping centre was closed, but it is adding insult to injury that the bank cannot arrange to have enough money in ATMs to deal with the demand. This issue relates not only to the shopping centre at Miller. Although that is the most immediate and recent example to my knowledge, it is certainly a much broader problem. There has been an ongoing reduction in banking services in south-west Sydney, particularly in Liverpool.

On 27 April the Colonial Bank branch at Liverpool Plaza stopped offering across-the-counter general services. It became what has been described to me as a clayton's bank branch. On 4 July the National Australia Bank at the corner of George and Scott streets closed. That was a serious blow to the southern end of the Liverpool central business district [CBD]. Many attempts had been made to try to revive and revitalise the south end of Liverpool CBD. The decision of the National Australia Bank to close its branch flies in the face of those attempts, and caused considerable outrage. There were certainly comments from the Liverpool Chamber of Commerce. Drew Percival, the President, went on record to

indicate his dissatisfaction and concern with the closure of the bank. In September last year staff numbers at St George Bank were cut by 17 per cent. Prior to that a series of mergers reduced the number of bank branches available in what is quite a large centre in south-western Sydney—Liverpool.

Those mergers and those branch closures have led to longer queues in the bank branches that remain. They have led to fewer jobs and a decrease in access to banking services in south-west Sydney. It is worth noting that this is, of course, part of a broader trend. If one looks at the number of bank branches in metropolitan New South Wales, there has been something in the vicinity of a 30 per cent decrease in metropolitan bank branches between 1993 and 2000. The figures that I have had access to suggest that there were 1,397 bank branches in metropolitan New South Wales in 1993. By 2000 their number had fallen to 979. Obviously, I am interested in highlighting today the specific problem that exists in south-west Sydney, particularly in Miller and the Liverpool area, but, as I said, it is very much a broader concern and a broader issue.

In some ways the most distressing thing about all of this is that the patronising and arrogant behaviour of the banks towards their local communities is hardly new. Whilst it has reached a peak over the past decade, there has always been a tradition amongst banks of treating their customers almost as an unfortunate hindrance. More than 100 years ago there was extraordinary concern about the banks and the way that they behaved. Peter Love, in a book entitled, "Labour and the Money Power" described the view of the banks held by many people at the end of the nineteenth and beginning of the twentieth century. Peter Love wrote, "The banks were simply a small, predatory clique, whose behaviour was entirely alien to the naturally democratic spirit of Australian society."

What is particularly tragic, it seems to me, is that people would still adopt that view of banks today on the basis that the behaviour of the banks has really not changed. It has not got any better over 100 years or so. The attitude, the arrogance, of the banks generally, is well displayed in some of their public comments. On 28 June the chief executive officer [CEO] of the Commonwealth Bank said that if there was any attempt to reregulate banks they would stop serving unprofitable customers. That market-driven logic, that obsession with putting profits before people, seems symptomatic of the ongoing behaviour of the banks. It is perhaps not surprising when you look at some of the individuals. It was revealed in June of this year that the CEO of the Commonwealth Bank to whom I referred a moment ago earns $2 million per annum. In addition to that he had made an $8 million profit on some share sales.

People with that background or that personal life experience are hardly likely to have a lot of sympathy for people in south-west Sydney. They are certainly not going to have much sympathy for people who depend upon social security payments going into their accounts, and they would not have a lot of natural sympathy about making sure that those people who depend upon social security payments are in fact able to access them through the automatic teller machines that the Commonwealth Bank should be providing. The particular problems of the bank at Miller are quite serious. As I have indicated, the bank branch that closed was the only bank branch remaining at Miller. Miller is a shopping centre that, like a lot of other shopping centres in various parts of Sydney and the State, has had its share of challenges over the past few years. It certainly has some social order issues surrounding the shopping centre.

One of the elements of this that I found personally quite distressing was that an awful lot of effort has been put in at government level to restoring services to Miller. Quite a number of services have opened there as a result of a conscious political, if you will, strategy to try to deal with that area that had some social issues. Money and resources have been channelled into Miller at Government level to try to rejuvenate the shopping centre and the area surrounding it. In that context it is almost a calculated insult by the bank to say, "We are going to pull the bank branch out." There was an immense effort, not merely by the Government, but also by the community, to restore services and facilities at Miller, to rejuvenate the area, and to deal with the social disorder problems that exist there. To pull the bank out flies directly in the face of all of the efforts that so many of us have been trying to make.

**Mr MERTON** (Baulkham Hills) [11.24 a.m.]: The matter raised by the honourable member for Liverpool is of great concern, not only in south-western Sydney but in other areas where there have been bank branch closures. There is absolutely no doubt about that. There is an impact on those who rely directly on the bank for face-to-face services. People need money and some are unable to understand the automated banking system which, on some occasions, as the honourable member for Liverpool indicated, does not work entirely efficiently. That obviously was the case at Miller. In addition, bank branch closures have a considerable impact on local businesses. In fact, it impacts on the entire shopping centre. People come to the shopping centre to do their banking and remain to do the rest of their shopping. Once a bank closes, customers tend to go elsewhere to do their banking and shopping.

It is certainly a major problem. Many older people and pensioners who are used to walking to the local branch of their bank to conduct their business may find that the branch has closed. Many pensioners do not drive, they are not very mobile and often cannot afford the additional public transport costs. This is a very important social issue. My concern is that it has become fashionable—sometimes with adequate or just cause—to condemn the banks. I have made the Coalition's position quite clear. As an opposition we understand the problems caused by bank closures, not only amongst the elderly but amongst other customers faced with lengthy queues to obtain service at banks. People cannot pay cheques, or make deposits or withdrawals over the Internet, as I understand it.

**Mr Ashton:** Can't you?

**Mr MERTON:** You might be able to. But if you could do that, you would not be here. You would be set up somewhere as a financial adviser. People have to go to the bank to deposit and withdraw money. However, having said all that, one only has to look at the history surrounding all these changes to find two main causes for them. One is the age of technology, which has certainly made an enormous difference. A traveller on one of Stephenson's early trains said passengers were scared stiff. They thought they would never return to earth, that the end was near. The train was travelling at 23 miles an hour! That was a long time ago and things have changed. So has technology and the practice of banking. Technology is one of the reasons for change, but let me refer honourable members to what I suggest is the basic reason, that is, deregulation of the banks.

I respect the views of my colleagues on the other side of the House and I respect their sincerity, but they really do not want to hear too much about the deregulation of the banks. Let us take a stroll through history. It is not that long ago; it goes back to 1983 when the Hawke-Keating Government was in office and banks were deregulated. That occurred on the grounds that competition would deliver greater efficiency in the allocation of scarce national savings and that competition would look after banking customers. For the first time since the 1930s, the banks were free to raise as much capital as they liked from overseas. The Hawke Government licensed 16 new banks, which expanded the number of commercial banks from four to 20. Primary industries were in the doldrums, manufacturing industry was under the hammer of reduced protection and there were no new capital-intensive resources projects in which the greatly expanded banking sector could invest.

As a result, the banks turned their money into a lending business. In the absence of new wealth-creating assets which might have justified the growth in their foreign deposits, the banks engineered a boom in speculative corporate takeover activity, which was followed by a wave of bankruptcies. The banks chased business by lowering lending standards. The paper entrepreneurs such as Bond, Skase and Holmes B Court received virtually unlimited lines of credit, which they used to load up previously sound Australian companies with unsustainable levels of debt. The result was that Australia's overseas debt shot up from approximately $20 billion to $86 billion within four years. Of course, it is now far more than that.

In 1993 the banks had $28 billion in non-performing loans and many of Australia's prime corporate assets were taken over by foreigners. It is now a matter of history that many banks failed, particularly in South Australia and Victoria. So I find it a little ironic that the Labor Party, represented by

the honourable member for Liverpool, should be so critical of banks. I am not here to push the cause of the banks. I have made my position clear. Deregulation was not introduced by the Fraser Government but by the champions of the proletariat, the working class, the so-called ordinary Australians. Look at the results! People affected by the closure of the Miller bank branch might wonder what the situation would be had banks not been deregulated. Perhaps that little Miller branch might have still been there.

Running a bank is not easy. Banks are accountable to their shareholders, the Australian people, who receive the benefit of dividends from successful banks. I would rather have a successful bank than an HIH type of situation. Whilst we do not condone shortfalls in local services, banks have to be successful to ensure that the country is successful. Many bank changes I do not agree with, but they have made the banks profitable, and those profits are distributed amongst the shareholders. To use an expression by our friends on the other side, they are ordinary Australians. Bank fees may be payable but about 5.5 million Australians are shareholders in banks. Banks also provide enormous employment opportunities. But in New South Wales things are even worse. We have one of the highest levels of payroll tax in the nation—certainly greater than in Queensland or South Australia—and the banks pay this payroll tax.

Workers compensation rates in this State are amongst the highest in Australia. It remains to be seen whether the recent changes will reduce workers compensation premiums. I repeat that there is an element of hypocrisy in a representative of the State Labor Government complaining about the deregulation of the financial sector that ultimately, I suggest, has brought about the closure of the Miller bank branch. I certainly do not condone the closure, but it was the Labor Party that introduced deregulation of banks. The present State Government has made numerous promises about payroll tax, but when it comes to honouring its promises it does not happen or it is done on the drip feed. The Opposition notes the matter of public importance and is concerned about the closure of banks, but bank profits are paid to shareholders, most of whom are Australians. There would have been no bank deregulation but for the actions of the Hawke Labor Government elected in 1983.

**Mr ASHTON** (East Hills) [11.34 a.m.]: The honourable member for Gosford, the manager of Opposition business, took points of order in relation to the matter of public importance standing in the name of the honourable member for Liverpool about banking services in south-west Sydney. Perhaps the honourable member for Gosford could have raised a reasonable point of order on the basis that the motion should have referred to the lack of banking services in south-western Sydney. Virtually every suburb across south and south-western Sydney has lost a bank branch in the past few months or years. Apart from the Miller bank branch mentioned by the honourable member for Liverpool, banks branches have closed at Penshurst, Hurstville, Beverly Hills, Kingsgrove and Oatley. When I taught at Green Valley 12 or 15 years ago suburbs such as Busby and Heckenberg did not have shopping centres, let alone banks. The closure of the Miller bank and non-availability of ATMs have a huge impact on communities.

In my electorate, Panania has two banks where previously it had four. Unfortunately, the sites of the two closed banks have not been reoccupied. In East Hills, the suburb after which the electorate is named, there is no bank. Recently Revesby has lost two banks. I outlined the problems when the Colonial State Bank merged with Commonwealth Bank, which has out-of-date technology. The honourable member for Baulkham Hills referred to electronic and Internet banking but not everyone has the access to bank in that way, as the honourable member admitted. Not everyone feels comfortable with that form of banking, because it is easy for people to lose all their money by pushing a few wrong buttons. Padstow and Condell Park have lost banks. The honourable member for Auburn has informed me that Yagoona has lost a bank. It is happening everywhere.

**Mr Markham:** Wollongong.

**Mr ASHTON:** Wollongong. Banks have closed in Newcastle and Mayfield. I am told that there used to be banks along the whole length of Hunter Street, Newcastle, but now there are only a few at the eastern end. The honourable member for Newcastle has protested in this place about that. Bank closures

is a growth industry in Australian corporate life. The most recent survey of bank fees showed that Australian bank fees were the highest in the Western world. That is not a fluke; that is because we are being ripped off. The honourable member for Baulkham Hills referred to 5½ million shareholders. That means that 15 million other Australians are not shareholders in banks, and they are not getting the service they require because there simply are no longer sufficient numbers of banks. If people cannot remember their pin numbers or do not have their cards or the ATMs do not have money in them on pension days that can cause a problem with the economy.

The honourable member for Baulkham Hills said that banks were deregulated by Prime Minister Keating and Prime Minister Hawke. Let us remember who would have been screaming for them to be deregulated decades before. The Commonwealth Bank was a government-owned bank. It is not accidental that high fees are charged. People in south-western Sydney, who are on lower incomes, are paying the same charges as people in the northern suburbs. When the Colonial State Bank closed at Revesby three of the eight employees were offered jobs around the corner in Revesby and the other five were offered positions in places that they could not accept. It is similar to the situation with teachers: teachers are never sacked, they are sent to Bourke High School, where I was sent. I got out. But that is another story. I managed to be transferred back here.

In south-western Sydney people are not able to use the electronic facilities referred to by the honourable member for Baulkham Hills. They depend on cash. Some of the members who used to be barristers—there are probably too many in this Chamber—would know that the Truck Act said that cash had to be made available to pay people who wanted cash. That Act was abolished some years ago and people now are not able to be paid by cheque. Their money has to be paid through electronic funds transfer. A great whack of money is taken out of the accounts of people for that to be done, especially if it is done by an outside bank. The problem in south-western Sydney is probably greater than anywhere else because that is where people on lower incomes need access to cash to survive from day to day. They do not have massive amounts of shares and properties to depend on for their income. [*Time expired*.]

**Mr Rozzoli:** Mr Deputy-Speaker—

**Mr DEPUTY-SPEAKER:** Order! I call the mover in reply. This debate has been shortened.

**Mr Rozzoli:** Point of order: Mr Deputy-Speaker, today you have restricted the number of speakers in the debate on the matter of public importance [MPI] based on the general rule that when debate on an MPI immediately follows debate on an urgent motion, the debate on the MPI is truncated. Although the general rule has been extrapolated to today, when the general rule is subverted by the fact that debate on the MPI occurs on a day other than the day on which notice was given, an argument could be put forward for re-establishing the correct procedure of allowing five members to speak in the debate on the MPI, because the time constraint caused by debate on the urgent motion is no longer applicable.

I appreciate that you may not have the latitude to make a decision in relation to that, although I would like you to do so because this is an important matter on which a number of members would want to speak. If, indeed, you cannot make the decision, I ask you to put before Mr Speaker and the Standing Orders and Procedure Committee for their consideration the proposition that when the nexus is broken by debate on the MPI not immediately following debate on the urgent motion but taking place at a later hour of the day or on a subsequent day, the number of speakers provided for in the standing orders be reinstated.

**Mr Lynch:** To the point of order: The interpretation of the honourable member for Hawkesbury of the standing orders is correct. The problem with his argument—and I do not have a problem if there is a host of other speakers on this MPI—is that the MPI has simply been transferred from last night to today. That was the form in which the Leader of the House moved the suspension of standing and sessional orders last night. On that basis, we should probably truncate the debate. However, I would be delighted to

hear from more speakers.

**Mr DEPUTY-SPEAKER:** Order! Although I have some empathy with the honourable member for Hawkesbury I do not uphold the point of order. Today is not the first occasion on which the House has deferred a matter of public importance. The matter referred to by the honourable member for Hawkesbury has not been raised before, and I undertake to raise it with Mr Speaker and, if necessary, the Standing Orders and Procedure Committee, at the first available opportunity.

**Mr LYNCH** (Liverpool) [11.42 a.m.], in reply: I thank the honourable member for East Hills and the honourable member for Baulkham Hills for their contributions to this debate. The slightly schizophrenic presentation of the honourable member for Baulkham Hills put two inconsistent positions. On the one hand he ranted and raved about deregulation and the horrible things it entails. I do not disagree with a fair amount of what he said, but, on the other hand, he defended the right of shareholders to recover profits. It seems to me that he is following two mutually opposing courses. If he had followed the logic of what he said about deregulation I would have expected him to have agreed with the following proposition:

> … private banks are conducted primarily for profit and therefore follow policies which in important respects run counter to the public interest …

Those were the words of Labor Prime Minister Ben Chifley in his speech about bank nationalisation. That is the logic behind the contribution of the honourable member for Baulkham Hills. The problem is that if he pursues that course, he is logically disentitled to claim that we still have to have regard to the fact that shareholders are entitled to get some money. They are conflicting positions, and he cannot put both of them and get away with it. In relation to the deregulation argument, it is certainly true that former Labor Prime Ministers and Treasurers were keen to deregulate. The only people who were keener were those who then sat on the Opposition benches.

It is a little bit cute for the conservative parties to now complain in this place about deregulation. Previously I made the point that there is a longstanding tradition of suspicion of banks and that current bank behaviour is not particularly different from previous behaviour; the degree is certainly different, partly because they have been responsible to shareholders rather than to the public. Frankly, what they are doing now is no different in substance from what they have done before, except they are now perhaps doing it a bit more. In that context it is worth noting some lines from Australia's greatest poet, Henry Lawson. In 1894 he wrote:

> We'll make the bankers feel the sting
> Of those that they would throttle.
> They needn't say the fault is ours
> If blood should stain the wattle.

That is a slightly bloodthirsty way of putting it, but it certainly sums up some of the feelings about banks. One reason that people feel the way they do is the contempt and arrogance that banks have for ordinary people, and even for their political representatives. When the provision of banking services in Miller first arose, I communicated with the Commonwealth Bank, as I indicated earlier. I suggested that the bank's course of action was not the most appropriate or the most desirable for the community. The bank wrote back to me and gave me a list of things that it intended to do to make sure that the people who could not get to the bank at Miller would still be able to get proper services. The bank gave me a list of places that it said were within my electorate at which my constituents could access banking services. One location was well and truly outside my electorate. It is worth noting the response I sent to the regional manager of the bank. In part, I wrote:

> I had always thought that senior branch executives have utterly no idea of Sydney outside the North Shore and Eastern Suburbs. Your egregious error in claiming that Bonnyrigg Plaza is

located within my electorate does little to alter my view.

The broader issues surrounding the closure of this bank branch are important. As I said before, this debate is not only about Miller or about south-western Sydney. There is a much broader issue that relates to the way that Sydney has developed. Many people write or talk about Sydney as a global city. A book edited by John Connell entitled *Sydney: The Emergence of a World City* deals with a lot of the relevant issues. Those sorts of presentations refer to Sydney developing as a global city, about its unprecedented affluence and about its Manhattanisation. All of those descriptions are, broadly speaking, about the north and east of Sydney. Those descriptions largely ignore the cleavages that follow from the development in the economy, society and culture of Sydney.

Global Sydney is a fine description, but it is not happening all over Sydney. One thing that is happening is that those parts of Sydney that are not part of global Sydney are suffering significant stress through lack of resources and lack of services. A prime example is the disappearance of bank branches. Banks are doing extremely well in global Sydney; they are making a lot of money. There are arguments that the property market in the Sydney central business district has gone through the roof largely because of the money that has accrued to individual bank executives and finance experts. Various parts of Sydney are doing extremely well out of the globalisation phenomenon or out of global Sydney. That does not apply to south-western Sydney, where bank branches are closing. Bank branches do not have money and automatic teller machines [ATM] do not have money. One of my constituents said, "An ATM without money is like a pub with no beer." [*Time expired.*]

**Discussion concluded.**

## POLICE LEGISLATION AMENDMENT (SPECIAL CONSTABLES) BILL

### Second Reading

**Debate resumed from 20 June.**

**Mr GAUDRY** (Newcastle—Parliamentary Secretary) [11.47 a.m.]: This important bill relates to the operations of the Police Service and to the role of special constables in a range of government and non-government agencies. The bill repeals the Police (Special Provisions) Act 1901 and will be effective from 1 January 2002, thereby abolishing the office of special constable as it currently exists. The bill amends the Police Service Act 1900 to permit the New South Wales Commissioner of Police to appoint interstate, oversees or former police officers, if appropriate, as recognised law enforcement officers authorised to exercise the powers of the office of constable in New South Wales as and when required. The bill amends the Police Service Act 1990 to permit the New South Wales Commissioner of Police to appoint special constables for the performance of ancillary duties within the New South Wales Police Service. To balance the provision of police powers, we have high expectations of the standard of training, integrity and accountability of police. Further, the exercise by police of their powers is subject to ever-increasing scrutiny and comment, and rightly so. In contrast, special constables are not required to meet the same standards we demand of police.

Special constables enjoy all the powers and immunities of police, yet they are not subject to the same requirements as police. In his second reading speech the Minister gave the history of the creation of the role of special constable. Special constables were first appointed in the United Kingdom by magistrates and had the role of providing protection to the community. After Sir Robert Peel set up a structured police service the role of special constables continued. The Government has tightened regulatory schemes relating to firearms and the security industry. However, ironically, the office of special constable provides an opportunity for that legislation to be circumvented.

By virtue of being vested with all police powers, special constables are entitled to carry firearms. Some special constables or their employers have elected to obtain firearms licences from the New South

Wales Police Firearms Registry. However, that is not a mandatory requirement and, as a result, an unknown number of special constables carry firearms and are not licensed. These concerns are not intended to malign the important work that special constables currently undertake. The Minister acknowledged in his second reading speech and it has been noted in correspondence to the Minister, particularly from members of the RSPCA and the Animal Welfare League, that special constables carry out important roles in the areas for which those organisations are responsible. They expressed concern that the revocation of the office of special constable may mean that officers will not be able to properly carry out their functions. That is not the case. Appropriate changes will be made to legislation to ensure that officers carrying out specific roles are given sufficient power and the proper protection to undertake those duties in a proper manner.

It is well known in the community that special constables perform a range of important enforcement tasks. One example is council rangers, who ensure that council ordinances are adhered to. However, the Government is of the view that the ancient office of special constable is regarded in today's society as an inappropriate way of providing employees with the powers they need to deal with particular issues. In many cases they do not need the powers of sworn police officers. If the current legislation is inadequate in that it fails to provide officers with the necessary powers, the proper course would be to amend the legislation rather than continue the role of special constables.

The repeal of the Police (Special Provisions) Act 1901 provides a welcome opportunity for the enforcement role of non-police to be reconsidered and updated if required. I assure the members of the RSPCA and the Animal Welfare League that the Minister has taken their concerns into account. The abolition of special constables will not prevent the enforcement of the Prevention of Cruelty to Animals Act 1979 or other similar laws. However, agencies external to the Police Service that currently utilise special constables have been notified that they may need to amend the legislation under which they operate if they require their officers to exercise law enforcement powers that are not already contained in that legislation. Such legislation should be brought up to date to enable officers to carry out their duties without the need to be sworn in as special constables.

The bill repeals the Police (Special Provisions) Act 1901 to abolish the office of special constable. It amends the Police Service Act 1990 to establish the position of administrative officer (special constable) and to provide for the transfer of certain employees currently holding office as special constables and performing security duties or band duties to the position of administrative officer (special constable) positions or administrative officer positions. The bill also amends the Police Service Act 1990 to provide for the appointment of members of the police forces of other States, Territories and countries, and administrative officers (special constable), as recognised law enforcement officers having police powers, immunities, liabilities and responsibilities. The bill contains a special provision to continue the powers currently held by special constables who come under the control of the Commissioner of Police and to continue the necessity for accountability of officers carrying out that special role. I commend the bill.

**Mr KERR** (Cronulla) [11.56 a.m.]: An article appeared in the *St George and Sutherland Shire Leader* on 20 May 1999 that referred to the employment of six community law enforcement officers in that area as a result of an initiative by the Sutherland Shire Council under the leadership of Mayor Schreiber. The article stated:

> Miranda's Acting Local Area Commander Inspector Stewart McNeece said the police thought that Sutherland Shire Council's plan was a great idea and supported it 100%. "I think it's another example of the police and council working together to prevent crime in the area," Inspector McNeece said.

Those community law enforcement officers have become a familiar sight, particularly in the Cronulla mall. Members and residents of Cronulla have been grateful for the work they have done. I have conducted a survey in relation to law and order in my electorate and the public certainly wants a presence by

uniformed law enforcement officers. The bill will further reduce personal and property security in the Sutherland shire. I received, as no doubt did other members of Parliament, a letter from Sutherland Shire Council dated 9 May headed "Proposed Abolition of Special Constable Positions", which stated:

> Following Council's recent decision that representations be made on this issue, I am writing on behalf of Sutherland Shire Council to provide comment on the proposal to abolish the Office of Special Constable.
>
> The Local Government Act 1993 recognises that law-enforcement is a core function of government; and that each council has discretion to organise its functions in a manner that best suits the local community. To this end, Council has formed a Community Law Enforcement Unit as part of a strategic approach to reducing crime, particularly relating to vandalism of community property, and increasing levels of community safety within the Sutherland Shire. The unit works in close collaboration with local police, complementing the Police Service and assisting in many joint operations seen to be of mutual benefit.
>
> Additionally, considerable emphasis is placed on protection of the environment with Council's Environmental Protection Unit involved in extensive enforcement and educational activities. Between these two (2) units some nineteen (19) staff are employed, all of whom have been required to apply for Special Constable qualification under existing legislation.
>
> From a Council perspective, emphasising the benefits of retaining the current qualification, as it assists with Council's operational issues, seems the best means of describing the benefit of the current arrangements. From a legal point of view:-
>
> > Each Special Constable has the same powers, authorities, advantages and immunities, and is liable to all such duties and responsibilities the same as any police officer of the rank of constable (Police Offences Act, Section 103).
> >
> > Legislation provides for special offences for any person who assaults or resists, or incites or encourages any other person to assault or resist, any Special Constable in the execution of his office.
> >
> > A Special Constable has certain immunities against prosecution should he/she "wrongfully arrest" a suspect during the execution of his/her duties.
>
> Operationally:-
>
> > Production of the Special Constable identification card provides additional authority to the Officer concerned to request the supply of name and address details from offenders.
> >
> > Production of the identification card in field situations has been shown as extremely effective in defusing potentially hostile situations.
> > An Officer has the ability to act on suspicion of an offence whilst so appointed.
>
> Council's primary concern relates to occupational health and safety issues that may arise should the Special Constable qualification be removed. In particular, and as referred to above, the important deterrent effect provided where it can be indicated to persons being interviewed in the field that there is a direct connection to the NSW Police Service, cannot be understated.

It is interesting that the Attorney General introduced this bill by speaking at great length about the historical evolution of the office of special constable. The Government—for reasons of Anglophobia or republicanism—is trying to suggest that it is an anomaly and that we no longer require special constables in the twenty-first century. The Government, through blind prejudice, is risking people's personal security.

The legislation will also have a detrimental effect on local government municipalities, as I have demonstrated. Every honourable member with a hospital in his or her electorate should be concerned about this legislation, which will curtail the powers of hospital security guards.

As the Parliamentary Secretary, the Attorney General and Sutherland Shire Council have outlined, they will lose their existing powers and immunities and thus be prevented from doing their duties effectively. As violence in hospitals unfortunately becomes more prevalent, the need for special constables increases. The Sutherland shire has required more and more special constables, and Councillor Schreiber has implemented that expansion to maintain an orderly society. This legislation is nothing more than an attack on that society and a further reduction in the powers of the forces that maintain law and order.

The Parliamentary Secretary referred to the Royal Society for the Prevention of Cruelty to Animals and other animal welfare groups, but we have heard nothing about this bill's effect on hospital security or local government, where councils have introduced this scheme successfully. I emphasise the remarks of police in my electorate about the introduction of the scheme locally. It is a great idea and another example of police and councils working together to prevent local crime. Crime prevention will be dealt a blow by this legislation. There is no real reason for it, other than the fact that the Government apparently does not like institutions that originated in Britain. It does not matter how useful or effective such institutions might prove to be in contemporary Australia. It does not matter that they allow people to go about their lives secure in the knowledge that their property is protected. Sutherland Shire Council has written to all representatives of the people in that shire. I hope that other members who represent shires will speak and vote against this legislation. A vote against this legislation is a vote for protecting people and property in the shires.

**Mr BARTLETT** (Port Stephens) [12.06 p.m.]: I am pleased to support the Police Legislation Amendment (Special Constables) Bill. I remind the honourable member for Cronulla that we have a command and control problem: special constables have police powers but they are not under the control of the Commissioner of Police. This bill seeks to address that situation. Its objects are:

(a) to repeal the *Police (Special Provisions) Act 1901* so as to abolish the office of special constable, and

(b) to amend the *Police Service Act 1990* to establish administrative officer (special constable) positions and to provide for the transfer of certain employees currently holding office as special constables and performing security duties or band duties to administrative officer (special constable) positions or administrative officer positions.

It is a matter of returning command and control to the police commissioner by amending the Police (Special Provisions) Act 1901. I have been a member of Parliament for only two years and in the debate about policing during the Olympic Games I was struck by the revelation that at any given time one-third of New South Wales police officers are either in court or on leave. This bill provides an opportunity to help policing in country areas by allowing further developments in that regard. I shall explore some of those options based on what is happening in my electorate. Lemon Tree Passage has two police officers, Karuah has one police officer and Tea Gardens, which is across the river, also has two police officers. People will not notice if some officers do not turn up for work at a large police station with 50 staff. However, in Lemon Tree Passage recently one officer went on sick leave while the second officer was on leave. The system had no backfill capacity, which caused many problems at Lemon Tree Passage. It had no local police for a considerable period, and stations at Nelson Bay and Raymond Terrace had to police that area in the interim.

In the early 1980s I joined the Royal Australian Air Force Active Reserve [RAAFAR]. I served for 16 years in the RAAFAR. The RAAFAR retained the skills and training of retired personnel, gained over 20 or 25 years, by allowing them to serve for up to 120 days every year—in my case, in 26 Squadron.

That is how the RAAF returned experienced personnel to the force. People like me were trained to take on roles in the air force, but the majority of the squad were those who had retired from the force. Paragraph (c) of the overview of the bill states:

> to amend the *Police Service Act 1990* to provide for the appointment of members of the police forces of other States, Territories or countries, and administrative officers (special constable), as recognised law enforcement officers having police powers, immunities, liabilities and responsibilities,

Under this special constables legislation the Commissioner of Police could appoint former police officers to some form of part-time duty as special constables. In country areas of New South Wales that operate police stations with up to three members, positions could be back-filled using retired police officers who reside in the area and would not mind being part-time employees for one or two days. In my electorate a series of candidates for the Federal seat of Paterson at the upcoming election are running around talking about police powers and lack of police presence. The ladies and gentlemen involved as reserves with the RAAFAR receive their pensions but do not lose any associated advantages because the Federal Government said that anyone joining the RAAFAR would not pay any tax on income received.

If people running around my electorate and everywhere else raising issues such as law and order wanted to do something proactive they could take up the suggestion of rehiring retired police officers for their local communities. The Federal Government could then provide tax-free positions in the RAAF army and navy reserves. People could be encouraged to return to serve their local communities. That possibility emerges from the Police Legislation Amendment (Special Constables) Bill, and it is an option available to the commissioner. Former police officers who have retired to small communities could make themselves available when police presence is needed. I received a letter from Mr Robert Willis, who resides in my electorate and operates the Lemon Tree Passage Motel. He referred to a problem with some young people in the area and stated that he feared for the safety of his wife and guests. He said:

> We have lived in Lemon Tree Passage for almost 4 years, and I could honestly say if there is going to be this kind of trouble, and there often is, it always occurs on Friday or Saturday night. When it occurs there is NEVER a local policeman on duty here! I am not a rocket scientist, but I think most people by now would have figured it out. These problems occur on Friday and Saturday nights. So why do we not have more officers on duty at these times?

This bill would enable those problems to be addressed. Retired police officers, who would be special constables with all the powers of normal police officers, could be present in communities at peak times in response to community concerns about a lack of police presence. They would become involved in the back-fill positions that are created when, at any given time, one-third of the police force is on recreation leave, sick leave or in court. This is a big problem for local communities such as Lemon Tree Passage, with 7,000 people; Karuah, with 2,000 people; and Hawks Nest and Tea Gardens, with approximately 4,000 or 5,000 people. Communities that have only a couple of officers lose their police force if their police are off duty for work-related or leave-related reasons. Encouraging retired police officers in those areas to return to duties under the provisions of this bill could go a long way towards solving some of the problems for police in country areas.

As a result of the back-filling options that will become available under this legislation, I recommend that the police commissioner look at bringing retired police officers back to their local areas so they can get to know the local community and be an effective police force presence. That would go a long way to ameliorating a lot of the concern in country areas when police presence is not at its optimum due to different employee leave provisions. I hope this makes changes in my community, in many other country communities and in the cities. It is an easy way to get extra police into areas of need, especially to cover those back-fill options. I commend the bill to the House.

**Mr MERTON** (Baulkham Hills) [12.15 p.m.]: The

Opposition opposes this legislation. From my reading, it is a little unusual. It purports to abolish the role of special constable, yet section 81AA recognises "administrative officers (special constable)". It is probably fair to say that the Government is trying to dilute the role of special constables. The reasons the Government gives for making the changes are far from convincing. Basically, the Government says that those positions are outmoded; it is a nineteenth-century concept and these people should now be directly appointed by the police commissioner. The position of special constable originated in the United Kingdom, which at the time was on the way to becoming a republic. Unfortunately, that process had a hiccup when the people decided otherwise. However, amongst those who support that particular agenda, the argument put forward is that special constable is an anachronism.

**Mr Markham:** It's pretty compelling.

**Mr MERTON:** It is not compelling because at the end of the day special constables provide a very important role within the community. If members opposite believe the community is happy with everything the Government is doing as far as policing is concerned, they are looking at this issue through rose-tinted glasses. I campaigned in the streets of Auburn for four or five weeks leading up to the recent by-election and can tell those opposite that the number one issue is law and order. As far as the police were concerned, the issue is police numbers. It was ironic that on the day of the by-election, a Saturday, there were more police per square inch in the Auburn electorate than probably anywhere in New South Wales! Without being a cynic, I wonder whether at precisely one minute past six those same police cars were patrolling the streets. It was an amazing sight and the people of Auburn were very impressed. No doubt the following day when things got back to normal the situation was different. Not for one moment do I believe that police officers had anything to do with that whatsoever. Those police we spoke to were hard-working people doing a great job.

This bill will have great ramifications within the community. Each special constable presently has the same powers, authorities, advantages and immunities, and is equally liable to all such duties and responsibilities as any police officer of the rank of constable, pursuant to section 103 of the Police Offences Act 1901. The present Act provides for special offences for any person who assaults or resists, or incites or encourages any other person to assault or resist, any special constable in the execution of his office. A special constable has certain immunities against prosecution should he or she wrongfully arrest a suspect during the execution of his or her duties.

I cannot understand how a government that is under such tremendous community siege and pressure to have more police on the streets and a greater police presence, and whose law and order standing in the community is completely unacceptable, would even consider proceeding with the abolition of the rank of special constable and the powers they currently enjoy. No doubt, many councils would be concerned about the effect on security of the abolition of the role of special constable. Sutherland Shire Council believes, and it may be symbolic of many councils in western Sydney, that emphasising the benefits of retaining the current qualifications as they assist with councils operational issues is the best means of describing the benefit of the current arrangements. Councils will be required to spend more ratepayers' money on security. Basic core services previously provided by government are being eroded.

Councils will be responsible for parking police. They already have to enforce graffiti legislation. The Government is passing on to local councils enormous financial liability, ramifications and responsibilities. The abolition of the role of special constables is another step in that direction. I note that the shadow Minister, the honourable member for Epping, referred to the effect of the legislation on schools and the Department of Education and Training. He stated that on 6 February Cabinet resolved that such agencies, provided they can demonstrate a compelling need for employees to exercise enforcement or compliance powers in performing their function, could ensure this function continued by returning to Cabinet to gain approval to amend their relevant legislation. Ultimately the Government is taking away an essential part of what has been a longstanding tradition of special constables adopting constructive, practical and important roles in law enforcement.

The legislation also deals with members of the Police Band, which provides an outstanding service to the people of New South Wales and tremendous public relation benefits and advantages to members of the Police Service. The Police Band plays at important ceremonial occasions, not only major occasions but also community-based events, which are equally as important. Many members of the Police Band are special constables. Although the bill purports to deal with the transfer of such band members to the Police Service as administrative officers, it states that administrative officers will be regarded as a new type of special constable. As such they will be required to meet the same training and integrity tests, and enjoy the same conditions as other police officers.

There is nothing wrong with integrity tests, but I wonder whether a sufficient number of people who can play instruments to the standard required by the Police Band will be able to undertake the training of a normal police officer. The Police Band is a major asset to the State Government and the people of New South Wales. Many, if not all, members of the Police Band are excellent musicians. But will people in their 40s who decide that they want a career as full-time professional musicians be prepared to undertake, or even qualify to undertake, the same training as a police officer knowing that ultimately the positions they undertake will be as members of the Police Band and not necessarily police on the beat? Any change to the structure of the membership of the Police Band should be carefully considered.

The legislation has little substance, and that is why the Opposition opposes it. The legislation will not result in any substantial gains. To the contrary: it will undermine a very important part of the Police Service in New South Wales. The legislation will affect the security of public buildings and hospitals. Many hospitals in western Sydney will no longer have the benefit of security provided by and the powers enjoyed by special police constables, which are effectively those of a police officer. Unfortunately, parts of western Sydney, like the rest of Sydney at the moment, have problems with law and order. It is essential that hospital security be maintained. Special constables participate in and assist in the provision of security to the people of western Sydney. The abolition of the role of special constables is a step in the wrong direction. It certainly does not answer the plea from the people of Sydney and the whole of New South Wales for a greater police presence.

People want to feel safe in their homes and in their streets. I cannot believe that the Government would proceed with legislation that is a knee-jerk response to people who do not like the concept of special constable because it relates to an age when the British people and the Empire were paramount. But it is part of our history. In many respects this is another attempt by the Labor Party to rewrite Australia's history. We cannot rewrite it. Our history is complete with its weaknesses and problems. But all of us are proud of our history. It has given us a great tradition, a parliament in which we can freely debate issues, the Westminster system—which is probably the best parliamentary system in the world—a democracy that allows people to go into the streets of Bankstown, Auburn or wherever and vote freely.

Democracy is sacrosanct. The legislation is guided and motivated by a symbolic attempt to rewrite our history. The Opposition is well justified in opposing it. The bill will not accomplish anything tangible. I am gravely concerned that it will affect people who want to join the Police Band. I hope that when the Parliamentary Secretary, the honourable member for Newcastle, addresses some of these matters he will specifically refer to the eligibility of middle-aged, excellent musicians who desire to join the Police Band and who can certainly play an important part in the Police Band, but who may not necessarily want, or be able, to undertake the normal training of a police officer. The Police Band is an important asset for the people of New South Wales and the New South Wales Government.

**Mr MARKHAM** (Wollongong—Parliamentary Secretary) [12.30 p.m.]: To understand how we have come to be in a position where we have police officers who are subject to the strictest of requirements, and we also have special constables with the same powers of police, but with few of the attendant obligations, requires an understanding of the history of policing in New South Wales. The office of special constable is a hangover from centuries ago. Its genesis has been traced back to the Poor Relief Act of 1662, introduced during the reign of Charles II. Constables were appointed by magistrates

and were subject to their direction. Then in 1829 Sir Robert Peel established the London Metropolitan Police Force.

The idea of a centralised police force under the control of the chief constable was viewed with such distrust by the English people that it took three decades for the organised police force to spread throughout England. The office of special constable continued to exist alongside the regular police force, and special constables were called out from time to time to deal with riots and other disturbances. In New South Wales, largely due to the fact that we were a penal colony, the idea of a centralised police force was more readily accepted. However, there were some differences between the development of policing in New South Wales and England. The early police force in New South Wales was comprised of many convicts. According to the historian David Moore:

> Those convict police who performed their duties diligently earned remissions and hence were lost to the force. In the unique society of colonial Sydney, conscientious service was rewarded with dismissal rather than promotion.

In 1855 the Police Act was introduced in New South Wales. This Act was substantially the same as the English legislation regarding special constables. Magistrates were empowered to appoint and direct the actions of special constables. In New South Wales special constables also existed side by side with the organised police force, as they do today, and were called out on occasion. In 1890, for example, approximately 200 special constables assisted police to clear the Circular Quay area of a riotous mob. Special constables also assisted the regular police service to deal with strikes by maritime officers and shearers in the 1890s.

Over time, special constables were appointed to perform a wide range of duties that were regarded as important by the developing state of New South Wales. They enforced offences relating to the cleanliness of streets, damage to public lamps, neglecting to keep private yards clean, throwing dead animals into Sydney Cove and so on. At different times special constables have worked as nightwatchmen for various towns; as pay escorts and watchmen for private companies, such as John Fairfax and Sons Ltd, Tooheys Ltd and David Jones Ltd; as gatekeepers for Dalgety's and Prince Henry Hospital and as inspectors of various food products. A list of today's special constables would reveal an equally unusual mix of roles and functions for which special constable status has been granted.

It is time that we had a closer look at the enforcement roles special constables undertake today and, if their governing legislation does not provide these employees with appropriate powers to carry out their functions, then consideration should be given to amending the legislation. In 1915, 400 women responded to an advertisement for women to become policewomen in the New South Wales Police Force. Of the 400 applicants, two were chosen. Miss Lillian Armfield and Miss Maud Rhodes were the first women to be appointed to the Police Force. They were appointed, not as regular police officers, but as special constables. On 18 March 1965, all women police in New South Wales ceased to be employed as special constables and gained full status as officers of the New South Wales Police Force. This development was the result of representations having been made to the New South Wales State Parliament.

As a result of gaining equal status with male officers, women police were then entitled to superannuation and pension benefits. Prior to 1965, female police bore all responsibility for their financial future on retirement. In 1950, the taking out of life insurance became a mandatory requirement for women police, as they were not entitled to superannuation or pensions due to their special constable status. Thus, on her retirement in 1949, Lillian Armfield lived on her savings. The State Government later granted her a special allowance. The point of this history lesson is this: the office of special constable is past its time. Because its origins are so old and so fixed in historical developments, the office of special constable continues to create confusion and uncertainty regarding the employment status and entitlements of those who hold it.

The Police (Special Provisions) Act 1901, which will be repealed by this bill, refers to matters such as "tumult" and "riot". It requires a special constable who ceases to hold office to deliver over to his successor "all arms, staves, weapons and other articles" which have been provided to the special constable. The very terminology of this Act condemns it as outdated. In the modern era, the concept of an unknown number of persons holding all powers of police, including the power to carry firearms, without the corresponding training, accountability, oversight and integrity tests that we require of police is outdated. I welcome this opportunity for us to reconsider the role of special constables in today's society. I support the bill.

**Mr WHELAN** (Strathfield—Minister for Police) [12.35 p.m.], in reply: I take this opportunity to thank honourable members for their contributions to what has been a very important debate, and will address some of the issues raised in those contributions. Let me make it clear that special constables are not and never have been beat police. The role special constables perform in the community is a limited one. Their role is either to perform security duties, like those performed by security guards, or to perform specific law-enforcement functions in respect of legislation relating to their employment. They include, for example, council rangers, environmental rangers, animal control officers, parking patrol officers and security guards. These special constables utilise their powers as required by their employer. However, the powers they are granted under the 1901 act are not so limited.

At law, special constables currently have the same powers and immunities as police. For example, they carry firearms without a licence, may arrest people upon suspicion, and may stop and search persons for weapons. In short, although an employer may seek to prescribe the ways in which their powers can be used, there is no actual legal restriction on use. They are theoretically able to use any power that has been granted by this Parliament to police officers. I say "theoretically" because in fact they do not use all of those powers. It would not be tolerated by the community, and it would certainly not be tolerated by their employers, for special constables to act as if they were police.

Agencies employ special constables to perform specific duties, such as ensuring the security of buildings or public areas. Non-government organisations routinely employ security guards to perform these functions. In addition, special constables are employed by government agencies to enforce specific laws. Honourable members would have it that the security of New South Wales will be at risk following the abolition of the office of special constable. However, this is clearly not the case. The result of the Police Legislation Amendment (Special Constables) Bill will be to clarify the functions and powers of officers performing regulatory and compliance roles in New South Wales.

As my second reading speech made clear, the 1901 Act is outdated. It is based on legislation several hundred years old. The office of special constable which is maintained by this outdated Act is informed by archaic notions of maintaining a standing civilian force to respond to civil emergencies, such as dispersing rioting mobs. The power of magistrates to appoint special constables under the 1901 Act is outdated and inappropriate in the new millennium. In the twenty-first century we have a professional police service to perform this and other policing functions. We also have professional bodies of officers to perform law-enforcement related but non-policing functions.

It is time to repeal this remnant of nineteenth century policing legislation. Contrary to one honourable member's implication, this will not mean that officers who perform law-enforcement functions for which they require the powers of a special constable will no longer have access to these powers. The bill provides for those special constables who are currently situated in positions at the direction of the Commissioner of Police to become members of the Police Service. There is provision in the bill for the commissioner to appoint administrative officers—special constables—as recognised law-enforcement officers. Such appointment will confer on an officer all the functions, powers, immunities, liabilities and responsibilities of a police officer of the rank of constable, replicating the powers currently available to special constables.

I am advised that the Police Service has formed a steering committee with the Public Service

Association and representatives of Police Service special constables to identify the grounds under which such appointment should occur. The comments by the honourable member I referred to concerning the police band are misleading. He has misunderstood the legislated drafting conventions which mean that police band members who are currently not members of the service because they are special constables will become administrative officers under the Police Service Act. They will not become administrative officers (special constables). However, they will continue to wear the police uniform. I remind the House that a Liberal-National Party government Minister for Police attempted to close down the police band many years ago. The police band is now covered by the Police Service Act and it would take the consent of both Houses to pass legislation to abolish the police band.

In addition to those special constables working with the Police Service, there are many special constables outside the Police Service who perform essential and important services. These include officers of the Royal Society for the Prevention of Cruelty to Animals and the Animal Welfare League who perform an enforcement role under the Prevention of Cruelty to Animals Act 1979, and officers working for local councils. However, as I have stated previously, the office of special constable is an inappropriate vehicle to provide these officers with the powers they need to enforce laws against particular offences. Rather than having all of the powers of police irrespective of need, these officers should be equipped with specific powers that have an appropriate nexus with their employment.

I have written to all Ministers advising them that if their agencies require their officers to exercise additional law enforcement powers they must amend their legislation before 1 January 2002 to ensure these powers are included in their legislation. This includes the Ministers for local government and health. I will expect the Opposition to support any such amendments in the Parliament. But regardless of these amendments, I am advised that consultation with the Department of Health to date indicates that security guards employed in hospitals will continue to supply the same security services.

The amendments will bring the agencies legislation up to date, and will clarify the functions and powers of persons currently performing regulatory and compliance roles. It will also ensure that all officers who are granted law enforcement powers are subject to appropriate scrutiny and controls. Currently, special constables have no single employer to ensure that they have a suitable standard of training, or to ensure that they surrender their firearms when they are subject to an apprehended violence order. The manner in which they use their police powers is not scrutinised by the Ombudsman. The Opposition has been vocal in its comments about the reform of the Police Service following the anti-corruption recommendations made by the Royal Commission into the New South Wales Police Service. Yet the Opposition apparently remains unconcerned that special constables are not subject to any similar controls or reforms.

Allowing officers who have the same powers as police to operate without proper scrutiny is simply unacceptable. If, following an assessment of the role performed by special constables undertaking security duties, the Department of Local Government forms the view that the functions performed require that local government legislation be enacted to retain certain law enforcement powers, this will be considered by the appropriate Minister and then the Cabinet. The proposal will then be subject to parliamentary scrutiny. This is the logical and appropriate mechanism for determining access to legislative powers. I am advised that it is also the mechanism supported by most employers, who, when surveyed on this point, expressed the view that it was better to include sufficient enforcement or compliance powers in the governing legislation. Police powers should not be retained by non-police without appropriate cause, or without appropriate mechanisms of control and review. I commend the bill to the House.

**Question—That this bill be now read a second time—put.**

**The House divided.**

**Ayes, 53**

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|---|---|---|
| Ms Allan | Mr Greene | Ms Nori |
| Mr Amery | Mrs Grusovin | Mr E. T. Page |
| Ms Andrews | Ms Harrison | Mrs Perry |
| Mr Aquilina | Mr Hickey | Mr Price |
| Mr Ashton | Mr Hunter | Dr Refshauge |
| Mr Barr | Mr Iemma | Ms Saliba |
| Mr Bartlett | Mr Knowles | Mr Scully |
| Ms Beamer | Mrs Lo Po' | Mr W. D. Smith |
| Mr Black | Mr Lynch | Mr Stewart |
| Mr Brown | Mr Markham | Mr Tripodi |
| Miss Burton | Mr Martin | Mr Watkins |
| Mr Campbell | Mr McBride | Mr West |
| Mr Collier | Mr McManus | Mr Whelan |
| Mr Crittenden | Ms Meagher | Mr Woods |
| Mr Debus | Ms Megarrity | Mr Yeadon |
| Mr Face | Ms Moore | *Tellers,* |
| Mr Gaudry | Mr Moss | Mr Anderson |
| Mr Gibson | Mr Newell | Mr Thompson |

**Noes, 35**

| | | |
|---|---|---|
| Mr Armstrong | Mr Kerr | Mr Slack-Smith |
| Mr Brogden | Mr Maguire | Mr Souris |
| Mrs Chikarovski | Mr McGrane | Mr Stoner |
| Mr Collins | Mr Merton | Mr Tink |
| Mr Debnam | Mr O'Doherty | Mr Torbay |
| Mr George | Mr Oakeshott | Mr J. H. Turner |
| Mr Glachan | Mr D. L. Page | Mr R. W. Turner |
| Mr Hartcher | Mr Piccoli | Mr Webb |
| Mr Hazzard | Mr Richardson | Mr Windsor |
| Ms Hodgkinson | Mr Rozzoli | *Tellers,* |
| Mr Humpherson | Ms Seaton | Mr Fraser |
| Dr Kernohan | Mrs Skinner | Mr R. H. L. Smith |

**Question resolved in the affirmative.**

**Motion agreed to.**

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

## MARINE SAFETY LEGISLATION (LAKES HUME AND MULWALA) BILL

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

### Second Reading

**Mr MOSS** (Canterbury—Parliamentary Secretary), on behalf of Mr Scully [12.52 p.m.]: I move:

That this bill be now read a second time.

New South Wales and Victoria share a common border along the Murray River from its headwaters in the Snowy Mountains to the South Australian border. The actual boundary between the two States is located at the high water mark of the southern, or Victorian, bank of the original course of the Murray River. As a result, boating activities on the river itself are currently subject to New South Wales legislation. However, two major lakes have been created on the river subsequent to the delineation of the border. These are Lake Hume, at Albury-Wodonga, and Lake Mulwala, at Mulwala-Yarrawonga. The spread of the stored waters in these lakes has submerged the river course, making it virtually impossible for masters of vessels and enforcement agencies to accurately determine the border's location and, therefore, the application of New South Wales or Victorian marine safety legislation.

The Joint New South Wales-Victorian Border Anomalies Committee has been considering for some time ways to address the problems faced by boating users and marine agencies arising from uncertainty over the location of the border between New South Wales and Victoria in those areas. At an historic first joint meeting of the New South Wales and Victorian Cabinets at Albury-Wodonga on 26 March 2001, both Labor Governments agreed to enact complementary legislation to resolve the border anomaly and clarify the application of each State's marine safety legislation in that area. To accomplish this, both Governments have agreed to the Marine Safety Legislation (Lakes Hume and Mulwala) Bill.

The agreement of the New South Wales and Victorian Governments is another example of the importance each places on facilitating the amenity, prosperity and recreational aspects of rural and regional communities. The new bill will increase the ease of travel and safety of more than 3,000 vessels using the lakes, which include houseboats, cruise boats and smaller recreational craft. The bill defines the jurisdictional boundaries of lakes Hume and Mulwala for New South Wales and Victoria, and ensures that the existing marine legislation of each State applies within their respective areas.

The bill provides that New South Wales law will apply to all of Lake Mulwala including the waters of the Ovens River north of the Murray Valley highway bridge and the section of Lake Hume upstream of the Bethanga bridge. Victorian law will apply to the waters of Lake Hume, downstream of the Bethanga bridge and the remainder of the Ovens River. The bill also provides authorised agencies, such as the New South Wales Waterways Authority or Victoria Police, with the power to enforce both New South Wales and Victorian marine safety legislation on the Lakes. This assists with a seamless and co-operative approach to enforcement.

The bill will not restrict current boating legislation that provides for the mutual recognition of vessel registration and boating safety equipment for the benefit of boating users on both sides of the border. The bill will not change the current boat licensing requirements in New South Wales, which require a person wishing to drive a powered vessel at a speed of 10 knots or more, or a personal watercraft at any speed, to have a boating licence from New South Wales or another jurisdiction. Even though Victoria does not currently require boat licences, Victorian users of the lakes and border areas generally obtain New South Wales licences. When Victoria adopts a boat licensing system later this year mutual recognition will apply.

Enforcement of the bill will be phased in over a period of three months after its commencement in order to allow Victorian boat users time to acquaint themselves with New South Wales boating laws. During this period the New South Wales Waterways Authority will educate and inform the boating community about the new arrangements through the media, clubs and associations, on water education. The application of the provisions in this bill will be assisted by a memorandum of understanding already agreed in principle between the New South Wales and Victorian governments in relation to co-operative education, enforcement, and resourcing on water management and community consultation. I commend the bill to the House.

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

[*Mr Acting-Speaker (Mr Lynch) left the chair at 12.59 p.m. The House resumed at 2.15 p.m.*]

## DEATH OF Mr LIONEL CHARLES MANCE

### Ministerial Statement

**Mr CARR** (Maroubra—Premier, Minister for the Arts, and Minister for Citizenship) [2.15 p.m.]: It is my sad duty to inform the House officially of the death last week of Mr Lionel Charles Mance, aged 100, formerly a private in the 22nd Battalion AIF and its last survivor. On behalf of all the members of this House, I extend my condolences to his son, Lionel, his two grandchildren and five great grandchildren. I am pleased to advise the House that tomorrow at 11.30 a.m. a state funeral will be held at St James Church to honour Mr Mance, one of our last Anzacs.

Charlie Mance was born in the shadow of war, the Boer War, our new Federation's baptism of fire. As a teenager, he came of age amid the carnage of the Western Front. He died last week in the shadow of a new form of terror. His life encompassed from beginning to end the most violent century in human history. In honouring Charlie Mance, we honour and remember each of the 330,000 Australians who knew the loss, waste and tragedy of the First World War, of whom fewer than 20 now survive. We honour the men for whom the mud, death and filth of the Marne, the Somme and Flanders were not the poppy-strewn fields of tourist books but home of the greatest carnage ever known. Those places are now sacred sites, as holy as any cathedral.

Today we remember that those men not only fought a war but defined a nation and a people. Today we commemorate one of those men. As we lament his passing, as our last links with the Great War are inexorably severed by the death these soldiers cheated as youths then but face as old men now, we retain and treasure one imperishable gift: the spirit of Anzac. Anyone who understands Australia must understand Anzac: the brave, cheerful, ironic, larrikin spirit born so improbably on the futile cliffs of Gallipoli and the trenches of western France. Sir William Deane spoke of that spirit at the memorial service for our last Gallipoli veteran, Ted Matthews:

> Anzac is about courage and endurance, and duty and mateship and good humour, and the survival of a sense of self-worth.

This spirit, which sanctifies and defines a nation, was not the product of statesmen, poets or scholars. The statesmen caused—or at least failed to prevent—the war. The poets lamented the scything of a generation. The scholars fussily analysed and even now cannot agree. But the soldiers, the Anzacs, lived it, fought it and won it. They were, it is almost trite to say, ordinary men. Charlie Mance was not even that. He was just a boy, but in that boy's frame beat a heart as big as any man's. He won his manhood not by the turning of a calendar, but on the field of honour and blood, through German gas and shrapnel, by his service and love of this country—our country.

Unlike most Diggers, Charlie was always happy to talk about the war. He opposed war and spoke about the devastation it caused. Not for him glorification of war—he hated it. He was a regular visitor to schools, telling each new generation, "Don't forget my comrades' sacrifice; don't forget to honour them". Charlie Mance: We have not forgotten them, and we will not forget you. We will remember, urged on not by mere duty but by the reverence, honour and gratitude a nation reserves for its finest and its bravest. On behalf of all Australians, debtors of an unpayable price and bond, I say farewell, Lionel Charles Mance, soldier, patriot, Australian. May you rest in peace with your mates so long gone and yet so well remembered. Lest we forget.

**Mrs CHIKAROVSKI** (Lane Cove—Leader of the Opposition) [2.21 p.m.]: On behalf of the New South Wales Coalition I pay tribute to Charlie Mance. To his friends and family I offer my sincere condolences. Charlie passed away last Thursday, aged 100, at Concord hospital and will be honoured at a state funeral to be held at St James Church tomorrow. As a World War I veteran he embodied the very

spirit of an Anzac: the spirit of mateship, self-sacrifice and bravery. His is an extraordinary story, although I suspect Charlie, whom I had the privilege of meeting a few times, would think modestly that he was just an ordinary Australian bloke. At aged 16 he joined the Australian Imperial Forces and, like so many of his generation, he lied about his age to enlist, joining the 22nd Battalion, Second Division, as part of the machine gun company, in 1917.

In June 1918 Charlie was wounded in action when he was gassed, but he returned to duty the following month. He was wounded again in August, this time by shrapnel, but remained on duty. At war's end he returned to Australia in 1920, where he trained as a bricklayer. Years later he moved to Sydney to continue his trade. Although Charlie was discharged in 1920, he remained active in his service to fellow Anzacs. He was prominent in the World War I Veterans Association, serving his fellow Anzacs as best he could. Rusty Priest, New South Wales Returned Services League President, said Mr Mance had never missed a commemoration service or declined an interview. Rusty said:

> In recent years he became the most passionate and patriotic Australian when it came to honouring our war dead.

Indeed, we have many of them. Of the 330,000 Australians who fought in World War I, only 18 veterans are still with us. That is a tragedy because, unlike previous generations, today's young people will not have the same opportunities as we have to hear about our Anzac heritage first-hand. The candle of the Anzacs, which burned so brightly not too many years ago, is becoming dimmer and dimmer. Soon those real and living experiences will be replaced only by pieces of history.

Perhaps that is why Charlie spent so much time visiting schools and talking to students about his experiences and those of his comrades in arms. He reminded schoolchildren of the importance of honouring those who served; about our nation's heritage, born on the shores of Gallipoli; and, importantly, about the horrors of war. Without a doubt, Charlie Mance was a true Anzac who was recognised for his tireless efforts. In 1998 he was honoured as one of four Australian veterans to return to the battlefields of France, where he was awarded France's highest award, the Légion d'Honneur. In 1999 he was presented with the 80th anniversary remembrance medal. In December last year Charlie celebrated his 100 birthday with a tribute at Merrylands RSL club.

The last time I saw Charlie was at the dedication of the soldier statue on Anzac Bridge on Anzac Day 2000. I did not know a lot about Charlie but we had a bit of a chat. As we finished, I said, "Well, Charlie, you and I had better go off and have a beer to celebrate." He looked at me and said, "Mate, I gave up the evil drink 50 years ago." I replied, "That's probably why you've managed to survive so long." I will not tell honourable members what he said was the secret of long life—that will remain between Charlie and me. Charlie Mance was undoubtedly a great Australian who served our nation in peace and in war. He was a true Anzac, dedicated to the cause. Charlie did not like war. Indeed, last Anzac Day he said:

> A man that wants war is not right in the head. Nobody won the First World War. Both sides were flat out. We were glad to finish it.

Charlie's dedication and commitment to his country meant that he, like so many others, willingly served to defend his nation and the freedom that we hold so dear—freedom that we must continue to strive to defend in the difficult days now and ahead. I ask Charlie's family and friends to accept our sincere condolences. May the spirit of Anzac that Charlie embodied so well live on. Lest we forget.

## BUSINESS OF THE HOUSE

### Routine of Business

[*During notices of motion*]

**Mr SPEAKER:** Order! The notice of motion given by the honourable member for Southern Highlands is not within the ambit of standing orders. I will ask the Clerks to give it further consideration.

## PETITIONS

### Medically Supervised Heroin Injecting Rooms

Petitions opposing the establishment of medically supervised heroin injecting rooms, and praying that the House pass legislation to establish rapid detoxification naltrexone drug rehabilitation centres, received from **Mr Brown**, **Mr George** and **Mr Moss**.

### Centennial Park and Moore Park Commercial Use

Petition praying that the Centennial Park and Moore Park Trust Act be amended to provide for effective public consultation and full public disclosure of all commercial activities and leases, received from **Ms Moore**.

### North Head Quarantine Station

Petition praying that the head lease proposal for North Head Quarantine Station be opposed, received from **Mr Barr**.

### Willoughby Paddocks Rezoning

Petition praying that the Legislative Assembly will advocate for the retention of all vacant land in the area historically known as the Willoughby Paddocks and its development as public parkland for the enjoyment of the community, received from **Mr Collins**.

### McDonald's Moore Park Restaurant

Petition praying for opposition to the construction of a McDonald's restaurant on Moore Park, received from **Ms Moore**.

### State Taxes

Petition praying that the Carr Government establishes a public inquiry into State taxes, with the objective of reducing the tax burden and creating a sustainable environment for employment and investment in New South Wales, received from **Mr Debnam**.

### Manly Police All-terrain Vehicles Trial

Petition praying that the all-terrain vehicles currently being trialled by Manly police be permanently retained, received from **Mr Barr**.

### Beat Policing

Petition calling on the Government to focus policing strategies and resources on beat policing, received from **Mr Debnam**.

### Cronulla Police Station Upgrading

Petition praying that the House restores to Cronulla a fully functioning police patrol and upgrades the police station, received from **Mr Kerr**.

**Gordon Policing**

Petition praying that Gordon police station be upgraded and that the number of police operating out of the station be increased, received from **Mr O'Farrell**.

**Surry Hills Policing**

Petition praying for increased police presence in the Surry Hills area, received from **Ms Moore**.

**Inner East Sydney Policing**

Petition praying that the House prevents the closure of Woolloomooloo, Paddington, Redfern and four other inner eastern suburbs police stations and praying for adequate police resources, including uniformed foot patrols, in the inner east area, received from **Ms Moore**.

**Eastern Suburbs Police and Community Youth Club Closure**

Petition praying that the House stops the Board of the Police and Community Youth Club New South Wales Ltd from closing and selling the Eastern Suburbs Police and Community Youth Club, received from **Ms Moore**.

**Inner East Sydney Police Resources**

Petition praying that there be an immediate increase in police resources in the inner east, that there be an increase in the uniformed police foot patrols to deter crime and that an effective police recruitment drive be developed to properly resource community policing, received from **Ms Moore**.

**Inner East Sydney Police Local Area Commands**

Petition praying that the amalgamation of local police commands in the inner east be opposed, that Redfern, Kings Cross, Surry Hills and Paddington police stations be upgraded, and that an effective police recruitment drive be developed to properly resource community policing, including uniformed foot patrols, received from **Ms Moore**.

**Dapto Policing**

Petition praying that Dapto Police Station be manned for 24 hours each day, received from **Ms Saliba**.

**Malabar Policing**

Petition praying that the House notes the concern of Malabar residents at the closure of Malabar Police Station and praying that the station be reopened and staffed by locally based and led police, received from **Mr Tink**.

**Randwick Police Station Downgrading**

Petition praying that the House notes the concern of Randwick residents at the major downgrading and possible closure of Randwick Police Station and praying that the station be staffed 24 hours a day by locally based and led police, received from **Mr Tink**.

**Mona Vale Hospital**

Petition praying that services at Mona Vale Hospital be retained, received from **Mr Brogden**.

**Genetically Engineered Food**

Petition praying that the House suspends the commercial release and trials of genetically engineered crops, supports the implementation of mandatory labelling of food derived from genetic engineering and funds independent scientific research to investigate the potential risks to health and the environment, received from **Ms Moore**.

**Moree Blood Bank**

Petition requesting the reintroduction of Red Cross Blood Bank facilities at Moree, received from **Mr Slack-Smith**.

**Chatswood High School**

Petition asking the House to support the retention and refurbishment of Chatswood High School, received from **Mr Collins**.

**Vaucluse Electorate School Closures**

Petition requesting funding for public schools and opposing the merging of local schools, received from **Mr Debnam**.

**Non-government Schools Funding**

Petition praying that the Government reimburse the $5 million in funding that has been withdrawn from non-government schools and reverse its decision to withdraw a further $13.5 million in funding in 2001, received from **Mr Richardson**.

**Parramatta to Chatswood Rail Link**

Petition requesting the Government to re-exhibit the revised environmental impact statement containing changes to the Parramatta to Chatswood rail link, received from **Mr Humpherson**.

**M5 East Tunnel Ventilation System**

Petition praying that the Government review the design of the ventilation system for the M5 East tunnel and immediately install filtration equipment to treat particulate matter and other pollutants, received from **Ms Moore**.

**Moore Park Passive Recreation**

Petition praying that Moore Park be used for passive recreation after construction of the Eastern Distributor and that car parking not be permitted in Moore Park, received from **Ms Moore**.

**Redfern Bus Services**

Petition praying for an urgent increase in the reliability and adequacy of Redfern bus services, received from **Ms Moore**.

**Eastern Distributor Tunnel Ventilation**

Petition praying that air purification systems be installed on the Eastern Distributor and cross-city

tunnel, received from **Ms Moore**.

### Cross-City Tunnel Traffic Congestion

Petition stating that the proposal to exit the cross-city tunnel via Kings Cross tunnel into Rushcutters Bay will lead to increased traffic congestion in Woollahra, Paddington and Edgecliff, and praying that the Roads and Traffic Authority work with Woollahra Council to identify and implement traffic management strategies, received from **Ms Moore**.

### Queenscliff Geographical Names Board Classification

Petition praying that the House reinstate Queenscliff as a suburb with the Geographical Names Board, received from **Mr Barr**.

### Manly Lagoon Remediation

Petition praying that funds be made available to assist in the remediation of Manly Lagoon, received from **Mr Barr**.

### John Fisher Park

Petition praying that the Government supports the rectification of grass surfaces at John Fisher Park, Curl Curl, and opposes any proposal to hard surface the Crown land portion of the park and Abbott Road land, received from **Mr Barr**.

### Hawkesbury-Nepean Catchment Management Trust

Petition praying that the House reinstate the Hawkesbury-Nepean Catchment Management Trust as soon as possible, received from **Mr Rozzoli**.

### Brothel Regulation

Petition praying for legislation to allow for more flexible zoning in relation to the operation of brothels, received from **Ms Saliba**.

### White City Site Rezoning Proposal

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

### Bega Valley Shire Council

Petition praying that extension of the term of the administrator appointed to oversee the affairs of Bega Valley Shire Council be opposed, received from **Mr R. H. L. Smith**.

## DISTINGUISHED VISITORS

**Mr SPEAKER:** I draw the attention of members to the presence in the gallery of a delegation from the Parliament of Cambodia. The delegation is spending a week at the New South Wales Parliament under the auspices of various government departments.

## BUSINESS OF THE HOUSE

### Reordering of General Business

**Mr O'FARRELL** (Ku-ring-gai—Deputy Leader of the Opposition) [2.39 p.m.]: I move:

> That General Business Notice of Motion (General Notice) No. 490 [Hire Car Industry] standing in my name, have precedence on Thursday 20 September 2001.

If that happens the Minister for Transport will be forced to explain and justify to the Parliament the changes announced last Thursday to the hire car industry. On Wednesday of last week, anyone who held an unrestricted hire car licence in this city had an investment worth $135,000. On Thursday, under the cover of tragic events elsewhere, at the stroke of a pen that investment was devastated. This matter has a human consequence. Today I received a fax from a person writing on behalf of his parents, who are self-funded retirees. They own two hire car plates. They have leased the plates to operators of hire cars. Their retirement income has been halved by the action of this Government.

Small business operators who own or who are paying off their plates have had their investment reduced. Self-funded retirees such as those to whom I have just referred have real hardship forced upon them. Did the Minister for Transport, the man who in 1998 approved the auction of 20 hire car plates that sold for up to $152,000, make that announcement? He is a man who has never seen an announcement he would not make. But he did not make the announcement on Thursday; he left it to the Department of Transport to announce it through media release and a letter to the industry. These documents gloss over the issues and fail to provide substantial details about the impact of the changes. The House should have the opportunity to debate these changes, which were effected administratively. The House deserves to hear from the Minister for Transport how the changes will improve services to the public.

The House should know why no compensation package is available for those whose investments have fallen as a result of this decision. Make no mistake: the Opposition believes that compensation should be payable in situations where Government decisions adversely affect livelihoods. The Minister for Transport offered a similar package to M5 East property owners whose houses were affected by tunnels. The Minister for the Environment is offering compensation to people with wood-fire heaters. But the Minister for Transport is happy to halve the license fees for hire cars and offer absolutely no compensation. This is an attack on small business. It is a leap in the dark. It is a piecemeal, unjustified approach to reform. This Minister must explain it to the House. It is unacceptable to deal with small business operators in this way. They deserve certainty from the Government.

**Ms Hodgkinson:** Typical!

**Mr O'FARRELL:** It is typical, as the honourable member for Burrinjuck said. Small business operators deserve better. We deserve an explanation from the Minister as to what it is all about.

**Question—That the motion be agreed to—put.**

**The House divided.**

**Ayes, 38**

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|---|---|---|
| Mr Armstrong | Mr Kerr | Mrs Skinner |
| Mr Barr | Mr Maguire | Mr Slack-Smith |
| Mr Brogden | Mr McGrane | Mr Souris |
| Mrs Chikarovski | Mr Merton | Mr Stoner |
| Mr Collins | Ms Moore | Mr Tink |
| Mr Debnam | Mr O'Doherty | Mr Torbay |
| Mr George | Mr O'Farrell | Mr J. H. Turner |
| Mr Glachan | Mr Oakeshott | Mr R. W. Turner |

| | | |
|---|---|---|
| Mr Hartcher | Mr D. L. Page | Mr Webb |
| Mr Hazzard | Mr Piccoli | Mr Windsor |
| Ms Hodgkinson | Mr Richardson | *Tellers,* |
| Mr Humpherson | Mr Rozzoli | Mr Fraser |
| Dr Kernohan | Ms Seaton | Mr R. H. L. Smith |

**Noes, 50**

| | | |
|---|---|---|
| Mr Amery | Mr Greene | Mr E. T. Page |
| Ms Andrews | Mrs Grusovin | Mrs Perry |
| Mr Aquilina | Ms Harrison | Mr Price |
| Mr Ashton | Mr Hickey | Dr Refshauge |
| Mr Bartlett | Mr Hunter | Ms Saliba |
| Ms Beamer | Mr Iemma | Mr Scully |
| Mr Black | Mr Knowles | Mr W. D. Smith |
| Mr Brown | Mrs Lo Po' | Mr Stewart |
| Miss Burton | Mr Lynch | Mr Tripodi |
| Mr Campbell | Mr Markham | Mr Watkins |
| Mr Carr | Mr Martin | Mr West |
| Mr Collier | Mr McBride | Mr Whelan |
| Mr Crittenden | Mr McManus | Mr Woods |
| Mr Debus | Ms Megarrity | Mr Yeadon |
| Mr Face | Mr Moss | *Tellers,* |
| Mr Gaudry | Mr Newell | Mr Anderson |
| Mr Gibson | Ms Nori | Mr Thompson |

**Question resolved in the negative.**

**Motion negatived**.

## QUESTIONS WITHOUT NOTICE

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## HOTELS AND CLUBS ARMED ROBBERIES

**Mrs CHIKAROVSKI:** My question is directed to the Minister for Police. How does the Minister respond to comments by the President of the Australian Hotels Association, John Thorpe, that attacks on hotel staff and patrons will continue to get worse because of cuts in police numbers in key areas and the Minister's lack of commitment to targeting violent crime? Will the Minister now reconsider his refusal to establish a dedicated squad of experienced detectives to deal with this alarming number of armed hold-ups?

**Mr WHELAN:** I do not agree with the comments attributed to the President of the Australian Hotels Association.

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

**Mr WHELAN:** However, I advise the House that there have been a number of recent robberies of clubs and hotels throughout New South Wales that have been of major concern to those involved in both the club and hotel industries. The Police Service has the issue well in hand. A large number of

arrests have been made and a great deal of intelligence taken. If honourable members opposite want to treat the matter in a cavalier fashion, I suggest they should reassess the importance of what is happening to the business community as a result of criminal acts on the more vulnerable members of our community. It does not matter whether the people involved are in the hotel trade or the club industry. Regrettably, deaths have occurred. I remind the House that this is a very serious issue and should not be trivialised by the Opposition.

## REAL ESTATE INDUSTRY

**Ms MEGARRITY:** My question without notice is to the Minister for Fair Trading. What is the Government's response to community concerns about practices in the New South Wales real estate industry?

**Mr WATKINS:** I thank the honourable member for her question, which gives me an opportunity to advise the House about significant changes to the regulation of the property industry in New South Wales. Recent figures show the importance of appropriate regulation of that industry in this State.

**Mr J. H. Turner:** Point of order: This is clearly a ministerial statement. An issues paper has been handed down relating to amendments to the Property, Stock and Business Agents Act for discussion within the community. Clearly, this falls under ministerial statement guidelines and should not be the subject of a question without notice.

**Mr SPEAKER:** Order! The question sought certain information. I am sure the Minister will provide that information.

**Mr WATKINS:** More than 100,000 residential properties were bought or sold last year. Over 500,000 residential tenancy agreements are currently in existence. About 22 million head of stock changes hands each year through stock and station agents. And 60,000 strata schemes currently exist, with about five new schemes being registered each week. In one way or another, the Property, Stock and Business Agents Act impacts on the fairness and certainty of millions of transactions every year. That is why today I am pleased to advise the House that, for the first time in 60 years, the laws governing this vast area are being overhauled.

The proposed changes target improvements to the licensing scheme; agent conduct and behaviour; disciplinary changes to attack the rogue element in the industry; and a range of other specific problem areas including auctions, investigative processes and better consumer and agent education. Taken as a whole, the reform package will bring the property, stock and business agent industries into the twenty-first century. They will also ensure that New South Wales remains the nation's leader in sensible consumer protection measures.

A particular area of concern to which I draw attention follows the dramatic increase in the number of auctions of residential property in recent years. We know that buying or selling a home is the biggest consumer decision that families will make. Many families do it only once or twice in a lifetime. That means that a great deal rests on making the right choices. Finding the right real estate agent and getting the right advice is vital. When it comes to auctions, it is fair to say that consumer confidence has been shaken in recent years. Many buyers and sellers feel disadvantaged dealing with real estate agents who work day-in and day-out in this industry.

That is why it is not surprising that auctions account for a substantial and increasing number of complaints to the Department of Fair Trading. Major concerns listed in those complaints include dummy bidding on behalf of vendors and real estate agents underquoting or overquoting the expected purchase price of a property. Prospective purchasers have often spent hundreds of dollars on pest inspections or building reports only to find that the property was never really within their price range. To address these concerns the proposed auction reforms include a requirement for a register of bidders to be maintained.

This is intended to prevent collusive practices at auctions and is already successfully used in motor vehicle auctions. It will also reduce the opportunity for invented bids such as those reported recently, when passing cats or dogs or even trees in the backyard have put in bids at auctions. All bidders will be required to register prior to the auction by providing their name and date of birth. And only those registered bidders will be able to take part in the auction.

In another change to the regulation of auctions, a vendor will be able to make only one bid. Currently, a vendor can make multiple bids. There are reports of this corrupting the fair auction process. It is also proposed to create an offence of making misleading representations about the estimated price at which an auction will start. It seems clear that some agents are deliberately understating the starting price so as to impress the owner by maximising the number of people present at the auction. The Act currently provides for a general prohibition on misleading advertising but we need to make that stronger by specifically prohibiting misleading representations.

Also, to improve auction practices, real estate agents who wish to hold auction certificates will be required to do specialised practical and ethical training. These auction changes cover only one of the major areas of the proposed reforms. Other key changes cover the length and breadth of transactions in the industry. The changes include introducing competency standards for agents, requiring agents to undertake ongoing education and to meet professional indemnity insurance requirements, strengthening the department's power to take legal action for breaches by agents, and streamlining the disciplinary process to weed the shonks out of the industry. Further, to provide better incentives for compliance, penalties for offences will increase. New information will have to be provided and there will be a cooling off period for consumers who sign up with agents. Today I have released a consultation paper that outlines the proposed changes in detail and invites comments over the next four weeks. In addition, Fair Trading will undertake a series of public forums to inform consumers and industry members about these reforms. Full details are available from the department should honourable members or their constituents wish to take part.

In closing I make special mention of the important role the industry associations have played and will continue to play in the finalisation and the implementation of these reforms. Like the Government, key industry bodies such as the Real Estate Institute, the Property Industry Council, the Estate Agents Co-operative, and the Stock and Station Agents Association are keen to improve the industry for both agents and consumers. I thank these groups and all members of my Property Services Advisory Council for their assistance and patience. I look forward to discussing the proposed changes with them in coming weeks.

## ELECTRICITY INDUSTRY PRIVATISATION

**Mr SOURIS:** My question is directed to the Premier. Following the revolt by the Labor caucus yesterday, can you clarify whether you stand by your iron-clad guarantee of 1999 that no part of the electricity industry in New South Wales would be privatised, or whether you will push ahead with your latest plan to privatise PowerCoal mines, placing at risk 1,200 jobs?

**Mr CARR:** One, no revolt; two, no job losses; three, negotiations with the unions about the whole issue; and, four, no privatisation of the electricity industry in New South Wales.

## ROAD TUNNEL AIR FILTRATION

**Mr MOSS:** My question is to the Minister for Roads. What is the latest information on road tunnel ventilation technology and air filtration?

**Mr SCULLY:** As most honourable members would be aware, the Government is embarking on a significant construction of motorways around Sydney to ease traffic congestion and to provide better road options. The Eastern Distributor is already being used by tens of thousands of people. I can report today

that the M5 East is months ahead of schedule. Baulderstone Hornibrook and the Roads and Traffic Authority are doing a very good job. The cross-city tunnel and the Western Sydney Orbital are progressing well with the planning and tender processes.

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

**Mr SCULLY:** The environmental impact statement for the Lane Cove tunnel will be out later this year. The M5 East will make a huge difference to the south-west and southern suburbs of Sydney. Tens of thousands of trucks and cars will come off local streets and there will be massive improvement to suburbs such as Beverly Hills, Kingsgrove, Bexley, Bardwell Park, Earlwood—scores and scores of suburbs through a large section of Sydney. Thousands and thousands of local residents will appreciate the opening of this very significant road. However, despite the huge benefits of the opening of the M5 East there has been a sustained debate about air quality, ventilation stacks and whether they should be filtered. This is despite the fact that the Eastern Distributor and the Sydney Harbour Tunnel both have ventilation stacks without filtration. Currently, the M5 has all its exhaust emissions at ground level, which people breathe in daily. The ventilation stack is designed to take the exhaust emissions into the prevailing air shed to improve the quality of air in the surrounding communities. A number of groups called for the filtration of air from the M5 East stack. I am shocked to say that the Opposition has engaged in populist policy development. That is appalling. We never did it.

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

**Mr SCULLY:** The Minister for Health said that the Opposition does not have policies. That is not quite true: it has a couple—and I have discovered one. It actually believes that there should be filtration in the M5 East stack. On what scientific fact has the Opposition developed this policy? Opposition statements are misleading the public with the notion that if only the Opposition were elected—shocking though that thought may be—it would then be able to install the air filtration system.

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

**Mr SCULLY:** The Opposition claims that that would fix everything that comes out of car exhausts. That is untrue.

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

**Mr SCULLY:** Let the facts get out. Opposition members would not let the facts get between them and a populist policy. Opposition members go out and tell everyone that they want to filter the stacks. That sounds good and everyone is clapping and cheering them on for being a great Opposition. Opposition members think it is a good idea to stick a $40 million filtration system on the stack. Unfortunately for the Opposition, that idea is contrary to scientific evidence. In fact, the filtration system, which is known as an electrostatic precipitator—

**Mr SPEAKER:** Order! The Leader of the Opposition will remain silent.

**Mr SCULLY:** The Opposition does not want to know about this.

**Mr SPEAKER:** Order! There is far too much interjection from the Opposition benches. If there is another interjection I will place all members who have been called to order on three calls.

**Mr SCULLY:** Electrostatic precipitators have been talked about as the filtration equipment of these exhaust stacks, particularly on the M5 East. They will remove only the particulate matter—they will not deal with the gases coming from the exhaust systems of cars and trucks, they will not remove oxides of nitrogen, they will not remove carbon monoxide and they will not remove sulfur dioxide. The populist policy development of the Opposition is mischievously misleading the public into thinking that their

problems would be solved if they elected the Coalition to government. The Coalition would install this $40 million electrostatic precipitator, which does not do anything that the Opposition claims it does. The Opposition has been caught out. The Government is aware that the benefits, as alleged by the Opposition, have not been proved. Victoria and Western Australia share our views. In Victoria Bernard Bongiorno, a former Auditor-General—and before the Opposition ridicules him I advise the House that he is now a Federal Court judge—conducted a full inquiry into whether exhaust stacks should have filtration. In his report he said:

> The installation of [filters] should not be considered for the Melbourne tunnels unless and until it can be demonstrated … that such equipment will perform … to a satisfactory standard …
>
> There is no proven technology currently available for the removal of carbon monoxide and oxides of nitrogen from motor vehicle emissions in tunnel air.

The Victorian Environment Protection Authority found that day-to-day emissions are well below the licence limits. It also found that in the Burnley and Domain tunnels the air quality is better now with the tunnel and exhaust systems than they were before the motorway was constructed. Despite this evidence, which indicates strongly that the Opposition is in scientific doodoo land, the Opposition still projects this mischievous falsehood that if only the Government had stuck this thing on the tunnel all would be fixed.

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

**Mr SCULLY:** The Residents Against Polluting Stacks, some members of the upper House, and all the Opposition members say that Norway is the leading edge country with respect to the installation of tunnel filtration—that is what they assert. They say that air filtration is always installed, that it is mandatory and that it is proven to work. I am sick to death of hearing that, because the evidence I have gathered indicates that that is not true. I sent some high-level people from the Roads and Traffic Authority [RTA] to Norway.

**Mr SPEAKER:** Order! I place the honourable member for Davidson on three calls to order. I place all members who have been called to order on three calls.

**Mr SCULLY:** The RTA delegation met with the director-general of the Norwegian road authority, the head of road development and others responsible for making decisions about the installation of filtration equipment on Norway's road tunnels. Far from that installation being mandatory, it was found that there are hundreds of tunnels in Norway and nowhere near all of them have filtration equipment.

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

**Mr SCULLY:** The delegation found that there were only six tunnels with filtration equipment.

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

**Mr SCULLY:** Honourable members would be interested to know the situation in Norway. In Oslo there are three tunnels with filtration equipment. In the Festning tunnel the filtration equipment is not being used and has not operated for years. In the Granfoss tunnel the filters are turned off. In the Trondheim tunnel the filters have not operated for years. In the Nygard tunnel the filters have been installed but are not in use. In the Laerdal tunnel, which is 24 kilometres long, the air quality standards are being met by the use of a ventilation shaft. In those five tunnels the filtration equipment is not being used. Those five tunnels are in Norway, the country that the Opposition claims has said that we should be putting filtration equipment in the M5 East. However, there is only one tunnel in Norway in which the equipment is used, and it is used only because the equipment is on a timer that switches on for two hours in the mornings and two hours in the afternoons. The filtration equipment installed in five of the six tunnels is not being used. It is important that the House be aware of what the Norwegian road authority had to

say. It was very interested to hear that there was mischief-making in Sydney, Australia.

**Mr SPEAKER:** Order! The Minister will conclude his answer.

**Mr SCULLY:** The Opposition and the members of the upper House have relied upon the deputy mayor of Oslo and one of his advisers, Hans Anderl, and they have quoted statements by them. Hans Anderl sells the filtration equipment! In fact, the Opposition has been trawling around a letter from the deputy mayor of Oslo, so I made some inquiries. And, who is he? He is a Mr Kristiansen, and his political party holds 10 seats on the 58-seat Oslo local government authority. Mr Kristiansen and Hans Anderl at wandering around Norway saying, "Yes, let us install filtration equipment." The Norwegian road authority has provided a document, signed by it and the RTA, which says that it does not always install them, they are not proven, they are still experimental, and on many occasions they do not work. It is appropriate that we do not waste our money—those filtration systems are a high-tech placebo, and nothing else. The Opposition should be called to account.

## POLICE ACADEMY INTERNAL AFFAIRS INVESTIGATION

**Mr TINK:** My question is directed to the Minister for Police. Will the Minister explain why no criminal charges have been laid following investigations by the Internal Affairs Commander, Special Crime and validated by the Audit Office of New South Wales which uncovered evidence of corruption, embezzlement and mismanagement at the New South Wales Police Academy?

**Mr WHELAN:** It is not my responsibility as Minister for Police to be involved in the charging of anyone, and the honourable member should know that. If he has details of matters of corruption or failure to prosecute, he knows to whom he should refer them.

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

## FAIRFIELD STREET TEAM

**Mr TRIPODI:** My question without notice is to the Minister for Community Services. What is the latest information on the Government's Street Team in the Fairfield local government area?

**Mrs LO PO':** Honourable members would recall that the Street Team was established by the Department of Community Services in July this year as part of the Government's anti-drug strategy. The Street Team was set up to help people affected by drug and alcohol abuse as part of a package of government initiatives to assist the people of the Fairfield local government area. The team works with people who may be affected by drug or alcohol abuse and who may be homeless. The team seeks to reconnect young people with their families, where appropriate, and to link them with services that will assist them. The team comprises a manager and experienced welfare staff, who provide a service seven days a week, including out-of-hours on-call coverage. Staff include Vietnamese speaking and Aboriginal caseworkers. I am pleased to announce that since commencing, the Street Team has helped 113 young people and adults on 197 occasions, providing them with appropriate referrals and assisting them to engage with other services to meet their needs. The Street Team has helped 42 children and young people under 18 years on 96 occasions and it has helped 71 adults on 101 occasions.

The Street Team has also removed six children from the care of parents under the Children and Young Persons (Care and Protection) Act. The majority of issues with young people have been substance abuse and runaways. The main issues with adults have been substance abuse and homelessness. The Street Team has reunited families, arranged accommodation and provided referrals to drug and alcohol and other services. From 1 July to 13 September this year the Street Team conducted 146 street patrols. Of these, five have been joint patrols with the police. A police radio and call sign has been provided for patrols to enable the police to provide immediate assistance when needed. The Street Team has its base at the local police station and is already strengthening links between police

and welfare workers. The team also liaises closely with health, accommodation services and community support services in the Fairfield local government area.

The Street Team has participated in drug and alcohol training provided by the Department of Health, as well as training on working with intoxicated persons. The team also participates in crime management meetings with police and has monthly case management co-ordination meetings with local agencies to promote collaborative working arrangements and the best outcomes for children and young people who need assistance. The total commitment of the Department of Community Services to the anti-drug strategy is $980,000—$710,000 for the Street Team and $270,000 for family support, intensive counselling and child-care services. Family counselling services will provide support for families, individuals and groups. It will include an outreach service with flexible hours. This means that families will not need to attend a counselling centre to receive support. In addition, a mobile child-care service will bring child care to families so that they can better access support such as drug and alcohol rehabilitation.

Intensive family support services will work with families to repair relationships. This includes two specialist family support workers and interpreter services to work with families from non-English-speaking backgrounds. Access to interpreters is most important when people's English may be poor and they have difficulty managing situations where children become entrenched in the drug culture. Many people feel shame when their children turn to drugs, and this may result in children turning to others for support. We know many young people do not access traditional services, so we are taking to them the services they need to help them and their families break the cycle of drug abuse. If we can get in early and focus on maintaining family relationships, we can help save our future generations from a life of drugs and the terrible circumstances associated with it.

## POLICE ACADEMY INTERNAL AFFAIRS INVESTIGATION

**Mr RICHARDSON:** My question is directed to the Minister for Police. Will the Minister tell the House whether the Police Integrity Commission was given full details of allegations from the police internal unit that former senior officers at the Goulburn Police Academy breached public service regulations by accepting gratuities from contractors, including gambling chips at a casino and the use of a corporate box at sporting events?

**Mr WHELAN:** I can confirm that a number of allegations concerning the appropriateness of conduct at the Police Academy were raised. These matters were referred to the Special Crime and Internal Affairs Command for investigation. The Police Service referred all of the recommendations arising from the recommendation of the Police Integrity Commission. I am unaware of the specifics to which the honourable member refers.

## PAWNBROKERS AND SECOND-HAND DEALERS REPORTING SYSTEM

**Mr LYNCH:** My question without notice is to the Minister for Police. What is the latest information on the progress of the State's reporting system for pawnbrokers and second-hand dealers?

**Mr WHELAN:** I am delighted to announce that the New South Wales Police Service is set to go online with a hi-tech reporting system that has already helped police to recover $8.2 million in stolen property and to arrest thousands of criminals over the past two years. At present pawnbrokers and licensed second-hand dealers with a turnover of more than $150,000 are obliged by law to record all transactions on computer disks. Police then collect these disks and upload the information onto the computer operated police system [COPS] system within seven days. It means that front-line police across New South Wales are able to cross-reference reports of stolen goods with transactions at the local pawnbrokers. I am advised by operational police commanders that our strict laws and the current pawnbrokers database are severely disrupting the distribution network of stolen goods and continue to help police across New South Wales catch criminals.

Since its introduction in January 1999 a database system has seen police arrest 3,475 people and prefer more than 13,000 charges. Police have also recovered more than 10,400 items of stolen property, conducted more than 4,000 random audits of dealers and finalised nearly 3,000 investigations. Among the items recovered are jewellery, computers, mobile phones, appliances and power tools. These are items of immense personal significance or that are often vital to a person's livelihood. In July police recovered 630 items of stolen property worth more than $500,000 and arrested 130 people, who have been charged with 460 offences. The database also helped police arrest a man who tried to sell 19 stolen laptops worth about $100,000 at pawnbrokers in the city in August. The results speak for themselves. These figures are impressive when one considers that police will have a far more efficient system within months and will no longer rely on the cumbersome system of floppy disks.

I am advised that police are set to launch the pawnbroking web link project in December. At a cost of $506,000, this electronic database will let dealers transmit records via a secure Internet connection to police at the close of business every day. Time is critical to police in any investigation. Online reporting by pawnbrokers means that police will have instant information at their fingertips about any suspicious transactions. They will no longer have to wait several days. The faster police get these records the faster they will be able to identify and arrest criminals and recover stolen property. The pawnbrokers database means that criminals can no longer take cover behind the legitimate trade in second-hand goods. The new online system will strip away any remaining sanctuary for thieves. It will allow front-line police to trace stolen goods and track criminals with unprecedented speed.

The new online system will be a world leader in policing and will be another weapon in the hi-tech arsenal that New South Wales police used to fight crime, alongside DNA, mobile data terminals and digital ballistics and fingerprint databases. The pawnbrokers web link will provide police with valuable intelligence about the movement and activities of criminals. Every local area command will have access to the latest information from local pawnbrokers and isolate unusual and suspiciously large volumes of pawning by individuals and the timing of these transactions. The most powerful weapon police have in the fight against crime is a strong partnership with the community. I am advised that there continues to be a high level of co-operation between pawnbrokers, dealers, the police and the Department of Fair Trading, which oversees the industry and helps police conduct random audits. They deserve credit for their impressive achievements so far and I have every confidence their success will continue with the new online reporting system.

## NEW SOUTH WALES GRAINS BOARD OPERATIONS

**Mr ARMSTRONG:** My question is directed to the Minister for Agriculture. In line with the traditional responsibility that Ministers have for government instrumentalities under their portfolio, does the Minister accept that he had a ministerial responsibility for the prudent supervision of the New South Wales Grains Board, which engaged in international commodity trading and risk-taking operations such as rate fluctuations and futures trading?

**Mr AMERY:** I am delighted to answer this question. If I had been at the Opposition tactics committee meeting this morning and had some input into working out who would ask the Government about the New South Wales Grains Board, the first thing I would have said was, "The last person who should do that is Ian Armstrong; let's give the question to someone else." I will tell honourable members why—I understand that I have time to do that. As for the Grains Board, I will say this:

> The onus of responsibility to make sure the board works lies with producers.

Am I shedding my responsibility? Am I saying the wrong thing? Those are not my words but the words of the honourable member for Lachlan as Minister for Agriculture and Rural Affairs, and they appear in a press release dated 2 May 1991. There are oodles of comments by the former Minister for Agriculture—the honourable member who asked this question—from page 2525 of the Legislative Assembly *Hansard* of 18 April 1991. I listened to that debate, and his comments clearly outline the

Minister's role. I do not want to use those remarks to argue that the Government does not have responsibility in this area. On page 2527 of *Hansard* of 18 April 1991 the Minister said, in part:

> The Government has to provide the legislative framework to ensure that the board's autonomous operations are conducted in an effective and efficient manner.

He went on to say:

> Pending the establishment of a national board, the legislation has been prepared and its policy and principles have been endorsed unanimously by the New South Wales Farmers Association following an exhaustive industry consultation.
>
> The New South Wales Grains Board will be constituted as a body corporate and will not for any purpose—

I emphasise this point—

> represent the Crown.

They were the words of the honourable member for Lachlan, the former Minister for Agriculture. There are many things I should say about the Grains Board—I will do that in a moment—but I would have thought that a well targeted—

**Mr Hazzard:** There is not a grain of truth.

**Mr AMERY:** How did the honourable member for Wakehurst get there? Someone freeze that man until we find a cure. I do not wish to take up all the time of the House. In winding up this point, I stress that the roles of the Minister, the Government and the Grains Board are outlined in legislation, press releases and *Hansard.* We can have that debate another day; now is not the appropriate time. Let us move to the second part of the question. I hope honourable members appreciate that this matter is before the Independent Commission Against Corruption [ICAC]. The director-general identified several issues in the course of the investigation and, on behalf of the Government, referred the matter to ICAC. The mob opposite were not involved in making that referral. I will not give a critique on the day-to-day evidence presented to that inquiry or the association between the chief executive officer and people like Mr Elliott or other Liberal Party officials. I do not believe I should comment about that as ICAC will release its report in the near future. I believe the Government has an important role to play in this area. When the financial affairs of the Grains Board came to light—

**Mr Souris:** When did you first know?

**Mr AMERY:** What day was it? At what hour? What suit was I wearing at the time? Was I facing in a westerly direction? What probing questions! I am cracking under the pressure. I think I was wearing a blue tie. When the matter was brought to our attention, we could have fallen back on the legislation, the Minister's contribution—as recorded in *Hansard*—and the press release and said, "That's the Grains Board's problem and the Government is walking away from it." I have evidence that the Opposition would have done that. That was a legal position. However, this Government did not walk away from the Grains Board and its financial problems. What were our options? There was an allegation of mishandling of funds.

The first thing I did was go to Cabinet and say, "We have a planned management strategy; let's not walk away from the board." My major concern—I am not being biased—was to ensure that the farmers' pool payments were paid. That matter has not yet been determined as there is a possibility of liquidation and other outcomes that we have read about. I wanted to hang on to this issue, and the Government has strongly supported that approach. Our current strategy is to do all we can—legislation

and regulations will soon be brought to the House—to ensure that the authorised buyers' fee is excluded from any possible liquidation agreement. At the end of the day, I believe our role as a Government is to protect the farmers' pool payments. What was the alternative?

**Mr SPEAKER:** Order! I remind the Leader of the National Party that he is on three calls to order.

**Mr AMERY:** Was there an alternative proposition? Yes, there was. That alternative was put to the public on the Alan Jones radio program on 2UE by none other than the honourable member for Lachlan. The honourable member responded to a question from Alan Jones—who suckered him in really well; he did a great job—about vesting powers and the regulation process by saying that we should deregulate immediately. The Leader of the National Party indicates to the House that he would wash his hands. What would have happened if we had followed the National Party's recommendation outlined by the honourable member for Lachlan—which was not refuted by the Leader of the National Party? When this matter came up we could have deregulated immediately and walked away. As a consequence, all payments to farmers would not have been made. Liquidation would have proceeded immediately and the farmers would have been left high and dry.

I am happy to be judged on the role that we have played in relation to the Grains Board. An important component of that judgment is what each side of Parliament would have done when faced with that predicament. We stayed with it and we are still hanging in there. The problem is not solved yet. The solution offered by the honourable member for Lachlan was to deregulate and walk away. We will have an opportunity to discuss this matter further when the relevant legislation comes before the House and when the ICAC report is released. Broad-ranging debate will be appropriate at that time. The roles of the Minister, the Government and the Grains Board are pretty clear, as set out by the honourable member for Lachlan, who asked the question. I look forward to a supplementary question and also a personal explanation as to why the honourable member for Lachlan drafted the legislation in that way.

**Mr ARMSTRONG:** I ask a supplementary question; I would not like to disappoint the Minister. Because it took the Minister six minutes to try to explain nothing, I ask him a simple question. As the Minister for Agriculture did he or did he not have a responsibility for the prudential supervision of the New South Wales Grains Board?

**Mr SPEAKER:** Order! That is not a supplementary question.

## SCHOOL MENTORING PROGRAM

**Mr STEWART:** My question without notice is to the Minister for Education and Training. How is the Government, through an education mentoring program, helping to keep our students on the path to jobs and further education?

**Mr AQUILINA:** Education is designed to provide our students with a clear pathway to the future. The journey to year 12 can be both exciting and, at the same time, uncertain. This Government is making it easier for students to make the right choices in their lives. Today I shall highlight our mentoring programs, which are proving to be a most successful means of support for our students. A mentor is an experienced and trusted adviser. For students there are many outstanding mentors in our communities and schools. In 2000 all Government schools received a booklet entitled "Guidelines for Mentoring". This booklet provides a process for schools to follow in setting up mentoring programs and instructions for training mentors. Student welfare consultants in district offices have been trained to support school mentoring programs.

As part of the 2001-02 State budget the Government increased funding for a series of initiatives, including the expansion of mentoring programs to support vulnerable students. Mentors can be students, teachers or community volunteers. They listen to concerns and help students with problem solving and planning at critical points in their education. Mentoring can be crucial in the transition between primary

school and high school, between middle school and senior school, and between school and the workplace. A highly successful mentor program has been established at Canterbury boys and girls high schools. Last year mentors from year 10 at Canterbury girls and boys high schools were trained to support year 6 students at Canterbury and Canterbury South public schools in the transition to high school. Not only have the principals found that having a mentor has given the year 6 students support in the transition to high school, but also the year 10 mentors themselves have been empowered.

Student mentors have had their horizons lifted by the experience. This year the program was expanded to include Ashbury Public School, and more mentors were recruited. Teachers from the three primary schools and the two high schools took part in mentor training and have met regularly to finetune the program. The program has helped young people to make a positive start at high school. Mentors are helping the students set and review goals, maintain good attendance, improve academic achievement and increase satisfaction with school life. On several occasions year 6 students have spent their lunch time in the high schools with their mentors and have taken part in lessons in the high schools. This program is an outstanding example of the use of mentoring by students for students. I commend the principals, teachers and especially the students.

The Plan-It Youth program has operated successfully on the Central Coast for three years. A key component of this program is mentoring. Plan-It Youth is the result of a partnership between the Department of Education and Training, the Dusseldorp Skills Forum and sponsors and supporters from the community. Plan-It Youth is a mentoring program that aims to help young people to help themselves. The program matches specially trained adults from the local community to work in one-on-one relationships with year 9 and year 10 students at risk of leaving school early. The schools involved include the Berkeley Vale Community School, and the Woy Woy, Kincumber, Wyong and Tumbi Umbi high schools.

Volunteer community members are trained by TAFE New South Wales to be mentors. School students are identified and matched with a mentor. The mentors help young people to plan their education and training pathways, and to investigate career options. The intervention of a mentor with a prospective employer has been a key factor in a young person making the successful transition from school to work. This year 130 members of the community acted as mentors for 85 students. This program is doing so well that the Government is pleased to announce plans to extend Plan-It Youth beyond the Central Coast to another five school districts. The program will now also operate in the Wagga Wagga, Shellharbour, Taree, Lake Macquarie and Campbelltown districts. This expansion will be in co-operation with sponsors and the Dusseldorp Skills Forum. I am sure the honourable members who represent those areas will welcome that program. I commend the Dusseldorp Skills Forum and thank all those for their role in developing the Plan-It Youth strategy and investing in the future of our young people. Mentoring is now being acknowledged as a key strategy in helping students in our schools and TAFE colleges. I congratulate all those involved in the successful programs; they will all benefit.

**Questions without notice concluded.**

## CONSIDERATION OF URGENT MOTIONS

### Milk Price Increases

**Mr AMERY** (Mount Druitt—Minister for Agriculture, and Minister for Land and Water Conservation) [3.46 p.m.]: I ask the House to give priority to this motion, about which I gave notice before question time because, as we know, since deregulation there has been much discussion in the community about prices paid to dairy farmers. In recent times, and this is the reason this matter is urgent, a substantial price increase has been introduced for milk. Evidence has now come to light that the increased price margin will not be passed on to dairy farmers and could all be pocketed by the processing sector. This matter is urgent and therefore I ask the House for the opportunity to debate this important issue about the future welfare of dairy farmers in this State.

## Police Academy Internal Affairs Investigation

**Mr TINK** (Epping) [3.47 p.m.]: My motion is urgent because it involves a Special Crime and Internal Affairs report dated 5 January 2001. That report refers to numerous complaints which alleged serious improper conduct, improper use of police assets, facilities and services, misuse of position, breaches of protocol, gross mismanagement, and maladministration at the New South Wales police academy. The motion is urgent because the report contains allegations of lack of prudence in leading by example and managing with integrity, ignorance of corruption prevention strategies and senior staff managing in their own right personal conflicts of interest. The matter is urgent because the police academy is the gateway for all recruits into the Police Service and is the place where they enter the service and are trained. The report refers to allegations of "continued impropriety regarding the private use of Service motor vehicle and accommodation at the Academy" even though previous investigations had been carried out into conduct which may have set a poor example.

The report refers to a senior staffer's relationship with an academy contractor who carried out work to the value of $2.5 million, including the use of the corporate box at sporting events and provision of gambling chips at a casino by the contractor, and questions over the same contractor being granted contracts for cleaning and catering. The Audit Office looked at earlier versions of the report and confirmed, prima facie, its seriousness. Although, to my knowledge, these allegations have not been proved beyond reasonable doubt—certainly not beyond what the ordinary person would believe is a prima facie level—they are of grave concern.

The Internal Affairs report contains allegations of a senior staffer spending only a couple of days per week at the academy; positions and grades having been established to suit individuals, often without external assessments; and the possibility of embezzlement by a public servant. The report refers to potential corrupt conduct relating to actions involving interception and redirection of public money, touting for and promoting business on behalf of a private entity, unauthorised subsidy of a private entity, waiver of academy fees and costs, and loss of revenue overall to the academy. All of these allegations, which were made in a report by the Commander, Special Crime and Internal Affairs, have been audited to a prima facie level.

The matter is urgent because the Minister for Police must surely be able to provide some information about where things stand. I accept that these are matters in which the Police Integrity Commission and other bodies necessarily have a role. But the Minister for Police must have some idea what is going on. These matters affect the gateway to recruiting police in this State. Surely he can share those ideas with the House. Another area of concern that demonstrates the urgency of this matter is the allegation that the Police Service failed to meet the standards set by the Australasian Police Education Standards Council in relation to increased risk of accidents involving high-speed pursuits. The report expresses concern regarding the way in which drivers at the academy are trained, the increased risk of injury to police and civilians, and the assertion that motor vehicle accidents involving police could be embarrassing to the Police Service if such information were made available to the media.

A report on the audit of the police academy asks why officers who were qualified to teach at the academy were overlooked, while others who were not deemed suitable were placed in positions. These people have been teaching at the academy. Of even more concern is a prima facie finding in the report that little action was taken to address the issues. It states that the senior staffer's high-ranking connections were cited as a reason for the inaction. What were those high-ranking connections, and why was no action taken? The report refers to the Probationary Constable Driver Training Course and states:

> The Academy's 5 day course (40 hrs) does not comply with the National Police Standard (APSEC) which is a 10 day course (80 hrs). The Police Service is at risk in that if a fatal accident occurred the Police could be found negligent for failing to meet the National standard for Police driver training.

According to the report, proceeds of more than $22,600 from glassware sales from the shop at the academy are unaccounted for, presumed misappropriated. The report also expresses grave concerns about firearms training. For all those reasons these issues need to be debated as a matter of urgency.

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

**Division called for. Standing Order 191 applied.**

**Noes, 2**

Mr Barr
Ms Moore

**Question resolved in the affirmative.**

## MILK PRICE INCREASES

### Urgent Motion

**Mr AMERY** (Mount Druitt—Minister for Agriculture, and Minister for Land and Water Conservation) [3.59 p.m.]: I move:

That this House:

(1) notes the recent increase in milk prices in New South Wales supermarkets;

(2) expresses concern that these increases have not been passed on to the 1,500 New South Wales dairy farmers; and

(3) calls on processing corporations to give New South Wales dairy farmers a fair go.

This matter of public importance deserves the attention of this House. Honourable members will be aware that supermarkets have recently increased the retail price of milk. There has been considerable public debate about milk price increases and the margins being paid to processing plants, farmers and supermarkets. The average price for a litre of branded milk now is about $1.50. Processors have also increased their margins. The issue of concern is that these price increases are not being passed on to dairy farmers. I urge this House to call on the processing companies to give our dairy farmers—a number of whom have lost a substantial amount of the milk margin, and many of whom have left the industry as a result of the reduction in the price paid for their milk—a fair go.

Woolworths Ltd issued a news release on 9 August saying it would increase the retail price of its own branded milk by 5¢ per litre from 1 September. But the company also said it hoped the increased cost would be passed on to dairy farmers by processors. The news release stated that this would provide some relief to dairy farmers in distress. Woolworths has been in discussions with the Dairy Farmers Association and I know they are keen to support farmers and rural Australia in respect of this issue. I welcome their position. I issued a media release on 10 August in which I said that I looked forward to the processors passing on at least some of that price rise to their farmers. Sadly, that was not to be.

Supermarkets deal only with processors and have no direct say in what is paid to farmers. The processing company which provides milk to Woolworths in New South Wales is National Foods. I have discussed dairy deregulation and its aftermath with the Chief Executive of National Foods, Max Ould. He spoke to me recently about what had happened to his company as a result of deregulation and, of course,

there have been many reports in the major newspapers. One such report related to the fact that National Foods had recorded a lower profit of $45 million for the past year, down by 6.5 per cent, but predicts an improved performance next year based on anticipated lower milk purchasing costs, an improvement in margins and better pricing on its grocery contracts.

Max Ould is quoted as saying he believed the cost pressures coming from the farm-gate milk prices may be less over the next 12 months; that with inflationary milk prices being pushed back it is good for National Foods. This is unsettling as it highlights the approach of a shareholder-driven company and its desire to buy milk at the cheapest possible price, irrespective of the impact on farmers. It also indicates there is no hope of any of those profits being passed on to farmers. I believe that honourable members on both sides of the House would argue that that is simply not good enough. The other major supplier in New South Wales is Dairy Farmers Co-operative, which is currently supplying Coles supermarkets. Dairy Farmers Co-operative issued a press release on 17 August, announcing it would increase its recommended retail price of white milk products by 10¢ to 15¢ per litre from 3 September. Dairy Farmers Co-operative has not guaranteed that that increase, or any part of it, will be passed on to its dairy farmers.

Its media release states only that, as a co-operative with 5,000 members, its profits go back to its members, some of whom would be dairy farmers. That is not the same as passing on direct price increases at the farm gate. National Foods and Dairy Farmers Co-operative are currently paying 29¢ to 32¢ a litre for fresh market milk at the farm gate, but farmers need to receive 35¢ per litre to remain viable and encourage future investment. By contrast, I am advised that Pauls Parmalat is anticipating milk price rises and has announced an increase in farm-gate prices of 2¢ a litre. This will certainly help some farmers, including those who supply Norco—which now has an agreement with Pauls.

In relation to those processors who are not passing on price increases to New South Wales dairy farmers, the question has to be asked by members of this House, dairy farmers and the general public: Where is the money going? Since June 1998, just prior to farm-gate deregulation, milk prices have increased by about 30 per cent and farm milk incomes are down by almost 25 per cent. Since marketplace deregulation last year, including these latest price increases, the processors have been reaping a massive $145 million in extra revenue, which is within industry estimates. That is on top of their usual profit margins and after the levy of 11¢ per litre has been paid for the adjustment fund. For the record, this is the food sector that is quibbling over paying $1.8 million for dairy food safety in New South Wales!

Dairy farmers and consumers alike should be asking those probing questions: Why do retail prices increase while farmers' margins fall? Where does the money go? What is the processing sector spending that money on? I know that Winston Watts, the Executive Director of the Dairy Farmers Association, is asking those questions. In the September issue of the industry publication, *Dairy Digest*, Mr Watts is quoted as having said that he just:

> … cannot understand where the processors have spent all this money, which equates to about an extra 25 cents for every litre of market milk. And yet they still cry poor and can't see their way to passing on a few cents to the farmers who produce the milk in the first place. Something is seriously wrong, and suppliers should be asking the hard questions of their processors.

I could not agree more. That extra 25¢ a litre is in addition to the existing 30¢ that the processors were getting before last year. In June I wrote to the Chairman of the Australian Competition and Consumer Commission [ACCC], Mr Allan Fels. In that letter I asked for an urgent meeting to discuss recent milk price increases and the fact that there has been no flow-on to farmers. I believe this is a clear abuse of market power and something that the ACCC should urgently investigate.

The statistics of decreasing farm-gate prices and increasing retail prices clearly demonstrate that farmers are unable to compete fairly with large processing companies. I will, therefore, be asking Mr Fels

to approve stronger marketing powers for dairy farmers. I followed up that letter only last week after the announcement of this latest round of price increases. The bipartisan Dairy Deregulation Impact and Assessment Committee was established last year after Parliament reluctantly agreed to dairy market deregulation. It will hand down its report shortly. I am advised that one of the issues highlighted in that report is the lack of market strength of dairy farmers. It has also identified some measures which could give this sector an opportunity to compete.

For example, it has looked at the possibility of supply co-operatives, whereby a group of dairy farmers in a region join together to guarantee a large volume of milk to a processing factory at an agreed price on a regular basis. They can do that in New South Wales under the provisions of the Agricultural Industry Services Act, but it will require the approval of the ACCC. Representations to Mr Fels, therefore, will be vital. We may also see dairy farmers in a position to refuse some processing contracts because they are not realistically priced. This will be a major step forward for the dairy farming sector, and one that I think honourable members would welcome.

**Mr STONER** (Oxley) [4.09 p.m.]: The Opposition supports the motion moved by the Minister for Agriculture, and Minister for Land and Water Conservation. It recognises a very important industry, the New South Wales dairy industry. It is somewhat strange that the Minister, the man responsible for developing and introducing legislation that dismantled the orderly milk marketing arrangements in this State, should today move an urgent motion on milk price increases and the flow-on to dairy farmers. The issue was flagged by dairy farmer representatives including the Australian Dairy Farmers Federation and the Dairy Farmers Association over a month ago. *Dairy Digest* of August 2001, which I received in my electorate office on 16 August has a headline "Farmer increase in milk price essential says ADFF: DFA to fight for fair share of any price increase". I gave notice of a motion in this House on 4 September, the first day after the winter recess, that read:

That this House:

(1) Notes the imminent rise in the retail price of milk by up to 15 cents per litre.

(2) Calls on dairy processing companies as the beneficiaries of the rise to pass on a fair share to the State's dairy farmers, who have been hard hit by dairy deregulation.

On 5 September I submitted the issue as a matter of public importance. However, the Government chose to debate another matter. On 6 September I again submitted the issue as a matter of public importance. However, because it was a Thursday, when private members' matters take precedence, again the matter was not debated. Finally, today, after this debate, the matter of public importance of the dairy industry and milk price rises will be debated. I give this detail to demonstrate that dairy farmers' incomes and viability have been an ongoing priority to the National-Liberal Coalition. On the other hand, the Minister for Agriculture, who ought to be doing his utmost to ensure the survival of one of the best agricultural industries in New South Wales, has been silent on the issue until now. He has probably woken up because one of his advisers has shown him last week's copy of *The Land*. The Minister has finally woken up to the fact that the prices for milk received by farmers are absolutely critical to the survival of the dairy industry in New South Wales. Of course the matter is urgent: it was two weeks ago.

Although the motion is better late than never, it is sheer hypocrisy for the Minister to call on dairy processors to give dairy farmers a fair go when the Carr Labor Government has done absolutely nothing for them since deregulating their industry. Apart from counselling programs funded by the industry itself and a pathetic $500,000 under the regional economic transition scheme program, the Labor Government has not helped a struggling industry in any substantial way. Instead, it has chosen to play political games, even stooping to using the Dairy Deregulation Impact and Assessment Committee, established only upon the Opposition's insistence, to score political points. I quote a recent article from the *Business Review Weekly*, which is also good reading:

> Despite this history, Labor's approach, at a state and federal level, has been cynical in the extreme. It has sought to exploit farmers' grievances while privately acknowledging that the $2 billion restructuring package—

that is the Federal package—

> is generous and that there will be no more handouts. A 14-page report released on August 24 by a taskforce that interviewed farming communities between March and May this year on deregulation is little more than a litany of farmers' complaints. A Labor win at the next federal election would result, at best, in a rejigging of the package.
>
> The NSW Labor Government has been no better. The NSW Agriculture Minister, Richard Avery—

that is not my mistake; it is in the BRW—

> this year said the Federal Government was reaping a 'tax windfall' from the restructuring package, despite the fact that the original package of $1.25 billion was increased to $1.78 billion precisely because Treasury would not agree to tax-free payouts. (The $1.78 billion, when combined with other packages, takes the total restructuring bill to $2 billion.) Avery knew that. He also must have known that the change would benefit farmers who borrowed against the package, claiming interest as a tax deduction.

That shows the game playing and hypocrisy that we have seen thus far. Despite farm incomes dropping by 30 per cent in New South Wales, despite the axing of milk quotas, thus devaluing dairy farms, the Minister has refused to help. Despite over $150 million in National Competition Policy payments to this State from the Federal Government, despite the industry assistance packages to the timber and egg industries when they were restructured, the Carr Labor Government has turned its back and walked away from New South Wales dairy farmers. I contrast this with the actions of the National-Liberal Coalition Federal Government, which has delivered enormous amounts of assistance, including an extra $140 million following the Australian Bureau of Agricultural and Resource Economics report to New South Wales, Queensland and Western Australia and dairy farmers—the ones most in need.

**Mr Amery:** What are you going to say when the MPI comes on?

**Mr STONER:** I have got more, Richard. It is breathtakingly hypocritical for the Government to call on the processors to pass on some of the price rises to farmers. That is not so for the National-Liberal Coalition, which has always supported the farmers' incomes and survival. That includes supporting the Dairy Farmers Association application to the Australian Competition and Consumer Commission for collective bargaining powers. There is no doubt that milk has been undervalued in the marketplace: 600 millilitres of water in a shop is $1.50 and 600 millilitres of milk is only 75¢. Additionally, export prices for milk have increased substantially. Therefore, it is only reasonable and understandable for domestic prices to rise. So a retail price rise is justified and acceptable to consumers.

However, as the Minister points out, it is critical that some of this rise makes its way back to farmers and is reflected in an increase in the farm gate price. At the moment on the North Coast and the mid North Coast there is serious drought. High costs for irrigation, feed, agistment and so on are really hitting our dairy farmers. Safe Food charges, quality assurance charges, have also increased substantially. For processors such as National Foods and Dairy Farmers to pocket all this price rise at a time when they are operating profitably is morally not on. An article in *The Land* dated 13 September quotes Winston Watts, the executive director of the Dairy Farmers Association. The article reads:

> "National Foods is telling the share market that the less it pays for milk, the better.
>
> "That sends a pretty clear message to farmers that it's not interested in fostering loyalty or

long-term security of supply," he said.

"That sort of belligerent attitude is disappointing given that Australian Consumer and Competition Commission inquiries suggest processors have actually extracted an extra $80 million from the milk market since deregulation, and that figure's rising to $145m this financial year.

"It's inconceivable that you can take 15c more from the consumer but not pass on anything to farmers."

I agree wholeheartedly with those sentiments. Already three farmers have left the industry since dairy deregulation in New South Wales. There is a real risk that if farming incomes do not increase many more will be forced to leave their farms. I point out to the Minister that not all processors have refused to pass on the price rise. In the area of the honourable member for Lismore the Norco co-operative is passing on 2¢ per litre to its farmers. The Hastings co-operative is passing on the entire net price rise to its farmers.

**Mr Amery:** It is a great co-operative.

**Mr STONER:** Yes. It is in Wauchope, my home town. The regional co-operatives are doing the right thing by their farmers. This House gives bipartisan support to the motion calling on the larger processors, National Foods and Dairy Farmers, to do likewise.

**Mr W. D. SMITH** (South Coast) [4.19 p.m.]: In mid-August the Dairy Farmers Co-operative, the main dairy processor in New South Wales, issued a press release to announce retail increases on a range of white milk products of between 10¢ and 15¢ per litre. The co-operative said that the increases were crucial to the long-term future of the dairy industry. Other processors have indicated that they will seek retail adjustments. The Dairy Farmers Association [DFA] believes that this is a much-needed adjustment and still leaves milk as an underpriced product when compared to water, soft drink and fruit juices. However, the DFA has called for a clear and transparent lift in farmer prices as a necessary part of the price adjustment process and to restore viability and confidence. That call has been supported by Minister for Agriculture, and Minister for Land and Water Conservation and the managing director of Woolworths, Roger Corbett.

Currently dairy farmers are paid a base of 29¢ to 32¢ per litre for dairy milk, meaning that if there is no adjustment, farmers will be receiving only about 21 per cent of the new retail price for a litre of whole milk and even less for the modified milk range. Dairy Farmers Association members have consistently indicated that the price for all milk, not only dairy milk, must average at least 35¢ per litre to be viable and to encourage further investment. Another big processor, National Foods, has been equally disappointing and in its limited public responses has said that it has already provided for the adjustment in its new season prices. The indication is that National Foods, along with Dairy Farmers, does not intend passing on the direct increase to farmers as a share of the new retail price, and in their case most suppliers do not share in profits.

Mr Winston Watts, the Executive Director of the DFA, said that the margin taken up by the processors since deregulation was astounding and had been confirmed by the Australian Competition and Consumer Commission [ACCC]. With these new increases the margin would now amount to a staggering $145 million extra in the tills from New South Wales alone after the 11¢ per levy had been paid. That is an astonishing pick-up on their part. Mr Watts said that he could not understand where the processors spent all that money, which equates to about 25¢ for every litre of market milk, and yet they still cry poor. Mr Watts said, "Something is seriously wrong and suppliers should be asking hard questions of their processors." The DFA executive had some productive and informative discussions with Woolworths Chief Executive Officer, Roger Corbett, and its chief buyer, Bernie Brooks. The principal points to emerge from the discussion were their support for farmers receiving a major share of future increases in milk prices to help them restore confidence and stability and their belief that it is essential that farmers obtain ACCC approval for enhanced bargaining power.

Woolworths representatives maintained that they did not improve their margin at the time of deregulation, a fact strongly supported by the ACCC review. As a result of those discussions, Mr Corbett predicted that prices would soon rise, and he was correct. He felt that farmers were deserving of the lion's share. Two constituents from my electorate, one a farmer and one not, made some interesting comments. The farmer, Mr Pat Muller, said that the level of security in dairy farming has totally dropped and that there had been a drop in the farm gate price of between 9¢ and 10¢ per litre. He said that a lot of the general incentive to invest or reinvest in his business was not there, and that the situation was too unstable for many other farmers.

This debate focuses on price rises and the fact that farmers have received nothing from the rise. Farmers are worried about a price war. Mr Muller is concerned that a price war will lead to further reductions in the farm gate price. He also said that farmers were the last link in the chain, and they get what is left after the price cut. His concerns are valid, and we need to debate them. Another constituent, a non-farmer, wrote to me about an article she had read in the *Sydney Morning Herald* on 1 August. She wrote:

> If consumers were to pay 2c a litre more and that increase was directly passed on to the farmers it would mean an increase of 5c a litre at the farm gate and go somewhere to alleviate the problems, rejuvenate morale within the industry and community.

That would help the farmers, who desperately need some assistance.

**Mr R. H. L. SMITH** (Bega) [4.24 p.m.]: I join the honourable member for Oxley in supporting the motion moved by the Minister for Agriculture, and Minister for Land and Water Conservation. The Minister is being hypocritical by moving this motion. The State Government brought in deregulation and wiped out the quota system in the New South Wales dairy industry. The Government paid absolutely no compensation, unlike other States that had quota systems. The Government washed its hands of the dairy industry and now acknowledges that the industry is struggling with deregulation. Initially many processors who were not used to such strong competition jumped in and tried to tie up the major supermarkets. Obviously, they put in unreal and unsustainable tenders to supermarkets. The whole of the industry has suffered because of those early ridiculously low tenders. It is certainly pleasing to learn about the latest round of price increases, but as the Minister and members of the Opposition have said, it is disappointing that a number of the manufacturing companies are not passing on any of the increase to the farmers.

The farmers are always at the end of the chain as money comes down through the different links. It is well known in agricultural industries that farmers are the price getters, not the price setters. As the honourable member for Oxley indicated, some processing companies have passed on some of the increase. I congratulate them, but I condemn the major manufacturers who will not pass on anything to dairy farmers. That seems to me to be unbelievable, and I am sure that it will put those farmers who will not receive any increase under further stress and strain The Bega co-operative is made up of an efficient group of Bega dairy farmers; there are only about 120 of them. At one stage the Premier claimed that there were more dairy farmers in my electorate than in any other electorate represented in this House. Those 120-odd farmers produce a great deal of milk per farm. The average amount of milk produced on a New South Wales dairy farm is 700,000 litres per year. Farms in the Bega electorate produce an average of 1,100,000 litres per year. From those figures it is evident that Bega is an extremely efficient dairy farming area.

This year has been a good season, something the dairy farmers in my electorate have not experienced for many years. With the recent rains it is anticipated that this spring will be as good a season as we have had for a long time. Recently the Bega co-operative has entered into a joint venture with the New Zealand Dairy Board and Bonlac. That will certainly provide an impetus not only to dairy farmers but to the whole of the Bega Valley. The venture will provide an additional 150-odd jobs.

Generally speaking, the area is going quite well. However, I stress that if there is to be an increase in milk prices in the rest of New South Wales, a portion of that increase should be passed on to the farmers so that they can adjust to deregulation. [*Time expired.*]

**Mr PRICE** (Maitland) [4.29 p.m.]: I support the motion and join with the Minister and other honourable members in expressing concern at the way certain processors have ignored the opportunity to ease the trauma of dairy farmers in New South Wales, particularly those in my electorate. It is not often that a large commercial organisation such as Woolworths Ltd issues a press release emphasising that a price increase is directed at assisting producers. In a press release dated 9 August Woolworths stated:

> WOOLWORTHS SUPPORTS PRICE INCREASE FOR MILK PRODUCERS
>
> Woolworths has been aware and is very sensitive to the hardship caused by farmgate deregulation to some dairy farmers. As part of the contract to supply Woolworths branded milk, negotiated some time ago, Woolworths provided for a five cents a litre increase in milk costs paid by Woolworths, effective as from 1 September, 2001.
>
> Woolworths will ensure that the increased cost is paid from this date and is hopeful that this will be passed on to dairy farmers by Woolworths' milk processors—providing relief to some dairy farmers in distress.

That is a straightforward, up-front statement. It virtually directs suppliers to seriously consider a just and fair adjustment to the price of milk at the farm gate. Sadly, that did not occur. National Foods Ltd saw fit to retain the increase for the Woolworths organisation, as did Dairy Farmers Co-operative Ltd, which supplies milk to Coles supermarkets. The increase was between 5¢ and 15¢ per litre, leaving the farm gate price, as it currently stands, at between 29¢ and 32¢. I am advised that farmers cannot survive much longer unless they can achieve a price at the farm gate of approximately 35¢.

That has had a significant impact on my electorate as I also have many dairy farmers in my area. The Dungog shire, where I reside, has suffered greatly because farmers are restricted by property size, the number of head of cattle and their inability to capitalise, to increase the size of their farms and to obtain loans because of their age. Many farmers cannot persuade their children—and in some cases they do not to wish to do so—to take over their farms. That has resulted in early retirement, the sale of properties, and transfers to other forms of rural activity. As a result the supply of milk will be seriously depleted and that will ultimately force a serious reconsideration of the price of milk at the farm gate.

Processors should understand that by keeping the price low at the production end they will again reduce the supply and that will ultimately force significant price increases from the farmers that will impact on wholesalers and retailers. Eventually, constituents generally will be concerned with the increase in the price of milk. The Federal Government has imposed a tax of 11¢ per litre to fund the deregulation compensation scheme. I am advised that this price increase is giving processors in two large sections of the industry 25¢ per litre extra over the profit margin they had last year, which is probably closer to 55¢ than 50¢ in total, but no relief has been provided to any dairy farmers in the State.

Today we have been told that some local co-operatives have been able to assist dairy farmers. I wish the larger processors would take a leaf from their book and try to help to maintain the diary industry. The processors are in serious danger of strangling their own suppliers. One may agree or disagree with deregulation, but the industry requested it and the Government complied with that request, albeit with some trepidation. The suppliers are attempting to stay in the industry and, in my opinion, processors have an obligation to assist them to do so because ultimately the consumer will miss out. [*Time expired*.]

**Mr AMERY** (Mount Druitt—Minister for Agriculture, and Minister for Land and Water Conservation) [4.34 p.m.], in reply: I thank the honourable member for Oxley and the honourable member for Bega from the Opposition and the honourable member for the South Coast and the honourable

member for Maitland from Country Labor for their contributions to the debate. Generally speaking, everyone expressed concerns about who will benefit from the price increase. I will not take up time by responding to the dishonest statements of the honourable member for Oxley and the honourable member for Bega. Dairy farmers understand the issues involved in deregulation and anyone who wants to know why farmers do not take Coalition country members seriously need only read their contributions in *Hansard.* They took cheap shots at me and suggested I was responsible for removing an orderly marketing system. Obviously, they are unaware that the deregulation of the dairy industry was far more complex.

Dairy farmers will not be swayed by the nonsense spread by Coalition members in this House and in press releases. The dismantling of orderly marketing in the dairy industry started when the former Coalition Government deregulated the industry from the farm gate and decimated the vendors. When the Coalition was in government there was no competition policy forcing change and there was nothing at a national level or in Victoria. But the former Government went ahead and deregulated from the farm gate. The honourable member for Oxley mentioned the egg industry. Again that industry was deregulated without any pressure from Victoria, without any Federal pressure and without competition policy. No-one knew deregulation was coming until the then Minister for Agriculture, the Hon. Ian Armstrong, announced it in this House. There was no public debate. It simply came out of the blue as part of Greiner economics.

That has been mentioned 100 times in *Hansard* over the past couple of years and it underpins how the deregulation process started and why Coalition members are not taken seriously by farming groups. They continue to lie and publicly misrepresent the debate. Dairy farmers know the truth and will not vote for them. The honourable member for South Coast and the honourable member for Maitland have both made representations to me on behalf of farmers. On 26 May with the honourable member for South Coast and the honourable member for Kiama I visited the property of Rodney and Jenny Crawford, "Coolea", at Numbaa near Nowra, and launched a new industry video showing farmers how to move into the new deregulated process. The farmers, together with the rural lands protection boards, initiated that process.

The Crawfords said that they had lost the deregulation argument but were determined to survive in the industry. Although I often talk about the negatives of the deregulation process I acknowledge that many farmers coming through the process will be efficient dairy farmers in the future—not only the farmers like those I spoke to in Nowra but farmers in the Murray and elsewhere. They will compete well with dairy farmers in Victoria and other places and there will be a strong dairy industry in the years ahead. It is sad that there will not be as many participants as there would be under a regulated system. I again thank the honourable member for South Coast and the honourable member for Maitland for their contributions to the debate and reject the ill-informed, political points raised by the Coalition.

**Motion agreed to.**

## QUESTIONS WITHOUT NOTICE

### Supplementary Answer

### POLICE ACADEMY INTERNAL AFFAIRS INVESTIGATION

**Mr WHELAN:** Earlier today several honourable members asked me questions about the Goulburn Police College. Following an investigation initiated by the Police Service, the college restructured management, made changes to course delivery and increased development opportunities for staff. Importantly, enhanced accountability mechanisms have already been put in place. An internal police inquiry into management systems and conduct of staff at the former New South Wales Police Academy, now known as the Police College, concluded in May. All recommendations in that report have been addressed. As I informed the House earlier, the report was forwarded to the Police Integrity Commission, which has indicated that it is satisfied with the investigation. I am advised also that the former internal

affairs commander, Mal Brammer, found that more than 100 damaging claims had little substance.

In addition, Mr Brammer reported that the claims relating to recruits receiving inadequate firearms training and driving skills instruction could not be sustained. As the Police Service advised in a media release, many of the allegations were not sustained. I returned to the House today to provide this supplementary answer as there are 1,500 recruits at the Goulburn Police College and countless teachers and staff who are dedicated and committed to teaching and educating them. The Opposition has caused a great deal of hurt to those people by calling their professionalism and ethics into question. That is a terrible claim by the honourable member for Epping and others who have asked questions about this issue. They well know that there is no substance to their allegations, and that fact has been confirmed by the Police Service internal affairs command.

## DAIRY INDUSTRY DEREGULATION

### Matter of Public Importance

**Mr STONER** (Oxley) [4.42 p.m.]: I ask the House to note as a matter of public importance the New South Wales dairy industry. It is timely to review the status of the New South Wales dairy industry, and particularly dairy farmers, some 14 months after the State Government deregulated the industry. There is no doubt that many dairy farmers have suffered dramatic drops in income and lost assets in the form of quota entitlements and farm value. As the Coalition has always maintained, dairy farmers in New South Wales stood to lose more from deregulation because of their reliance upon what was an excellent system of marketing fresh drinking milk. That is why the National-Liberal Coalition has consistently called upon the State Government to provide an assistance package for New South Wales dairy farmers like that offered in other States and in other industries that have been substantially restructured.

The Australian Bureau of Agricultural and Resource Economics [ABARE] reported earlier this year on the impact of dairy deregulation. It found that the average farm gate price received by New South Wales farmers was 30 per cent less than before deregulation and that they incurred an average loss of $53,000 per annum. In Queensland dairy farmers lost an average of $43,000 per annum, while farmers in Victoria lost only $2,500 on average per annum. ABARE also found that in the six months since deregulation 200 dairy farmers had left their farms and that 30 per cent of farmers would leave in the next five years. This will have a huge impact on regional economies and entire communities. Dairy farming is a way of life in my electorate and in many other country areas. Family dairy farms and dairy processing is integral both to the local community and to the Australian culture. It is sad to see family farms disappearing from the landscape and being replaced by large farms and companies in pursuit of profits. The Carr Government's response to this social and economic devastation in regional New South Wales has been to do nothing apart from offering some counselling programs and allocating a mere $500,000 under the Regional Economic Transition Scheme.

**Mr Amery:** Sounds familiar.

**Mr STONER:** We have to keep repeating it to get the message across. Thank heavens for the Federal Coalition Government. In response to the ABARE report the Federal Minister for Agriculture, Fisheries and Forestry, Warren Truss, delivered an additional $140 million under the dairy structural adjustment package to the hardest hit States, including New South Wales, Queensland and Western Australia. This allocation came on top of the $1.7 billion that had been committed already. The Howard-Anderson Government also increased the Dairy Regional Assistance program, which helps dairy communities to restructure their industries, by an additional $20 million. If that were not enough, following John Anderson's visit to flood-ravaged North Coast communities in March this year, dairy farmers received a $15,000 grant to help them meet the cost of fodder and fencing as a result of the devastation of their pastures. What a contrast with the Carr Labor Government, which has again shown that under Labor people do not rate unless they are union members or city dwellers. Ironically, the Premier is decrying population growth in Sydney. In the *Daily Telegraph* of 1 September he said that the city was

already under pressure. He continued:

> Given the limitations of government budgets and taxation, our roads and public transport would have no hope of keeping up. Unimaginable congestion would result. Our beautiful city … would be a version of Los Angeles. An even bigger challenge would be housing people.

Yet this same Government has not lifted a finger to help a great decentralised industry that encourages people to live outside the city. The Dairy Deregulation Impact and Assessment Committee established by the Carr Government at the insistence of the Opposition has not produced a final report more than 14 months after deregulation. On that report the *Business Review Weekly* states:

> A 14-page report released on August 24 by a taskforce that interviewed farming communities between March and May this year on deregulation is little more than a litany of farmers' complaints.

The plight of our dairy farmers is hardly a priority for this Government. Indeed, in addressing the last Dairy Farmers Association conference in May, the Minister for Agriculture said that the Government had no legal responsibility to compensate farmers for the value of lost quotas, which was effectively the superannuation of many farmers nearing retirement age. Although the Minister may be right technically, morally he has a responsibility to help those people who, in many cases, invested their life savings and were looking forward to retiring off the farms where they had worked seven days a week, 365 days a year, for their entire lives. Many of them have been left with nothing. Most farmers have recognised the futility of seeking a fair deal from this Government and have instead devoted their energies to securing a reasonable price for their milk, which will ensure their viability. Immediately following deregulation, the two major dairy processors in New South Wales—Dairy Farmers and National Foods—sought to undercut each other in tendering to the major supermarkets.

While consumers benefited from ridiculously low prices for fresh, cold milk, farmers were once again the abject losers in this process. The New South Wales Coalition has supported an approach by dairy farmers to the Australian Competition and Consumer Commission [ACCC], seeking an exemption under the Trade Practices Act to enable them to bargain collectively with processors. While no decision has yet been announced, it is understood that the ACCC has decided in favour of other applications when smaller parties to business negotiations have suffered due to imbalances in buying power. As discussed today during debate on the motion for urgent consideration, the latest development is the announcement of a retail price rise of up to 15¢ per litre for fresh milk following approaches by the dairy processors to retailers on the basis of increased costs and reduced margins. As I said earlier, that retail price increase is considered reasonable as it is believed that milk has been undervalued. I quote from an article in the *Daily Telegraph*:

> There was a time when Australians wouldn't have believed that they would be paying for water—bottled at far-flung springs and transported to the city. Yet it's become a desirable commodity with consumers paying an average $1.50 for a 600ml bottle. At the same time, another daily staple, fresh milk has seen its value trickle down to less than the cost of water. After this week's price rise, a 600ml serving of rich creamy milk will set you back about 75¢.

The Coalition has called on the processors to pass on a share of this increase in revenue to their suppliers, the State's dairy farmers. The farmers and their associations, including the Dairy Farmers Association and the Australian Dairy Farmers Federation, have been seeking a 5¢ per litre increase in the farm gate price of their milk, which would enable many farms to remain viable. On 13 September the *Land* stated:

> The NSW Dairy Farmers Association said, however, that farmers were now getting just 20 per cent of price of a litre carton of milk—now worth about $1.50—and warned loyalty to the major processors had "fractured" badly in the last week.

> Producers would increasingly switch to alternative buyers in the coming year, the association's executive director, Winston Watts, said.

I strongly urge the Government to join with the Opposition in calling on the large processors—that is, Dairy Farmers and National Foods—to pass on a fair share of this price rise to our dairy farmers, pending a favourable decision on collective bargaining from the Australian Competition and Consumer Commission. It simply cannot be said that the increase for fresh milk at the retail level can apply across the board to the farm gate price because fresh drinking milk forms only a proportion of processors' business. Farmers would expect a price rise across all milk production. Nevertheless, the larger processors—such as National Foods and Dairy Farmers—operate profitably and should do more to help their suppliers.

**Mr AMERY** (Mount Druitt—Minister for Agriculture, and Minister for Land and Water Conservation) [4.52 p.m.]: First, I will respond to some allegations that were made by the honourable member for Oxley during his matter of public importance. Second, I will indicate the issues similar to those raised in the urgency motion that has just been debated. I suggest that anyone reading *Hansard* should also read the debate on the urgency motion as it covers similar issues. I would like to think that the relationship between the Government, the dairy farmers of this State and me is co-operative. Through this difficult period I will look at the impact of deregulation on dairy farmers, especially as many are leaving the industry as a result of deregulation. I will look in particular at the impact on farmers in coastal areas, where farms and herd sizes are smaller. Some farmers have been delaying their decision on whether to leave the industry. If the milk margin increases in the future those few extra cents may help them decide to stay or leave.

It is also a difficult time for farmers who have anticipated deregulation for some time. I referred in the debate on the urgency motion to the farm at Nowra owned by Rodney and Jenny Crawford, where we launched the video entitled "YOU CHOOSE—Dairy Families Meeting the Challenge". Interviews were conducted with more than 30 dairy farmers across New South Wales who are facing the deregulation challenge. The Government is trying to work with various aspects of the dairy industry through this difficult period. I am sure that all members wish them well during this difficult time, which will result in different outcomes for different members. The honourable member for Oxley said that this Government "has not lifted a finger" to assist the dairy industry during this difficult period. He then said, "Thank God for the Federal Coalition Government," a phrase that certainly should be included in the comic section of *Hansard*—if one were ever published!

I challenge his claim that we are not lifting a finger. I have outlined to the House previously the processes the Government has undertaken and I shall not repeat them. But let us contrast that with what the Federal Government has done. The honourable member for Oxley twice mentioned the $1.7 billion Federal systems package, which was followed by two supplementary packages of so many hundred million dollars. According to the honourable member for Oxley, what a great Federal Government it must be. However, he omitted to tell the House that the Federal Government is not allocating this money. At the moment one would have to have an extremely sad case not to get money out of the Federal Government—if you put up your hand it will throw a bucket of money at you. But not to dairy farmers! Dairy farmers do not receive any Federal taxpayers money in their package. The 11¢ levy they receive comes from the consumers.

Where does the $1.7 billion go, as well as the extra many hundred million dollars the honourable member for Oxley announced? Who is the main beneficiary of the $1.7 billion package? One could argue that it is fair to say, "Thank God for the Coalition Government," but in light of the impacts of deregulation it is a bit unfair. Victorian dairy farmers are the main beneficiaries as they receive $739.5 million from the $1.7 billion. Who is the second beneficiary? One would think it would be New South Wales as it has the largest sector in the dairy industry, but the second biggest beneficiary is the Federal Government. It gets $380 million to start with and then that increases to about $500 million. When the Federal Government

announces an increase in the structural adjustment package, it takes the money from the consumers to pay to the farmers, but on the way it taxes it. It would be in the Federal Government's interests to double the value of this package.

The honourable member for Oxley knows quite well that the more the Federal Government increases the package the more tax revenue it receives. That is not Federal Government taxpayers' money, but the Federal Government makes a profit out of it. Every time the structural adjustment package is increased to increase some regional development or other assistance for other farmers in the worst affected States, the Federal Government makes a profit. We could debate all day whether the State Government has lifted a finger, but one thing is for sure: we have not made a profit from increased prices. We are funding many other services that used to come out of the dairy levy through the Dairy Corporation. The taxpayer, through the State Government, now contributes substantial amounts of money that previously were funded by the milk margin and that source has not dried up for the Federal Government. Out of the $1.7 billion the Federal Government gets $380 million. Add to that all of the other increases and its tax take is $500 million. The Federal Government could double the assistance package because every time it gives the farmers money from the consumer it makes a tax break.

**Mr George:** Did you get any money out of it?

**Mr AMERY:** We get nothing out of that.

**Mr George:** You get nothing out of the deal?

**Mr AMERY:** No. The dairy farmers in New South Wales get $330 million, but they contribute $500 million.

**Mr George:** What did the New South Wales Government get?

**Mr AMERY:** We did not get anything.

**Mr George:** Out of the competition payment?

**Mr AMERY:** We do not get that.

**Mr George:** You don't?

**Mr AMERY:** No. Let me make this point: Consumers in New South Wales pay $500 million into the fund, dairy farmers get $330-odd million out of the fund, and it may be adjusted for extra benefits. Members of the Opposition need a computer to punch in the information because it is pretty hard! The honourable member for Oxley said that the dairy industry committee was a Coalition committee, which I believe is correct. The Leader of the Opposition and the Leader of the National Party spoke to me when the matter was being debated in the upper House. We agreed to set up a committee as a way of getting the legislation through the Parliament.

The former shadow Minister for Agriculture, Richard Bull, is on the committee, as is Milton Morris, a former Minister for Transport in a coalition government. It is a fairly objective process. The cheap shot by the honourable member for Oxley is that the committee has not produced its final report—the operative word being "final". He again omitted—perhaps he forgot—that the committee has already provided an interim report outlining its work to date. As the earlier debate indicated, dairy farmers as a group in the dairy industry are not doing well from deregulation. They should get more of the milk margin than they currently get. The State Government will take that approach to the Australian Competition and Consumer Commission and pursue it. It is somewhat surprising that New South Wales dairy farmers get less than their Victorian counterparts. Nearly all Victorian milk and non-milk products are produced for the export market.

The industry in Victoria has undergone an incredible restructure. But let us make no mistake: The Victorian industry, with more than 60 per cent of the market, calls the shots in the dairy industry. I will not go through the various dairy assistance programs and committees that have been established, about which the honourable member for Oxley makes cheap shots. He recognised, although somewhat critically, the allocation of $500,000 of taxpayers' money by the State Government through the regional development portfolio of the Minister for Regional Development. The Department of Agriculture, through it rural lands protection boards, is working on the production of information, documents and meetings. The video launch on the South Coast showed me a first-hand account of how dairy farmers are dealing with this very difficult issue. Some of the arguments put up by the Opposition are outdated. We will continue to work with the dairy industry during a very difficult period for all sectors. [*Time expired.*]

**Mr GEORGE** (Lismore) [5.02 p.m.]: I support the matter of public importance relating to the New South Wales dairy industry. I remind the House that farmers are the main players in the milk industry. They are important to the industry and we, as representatives in this House, should never forget that. They deserve a fair and reasonable price. I was pleased to hear the Minister say that he would continue to pursue with the Australian Competition and Consumer Commission [ACCC] the opportunity for farmers to negotiate a fair price. I hope that he continues to pursue the matter with great vigour. We must remind ourselves that domestic return is well behind world price. Farmers will no longer sit back and allow increases to be divided by retailers and processors. They shared in the decreases when the industry deregulated and they should share in the increases. Not one member of this House would argue with that. Originally I was very critical of Woolworths, but I wish to congratulate Woolworths on and applaud its decision in ensuring the future of the milk industry in this State. The representatives of Woolworths copped some criticism when they came to Lismore to speak to me and dairy farmers.

No doubt farmers have appreciated the announcement made in the past two weeks. In an earlier debate the honourable member for Oxley referred to Norco which, in its association with Parmalat, received an increase of 2¢ because of the Woolworths initiatives. That increase equated to a 1¢ increase across Norco, which was passed on to—and is very much appreciated by—dairy farmers in the Lismore electorate. At the point of deregulation last year Norco was facing a disaster, but under the guidance of the chairman, Greg McNamara, the board will produce figures in the next few days that will show a complete turnaround. I congratulate Mr Bernie O'Brien, his staff and dairy farmers on working with the board of Norco to turn the company around. The future of Norco looks good. In an interview on 2UE the Federal Labor member for Werriwa, Mark Latham, said:

> Well, let's look at dairy deregulation, the Bracks Labor Government in Victoria kicked off the dairy deregulation. I haven't got dairy farmers in my electorate, but what I have got is the lowest milk prices on record … Now, we haven't seen prices like that since the 1980s and I was talking to a family in my electorate that's got seven children, they buy six litres of milk a day, six litres of milk a day, they're saving $10-15 a week from this policy.

City Labor representative, Mark Latham, went on to say:

> So, you know, I defend the interests of consumers in my electorate. They don't want to pay subsidies through to dairy farmers, they want a competitive industry with a bit of price competition.

Country Labor members of this House say one thing—yet Mark Latham, a representative of City Labor, says another. Mark Latham continued:

> They're getting the benefits of that now and once again this is a point that's been lost in the public debate.

The Carr Labor Government and his Federal colleagues do not appreciate what the farmers in this State

are going through.

**Mr Amery:** Of course they do.

**Mr GEORGE:** They certainly do not. It is high time we realised, and I remind everyone in this House, that farmers are the main players in this industry. The future of the industry depends on them. [*Time expired.*)

**Mr STONER** (Oxley) [5.07 p.m.], in reply: This matter of public importance was introduced today in an effort to ensure some action from the Government. All has been quiet from that direction until, finally, the Minister came into this Chamber today with a motion for urgent consideration, despite the fact that price rises have been around for more than one month, despite the fact that it is more than 14 months since deregulation of the industry and, as I said earlier, despite the fact that no report, other than an interim one, has been forthcoming from the committee established following legislation to deregulate the industry. The Opposition does not dispute that the Federal Dairy Structural Adjustment Package is funded by a retail levy. That is on record and it has always been on the record. The Federal Government used its taxation collection powers to pull together that package, which is the most generous of its type for any industry in history. The Minister, as is his wont, bandied around tax figures, saying that the Commonwealth was the second biggest recipient. *Business Review Weekly,* an independent source free of politics, states:

> Despite this history, Labor's approach at the state and federal level, has been cynical in the extreme. It has sought to exploit farmers' grievances while privately acknowledging that the $2 billion restructuring package is generous and that there will be no more handouts.
>
> The NSW Labor Government has been no better. The NSW Agriculture Minister, Richard Amery, this year said the Federal Government was reaping a "tax windfall" from the restructuring package, despite the fact that the original package of $1.25 billion was increased to $1.78 billion precisely because Treasury would not agree to tax-free payouts. (The $1.78 billion, when combined with the other packages, takes the total restructuring bill to $2 billion.) Amery knew that. He also must have known that the change would benefit farmers who borrowed against the package, claiming interest as a tax deduction.

Once again, today discussion has degenerated into the politics of the issue. There is obviously still some feeling left in this debate. The Opposition maintains that not enough has been done by this State Government to help New South Wales dairy farmers. It is incumbent on the Government to do something. Today's call for processors to pass on a reasonable share of the price increase is a step in the right direction. Support for the industry's application to the ACCC for collective bargaining power is another step in the right direction. I think we can, in a bipartisan way, support New South Wales dairy farmers.

The simple fact is that dairy farmers have lost quotas and have received no compensation for that. They are struggling on reduced incomes and with increased costs. It remains an issue of the utmost importance to government and the people of New South Wales. We in this House should at all times recognise the benefits of that industry, not only to consumers, but also in a social and economic sense to regional New South Wales in particular. As I said, I am pleased that the Government has, by way of the urgency motion earlier today, now supported the Opposition's call for price justice for New South Wales dairy farmers.

I make the point that New South Wales dairy farmers do not want a handout; they want a fair price for their product. If the Government, with the Opposition, can be of any assistance in putting pressure on those companies to do the right thing by their suppliers, that has to be a good thing. I worry that if a reasonable price is not delivered to these farmers too many will leave the industry and there will not be enough suppliers in New South Wales. It may be that, because of a problem with supply versus demand, we will see a ridiculously high price for milk. We must manage the process now and assist those

still in the industry to stay in industry, in order to maintain a viable regional economy.

**Discussion concluded.**

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

## PRIVATE MEMBERS' STATEMENTS

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## PORT HACKING WATERWAY RECREATIONAL ACTIVITIES

**Mr KERR** (Cronulla) [5.12 p.m.]: I want to speak tonight about the beautiful waterway known as Port Hacking. As the Port Hacking Protection Society has said, in 10 years there will be more of everything on the port—boats of every kind, jet skis, swimmers and tourists—but the port will be no bigger. There will be no additional seagrass beds, fish population, beaches or waters to use, and, therefore, there will be conflicts between low and high impact users and pollutants from various activities. As the Port Hacking Protection Society also stated, boats are an integral part of Port Hacking. Many people come to the waterway especially to enjoy their boats, large and small. Even for those who do not own boats, watching the boats on the port can be a pleasure.

Most people who use the waterway and care for it would like to see Port Hacking a safe and pleasurable place for boating activities as well as other activities. There is, of course, the central need for an integrated approach to planning for Port Hacking. The Port Hacking Management Panel was created following the last council election in 1999. Unfortunately, the panel is chaired by a left-wing member of the shire watch, Councillor Spencer. The panel was designed to bring all stakeholders together. As such there is a need for harmony, co-operation and a shared vision of the port. However, the history of the panel has been anything but that.

There are two requirements for that panel, of course: a degree of co-operation and a written record of its activities, so that the public will be able to judge its effectiveness and because the panel will form a central part of the history of Port Hacking; and there must be integrity of the process in relation to it. On 16 March Mr Jeff Forsyth, a member of the panel, challenged the accuracy of the minutes and requested that in future all meetings be recorded to ensure accuracy. One would have thought it would be an essential prerequisite that such meetings be minuted in a comprehensive form.

**Mr George:** That would be the normal process.

**Mr KERR:** That would be the normal process, as the honourable member for Lismore has said. Council subsequently agreed to record all development application [DA] discussions at the panel, but to date this has not occurred. I call upon the council to release for public inspection the minutes from that period onwards, because the policy to record the DA discussions was tabled on 1 June 2000. At a panel meeting on 31 January 2001 a discussion was held regarding a development adjoining the property of a panel member. That panel member took part in the discussions, and commented on the merits or otherwise of the development.

**Mr George:** Oh, no!

**Mr KERR:** Honourable members are shocked. He clearly had a conflict of interest, which, to his credit, he declared, but Councillor Spencer allowed him to participate in the discussion.

**Mr Fraser:** That is disgusting.

**Mr KERR:** The honourable member for Coffs Harbour said it is disgusting. Following that

meeting the council ombudsman was contacted and concerns were expressed about the probity of the action that had taken place and the outcome of the meeting. Subsequently the decision of the meeting was set aside and the subcommittee declared illegal or not constitutionally formed. At a meeting held on 1 March, objection was taken to the waterways plan of management for Port Hacking. That meeting was called at approximately 24-hours notice and was not representative of the interests in Port Hacking.

At a meeting held on 2 May, Jeff Forsyth announced that the Port Hacking users group had, at a recent meeting of that group, passed a motion of no confidence in the panel chairman. The chairman refused to step down. Once again, there is a need for the minutes to accurately reflect what occurred, and for those minutes to be released for public inspection. The dredging of Port Hacking is a sensitive issue. We need safe navigation. There is public transport on Port Hacking and that ferry must be able to cross between Bundeena and Cronulla. Councillor Spencer should step down. If he does not do so, he should declare his opinion about dredging— [*Time expired.*]

## ASHBURY TRAFFIC ARRANGEMENTS

**Mr MOSS** (Canterbury—Parliamentary Secretary) [5.17 p.m.]: I wish to express my concern, and that of the local community, about a dangerous intersection at King, Milton and Trevenar streets at Ashbury. King Street and its continuation, Milton Street, is still classified as a regional road. For that reason a considerable amount of traffic uses that road. The street that crosses at the intersection, Trevenar Street, also accommodates large volumes of traffic because it is a major artery between the suburbs of Ashbury and Ashfield. At the intersection in question there is a very large roundabout. I have to say that roundabout works very well in so far as traffic flow is concerned. Unfortunately for pedestrians in that area, it has become an absolute nightmare.

As I see it, there are two main reasons why the roundabout is a real problem for pedestrians. First of all, the general topography of the area lends itself to a situation whereby vehicles, particularly those travelling in a westerly direction, tend not to slow down when approaching the roundabout. In addition, motorists tend to be focused more on the roundabout than on the pedestrian crossing at the intersection, which is situated right next to the roundabout. Another problem is that there is a primary school in Trevenar Street, Ashbury, only a few metres away from the intersection in question.

A number of efforts have been made to rectify the problem. Canterbury City Council has increased line markings and improved warning signs at the roundabout. I applied for a school crossings supervisor, commonly known as a lollipop person, to supervise schoolchildren at the intersection during school hours. Unfortunately, I was advised that a person could not be accommodated at the crossing because it fell short of the required pedestrian and vehicle volumes required by the Roads and Traffic Authority [RTA]. I fail to see why it should fail, particularly in the morning when there is a lot of peak hour traffic competing with children going to school.

In an effort to achieve a safer intersection a recent on-site inspection was held between school community and RTA representatives, which I attended. The only suggestion the RTA could make to solve the problem was moving the pedestrian crossing further away from the roundabout. The school representative, the community representatives and I disagreed with the suggestion simply because people cross at intersections and if the pedestrian crossing were moved away from the intersection people would still cross at this very dangerous intersection where the roundabout is located and not use the crossing. There are other problems associated with moving the crossing: there is a bus stop and the driveways of a number of homes would be affected by moving the crossing down. So we do not see that as a solution.

Twenty years ago roundabouts were very rare. They were introduced mainly to ease traffic flow, which they have done effectively. However, if there was not a roundabout at the intersection there would be pedestrian lights, accommodating both traffic flow and pedestrian safety. That is what is needed at the intersection in the long term. I again appeal to the Minister for Transport to look favourably on providing a

crossing supervisor during school hours. In the longer term I will pursue the abolition of the roundabout at this very dangerous intersection and the installation of traffic lights in lieu thereof.

## ORARA HIGH SCHOOL WHEELCHAIR ACCESS

**Mr FRASER** (Coffs Harbour) [5.22 p.m.]: Tonight I bring to the attention of the House and the Minister for Education and Training a matter at Orara High School. I wrote to the Minister on 2 July following representations from Mr Trevor and Mrs Roxanne Newton concerning access for their son Ben at Orara High School. The inclinator at the school continually broke down. A letter from David Hotchkiss, special education consultant to the principal of the school, dated 23 April stated:

> This letter confirms advice given by myself over the phone to Ms Susan Adams that the Wheelchair Platform should now not be used under any circumstances …
>
> As indicated in Funding Support 2001 documentation forwarded to schools, and confirmed verbally by me on several occasions, Orara HS should as a matter of urgency now conduct a review of funding for any student whose support needs are adversely affected by this situation.

When Mr Newton, who is the chief executive officer of the Police Citizens Youth Club at Coffs Harbour, and his wife moved to the area they were advised by Mr Ron Phillips, the superintendent of schools, to enrol their son, who has been a paraplegic since the age of two, at Orara High School. They did this in good faith, but through the year they have had massive problems with the inclinator. In a letter dated 28 June they said to me:

> Ben spent *2 weeks* earlier this term doing his work alone in the Library, *missing key information and assistance from teachers* because the Department would not address the issue and the school's general assistant was on leave, leaving no one who was able to recharge the battery on the "Stairmate".
>
> Not only has Ben lost his independence and dignity because of this utterly disgraceful situation, the psychological distress has been obvious and most upsetting to us as parents and *his grades have suffered as a result of not being able to physically attend his classes*.

The couple wrote to me again on 10 July after having received a letter from Mr Ron Phillips, in which he wrote:

> Funding has been approved for the provision of a lift at Orara high school ... I recognise that Ben has had to endure a number of disruptions this year which is regrettable, but I am also aware of the enormous efforts of the school, Mr Hotchkiss and Properties Officers to ensure the well-being of students and their access to the curriculum have been of primary importance.

In a letter to Mr Ron Phillips Ben wrote:

> In your letter you therefore implied that I have no more than two periods upstairs daily. This is completely false.
>
> You also stated that it has been offered to me to be carried upstairs, other than work in the Library. The last time the Inclinator was out of commission, I had a conversation with my current aid, Stan Baric about the matter. We decided that it would be completely inappropriate for him to lift me up the stairs, as it was not what he was paid to do, and this action could result in serious injury on both our parts ...
>
> Furthermore, I have been advised that the installation of a proper lift at Orara would be at least three-four years away. Could you please advise what relevance this has to my current situation,

as I will have probably already left Orara.

His parents also wrote to Mr Phillips on the same date as follows:

> Are you also aware that because Ben could not physically get to his upstairs Art room he was unable to make his major art work for Term 2, which was supposed to be a pottery piece, which resulted in him getting no mark for that piece of work, thereby bringing *his Term 2 Art mark down significantly?* Is this appropriate when the circumstances were clearly beyond his control …
>
> Incidentally, how would you feel about being carried up and down stairs at least half a dozen times a day in full view of your peers ...? *Can you even begin to imagine the psychological and emotional effects that would have on a very bright young 13-year-old boy going through puberty with more than enough challenges facing him already?*
>
> What about the Occupational Health and Safety Issues ... ?
>
> Is the Department aware that a piece of heavy machinery used to transport Ben was left to be operated by a 13 year old boy?

Yet Mr Phillips says in his letter that does not happen. The letter continues:

> Ben spent over 2 weeks working in the Library during which time his work suffered greatly as *he had no access to teachers ...*

The letter goes on to say:

> Mr Hotchkiss did not even have the decency to contact the families of the children who would be affected by the edict he issued banning years of the inclinator and, in fact, admitted to me when I contacted him by telephone regarding the situation on day 2 of Term 2 2001 that *he had no idea Ben existed after 16 months in his current position.*

That is disgraceful. The honourable member for Bankstown advised:

> The Senior Technical Officer from the Properties School Service Unit, Newcastle will visit the school early in term three to prepare a full scope of works. The Department of Public Works and Services will then document the project and call for tenders for construction. Estimated construction time is 30-40 weeks.

It is another disgrace that it will take another 30 weeks for this child and others to gain access to their classrooms. I call on the Minister to instigate work immediately to get the lift put into the school so that this child who is already severely physically impaired can have a decent education. [*Time expired*.]

## HOXTON PARK AIRPORT

**Mr LYNCH** (Liverpool) [5.27 p.m.]: I draw to the attention of the House the latest developments concerning Hoxton Park Airport, which is located within my electorate. The airport as it currently operates should be closed. This is a position I have put to this House on at least three separate occasions. The latest development involves a totally cynical and monumentally unmeritorious effort to obtain a form of heritage listing for the airport. Presumably, those who are proposing the heritage listing are hoping that the airport will thus be saved from closure. The attempt has been made by those who wish to keep the airport operating, by those who have a financial interest in the ongoing operation of the airport—in short, by those who put their commercial interest in profit ahead of the best interest and safety of the residents that I represent.

A proposal has been made to enter Hoxton Park airport on the register of the National Estate. According to claims in the local media, the proposal has been made by the Phoenix Aero Club and Liverpool Flying School. There are a number of problems with the interim listing by the Australian Heritage Commission. Arguably, the most significant heritage relics connected with the airport are the wartime revetments. Revetments were used to disperse and hide aircraft in case of an enemy attack. However, the problem for those who want to have the airport heritage listed is that the revetments are not included as part of the current airport or as part of the current heritage listing. They are in fact on land further to the west of the airport currently owned by Landcom. Indeed, the original wartime airport clearly included a significant amount of land to the west of the current airport.

A sceptic would be entitled to think that the reason the most significant heritage item of all is not included in the listing is that the listing is a misguided effort to keep the airport open, rather than any concern for the preservation of heritage. In addition to the revetments, two taxiway bridges and a small part of the World War II airport runway remain on the site. The remaining part of the runway measures approximately 250 metres by 50 metres. On the basis of that very small geographic space, a claim has been made by the commercial users of the airport to heritage list the entire site of some 88 hectares.

If the claim were genuinely about heritage, the request for heritage listing would be for those specific heritage items. But this is not about heritage; it is about a cynical opportunist attempting to use heritage to protect a commercial use. An attempt has been made on the basis of this small geographic area to justify the listing of 88 hectares. Graeme Davison and Chris McConville, in their book *A Heritage Handbook*, quote Lord Charteris, Chairman of Britain's National Heritage Memorial Fund, as saying, "heritage means anything you want". The Phoenix Aero Club and its allies have taken that perspective to its logical conclusion. To them, heritage is equivalent to their commercial and financial interests.

As someone who cut his teeth more than 20 years ago on John Ruskin and William Morris, and who has a longstanding interest in heritage and history in his area, I find it very offensive to have what I regard as the legitimate and genuine values of heritage misused in this way for pure commercial purposes. One aspect in which the current airport does have interesting heritage value is its approach to safety standards. That approach is genuinely historical; it is well and truly behind the times. That, of course, is part of the heritage that no-one wants to particularly maintain.

If those proposing this listing were genuinely interested in preserving the heritage of the site, maybe they would argue for its preservation with no ongoing commercial use. But they are not doing that, and they will not do that, because they really want to keep making profits. Hoxton Park Airport has no control tower; it is the busiest uncontrolled airport in Australia. In recent years two collisions and three fatalities have been associated with the airport. The report of the coronial inquiry into those deaths is horrifying reading. The cause of the accidents was undoubtedly human error. I have absolutely no faith that human error—certainly in the absence of a control tower—can be sufficiently removed to make the operation of this airport safe.

One collision resulted in a plane plummeting headlong into a densely populated residential area of Green Valley. It was completely good luck and not good management that no-one on the ground was killed by that plummeting plane. What is particularly offensive about this latest development to get the airport heritage listed, as many in Liverpool would understand, is that I have a deep love of history as a discipline and a deep love for the preservation of our heritage. That cannot be said of the people pursuing this listing. They have no interest in heritage—their claims that they do are false. They are charlatans and fraudsters: all they care about is maintaining their profits and their businesses. It is absurd to know that other airports that have gone through this process have been redeveloped and reused in a totally appropriate way.

## BAULKHAM HILLS TRAFFIC CONGESTION

**Mr MERTON** (Baulkham Hills) [5.32 p.m.]: On 12 April 2000 I brought to the attention of this

House the concerns of a large number of my constituents over the increasing traffic in the east Baulkham Hills area. One particular aspect I raised at the time was the need for a second left-hand turn lane from Old Northern Road into Windsor Road at Baulkham Hills. Currently two westbound lanes in Old Northern Road go straight through this intersection to Seven Hills Road, with the third lane being a left-turn-only lane onto Windsor Road towards Parramatta and the M2. Traffic congestion at this intersection during peak hours is nothing short of chaos and has been getting progressively worse since the M2 opened.

I first queried the possibility of converting the middle lane into an optional left-hand turn lane in October 1999. At the time I found that the proposal had the full support of the Castle Hill Police Traffic Section, Baulkham Hills Shire Council and the local traffic committee. However, the Roads and Traffic Authority [RTA] did not support the change and told the council that it was not the responsibility of the council or the traffic committee. In February 2000 I issued an invitation to the Minister for Roads to visit my electorate so he could experience the traffic problems first hand.

As so many local residents, the council, the traffic committee and the police believed a second optional left-hand turn lane would alleviate congestion at the intersection, I believed it was the Minister's duty to inspect the site so he could assess the benefits of the proposal, but the Minister did not respond to my invitation, and I am still waiting to hear from him. I subsequently made representations, on behalf of the Castle Hill Police Traffic Section, to the Minister for Roads suggesting that a trial of the optional second left-hand turn lane be conducted during the Sydney Olympics. I was advised by the Minister for Roads on 9 September 2000 that the Olympics period would result in changed traffic conditions and would not be a good indication of normal conditions for trialling the second left-hand turn at the intersection. However, the Minister for Roads stated:

> The RTA is currently investigating implementation of an electronic lane designation control system. This system would allow the introduction of a dual left turn facility during the AM peak period and single left turn at other times. If warranted, the proposal will be included in a future program of works.

Obviously the Minister for Roads and the RTA did not think it was warranted, because more than a year later I have not heard from them. I believe that the Minister for Roads should take the ever worsening traffic congestion problem at this badly clogged intersection seriously and initiate actions to alleviate it. I believe a second left-hand turn lane would stop the increasing number of motorists who are threading their way through narrow residential back streets such as Edward, Munro, Cary, Cross and Cook streets to avoid delays caused by the congestion.

Baulkham Hills motorists are already frustrated with the car park that is Windsor Road without having to contend with an intersection that has remained unchanged despite the increase in traffic, apparent since the opening of the M2. The M2 has reduced the time it takes for commuters from The Hills to travel to the city and has significantly improved their trips, but its benefits are offset by the frustration caused by the traffic congestion and delays they experience in just finding their way onto the motorway. If one simple measure on the part of the Minister for Roads and the RTA can remove that frustration from their days, why can it not be implemented?

My electorate office is less than one kilometre from the intersection and I witness at first hand the traffic banked up to my door and the frustration of motorists. This matter requires immediate attention. The optional second left-hand turn lane has the support of local police, the council and the local residents. However, the Minister for Roads and the RTA, in all their wisdom, have failed to recognise the benefits. On the opposite side of the intersection motorists coming from Seven Hills are able to avail themselves of the same option I am suggesting for Old Northern Road. The Minister has a poor record when it comes to addressing the traffic woes of The Hills residents.

The Windsor Road upgrade is only being fast-tracked after a concerted campaign by local members of Parliament, the council and the community. It is high time that the Minister did something to

stop the traffic chaos at this intersection—a matter that can be dealt with simply and with little financial expenditure. Simply put, it must happen now because the traffic situation is chaotic. I travel there almost daily. I ask the Minister to examine the situation as many motorists are being forced to move from one lane to the other, and I am concerned that accidents will continue to happen.

## BAY AND BASIN COMMUNITY RESOURCES AGED CARE CENTRE

**Mr W. D. SMITH** (South Coast) [5.37 p.m.]: Over the past 25 years or so the South Coast region has become one of the most popular destinations for retirees to spend their twilight years. We have seen during those years a marked increase in the demand for relevant services, including health and medical services, community assistance, transport and retirement accommodation. There is very little that the South Coast cannot offer to newly retired and aged arrivals as well as permanent residents. However, many of the services offered today have come about only because of dedicated members of the community who were concerned enough about the lack of services in the area to do something about them.

In this the International Year of Volunteers I would like to make special mention and pay tribute to the Bay and Basin Community Resources Aged Care Centre. Last week I had the pleasure of officially opening the new premises for the centre, at Macleans Point Road in Sanctuary Point, together with the local Federal member of Parliament. The centre receives funding jointly from the New South Wales and Federal governments. The Bay and Basin Community Resources Aged Care Scheme was established in 1990, after a small group of volunteers recognised a significant shortfall in services for the aged in the Jervis Bay area. The current general manager of Bay and Basin Community Resources, Veronica Husted, is one of the original group and has been a steadfastly committed representative ever since.

The committee was initially formed to lobby governments at all levels. Members of the community were encouraged to identify and support much-needed services through fundraising and special awareness events. The Respite Day Care Service was one of the first government-funded services established in the Jervis Bay-St Georges Basin area. Initially, one staff member was employed and placed at the St Georges Basin Community Centre. That organisation has since grown markedly and is now recognised as one of the leading community-based service providers in the entire Shoalhaven. More than 30 full-time and casual staff are employed, with over 70 volunteers generously offering their time to the centre—and what a great group of volunteers they are.

I am proud that members of my communities are so willing to ensure the continual provision of a highly professional and well-regarded service for our aged and frail. A number of services are provided under the banner of the Bay and Basin Community Resources Centre. The aged and frail of the Jervis Bay and St Georges Basin area today have access to the Bay and Basin Respite Day Care Service, which provides respite and socialisation support; Shoalhaven Neighbour Aid, which provides co-ordination of in-home volunteer visits to isolated older people, offering companionship and assisting with small tasks at home; the Shoalhaven Dementia Respite Service, "Bayrest", which offers in-home respite for key areas of dementia sufferers with challenging behaviour; Commonwealth aged care packages, "Baycare", which provided hostel-level care in the home; the Carers Support Group, which offers support, information and a referral service for carers; and a transport program, which provides much-needed access to services within the bay and basin area as well as the general Shoalhaven area.

Recently, the resources centre received a favourable response to its submission for one of the former Olympic commuter buses. There is no doubt that this addition will be put to good use for the benefit of the community. The bus is state-of-the-art equipment. It has space for two wheelchairs inside with a hydraulic lift at the back and has the capacity to carry 10 passengers. I should like to make special mention of those who are involved with the centre. Aged care manager Sue Church is dedicated to the clients and works extremely hard for their wellbeing. Sue is conversant with the needs of the aged in the local community and consistently looks towards providing the best service possible, lobbying for funding when needed and keeping up to date with all the available programs that are appropriate for the centre.

Sue has a deep compassion for the frail and aged, and this alone can help her clients feel comfortable and cared for.

The Bay and Basin Community Resources Centre President, Barbara Haynes, is also a dedicated member of the centre and gives Sue and her team of volunteers unstinting support. Bay and Basin Community Resources Centre General Manager, Veronica Husted, has played a significant role in supporting the aged care centres development and ongoing work for the aged. She has been there from the beginning and remains a solid conduit between the centre and supporting government and community agencies.

## CATTLE TICK CONTROL

**Mr GEORGE** (Lismore) [5.42 p.m.]: Tonight I again raise the continuing problem caused by the ongoing determination by the Government, the Minister and New South Wales Agriculture to charge producers for chemicals used to eradicate cattle tick. The Minister might think I am a one-issue member. However, the decision is unjust and discriminatory. It ignores the economic, social and environmental consequences to the New South Wales cattle producers. In Tick Note No. 16 the industry was advised that costs would be charged to producers, but that costs would not apply where the producer has met his or her responsibilities and the failure to eradicate is due to factors outside the producer's control.

Following the 2000-01 season eradication programs had failed on five properties. One farmer was considered not to have met his commitments and would have to pay staff and travelling costs. However, the board recommended that the other farmers not be charged those costs because they had met their commitments. Dr Saville, chief of the Division of Animal Industries, decided they should pay in a letter dated 30 July. He attended the CTAC meeting on 31 July and 1 August, but did not mention his decision. He did not seek information regarding those failed programs from the gathered technical experts at the meeting. His letter arrived on the desk of the chairman of the board on 1 August. There it stayed until being included in the board papers received on 6 September. That letter should have been sent to board members immediately. I understand that the matter was heatedly discussed in the boardroom. The Chief Division of Animal Industries has now reconsidered his decision.

Mr Graham Hudson is a producer and he and his family have gone through considerable costs and stress, yet at the eleventh hour Dr Saville, the chief of the Division of Animal Industries, reconsidered his advice of 30 July and agreed to waive the supervision fees on the four properties recommended by the board. That astounds me, having regard to the stress those families were put through. There is much I would like to say on this subject but, unfortunately, time does not permit me to do so. We are close to achieving our aim with respect to eradication in the area, bearing in mind that a few outbreaks will always occur from time to time. To allow the use of vaccines now would destroy what New South Wales producers have achieved over the past 90 years. It must not be allowed. The board is supposed to represent producers. In my opinion the department's demand for confidentiality prevents board members from communicating with and representing producers adequately.

The CTAC proceedings were mostly labelled confidential. So too are many matters within board meetings. It is a convenient way for the department to continue implementing its program without producers being aware of facts and decisions. Board members have been sternly warned not to break the confidentiality ruling, and they cannot talk to producers about this problem. Well, how do they represent them? The eradication program could possibly be lengthened to prevent failures, but the board is determined to implement the most efficient program whilst minimising chemical use and cost to both the department and to producers. That means that there could be a few failures that would have to be accepted by the department in return for reduced chemical usage and cost.

It must be acknowledged that the cattle tick program is protecting all of New South Wales. If ticks spread throughout the Northern Rivers predictions at CTAC meetings regarding climatic conditions and tick behaviour indicate that ticks will be viable over an extensive area of New South Wales. This is

not acceptable to the New South Wales cattle industry. The producers in my area have had enough. They will not put up with the hierarchy of New South Wales Agriculture continually changing its decisions. The ongoing determination of the Government, the department and the Minister to charge producers for chemicals used to eradicate cattle tick is unjust and discriminatory. [*Time expired*.]

## BANKSTOWN ISLAMIC COMMUNITY

**Mr STEWART** (Bankstown—Parliamentary Secretary) [5.47 p.m.]: I speak on behalf of the people of Bankstown to offer sincere condolences and our heartfelt prayers to the people of America as a result of the terrible tragedy there last week. I watched in a surreal way the tragedy unfold on television. I came home late at night to watch the CNN news and began to wonder whether what I was watching was a movie or real life. Unfortunately, the terrible reality of that night has now gripped the world. The people of Bankstown are very much in tune with the people of the United States. That has been highlighted by the fact that during the Olympics in Sydney last year 400 people from the United States Olympic team stayed in and enjoyed the hospitality of Bankstown.

That relationship dates back to World War II when the United States had a key interest in Bankstown. Bankstown airport, which still exists, was used as a strategic air base supporting the war effort in the Pacific. The airport was home to the US 35th Fighter Group and the 41st Squadron Group was stationed there in 1942 for the protection of Sydney Harbour and city residents. It is important to note that Bankstown's relationship with the United States has extended to the Olympic Games and to the establishment of a local Yanks Down Under group, whose members are Americans who remained in Bankstown following World War II. Many married local women and brought up their families in Bankstown. They still live in Bankstown and still believe in it.

The American ethos is strong and vibrant in my electorate. The people of Bankstown support wholeheartedly the initiatives undertaken by the United States Government in eliminating terrorism and will stand firmly by any action taken in that regard. It is well known that Bankstown has probably the largest and strongest Islamic community in Australia. All local Islamic groups have stated that they do not condone the recent attacks on America. Stereotyping is a problem at this time, so I will read an extract from a press release issued by the Islamic Charity Projects Association, a large Muslim association in Bankstown, to highlight to the House how the Islamic community in my electorate views those events. It states:

> We have sadly received the news of the tragic attacks against the World Trade Centre in New York, and other places in the United States. We express our deepest sorrow at such a calamity that has befallen the American people, which has led to the killing and wounding of thousands of Americans and other nationals as well. On behalf of the Muslim Community, we condemn such despicable acts and announce our strongest opposition to them, especially when innocent women and children are targeted.

It continues:

> Presently, there are many suspects, and we do not want to prematurely accuse anyone. However, we want to emphasise that, if the investigations conclude that the perpetrators are members of organizations that operate under Islamic names, no one should deem that all Muslims, with their various nationalities, are equally guilty with the perpetrators of this heinous act. The Muslims at large do not approve of this act primarily because it is contrary to the Religion of Islam.

I strongly emphasise that point, which is being put resoundingly by Islamic communities throughout Australia and the world. I think about seven million or eight million people from Islamic backgrounds live in the United States, and they are Americans first and foremost. If the investigations uncover a small terrorist element that is using Islam as its banner, we should bear in mind that that is contrary to the

Islamic religion and its emphasis in the world arena. Islam is a peaceful religion: it does not attack people or pursue its ideals aggressively. I have witnessed that first-hand in my local area where people of 122 nationalities live harmoniously side by side, house by house. I reiterate my support for my community and for that part of it comprising people from Muslim backgrounds. I hope that the tragic events in the United States do not result in negative stereotypes and negative portrayals of that community.

## ADOPT-A-TREE PROGRAM

**Mrs SKINNER** (North Shore) [5.52 p.m.]: Before I turn to the subject I wish to raise on behalf of my community, I must comment on the speech of the honourable member for Bankstown. I endorse his comments entirely. The Skinner family lived in the United States for a number of years, including four years in Washington DC. My daughter attended university in New York and my husband, who served in the military, was seconded to the United States Navy. Therefore, I know that part of the world very well and, like all honourable members, my heart goes out to every American. However, I support absolutely the remarks of the honourable member for Bankstown: the world must now seek justice and a restoration of the rule of law. It most not launch an unwarranted attack on any group or individual based on race or religion.

On Saturday 1 September I attended the launch of the Adopt-a-Tree program at Cremorne Point. This is a favourite part of my electorate that I referred to in my maiden speech. Whenever I need to restore my spirits and energy I visit this beautiful part of the world. The Adopt-a-Tree program is an environmental project that is important not only in my electorate but along the entire foreshore of Sydney Harbour. This project is co-ordinated by Coastcare, which is an interesting organisation involving all three tiers of government. It is a good example of what can be achieved through partnership. It is funded by the Commonwealth Government and receives a contribution from the State Government and support in kind from local government.

Coastcare is a major component of Coasts and Clean Seas, the Commonwealth Government marine and coastal conservation initiative co-ordinated by the Natural Heritage Trust. It is a unique national program that encourages community involvement in the protection, management and rehabilitation of our coastal and marine environments. It assists local communities to form partnerships with local land managers to undertake projects that aim to improve and protect our coastal and marine habitats.

The Adopt-a-Tree Program was developed because the Sydney red gum, or angophora, that dots our harbour foreshore is endangered. Many trees around the harbour suffer from a high level of die back—I am sure that people have seen the stark trunks and limbs of these beautiful trees. There are about 125 trees in this particular part of the harbour, more than half of which are dead. The program asks local people, many of whom are members of the Cremorne Bushcare Group, to adopt a tree to monitor its progress. People have been given disposable cameras to photograph the trees to record their growth and whether die back is occurring. They have also received monitoring kits and tips on how to determine whether the trees are suffering in any way.

The project is intended not only to assist in saving the remaining red gums in Cremorne Point Reserve but to determine what might be causing the death of the trees along other parts of the Sydney Harbour foreshore. Dying red gums are also a problem in the area vacated by the military at Middle Head. Scientific investigation of die back in that area has found that work done some years ago to flatten the crest of the hill and build ovals destroyed the salt and mineral levels of the land downhill, causing the trees to suffer salinity problems and die. I believe this is an important project that will help to identify why these trees are dying and to protect and rehabilitate existing trees. It will lead to species replacement not only in this region but in other areas around Sydney Harbour. I commend the program.

## INDEPENDENT COMMISSION AGAINST CORRUPTION FORMER COMMISSIONER BARRY O'KEEFE, AM, QC

**Mr GIBSON** (Blacktown) [5.57 p.m.]: I raise this evening a serious matter that goes to the heart of what this Parliament stands for: justice, fairness and accountability. On 28 October 1999, 7 June 2000 and 1, 2 and 30 November 2000 I requested authorities such as the Independent Commission Against Corruption [ICAC], the Judicial Commission and the Auditor-General to investigate allegations made by me against the former commissioner of the ICAC Justice Barry O'Keefe. Until now I have received no report from any authority. One wonders whether this is a cover-up. Are judges a protected species? One might assume so in this case. Why have these serious allegations not been answered? As I have told the House before, the commissioner paid bonuses to directors of more than $32,000 each. Another director was paid nearly $9,000 only weeks before leaving. No written reports were ever received by or given to ICAC about any trips the commissioner took. Free gifts or holidays in return for information he gave overseas interests?

From 28 September until 15 October 1999 Barry O'Keefe went to the Philippines, Hong Kong, South Africa and many other countries. Itineraries were made for the Philippines and South African parts of the trip, but no itinerary has ever been given to ICAC for the Hong Kong part of the trip. It is noted also that $140,000 was paid in accrued holidays. The commissioner maintained that for the five years he worked for ICAC he never had an annual holiday. I have asked them to look into that and also into the nearly $60,000 in fringe benefits that he took over the last year. I do not wish to bring any new allegations against the commissioner, but do we members of Parliament waste our time bringing such concerns to this House? Because nothing has been done in this case, it would seem that this may be the real issue.

**Mr ACTING-SPEAKER (Mr Lynch):** Order! I am reluctant to intervene, and I note that no point of order has been taken. However, it seems that the honourable member is clearly straying outside the Speaker's recent ruling.

**Mr GIBSON:** I understand, and I shall return to the substance of my remarks. If the same allegations were made against a member of Parliament, any one of us in this or any other Chamber, an inquiry would begin immediately. All the different authorities would come down on us like a tonne of bricks. Judges should be no different to members of Parliament or anyone else. These allegations are serious and should be answered, not only for my sake or the sake of this Parliament but also for Justice Barry O'Keefe. The Supreme Court found this judge guilty of bias, yet he can sit in judgment on cases in the very same court. That is outrageous. I ask these authorities to look into these allegations, as I have requested over the last two years, and report back to this Parliament because, as I said at the beginning of my remarks, the very fabric of this Parliament is based on justice, fairness and accountability.

**Mr McMANUS** (Heathcote—Parliamentary Secretary) [6.02 p.m.]: I understand the frustration of the honourable member for Blacktown. It is obvious that he has raised these issues for some time. As members of Parliament we require information to be given to us when it is sought on behalf of our constituents. I undertake to involve the relevant Minister in this issue.

## COMMUNITY JUSTICE CENTRES

**Mr McGRANE** (Dubbo) [6.02 p.m.]: I should like to remind the House of the value of Community Justice Centres. They are a program of the New South Wales Attorney General's Department and offer free, confidential and impartial mediation and conflict management services to the people of New South Wales. These services are available locally and are provided by mediators living in the area. In 1980 a Community Justice Centres pilot program was established by then Attorney General, Frank Walker. After a review the program became permanent under the Community Justice Centres Act 1983. In 1988 the program was expanded to Penrith to service the western area of Sydney. In 1996 it was expanded to the Blue Mountains and Hawkesbury. The Wollongong service was established as part of the original pilot program.

In 2000 the program was expanded to include the Illawarra through the establishment of a

mediator panel in Nowra. This year the program was further expanded to the Central West and Murrumbidgee areas. While limited services have been provided to the Central West for the past two years, the program is now able to provide a comprehensive service to communities in the western areas of New South Wales. The western region covers 24 local government areas and it is planned to expand the program further to the communities of Cobar, Central Darling and Broken Hill.

Community Justice Centres deal with a wide range of matters, including disputes between neighbours who have problems with dividing fences, water run-off, noise, overhanging trees, activities involving children, communal gardens, animals, pets and rubbish. The mediation process is involved also in family disputes regarding separating spouses, siblings, parents and children and extended families who may be in dispute about the care of family members, contact with or residence of children, rules at home, wills and financial issues. Social disputes, such as conflict between friends, social clubs and flatmates, are also dealt with by the Community Justice Centres mediation program. The commercial sector also can access the program to resolve workplace disputes between employees and employers, small debts matters between suppliers and service providers, and partnership disputes.

The centres also mediate on disputes in the wider community, such as those between sporting clubs, special interest groups and communities with common interests located in particular geographical areas. The mediation process is used when the Community Justice Centre is contacted by those involved in the dispute. The dispute is assessed to ascertain if it is suitable for mediation. The service has no waiting lists. Once all parties have agreed to attend a mediation session, it generally can be arranged within a week. The session always has two mediators. During mediation the parties are encouraged and assisted to listen to each other. The mediators guide the parties through a structured yet informal process that takes an average of three hours. In 85 per cent of cases the parties reach an agreement with which they all can live. The agreement is written down and each party is given a copy. That process avoids the costly process of the court system and is proving to be another cost-effective option for problem solution.

The program has some shortfalls in that after mediators have been trained by undertaking a specific course and become accredited, they work almost on a voluntary basis. They receive something like $20 per hour but do not receive any allowances for travel, meals or overnight accommodation. That occurs more often in the western areas than inner-city areas. I commend the Government for its plans to further expand the program, which could be further improved by adjusting the amounts paid to those who give their time so willingly to the service. [*Time expired*.]

**Mr McMANUS** (Heathcote—Parliamentary Secretary) [6.07 p.m.]: I appreciate the remarks of the honourable member for Dubbo about the implementation of the Community Justice Centre program and the importance of the program to his region. He indicated that the Illawarra was part of the pilot program. As a member representing the Illawarra region I have been involved for many years in the Community Justice Centre system The Government is totally committed to the program and will do whatever it can to ensure its success. The Government will continue to fight to protect the members of his community and others throughout New South Wales through the Community Justice Centre program. The Minister gave a similar undertaking only a couple of days ago. Community Justice Centres are an integral part of our strategy to try to keep pressure off our court system.

**Private members' statements noted.**

## BILL RETURNED

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

Liquor (Rugby League Grand Final Special Provisions) Bill

[*Mr Acting-Speaker (Mr Lynch) left the chair at 6.08 p.m. The House resumed at 7.30 p.m.*]

## BUSINESS OF THE HOUSE

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

**Motion, by leave, by Mr Whelan agreed to:**

That standing and sessional orders be suspended to provide for the following:

(1) no divisions or quorums shall be called for the remainder of this sitting; and

(2) the introduction, without notice, and progress up to and including the Minister's second reading speech of the Police Service Amendment (Complaints) Bill.

## POLICE SERVICE AMENDMENT (COMPLAINTS) BILL

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

### Second Reading

**Mr WHELAN** (Strathfield—Minister for Police) [7.31 p.m.]: I move:

That this bill be now read a second time.

The bill has been developed in consultation with the Ministry for Police, the Police Service, the Police Integrity Commission, the Police Association and the Ombudsman. The bill finetunes the manner in which the Police Service Act deals with complaints made against police by both members of the public and other police officers. The bill will free up the time police spend on handling minor complaints made by members of the public so that they can spend more time delivering core policing services on the streets. The Police Service Amendment (Complaints) Bill will cut through the red tape that ties up police in managing minor complaints made by members of the public, whilst ensuring that the Ombudsman and the Police Integrity Commission retain oversight of the police complaints system. It will also protect the privacy of people who make complaints against police, and offer additional protection to police whistleblowers.

The bill ensures that the Ombudsman and the Police Integrity Commission have control over which minor complaints need not be notified to the Ombudsman or otherwise dealt with under the Act, and are able to audit the manner in which the Police Service deals with these complaints. The bill also recognises that limits should be placed on the disclosure of the identity of complainants after a complaint is investigated, as limits are imposed during the investigation. The bill also offers additional protection to police whistleblowers by removing barriers to the effective prosecution of police officers who take payback action against them. In 1998 the Government introduced the Police Service (Complaints and Management Reform) Act to overhaul the police complaints system. The Act received broad support from all members of Parliament. That Act reformed part 8A of the Police Service Act and implemented 10 key recommendations of the Wood royal commission, combining a flexible complaint management system with a strong Ombudsman and Police Integrity Commission independent oversight of that system.

The Police Service (Complaints and Management Reform) Act enabled complaints to be addressed within an employee management rather than a strict disciplinary context. Primary responsibility for complaint management was placed on Police Service officers responsible for managing staff. The provisions of the Police Service (Complaints and Management Reform) Act commenced in 1999. Although there is general acknowledgment from the Police Service, the Police Integrity Commission, the Ombudsman and the Police Association that the legislative scheme established under the 1998 Act is fundamentally sound, it is clear that the complaint provisions of the Act both in respect of external and internal complainants need some finetuning. I will address the key provisions of the bill. Item [1] of

schedule 1 to the bill amends the definition of "notifiable complaint" at section 121 of the Act. Currently, all category 2 complaints made by members of the public, however trivial or minor, must be formally notified to the Ombudsman. Category 2 complaints are those that are not automatically notifiable to the Police Integrity Commission, which deals with the most serious complaints against police officers.

However, section 121 enabled the Ombudsman and the Police Integrity Commission, in consultation with the Commissioner of Police, to agree that certain classes of complaint made by police officers, generally of a minor nature, need not be notified to the Ombudsman. Schedule 1 removes the distinction between a complaint made by police officers and members of the public for the purposes of determining which complaints are identifiable to the Ombudsman. This means that the Ombudsman and the Police Integrity Commission, in consultation with the Commissioner of Police, may agree that certain less serious complaints made by members of the public need not be notified to the Ombudsman. The amendment will also enable the Ombudsman and the Police Integrity Commission to make guidelines under section 122 (2) of the Act that certain class 2 complaints made by members of the public need not be dealt with as complaints for the purposes of part 8A of the Act. The Ombudsman and the Police Integrity Commission have, obviously, been unwilling to make such guidelines, though they may very well be appropriate in some circumstances given that the Act currently regards all complaints by members of the public as notifiable.

Let me make it clear: The bill does not enable the Police Service to avoid processing all minor complaints. Independent oversight is, and remains, of central importance to the police complaints system. It is the oversight bodies, in consultation with Commissioner Ryan, that will determine which complaints need to be notified to the Ombudsman or otherwise dealt with as a complaint under the Act. The Ombudsman will continue to monitor the manner in which non-notifiable complaints are dealt with by the service through audits of the complaints information system. The Ombudsman and the Police Integrity Commission have agreed to develop guidelines to ease the burdens imposed on the Police Service in processing category 2 complaints, whilst maintaining oversight of the system necessary to ensure its integrity. I welcome the constructive approach taken by those bodies. I will ensure that the commissioner, in assisting in the development of these guidelines, consults fully with the Police Association.

The amendment to the definition of "notifiable complaint" will not mean that police will not have to respond to minor complaints from members of the public. Local managers will still be required to address complaints in an appropriate manner. However, the amendment will reduce the red tape and formal paperwork that must be completed by police in dealing with these matters. Many complaints may be satisfactorily resolved through a simple apology to the complainant, with the giving of the apology notified on file. The amendment and the resulting guidelines will increase the confidence of police in taking such action. The practical impact of these amendments will be considerable. In 2000-01 there were 5,022 written complaints about police officers, 82 per cent of which were made by members of the public. The vast majority of complaints are category 2 complaints, with only a little over 10 per cent of all complaints treated as category 1 complaints. From these figures it is clear that a more flexible approach will be able to be taken to the vast majority of complaints made against police officers.

Item [3] of schedule 1 to the bill inserts section 167A into the Police Service Act. That section will create two new offences. The first offence, punishable by 12 months imprisonment and/or $5,500, applies to persons who knowingly make false complaints about the conduct of police officers. The second offence, which carries the same penalty, applies to the complainant or any other person who subsequently provides false or misleading information during the investigation of a complaint to any of the bodies recognised in section 127 of the Police Service Act as having responsibility for handling of complaints or referring complaints to complaints handling bodies. Police need to be protected from false complaints and misinformation provided during the investigation of a complaint. A serious complaint against a police officer, if upheld, can put an end to that policing career. Complaints can also cause stress to police officers.

It is a regrettable fact that some people make false complaints about police in an attempt to

tarnish the investigation of a case or to create mischief. There have been instances, publicly acknowledged, where this has occurred. The new offence provisions will send a clear message to these people—their conduct is criminal and they will receive criminal punishment. Whilst the new offence is summary in nature police will have two years, rather than the standard six months for summary offences, to commence proceedings against false complainants. This is in recognition of the fact that it will often take more than six months to investigate a complaint, determine that it is false, and commence criminal proceedings. In developing the new offence, it has been put to me that people who make false complaints against police can be dealt with under the old public mischief provisions of section 547B of the Police Service Act. That is clearly not the case.

First, that section was not designed specifically to respond to complaints about police. Rather, it is a public justice style of offence directed at people who waste police time with matters that require investigation. Second, investigation within the meaning of the Crimes Act carries connotations of criminal investigations, rather than employee management investigations. Third, the public mischief provisions would apply only to complaints that call for an investigation by a member of the Police Service. Some complaints, particularly the more serious ones, call for an investigation by the Police Integrity Commission or the Ombudsman, rather than the service. Fourth, proceedings for public mischief offences must be commenced within six months. Whilst this is entirely appropriate for many false allegations, it is not appropriate for false complaints, for the reasons that I outlined earlier.

Clause 2 of schedule 1 to the bill repeals section 145 (3) of the Act. That section requires police officers, during the investigation of a complaint, not to disclose the identity of the complainant otherwise than in accordance with guidelines issued by the Commissioner of Police. Section 145 (3) does not go far enough and is replaced with new section 169A, dealt with at clause 4 of schedule 1 to the bill. New section 169A will extend the protections afforded to complainants beyond the time at which the complaint is finalised. It also ensures that administrative officers of the Police Service, as well as police officers, are bound to respect the privacy and confidentiality needs of the complainant. These amendments are of particular importance for protecting police whistleblowers, but also have application to members of the public who make complaints against police.

Subsection (a) of section 169A makes it clear that the identity of a complainant may be disclosed if the complainant consents. Subsection (b) of section 169A also recognises that the commissioner may develop guidelines on disclosure, consistent with section 145 (3) of the Act. There will be many circumstances where it will be appropriate to disclose the identity of a complainant—for example, where it is necessary for a police officer to offer an apology to them. Subsections (c) and (d) of section 169A ensure that police are required to disclose the identity of complainants for recognised legal purposes, such as court proceedings.

The proposed transitional provisions at clause 54 of part 16 of the Act preserve the section 145 (3) guidelines, until such time as they are amended in light of the new section 169A. The Police Association will be fully consulted in the development of those guidelines. Clause 5 of schedule 1 brings the protections against reprisals for police whistleblowers under section 206 of the Police Service Act into line with the protections under section 20 (1A) of the Protected Disclosures Act 1994. This means that once it is established that a police officer takes detrimental action against another police officer who has complained about them, that officer must satisfy the court that it was not in retaliation for the complaint.

The amendment is necessary because police officers can, in many cases, take action under both section 206 of the Police Service Act and the Protected Disclosures Act. Section 206 defines "detrimental action" in the same manner as the Protected Disclosures Act, but additionally recognises pay-back complaints as a detrimental action. There are also slightly different tests as to the nature of the complaint necessary to take action under section 206 and the Protected Disclosures Act. The amendment is necessary not to discriminate against police whistleblowers who take the section 206 approach. It should be noted that the amendment only replicates in section 206 the provisions of section 20 (1A) of the Protected Disclosures Act 1994 in those cases where the complaint is also a protected disclosure. This

ensures that section 206 does not go beyond the Protected Disclosures Act. Clause 6 of schedule 1 to the bill recognises that the investigation of section 206 offences may take more than six months.

Accordingly, the standard six-month statute of limitations for commencing criminal proceedings in respect of a summary offence is raised to two years. This provides additional protection and reassurance to police whistleblowers. The transitional provisions proposed at clause 54 to part 16 of the Act recognise that it would be unfair for the amendments to section 206 to have fully retrospective application, as to do so would prejudice the existing legal rights of persons. Therefore, the new two-year statute of limitations cannot be used to reopen dead cases and the new provisions that mirror section 20 (1A) of the Protected Disclosures Act will not apply to any proceedings being heard at the time of commencement. There are no current proceedings or hearings under section 206 and the Internal Witness Support Unit has agreed not to initiate new proceedings prior to the time the new provisions are likely to take effect.

The Police Service and the Ombudsman are currently considering a range of administrative measures to further improve the way the police complaints system is managed. For example, consideration is being given to additional complaints management training, improved standard operating procedures, and the introduction of a new grievance policy to better deal with a range of internal complaints. It is also important to note the things that the bill does not do. It has previously been suggested that anonymous complaints not be considered under the Act. There were 219 anonymous complaints in 2000-01 and 47, or 21 per cent, resulted in adverse findings. This is consistent with the ratio of adverse findings where the complainant is identified. There were 38 complaints from persons that the Ombudsman identified as being within the service. These resulted in 15 adverse findings.

Anonymous complaints are allowed in all other police jurisdictions in Australia and across the New South Wales public sector. It had also been suggested that all complainants should sign statutory declarations as to the truth of their complaints. This would prevent many legitimate complainants from coming forward. It is also unnecessary in light of the new offences relating to false complaints, which are provided for under the bill. All parties have agreed to these matters not being included in the bill. The Police Service Amendment (Complaints) Bill cuts through the red tape that ties up police in managing minor complaints made by members of the public, whilst at the same time ensuring that the Ombudsman and the Police Integrity Commission retain full oversight of the police complaints system. This bill better protects the privacy of people who make complaints against police and offers additional protections to police whistleblowers. I commend the bill to the House.

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

## BUSINESS OF THE HOUSE

### Private Members' Statements: Suspension of Standing and Sessional Orders

**Motion by Mr Whelan agreed to:**

That standing and sessional orders be suspended to permit up to 11 members to make private members' statements forthwith.

## PRIVATE MEMBERS' STATEMENTS

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### LIONS NATIVE GARDEN

**Mr McBRIDE** (The Entrance) [7.48 p.m.]: I congratulate the President, Don Grace, the Secretary, Ken Bulkeley, and the members of the Lions Club of The Entrance for the establishment of the Lions Native Garden at The Entrance North. Stage one of the project, the sensory gardens, was officially

opened on 25 August. During 2000 the Lions Club of The Entrance put forward a proposal that a public gardens should be established for all the community to enjoy. Such a garden did not exist in that area of our community. A search of a number of locations was made in The Entrance area and, finally, a location in Terilbah Reserve, The Entrance North, was identified as being suitable. This area is on the edge of Tuggerah Lake and located at the northern end of the reserve near Pelican Boatramp and Boatshed, the site being considered ideal as it is protected from the elements. There are public toilets at the location, a disabled toilet is nearing completion, and parking for motor vehicles and buses is also available. The identified site is a neglected location and contributes considerably to pollution entering the lake, particularly after heavy rain. The establishment of the garden will help in preventing such pollution.

A formal application was made to Wyong Shire Council for permission to establish a native sensory garden at the location and this permission was granted, given the strong support for the proposal by Councillors Bill Thomson and Kath Forster. Because of the need to prevent pollution entering the lake, the Tuggerah Lakes Catchment Management Committee also agreed to support the project. The services of a landscape designer, Mr Paul Parker, were commissioned. He has completed detailed plans for the garden. Special consideration was also given by him to include plants that could be enjoyed by those within our community who are visually impaired or handicapped. All parts of the garden will have wheelchair access.

The plan includes provision of footpaths, feature walkways, a viewing platform on the lake edge, shelters, park seating and picnic areas. Visitors to the garden will be able to feel, touch and smell and otherwise enjoy the colours and textures of the various plants and trees. Raised levels will be included to provide such pleasures to people who must use wheelchairs. The garden, being located on the edge of the lake, provides a magnificent vista across the waters to the nearby islands, with flocks of birdlife and other native flora and fauna. Members of the community and nearby residents were canvassed. All persons interviewed expressed delight at the proposal and many expressed a desire to be involved in the development.

The North Entrance Progress Association is giving its total support to the garden project. Other organisations in The Entrance area have pledged their support in getting voluntary assistance. These include The Entrance Public School, The Entrance North Special School, Tumbi Umbi Girl Guides, the Returned Soldiers League Long Jetty, and Darkinjung Local Aboriginal Land Council. Given that this is the International Year of Volunteers, this project has brought many elements of our local community together—from local schools to the Returned Servicemen's League to progress associations and many other local organisations to bring about a new facility that can be utilised by those in our community with greatest needs.

It is great that the North Entrance will now have such a facility. It is a credit to our local Lions Club, which is the driving force behind this concept. Earlier this year I wrote to the Premier in support of the project. I am pleased to be able to inform the House that the State Government, courtesy of Premier Bob Carr, will be providing $20,000 towards the sensory garden. The Premier's staff confirmed the grant this week, and a cheque will be forthcoming over the next few weeks. I understand that this will enable stage two of the project to commence and will further add to the transformation of this parkland area. Projects such as this add to building an even stronger local sense of community. I congratulate all involved in bringing about stage one and look forward to the continued improvements to this wonderful site and the completion of stage two.

## HOME WARRANTY INSURANCE

**Mr MAGUIRE** (Wagga Wagga) [7.52 p.m.]: On 6 September I raised in this place my concerns regarding the mismanagement of the home warranty scheme. I said at that time that because of the mismanagement of the scheme builders were failing to get home warranty insurance. I faxed and sent to the Minister for Fair Trading correspondence from 21 builders complaining about their inability to get satisfaction from the scheme. After a public meeting held in Wagga Wagga the Minister responded on the

ABC by wallpapering over the problem very nicely, saying that if those people contacted his office he would make sure that they had contact with Dexta and HIA to get them back to work and get their approvals through. That was one month ago yesterday and nothing has happened except for a phone call from the Fair Trading Office to say that it would get onto it. Builders were still faxing my office as late as today. They are faxing from as far away as Lake Cargelligo, from all over my electorate.

Today I asked other members whether they were having trouble with home warranty insurance. Not a member on my side is not experiencing problems in getting builders back to work and houses constructed. It is obvious that the problem lies squarely at the feet of the Minister for Fair Trading. Tonight I sent 21 letters of complaint again and asked the Minister to respond immediately. The file in my hand is full of complaints from builders who cannot get a start because of home warranty insurance. The letters are from mum and dad builders and large companies that have applied for home warranty insurance and have been totally frustrated by the companies that are in charge of administering the system. They are totally sick and tired of the amount of paperwork they have to complete and the fact that when they do they are told that it is lost. They are sick and tired of getting excuses about why the problem has not been fixed.

I am pleased to see that the Minister has come into the Chamber to respond to my speech. He has been like a rabbit caught in the headlights—looking for a burrow to jump down. This issue needs a response. This afternoon I received a fax from TAFE. Students are losing their jobs. Builders are not taking on TAFE students, which will be catastrophic for the building industry. TAFE students are the future of the building industry. But builders cannot get a start because they need capital to gain home warranty insurance. Where does a young builder starting out with a young family get $400,000 worth of capital to build two houses?

Today I spoke with representatives of the Local Government Association, who are very concerned about this issue. They have contacted their local councils. To their surprise, they have a problem. Today they said that they had organised a meeting with staff of Fair Trading. That is not good enough. What they need is a meeting with the Minister and the Premier to finally decide what they are going to do about home warranty insurance, to get this problem solved and to get builders back to work. I am more than prepared to take part in the meeting. I am hopping mad. Today I spoke to Mr Dave McIntyre, who had two units of a development sold. They were worth $150,000 each. He lost the sales. Why? Because he could not get home warranty insurance.

The problems he has had trying to access home warranty insurance read like a nightmare. This man has tried everything. When he went to his local Fair Trading office he was told, "There is nothing we can do unless you have got a complaint about how we have administered the system. Go and rally your local member." I take offence at that. This local member has batted and batted to bring the concerns of builders throughout my electorate and this State to the attention of the House and the Minister. From the reports I am getting as late as today it has not happened. There has been no response. The staff member who told that builder to rally his local member must have his head in the sand, and must not have watched television, read the newspapers, or paid attention to the 65 builders who attended the public meeting in Wagga Wagga complaining about the system. The builders have said that once they obtain home warranty insurance the amounts available are not sufficient. A builder who wrote to me this afternoon needs $450,000 worth of insurance to complete his jobs. He managed to get $150,000 worth. So builders are losing jobs. In Lockhart one builder has lost work for a year. That is two houses. The problem demands attention. [*Time expired*.]

**Mr WATKINS** (Ryde—Minister for Fair Trading, Minister for Corrective Services, and Minister for Sport and Recreation) [7.57 p.m.]: The contribution by the honourable member for Wagga Wagga was very disappointing. I am aware that a group of builders recently met at Wagga Wagga to discuss their concerns. The honourable member also attended the meeting. As soon as I found out that there was a problem in the Riverina I instructed my office staff to contact the office of the honourable member for Wagga Wagga and ask him to provide me urgently with the names of any builders requiring assistance. A

list comprising 38—not 65—names of builders seeking assistance was provided to my ministerial office. It was sent immediately to the Department of Fair Trading. The department examined the list and determined that some of the 38 were subcontractors who are not required to arrange home warranty insurance, some were only manufacturers of materials who also do not require insurance, some had only recently lodged their applications, while others had already received their insurance.

Of the builders who require assistance, my department immediately contacted Dexta Corporation and HIA Insurance Services to ascertain the status of the insurance applications. I am advised that the applications to Dexta are still being processed, mostly because additional information was required or is still awaited from the applicants. Dexta has undertaken to treat these applications as a priority. Of the applications to HIA Insurance, I am advised that only two builders are actually awaiting insurance. My advice is that the National Operations Manager of HIA has arranged for these matters to be prioritised so that the two builders who are awaiting insurance will be assessed first.

I understand that other HIA insured builders have received insurance certificates, but some issues are unresolved. I am told that HIA Insurance is contacting the builders individually to discuss their particular concerns. The department is working hard to resolve these problems. I ask the honourable member for Wagga Wagga, as I have asked every member of this House, to bring these issues to my attention and we will do all in our power to resolve these difficulties and get builders back to work. But do not play politics by bringing such a contribution to this House at this time.

## CAMPBELLTOWN ELECTORATE POLICING

**Mr WEST** (Campbelltown) [7.59 p.m.]: Being a police officer is not an easy job. We call on police only when something goes wrong, and they spend most of their time with the small percentage of the community that creates problems for the rest of the community. Police see us at our most vulnerable and at our worst. Too often policing is a thankless job; the better police do their jobs, the less we are likely to thank them. Campbelltown is covered by two local area commands, Campbelltown and Macquarie Fields. The commands are ably led by their respective commanders, Ben Feszczuk and Glen Harrison. At the moment Glen is enjoying a well-earned rest on the South Coast and Greg Peters is filling in for him.

The commanders and their officers are a valuable part of the community, and I was pleased to welcome nine more officers, six at Campbelltown and three at Macquarie Fields, to our area. Both commands have been working hard to forge links with government agencies, groups and the community. They are involved in steering committees to make that happen. Crime prevention requires a whole-of-community response and Bob Quinn, accepting the Top Cop award for Campbelltown, highlighted the words of Sir Robert Peel, well known as the father of modern policing, that police are simply paid to do a job that is the responsibility of all of us.

The local police are taking an intelligence-based approach to community problems. When they suspect that inappropriate activities are occurring they will set up a random breath testing unit nearby, to scare off potential customers. Police will target and follow recidivists, thus reducing crime. Police have introduced the Community and Policing program in which, together with community leaders, volunteers, and young people, they set up a mobile van that has facilities such as Nintendo. That is an example of police interacting with young people, giving them something to do and keeping them off the streets.

Last Thursday I attended the Police and Community Recognition awards for the Campbelltown local area command. Earlier this year I attended a similar function for the Macquarie Fields command. The awards are a recognition by police of the outstanding contribution of fellow officers and members of the community who have rallied to the cause to assist police or other citizens in need. Those efforts were acknowledged at that police function, and I acknowledge them in this House.

Too often the contributions of the police are overlooked. I say to the officers who serve our community so well: Thank you. To the husbands, wives, partners and relatives, especially the children,

who lend us at their loved ones each day, I say thank you. We appreciate the sacrifices you make, and your understanding helps make our community a better place. Earlier I spoke of the preventive focus of our police, and I make special mention of the crime prevention officers, Andrew McDonald and Gary Plunket, who give up their time to actively work with the businesses in our community. I have seen them on Saturdays, when they are off duty, working with local organisations. They attend meetings, listen to complaints and work with citizens to find solutions to their problems.

Macquarie Fields now has two of those outstanding officers, and I ask the Minister for Police to consider providing a further officer for Campbelltown, because obviously this community-based preventive approach is the best way to go. Local projects such as Operation West Safe are under way and we welcome that initiative for road safety. Key areas targeted by the program are the local school communities, which, I am sad to say, are often the worst offenders. Local people drop off their children at school and is important that they be reminded to slow down and drive carefully around those important places.

The Highway Patrol saves lives through its valuable work in our community. Local police have welcomed the increased powers that the New South Wales Government has given and then they look forward to further improvements and enhancements such as those in the Police Service Amendment (Complaints) Bill, which has just been introduced. We are proud of our hardworking local police; they do a good job. I look forward to their continuing efforts in making Campbelltown an even better place in which to live.

## ALBURY-WODONGA COMMONWEALTH PARLIAMENTARY CONFERENCE

**Mr GLACHAN** (Albury) [8.01 p.m.]: Australia recently had the privilege and great pleasure of hosting delegates from Commonwealth Parliaments to a conference. At the end of the week in which this House last sat, I had the pleasure of attending a dinner in Parliament House for some of the delegates who were attending a pre-conference tour of Sydney and the surrounding area. On that pleasant occasion I met some interesting people from Parliaments of a number of different countries.

The 600 delegates and their partners assembled in Melbourne, and on 8 September they travelled to the Albury-Wodonga region. They enjoyed lunch and wines at the Brown Brothers and All Saints wineries in that area. That evening they travelled to Albury and attended a performance of the Flying Fruit Fly Circus at the Albury Entertainment Centre. The delegates had no idea what they were going to see. When I spoke to some of them after the performance I was amazed how much they enjoyed the performance. They had no idea what the Flying Fruit Fly Circus was, and it was very hard to explain to them. When they were told that the performers were children, they were a little doubtful. They could not grasp the concept of the circus being named after the fruit fly.

Years ago on the road between Albury and Wodonga there was a fruit fly control point. Travellers were stopped by uniformed officers who searched the car and confiscated any fruit because they did not want fruit fly entering Victoria from New South Wales. That procedure was quite inconvenient. It held up traffic and people regarded it as a nuisance. A serious, but amusing, incident occurred with my family one Sunday afternoon when we were travelling to Victoria for a picnic. We decided that we would take some bananas with us. My wife told the children that we would eat the bananas as soon as we stopped for our picnic so there was no need to tell the man about them. When we were stopped at the fruit fly control point the officer asked whether we had any fruit. We answered no, but my youngest daughter, then aged seven, said, "Only the bananas that mummy has hidden under the front seat." It was very embarrassing, and we have never let her forget it.

The circus adopted the name, the Flying Fruit Fly Circus. The circus is world famous, and has appeared in a number of countries. The performers are highly regarded. The delegates to that conference were absolutely astounded when they saw the wonderful performance by these very talented young people from Albury-Wodonga. Their act is really first class. Of course, the young performers attend the

circus school in Wodonga. The delegates went from the Entertainment Centre to the nearby civic centre, where we had dinner. That was a dinner with a difference because rather than seating the 600-plus people who had already had a large lunch and a very busy day, stores were set up around the room offering various light meals so that people could try a wide variety of food from various parts of a world. The Flying Fruit Fly Circus, of course, put on other performances during the night. This was an extremely successful event. I am sure that all delegates who attended the conference enjoyed their day and their stay in Albury-Wodonga. I am sure that for years to come they will remember the Flying Fruit Fly Circus performance.

## AUSTRALIAN SPRINGTIME FLORA FESTIVAL

**Ms ANDREWS** (Peats) [8.06 p.m.]: The Deputy Premier, and Minister for Urban Affairs and Planning, the Hon. Andrew Refshauge, officially opened the 2001 Australian Springtime Flora Festival at Mount Penang on Friday 7 September. Also opened at the same time by the Deputy Premier was the new $5.7 million major events and festival venue. Dr Refshauge, in his opening remarks, said that Central Coast families, residents and visitors now had a place to celebrate festivals, concerts, trade shows and major events. The Festival and Event Precinct is set to become a very attractive gateway to the Central Coast region.

This year the Australian Springtime Flora Festival celebrated its fifteenth year of operation, but none of the preceding festivals—good and all as they have been—attracted the record crowds that the 2001 festival did. Central Coast residents and visitors from all over the State, as well as from interstate and overseas, flocked to the Mount Penang site for the Flora Festival. It has been estimated that approximately 75,000 people attended over the five-day period. Of the numerous exhibitions at the Flora Festival, the one which attracted a lot of attention—and deservedly so—was the Australian Native Flower Growers and Promoters [ANFGP] exhibition. A number of my constituents in Peats are very active members of that organisation. I particularly mention Craig Scott, the President, and his wife, Angela, Nola Parry and Kay Ezzy. All those people and their colleagues do a remarkable job in promoting Australian native flowers. Members of the ANFGP were responsible for the beautiful floral tributes presented to the Paralympic medal winners.

The Australian Town Criers Championships were held on the site, in conjunction with the Flora Festival. A number of the participating town criers formed a guard of honour as the official party mounted the stairs leading up to the stage. Gosford City Council's official town crier, Stephen Clarke, did an excellent job in hosting that major event. At the presentation evening, held on Saturday 8 September at the Woolshed in Old Sydney Town, Stephen was presented with the Conviviality Award. It really came as no surprise to anyone in attendance when Mr Graham Keating, the official town crier for the City of Sydney, was announced as the Australian Champion of Champions. Graham resides on the Central Coast and has won the Town Criers World Championship for the past three years. He is often seen at a number of major Sydney events and parades mounted on his mare Rosette. Graham was also presented with the awards for the Best Dressed, Best Scroll and Best Cry.

The Loudest Cry was awarded to Mark Overall, the town crier for the City of Ipswich, Queensland. It was good to see former Central Coast resident, and now the official town crier for Coffs Harbour city, John Charles Kerr, and his wife participating in this event. It was also encouraging to meet Judy Campbell, the only female town crier participant and the official town crier for Campaspe shire in Victoria and Murray in New South Wales. Congratulations to the Mayor of Gosford City Council, Councillor Chris Holstein, and Gosford City Council for hosting this prestigious event. It certainly added another dimension to the 2001 Australian Springtime Flora Festival.

I would like to extend my congratulations to the General Manager, Mr Keith Deddem, the Chairman of the Board of Directors, Mr David King, and all board members, committee members, and staff of the Festival Development Corporation. They have worked tirelessly to ensure that the first stage of this massive redevelopment was completed in time for the official opening. The redevelopment of the

former Mount Penang site at Kariong is an exciting venture, and one which has received the ongoing support of Premier Bob Carr, the Deputy Premier and the Government generally. The commitment given by the Carr Government to convert the 156 hectares of prime real estate, with spectacular views to Brisbane Water, into a permanent horticultural exhibit, surrounded by first-class recreational and sporting facilities, was an extremely generous one. As the local State member, I am pleased that the local Kariong residents and Central Coast sporting organisations had the opportunity to make submissions outlining their suggestions on what the redevelopment should contain.

Subsequently, the master plan for the site incorporates an annual flora and horticultural festival to attract national interest; permanent gardens; a business zone for innovative technologies; regional Australian Football League and cricket facilities; accommodation and conference facilities; community uses; restaurants, craft shops and tourist attractions; research and information technology; communications and tourism development based on the horticultural theme; and environmentally sustainable infrastructure and services. May I take this opportunity to wish the Festival Development Corporation well in the further development of this magnificent site.

## JINDABYNE PRIMARY SCHOOL FIRE

**Mr WEBB** (Monaro) [8.11 p.m.]: I wish to speak in the House about a tragic event at Jindabyne on Thursday 6 September, when an important part of the Jindabyne Primary School burnt down. The efforts of police and fire brigades in the area are to be applauded. Their prompt attendance probably saved much of the school from the devastating effects of the fire. The alarm was raised by a taxidriver early in the morning. Three classrooms were completely destroyed, and a fourth was severely damaged. Unfortunately, those rooms were in a newer part of the school that has been undergoing change over the past year or so, with a fair bit of money being spent on the administrative areas. This year's budget contained an allocation for library extensions, which will be a valuable asset in a new part of the town.

It is really disappointing that this fire has occurred in the primary school. A fire such as this has devastating impacts and ongoing ramifications for the whole of the community. The school principal, Ian McCluggage, said that students and staff handled the fire quite well, although the physical loss will be felt by the school. Loss of memorabilia from the classrooms, teachers aids, education kits and portfolios will take a long time to replace. In primary schools—and Jindabyne is no exception—the classroom becomes a home away from home for the children. They certainly are places where children learn social interaction with their peers under the guidance of teachers. It is not like a high school classroom, where students just turn up with their books and bags and get on with the job. Most of the teaching aids, books, videos and all sorts of programs were lost. Only a few were salvaged.

The Department of Education and Training has been quick to respond, and I thank departmental officers for that. Counselling services have been provided and, in response to a call from principal Ian McCluggage, demountable classrooms have been installed so that the teaching year can continue. However, I would caution that this must be seen as a temporary measure. As most honourable members would know, Jindabyne winters are pretty cold, and by next March or April it will again be cold. The Jindabyne community therefore would want more permanent structures in place.

The fire is believed to have been started by vandals. That is an indication of the social ills and perhaps the Government's diminishing ability to meet the demand for police within the community, certainly in respect of on-the-street police who act as a deterrent to young people who would think about becoming vandals and setting fire to important community property like schools.

Another issue to the fore at the moment, and one that should be considered by the department, is a matter on which I have spoken to the Minister's office as well. It is a review of educational facilities in Jindabyne. The local community has been very active for more than three years in lobbying for a central school in Jindabyne to provide educational opportunities for children after they leave primary school, rather than obliging them to travel by bus to Cooma. The Snowy Mountains Grammar School has helped

to fill some of the void, but obviously it is not suitable for the mainstream education of students.

This may be an opportunity for the Minister to look at concepts being promoted by the Snowy River Shire Council and the Jindabyne community, as well as the hundreds of people who support the establishment of a central school. Perhaps the Minister could look at ways of supporting public education in Jindabyne and the surrounding district through the rebuilding of the Jindabyne primary school following the losses caused by the recent fire. I ask the Minister to investigate working towards a central school for Jindabyne and district. [*Time expired.*]

## CESSNOCK HIGH SCHOOL EDUCATION WEEK CELEBRATIONS

**Mr HICKEY** (Cessnock) [8.16 p.m.]: Recently I was asked by the local school community to take part in Education Week celebrations at Cessnock High School. The students must be congratulated on their skills in the performing arts. All the performances were excellent and the teachers and principals must be congratulated on their efforts in training the performers. The choreography and singing had to be witnessed to be believed. The Cessnock High Choral Group sang the national anthem and the Cessnock High Rock Eisteddfod performed "Postcards from New York", which was most appropriate as New York and Osama bin Laden are paramount in the minds of young people also. Bellbird Public School and Cessnock East School Combined Choir performed on the night.

Terry Maguire, the District Superintendent, presented the student awards and Chris Walmsley read the citations. Remarks and presentation of awards for service to education by community personnel were presented by Joel Fitzgibbon, the Federal member for Hunter, and myself. The students of Congewai Public School, a small school with one classroom, presented an interesting percussion item. Special mention must be made of Stacey Ward and Pipiana Williams, who performed on the night, and a highlight was the presentation to Cathy Sheedy of life membership to the mid Hunter district council parents and citizens associations.

As State member of Parliament I was honoured to be involved in this important community celebration, a celebration that encompasses all that is positive in our State education system. I am proud that I am part of a Government that is prepared to put its money where its mouth is in supporting education and training in this great State. During Education Week across the State, communities celebrate all aspects of school life and positive attributes of our education and training systems. Our schools are not just buildings, curriculum, students and teachers; they are a partnership, a community that works together for the advancement of children and young people's learning.

The New South Wales Government recognises the significance of education. It is a top priority across the State. The Government is spending a record $7.3 billion in New South Wales on education and training during 2001-02. This equates to the highest allocation for education in this State's history. The Minister for Education and Training, John Aquilina, has advised my office that the 2001-02 budget has provided initial funding of $3.6 million for a multipurpose building at the Cessnock campus of TAFE and $6.9 million for a horticulture and environment project for Kurri Kurri campus, an exciting project indeed. The students will construct a nine-hole golf course—this is just what Cessnock needs, another golf course—and learn about horticulture. They will be shifted from Charlestown to the Kurri Kurri campus.

**Mr Windsor:** What are you doing about roads.

**Mr HICKEY:** As the honourable member for Tamworth points out, the Quarrybylong school no longer exists. He recently travelled along that road and made quite a name for himself in the area. The Minister has provided $600,000 to replace demountable classrooms at Abermain Public School and the community is grateful for that. The New South Wales Government is committed to providing education across the State and recognises the importance of supporting and enhancing opportunities in regional and remote areas. The inclusive nature of public schools provides a positive experience for all involved.

The social background of students and teachers provides a diversity that is a solid foundation for tolerance and an understanding of life beyond the classroom, which proves that the Government is working towards tolerance and peace.

## VAUCLUSE ELECTORATE POLICING

**Mr DEBNAM** (Vaucluse) [8.21 p.m.]: I wish to talk about community safety and policing in my electorate. In these times of international tension there is no doubt that in the following days local incidents will occur in and around Sydney and it is important that policing resources are provided to my electorate and those that are susceptible to local incidents. My electorate was as shocked as any other group of Australians by the events of last week. On behalf of my electorate I wrote to the United States Consul General, Eileen Malloy, and I would like to read that letter onto the record:

> Dear Consul General,
>
> Our local community shares the United States' sense of outrage and grief and I write to express our deepest sympathies for the loss of life in this week's terrorist attacks. As in other nations, many Australians have been affected personally by the attacks and we all share a deep sorrow.
>
> In a world drawn together through communication, travel and trade, the attacks have now reinforced our sense of global community as we all grieve for the families, friends and fellow citizens of thousands of victims.
>
> Australia and the United States of America share many values and certainly treasure our democracy, free enterprise and our open society. We therefore appreciate that the attacks were not directed solely at the people and institutions of the United States. The attacks were clearly intended as a declaration of war on all western democracies and their citizens.
>
> The cold calculation and ferocity of these terrorist attacks opened our eye to the nature of evil in the 21st Century. We join you in praying our nations' leaders find the wisdom and strength to deliver a swift, strong and just response and to establish effective measures to deter similar acts of evil in the future. The fanatics responsible for these particular attacks and their collaborators worldwide must be made to hear our outrage and understand our resolve to protect our way of life.
>
> Please be assured our thoughts and prayers are with the families and friends of those killed or injured and with the people of the United States.

I sent that letter last Friday on behalf of my electorate to express our condolences to the United States. Last week the other main issue in my electorate was one that has come up frequently over recent years. I refer to the lack of police resources and a police presence. Police in my electorate are now stretched so thinly that they simply cannot provide security for the number of locations that need it, such as schools and synagogues, especially at this time of high international tension. Last Wednesday morning I made a number of phone calls to the Government to emphasise again that on Wednesday morning there was not one policeman visible in the eastern suburbs. There was a flurry of activity on Wednesday afternoon but nothing has changed in the week since.

The community expects more. The Government needs to look at all policing arrangements to create a presence of security in our city. My electorate needs that police presence in this time of international tension. Security arrangements are not apparent and I am not aware of any action the Government has taken to deal with the risks associated with the current worldwide situation, but we should be aware of any such action. Henry Kissinger was quoted last Thursday as saying that for the last 10 years the United States has been living in a fool's paradise. I think that comment could apply equally well to us, given that our society is just as susceptible to these sorts of attacks.

We certainly have had a range of local incidents from personal abuse of individuals through to graffiti and fire bombings. As I said earlier, these incidents occur every time there is international tension. But we are susceptible to worse incidents. I again call on the Government to review policing and security arrangements for my electorate—and, I am sure, for every other electorate in New South Wales. The Government must ensure that those security arrangements are in place. As parliamentarians, we must be aware of those arrangements. The community must have a sense of security, which it does not have at the moment.

## WERRIS CREEK RAIL MONUMENT

**Mr WINDSOR** (Tamworth) [8.26 p.m.]: On many occasions members of this House use private members' statements to complain about some issue or another or call upon the Government to do something for their constituents. I take this opportunity to thank the Government for doing something for my constituents. Recently, the Minister for Transport, and Minister for Roads, the Hon. Carl Scully, visited my electorate. He made an announcement in my home town of Werris Creek about the construction of a rail monument at Werris Creek railway station. That monument, the construction of which will take place over a number of years, will be erected in memory of the contribution that rail has made to the development of Australia.

Those honourable members who have not been to Werris Creek railway station probably would not be aware of the magnificent building that was built in the early 1880s in a black soil paddock. At that time virtually no other housing surrounded the railway station. Back in those days the railway station was built because the Government of the day made a decision to branch the lines. Obviously some political lobbying took place which caused the Government of the day to make that decision. Until then the development of rail in Australia had been about main line development. The decision was made to branch the lines at Werris Creek, which was named after the creek that runs through the valley.

Three railway lines now branch out from Werris Creek. At that time the Government of the day decided to branch the lines for the development of the region and, subsequently, the development of New South Wales. The Government of the day recognised that fact and built a magnificent railway station. As time has gone by governments have changed, centralism has occurred and, essentially, that building has remained empty for a number of years. The Economic Development Committee, which is chaired by Keith Moore, who is assisted by Chris Holly of Werris Creek, has been trying to establish legitimate uses for that magnificent building.

Dr Stuart Sharp, the head of the rail heritage unit of Rail Estate came up with the idea of building a monument to commemorate the lives of people in New South Wales and in Australia who died while making a contribution to rail in Australia and to acknowledge the contribution that rail has made to the development of this nation. The Minister and I likened it, in a sense, to the Stockman's Hall of Fame. It is not a museum in the strictest sense of that word; it is a facility to commemorate the contribution that rail has made to the development of this State. I place on the record my thanks to the Minister, the Hon. Carl Scully, who arranged for about $1.3 million in funding to commence this project.

A committee will be formed to assist the Federal Government, private enterprise and other institutions to establish something that does not exist in Australia at the moment: a facility that embraces the contribution made by rail. I congratulate the Parliamentary Secretary, the honourable member for Canterbury, Mr Kevin Moss, who visited Werris Creek about a month ago to look at the proposed site for the construction of this facility. The principal of St Joseph's Primary School made what I thought was a magnificent comment to the Hon. Carl Scully. He said, "Thank you for giving this community some hope." Rail has been part of Werris Creek in the past. It can obviously be part of Werris Creek in the future. [*Time expired*.]

## MOUNT DRUITT DISTRICT PUBLIC EDUCATION FUNCTION "LET'S CELEBRATE"

**Mr ANDERSON** (Londonderry) [8.31 p.m.]: On Monday 10 September my colleague the Minister for Agriculture, and Minister for Land and Water Conservation, the Hon. Richard Amery, and I attended the Mount Druitt district public education function entitled, "Let's Celebrate", which was held at Rooty Hill RSL. Those who attended the function did not know what to expect. We expected some speeches about public education in the Mount Druitt district. However, we were treated to a morning of excellence. Many schools participated in a performing arts program which highlighted the depth of the talent of our young people.

There was a performance by Hebersham Public School, a piano solo by Michelle Chan from the new Chifley College, a dance exhibition by students from Rooty Hill Public School, a choir item from Marayong South Public School and another dance item by students from Chifley College, Whalan. Those performances were followed by further dance items from Doonside Technology School and another choir item from Tregear Public School. All the performances were outstanding. No-one could criticise any of the performances by these young people. While we were watching these performances we decided that these students were outstanding and that their performances were second to none. It was great to see.

A number of speakers who were all former students from the Mount Druitt system then addressed the assembly. The first address was delivered by Professor Kerry Kennedy who attended St Marys school and who then went to the Australian National University [ANU]. He spoke of his time in the public education system in the Mount Druitt district and thanked the teachers and the system for the opportunities he was given. Professor Kennedy was really worth listening to. The next speaker was Miss Lauretta Claus, a young lady who is currently a teacher in the Mount Druitt system. She came from England with her family when she was fairly young, went through the public school system and attended Bennett Road Public School at St Marys.

Professor Kennedy spoke glowingly of the opportunities that she had had in the public education system. She said that she was proud and pleased not only to be a teacher in the system but also to be able to put her children through the same system and give them many educational opportunities. She was appreciative of what public education had offered her. Stuart O'Brien, the next guest speaker, was a young fellow who attended Bidwill Public School. He did not achieve much academically, but he learned a great deal and was encouraged to engage in commercial artistic work. He has developed an outstanding design company called Moon Design that has some of the biggest corporate clients in Australia as customers. This young fellow from Mt Druitt matches it with the best in Australia. He has created many jobs and earned tens of thousands of dollars for the community. He is a real credit to the school system in Mt Druitt.

Others also have a lot to offer. One young lady, Natalie Titcum, represented Australia at the Olympic Games and won two bronze medals. She was born in Rooty Hill and attended Rooty Hill primary school. She then moved on to Cranebrook High School and St Marys Senior High School. She seems to have been a bit of a larrikin. She gave an outstanding address to the community and talked about how she developed her Olympic skills by throwing oranges at Rooty Hill primary school. She amazed the principal with her accuracy. [*Time expired*.]

## OXLEY HIGHWAY UPGRADE

**Mr OAKESHOTT** (Port Macquarie) [8.36 p.m.]: I raise tonight an issue that enjoys rare bipartisan support throughout my local area. Both the community and local government are seeking the upgrade of the Oxley Highway from the Pacific Highway into Port Macquarie. I have just come from a meeting with the Minister for Transport, and Minister for Roads, the general manager of Hastings Council, the mayor of Port Macquarie and the Hon. John Tingle from the other place, who resides in Port Macquarie. On several occasions local branches of the National and Labor parties and the chamber of commerce have expressed publicly their support for upgrading the road into Port Macquarie. This issue has been on the planning agenda of both the Roads and Traffic Authority [RTA] and the local council for

almost 20 years, and much planning and residential development has taken place with the Oxley Highway rerouting in mind.

However, six months ago the project dropped off the RTA radar. No real explanation was provided for what many people considered to be an extraordinary decision, which threw local planning into a spin. As many honourable members will be aware, Port Macquarie is one of the major growth centres not only in New South Wales but in Australia. We are water-locked by a river in the north and the Pacific Ocean in the east so our only choice is to develop west to cope with the growth of Port Macquarie. Upgrading the Oxley Highway is vital as increasing numbers of people wish to live in the area. The existing route is dangerous and is the scene of many near misses. At present it carries substantial daily traffic that is equivalent to traffic numbers on the Pacific Highway.

We have reached the extraordinary situation whereby landowners whose land was acquired by the RTA with the rerouting in mind are seeing that land split. One landowner sold his land willingly on the condition that there would be channels under the highway to allow for the movement of cattle and tractors. If the RTA does not proceed with the planned rerouting, it will sell the land and that landowner will have a split block. That is completely inappropriate. It is almost as though the RTA embarked on this rerouting only to baulk halfway through the project, leaving many individuals—indeed, the entire community—without adequate facilities to meet growing demand.

I urge the Roads and Traffic Authority to work with the local community, Hastings Council, the chamber of commerce and local members of Parliament on this project. I emphasise that there is bipartisan support for this action on the part of the RTA and the Government. They should show some leadership and take action to ensure sustainable and strategic growth in Port Macquarie and to protect lives. If present growth levels continue in Port Macquarie and traffic demands increase on a stretch of road that is fast becoming a goat track, lives will be put at risk. Indeed, that is occurring at the moment. I hope that, unlike other projects, we will not have to wait until an increasing number of fatalities forces the Government to upgrade this road. I urge the Government and the RTA to work with the communities of Port Macquarie and the Hastings to deliver this project as part of a plan for future direction and growth in that region. [*Time expired*.]

**Private members' statements noted.**

## CRIMES (ADMINISTRATION OF SENTENCES) AMENDMENT BILL

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

### Second Reading

**Mr WATKINS** (Ryde—Minister for Fair Trading, Minister for Corrective Services, and Minister for Sport and Recreation) [8.43 p.m.]: I move:

That this bill be now read a second time.

The Crimes (Administration of Sentences) Act 1999 is the principal Act that governs how the Department of Corrective Services administers sentences imposed upon offenders by the courts. The Act is kept under review in order to embrace new technologies and to facilitate the administration of justice. This bill will amend the Crimes (Administration of Sentences) Act 1999 to extend the use of audio and audiovisual technology in the correctional system to proceedings before the Parole Board and the Serious Offenders Review Council. Audio and audiovisual facilities are already being used in relation to bail applications made by people who are remanded in full-time custody.

The principal function of the Parole Board is to determine whether an inmate with a sentence of more than three years whose non-parole period is about to expire may be released on parole. The Parole

Board also determines applications for revocation of parole orders, periodic detention orders, and home detention orders, as well as carrying out other functions of a more minor nature. An offender has the right to appear in person at a hearing of the Parole Board or to be represented at such a hearing. Currently, when an offender appearing before the board is a full-time inmate, the Department of Corrective Services must transport the inmate from a correctional centre to the place where the Parole Board is conducting proceedings.

Such transport arrangements are expensive and, more importantly, might pose a security risk. That is why new clause 11A in schedule 1 to the Act will provide that, where an audiovisual link is available, a person in custody must appear before the Parole Board by audiovisual link. The person may also give evidence or make submissions to the board by audiovisual link. However, when it is considered to be in the interests of justice to do so, the Parole Board may direct that the person appear physically in proceedings before the board.

New clause 11A also enables the Parole Board to direct that a person who is not in custody give evidence or make a submission by audio link or audiovisual link. For example, the Parole Board may direct that a probation and parole officer appear before the board by way of audiovisual link, rather than in person. However, if a party to the proceedings opposes such a direction, the Parole Board must not make the direction unless it is satisfied that it is in the interests of the administration of justice to do so. In order to ensure that a person is not disadvantaged in any way when audiovisual links are used in proceedings before the Parole Board, new clause 11A provides that facilities are to be made available for private communication between the person who is the subject of the proceedings and the person's representative in the proceedings.

The principal function of the Serious Offenders Review Council is to provide advice and make recommendations to the Commissioner of Corrective Services on various matters—particularly in relation to the management of serious offenders. The review council may also review segregated custody directions and protective custody directions. When such matters are being considered, an inmate may be required to appear in person before the review council before the council prepares advice or recommendations for the commissioner. In line with the provisos I have just outlined, a new clause 11A in schedule 2 to the Act will extend the use of audio links and audiovisual links to proceedings before the Serious Offenders Review Council.

I turn now to the other changes contained in the bill. The Corrections Health Service has advised that, as section 236A(c) of the Crimes (Administration of Sentences) Act 1999 uses the term "an infectious disease", in order to be consistent, sections 23(b) and 91(2) of the Act should also use the term. Therefore, the bill deletes the words "a contagious or" from sections 23(b) and 91(2) of the Act. A breach of discipline within the correctional system may be categorised as either a major or a minor offence. For example, behaviour considered to be a major correctional centre offence includes possession or administration of a drug and participating in a riot. On the other hand, behaviour considered to be a minor correctional centre offence includes failure to clean yards or failure to attend musters.

Section 26 of the repealed Correctional Centres Act 1952 imposed an obligation on the governor of a correctional centre to refer to a visiting justice any charge that was not a minor correctional centre offence. It also gave the governor discretion to refer to a visiting justice a minor correctional centre offence of a serious nature. In contrast, section 54(1) of the Crimes (Administration of Sentences) Act 1999 gives a governor the discretion to decide whether major or minor offences should be referred to a visiting justice for hearing and determination. New section 54(1) will conform to the repealed section 26, ensuring that a governor must refer major offences, and minor offences of a serious nature, to a visiting justice. Section 79(v) of the Crimes (Administration of Sentences) Act 1999 provides the power to make regulations in relation to drug and alcohol testing. The regulation-making power is to be clarified under section 79(v1) of the Act to ensure that a certificate that relates to the results of drug and/or alcohol analyses may be accepted as prima facie evidence in proceedings against an inmate who is charged with

a correctional centre offence.

The Crimes (Administration of Sentences) Act 1999 provides that an application may be made to have a community service order revoked if an offender fails to meet his or her obligations under the community service order without reasonable excuse. Courts have determined that, even though an application to have a community service order revoked has been submitted in accordance with the requirements of the Act, the application must be dismissed if it comes before the court after the relevant maximum period of the community service order has expired. The adoption of this approach by the courts means that it is possible for offenders who have failed to comply with the terms of their community service orders to escape sanction. In order to avoid this outcome, new section 115(2B) will provide that a community service order will be taken to be in force whether or not the relevant maximum period has expired.

Section 173(1) of the Crimes (Administration of Sentences) Act 1999 provides that, when a periodic detention order, a home detention order or a parole order has been revoked, the Parole Board must arrange for a revocation notice to be served on the offender as soon as practicable. In order to ensure that offenders who breach such orders are dealt with quickly, it is usual for the Parole Board to issue a warrant for the arrest of the offender and, when he or she is in a correctional centre serving the remainder of his or her sentence, to issue the revocation notice. A new section 173(1) will remove any uncertainty about the period covered by the term "as soon as practicable". The section will provide that the Parole Board must arrange for a revocation notice to be served on the offender either as soon as practicable after the relevant order has been revoked or as soon as practicable after the warrant for the offender's arrest has been executed.

The Commissioner of Corrective Services or a governor of a correctional centre may direct that an inmate be held in segregated custody if the inmate poses a threat to the personal safety of another person or the security or the good order of the correctional centre. Similarly, inmates may be held in protective custody if their personal safety is likely to be jeopardised if they are allowed to associate with other inmates. An inmate may apply to the Serious Offenders Review Council for a review of a segregated custody direction or a protective custody direction. In order to ensure that such a review is carried out quickly, a new subsection (3) is to be inserted into section 197. The new provision allows the review council to delegate certain judicial functions—that do not require the participation of non-judicial members—to the chairperson of the review council or a judicial member. This will ensure that reviews of segregated and protective custody directions can be conducted without delay.

Part 10 of the Crimes (Administration of Sentences) Act 1999 provides for the position of Inspector-General of Corrective Services. The inspector-general has an extensive range of functions that includes: investigating the operations of the Department of Corrective Services and the conduct of the department's officers; investigating and attempting to resolve complaints relating to matters within the department's administration; training official visitors; and monitoring and auditing contracts between the department and private contractors. The Parole Board and the Serious Offenders Review Council are independent statutory bodies under the Crimes (Administration of Sentences) Act 1999 and, as such, each publishes a separate annual report.

Although the Inspector-General of Corrective Services is a statutory office, the inspector-general is currently required to include his annual report with that of the Department of Corrective Services. New subsections in section 220 of the Act will bring the reporting requirements of the inspector-general into line with those of the Parole Board and the Serious Offenders Review Council. In future, the inspector-general will publish a separate annual report. Sections 10(2) and 11(3) of the Crimes (Administration of Sentences) Act 1999 respectively confer upon the governor of a correctional centre some of the commissioner's functions in relation to the segregated custody of inmates and the protective custody of inmates. A new subsection (4) is being inserted in section 232 of the Act to clarify that the commissioner may delegate his functions to other persons.

Finally, when officers of the Department of Corrective Services are performing court security and escort functions across the State, they are required to prevent the escape of inmates, and to maintain the security, good order and discipline of people in their custody. However, there have been times when correctional officers have been called upon to assist in restraining people in the lawful custody of police or juvenile justice officers. In such situations, correctional officers should be viewed as acting within the scope of their duties. Section 252A is being inserted into the Act to provide correctional officers with a clear statutory power to provide such assistance to a police officer or a juvenile justice officer when asked to do so. It will provide certainty and protection for workers who are simply—and appropriately—carrying out their jobs. I acknowledge the hard work of Robert Grieve from my office in ensuring that this legislation reached this stage. I commend the bill to the House.

**Debate adjourned on motion by Mr R. H. L. Smith.**

## CO-OPERATIVES LEGISLATION AMENDMENT BILL

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

### Second Reading

**Mr WATKINS** (Ryde—Minister for Fair Trading, Minister for Corrective Services, and Minister for Sport and Recreation) [9.00 p.m.]: I move:

That this bill be now read a second time.

The New South Wales Co-operatives Act 1992 applies to all co-operatives formed in New South Wales. The legislation provides for the incorporation and regulation of co-operatives and aims to promote co-operative principles of member ownership, control and sharing of profits. The purpose of the bill is to make a number of amendments to the New South Wales Co-operatives Act 1992 as a result of two evaluations of that Act. The first amendment is as a consequence of the National Competition Policy [NCP] review of the Act. The majority of the remaining amendments are proposed as part of an ongoing review program being undertaken by the national working party charged with ensuring nationally consistent co-operative legislation. As well as these amendments, the bill contains a small number of additional amendments that have been proposed to overcome technical difficulties highlighted through the administration of the Act and to delete certain uncommenced amendments of the Act.

I now turn back to the amendment made as a consequence of the NCP review of the Act. The New South Wales Co-operatives Act 1992 was reviewed as part of the New South Wales Government's commitments under the National Competition Principles Agreement. New South Wales is a member of the national working party on co-operative legislation and the Co-operatives Act 1992 consists largely of provisions that have been agreed upon as being core consistent across the jurisdictions. Consequently, only non-core consistent provisions with an impact on competition were considered as part of the NCP review of the Co-operatives Act.

In this context, section 43, "co-operatives may engage in exclusive dealing", was subject to review under National Competition Policy principles. A discussion paper was released for public comment and distributed to over 200 co-operatives, peak bodies and other interested parties. Interviews also were held with several groups who made submissions to the review. Section 43 was originally intended to provide exceptions to the operation of part IV of the Commonwealth's Trade Practices Act. This would allow co-operatives to engage in exclusive dealing, or third line forcing, when that behaviour is normally prohibited or restricted under section 47 of the Trade Practices Act.

The review concluded that section 43 was not effective in providing the intended exceptions and it was unlikely that the section could be redrafted in such a way as to provide the exceptions. Additionally, after consultation with co-operatives, it became clear that a repeal of section 43 would not affect the

ability of co-operatives to engage in exclusive dealing arrangements with their members, which is a central part of the co-operative structure. This is because the Act contains a core consistent provision, section 78, upon which co-operatives rely for the legislative authority to engage in exclusive dealing arrangements with members. After extensive consultation with co-operatives the review could not determine any co-operatives who were engaged in, or who needed to engage in, third line forcing behaviour.

Consequently, the review could not propose any policy rationale for the retention of this ineffective and potentially anti-competitive provision. Accordingly, it is proposed to repeal section 43 to ensure that co-operatives do not erroneously rely on the exceptions that the section purports to provide, and to remove the potential for anti-competitive conduct. The majority of the second group of amendments are proposed in order to maintain nationally consistent co-operative legislation. Currently, co-operatives are regulated by State and Territory legislation under the Core Consistent Provisions Legislative scheme. New South Wales is part of a national working party on co-operative legislation whose agenda is to work towards consistent co-operative legislation across the jurisdictions. Amendments classed as part of the "core consistent" scheme have been made to the Queensland Co-operatives Act and were proclaimed in March 2000. The Queensland amending bill has been used as a template for the majority of the remaining amendments in this bill.

The majority of the "core consistent" amendments will assist co-operatives to run their organisation with greater ease. The bill includes provisions that will allow prospective members to view co-operative documents out of any office of the co-operative, including offices outside Australia. Previously, documents could be viewed only at the registered office of the co-operative. There is also a requirement for minutes to be entered in appropriate records within 28 days of the meeting to which they relate. These amendments will assist those who are members of co-operatives to ensure that all records of meetings are quickly and accurately available. Amendments also are proposed in order to allow for more flexibility in the composition of the board of a co-operative. A new section has been introduced which will remove the present requirement for a 3:1 ratio of active member directors to independent directors. This is replaced with a requirement that active member directors constitute a majority on the board, with provision for a co-operative's rules to specify that there be a greater number of active member directors.

Some of the nationally agreed core consistent amendments permit co-operatives to create rules that reflect their own unique situation. One provision allows co-operatives to base their subscriptions on patronage. For example, a co-operative can introduce a rule which requires those members who use the co-operative more than others to pay a larger subscription. There is also a provision which places expelled members on the same footing as inactive members regarding repayment of share capital. To assist those who wish to invest in co-operatives, the bill adopts certain Corporations Law provisions which relate to offers of shares in co-operatives to persons who are not already members. This amendment aims to protect intending shareholders where substantial minimum subscriptions are not achieved. These provisions concern advertising, misleading statements, expert's consents, holding moneys on trust, and return of moneys where minimum subscriptions are not received.

Another nationally agreed amendment has been made in order to clarify the existing practice under which co-operatives are required to include only the financial reports of subsidiaries in their annual report, where the legislation under which the subsidiary is incorporated requires the preparation of a report. This is in keeping with Corporations Law requirements. The bill makes provisions for potential shareholders of co-operatives to ensure that they are apprised of any new developments that may impact on their decision to invest in a co-operative. An amendment which is in keeping with Corporations Law requires that a co-operative notify the Registrar of significant changes occurring after the release of a disclosure statement and to file a new document which reflects the current situation. In recognition that this may not always be possible or practicable a new provision allows the registrar to exempt a co-operative or class of co-operatives from the disclosure requirements where this would impose an unreasonable burden or be inappropriate for other reasons.

The Co-operatives Act permits a co-operative to raise additional capital through compulsory share acquisition by members. The Act also sets out requirements for bonus shares issued out of surplus or reserves. Under the bill, a clear distinction is made to clarify that any requirement by a co-operative for members to take up additional shares does not apply to bonus shares issued out of surplus or reserves. Amendments have also been made to provide greater clarity about the ways that co-operatives can distribute surplus or reserves to members. Presently, co-operatives may give rebates on the basis of business done with the co-operative, or issue bonus shares or dividends. The amendments provide for share holding to be taken into account on the issue of bonus shares or dividends. The registrar's power to grant exemptions from the account and audit requirements has been extended so as to allow the exemption to be granted to auditors as well as to the co-operative itself.

Other amendments make it easier for co-operatives when carrying out mergers or transfer of engagements of co-operatives. Currently, the Act requires member approval by special postal ballot unless the registrars in both States consent to the merger or transfer by board resolution. An amendment will allow the registrars to consent to a merger or transfer of engagements by special resolution. As I mentioned earlier, several amendments included in this bill are not part of the core consistent regime but have been identified as necessary to overcome technical problems highlighted through the experience of administering the Act. For example, it has become clear that co-operatives need more time in which to bring their rules into conformity with the Act, so an amendment has been made to allow a further one-year period in which to do that. Further, the registrar can approve an extension of time in respect of a particular class of co-operatives, as well as for a particular co-operative.

Other amendments have been proposed to assist co-operatives to overcome difficulties associated with applying the current requirements of the Act in certain situations. For example, an amendment has been proposed to overcome the difficulty some co-operatives face when trying to comply with the current legislative requirement to pay amounts due to former members. In circumstances when that amount is $50 or less, the bill includes amendments that will permit co-operatives to retain that share capital when, after diligent inquiry, that inactive member cannot be contacted. Finally, it has been highlighted that there are certain circumstances in which it would be appropriate for the registrar to exempt a liquidator from the requirement to provide the prescribed security of $50,000 when winding up a co-operative on a registrar's certificate. Accordingly, an amendment has been included that will allow the registrar to give such an exemption. The Co-operatives Amendment Act 1997 contained a number of provisions that were only to be commenced upon agreement amongst all the States and Territories. Due to the passage of time, the majority of these uncommenced amendments have become irrelevant and can now be repealed.

The final amendment contained in the bill amends the Co-operative Housing and Starr-Bowkett Societies Act 1998. This Act regulates co-operative housing societies and Starr-Bowkett societies and associations. The Act is currently ambiguous in regards to the timing of the preparation of accounts. The proposed amendment will overcome this by clarifying that the statements and accounts referred to in sections 128 and 129 of the legislation require lodgement within three months of the close of the society's financial year. This bill will assist with the administration of co-operatives, helping to make co-operative rules fairer to all and to bring New South Wales in line with nationally agreed amendments to co-operative legislation. It will also clarify inconsistencies and irregularities that have been encountered since the 1997 amendments. Finally, it will repeal an ineffective and potentially anti-competitive provision, ensuring that co-operatives do not rely on it erroneously. I acknowledge the work of Jenny Saminaden from my personal staff in achieving passage of the bill to this point. I commend the bill to the House.

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

## BUSINESS OF THE HOUSE

### Bill: Suspension of Standing and Sessional Orders

**Motion by Mr Watkins agreed to:**

That standing and sessional orders be suspended to provide for the introduction forthwith, without notice, and passage up to and including the Minister's second reading speech of the Consumer, Trader and Tenancy Tribunal Bill.

## CONSUMER, TRADER AND TENANCY TRIBUNAL BILL

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

### Second Reading

**Mr WATKINS** (Ryde—Minister for Fair Trading, Minister for Corrective Services, and Minister for Sport and Recreation) [9.17 p.m.]: I move:

That this bill be now read a second time.

It gives me great pleasure to introduce this important legislative initiative today. This bill contains the greatest reform of the dispute resolution process associated with consumer protection in New South Wales since purpose-built consumer-trader forums were first established. The steps the Government has taken to create this new integrated dispute resolution tribunal with controls over the quality and consistency of decision making will have a lasting and positive impact on the people of New South Wales. In the modern world every member of the community is engaged in regular consumer transactions, whether it be the simplest purchase at the supermarket, the outlaying of a substantial amount of money on a motor vehicle, boat or computer system, entering into a tenancy arrangement or the sale of a home. It is a fact of life that sometimes something in the transaction goes wrong, so there needs to be in place a process to resolve the dispute through the use of an independent referee.

The Government is convinced that adding consumer disputes to the heavy burdens of the court system is not the answer. In short, the Government believes that a specialised consumer-trader dispute resolution forum continues to be both appropriate and necessary. This bill abolishes the Fair Trading Tribunal and the Residential Tribunal. A new super consumer tribunal, the new Consumer Trader and Tenancy Tribunal, is the bill's key reform. But this bill does more than establish a new tribunal. It also contains a range of substantial and substantive reforms to make the new tribunal a more effective and credible performer. With careful implementation, the changes embodied in the bill will see consumer and trader confidence improved whilst ensuring that the good aspects of the current tribunals are retained. There has been substantial public consultation in the development of this bill. I have five ministerial advisory councils in the Fair Trading portfolio, and the bill has been discussed in detail with all of them.

Key interest groups were given copies of the draft bill, as it was made generally available in late July for a period of more than four weeks. As a result, 34 submissions were received. Most submissions were supportive of the bill, its aims and objectives. However, a number of constructive comments have been received, and further refinements were made to the bill before its introduction tonight. Of course, as with other major reforms that have been undertaken within my portfolio, I am more than happy to consider any improvements that any member brings forward as the bill passes through the House.

But first I shall provide a little history. Both the Fair Trading Tribunal and the Residential Tribunal came into existence on 1 March 1999. The Fair Trading Tribunal arose as a consequence of the rationalisation of separate tribunals that previously existed for general consumer disputes, motor vehicles, home building and certain commercial matters. The current Residential Tribunal is a successor to the previous Residential Tenancies Tribunal. In the financial year just completed the Residential Tribunal Registry received nearly 50,000 applications for adjudication. The Fair Trading Tribunal received about 13,500 applications over the same period. The Residential Tribunal deals with a range of property and

real estate matters including residential tenancies, retirement villages, residential parks, and strata and community schemes.

The new tribunal will have eight divisions, but there will be power to adjust these divisions should future needs arise. All current divisions of the existing tribunals have been maintained, except for the two separate tenancy divisions. The general tenancies, community housing and other special matters are now to be combined into one tenancy division. The divisions will be general, for most consumer claims matters; commercial, for credit and travel agents matters, and review of property agents commissions, home building, motor vehicles, residential parks, retirement villages, strata and community schemes; and tenancy, for residential tenancy and rental bond matters.

A specific jurisdictional reform relates to the motor vehicle division. To implement the long-requested concept of lemon laws the new division will have an extended financial jurisdiction in relation to disputes involving the purchase of new vehicles. The current $25,000 upper limit will be removed to ensure that a complaint relating to the average new family car, which now often costs the consumer more than $25,000, will be able to go to the tribunal. This new provision will apply to new vehicles to be used for private purposes. The expertise that existing tribunals have developed in their individual areas of operation will be maintained and enhanced through the creation of the new tribunal. The Government's aim is to ensure that the tribunal is a respected dispute resolution forum where decisions will be fair, consistent and prompt, and the procedures adopted in proceedings will be transparent, balanced and efficient.

One of the most important reforms in the bill is the organisational structure provided for management and administration of the tribunal. The chairperson, who will also be the chief executive officer, will be required not only to have suitable legal qualifications but also to have other appropriate demonstrated skills, such as experience in administration and effective communication in the conduct of high-volume case management. There will be two deputy chairpersons, one responsible for the tribunal's adjudicative functions and the other specifically given the responsibility for the tribunal's financial, administrative and registry functions. The chairperson will be required to issue procedural directions, which will ensure that the manner in which cases are heard will fundamentally be the same across the various divisions of the tribunal. But, perhaps more importantly, not only must the chairperson issue procedural directions, but members of the tribunal will be required to comply with them.

Failure to do so will be grounds for the member to be subject to disciplinary action. A central aim of the legislation is to provide for consistent and high-quality decision making by tribunal members. These procedural directions will be required to be published so that they will be completely transparent and known to parties before tribunal proceedings get under way. These procedural directions will relate to the mechanics of the proceedings and will not, in any way, extend to directions on the outcome of particular matters. The Government acknowledges that tribunal members must continue to make their own judgments on the basis of the evidence put by the parties. There will be four tiers in the tribunal membership structure with the chairperson, two deputy chairpersons, senior members and ordinary members. The tribunal, depending on the nature of the matter in dispute, will be able to consist of a single member or a two- or three-person panel. Senior members will be assigned to oversee the various divisions of the tribunal, but their primary role will be to hear the more complex cases.

I am hopeful that tribunal members can be appointed on a regional basis so that as far as possible there is local expertise available, for example from Bathurst, for determining disputes that reach the tribunal. The tribunal will be able to use expert assessors to assist in specialised areas of dispute such as home building, real estate and motor vehicle matters. The tribunal will also be able, where the complexity and type of case warrants it, particularly where legal representation is involved, to make the assessors costs payable by the parties. All tribunal members will have to enter into performance agreements and agree to abide by a code of conduct. Again, these provisions support the intention of the bill to create a framework of consistency, quality and efficiency.

In an important new reform the educational, training and disciplinary aspects of the tribunal's

operations will be overseen by a new independent peer review panel. The functions of the peer review panel will be to review matters referred to it by the chairperson, director-general or Minister of the day, and to provide appropriate advice on these referrals. It will have a wider role than just dealing with individual complaints or concerns. It will also have education and training responsibilities to ensure that members are equipped to handle the wide variety of issues brought to the tribunal for resolution. The unsatisfactory situation in the past, where aggrieved parties in tribunal proceedings could do little more than complain to the chairperson about behaviour, attitudes or perceived shortcomings of members, will be overcome once and for all.

I now want to turn to some of the other specific innovations in the bill that will make the Consumer, Trade and Tenancy Tribunal a superior dispute resolution forum to those that have preceded it. One new provision will give the tribunal power to deal with persons appearing before it who refuse to obey directions of the tribunal and, as a result, unreasonably disadvantage other parties. If the person who disobeys the direction is the applicant, the tribunal will simply be able to dismiss the application. If the person is the respondent the tribunal will be able to make any order that is appropriate, including, perhaps, awarding costs against the person. I am sure that these new powers will be of great assistance in reducing the negative effects of unco-operative and deliberately obstructionist parties in tribunal proceedings.

Tribunal disputes need to be heard and adjudicated free from any party causing mischief by engaging in untruths and misrepresentations. That is why a further long overdue reform will provide for that majority of persons who deliberately give false or misleading information to the tribunal or the registrar in their application. This will now be a specific offence with a maximum penalty of $5,500 or 12 months gaol or both. For the tribunal to have the authority it deserves, compliance with orders of the tribunal is imperative. Decisions of the tribunal need to be regarded and taken seriously. The bill includes a severe maximum penalty of $5,500 or 12 months gaol or both for wilfully contravening or failing to comply with orders of the tribunal.

There will be extended powers for the tribunal to conduct these proceedings not only by traditional hearing room means but also by telephone, audiovisual and other means of communication. This will help to overcome situations where the urgency of the dispute or the geographic location of the parties might cause logistical difficulties. Parties will continue to be largely required to carry the conduct of their own cases although, of course, the tribunal will have a discretion to allow others to represent people before the tribunal when it is appropriate. Costs will only be able to be awarded in limited circumstances, but the precise details will be left to the regulations so that further public input can be received on this issue. One of the major refinements undertaken through the bill relates to the rehearing provisions. This matter was clearly in need of streamlining. I have been most disturbed to discover that up to one-third of the building disputes were being reheard by the Fair Trading Tribunal, sometimes several times. It is common knowledge that parties have sometimes sought a matter to be reheard even before the current proceedings have been completed.

It is plain to see what this level of rehearing activity does to tribunal waiting lists and how the whole operational efficiency of the tribunal is compromised. A number of decisive steps have been taken to ensure that the rehearing provisions will not be misused while at the same time providing for matters to be reviewed where it is clearly warranted. First of all, the bill makes it clear that an application for a rehearing cannot be made until the current proceedings have been completed. Also, there will be only one rehearing no matter how many of the parties apply for one during the period allowed. The chairperson will decide which of the matters in dispute will be reheard but matters relying on new evidence will have to be on the basis of significant new information which will have to be produced at the time the application is made. An application for rehearing may be limited to just one element of the dispute and there is no obligation for the tribunal to rehear the whole case if that is not necessary.

The chairperson's decision will be final and not, in itself, subject to further review. All of these steps will save time and money but will not deny persons the right to have justifiable applications

re-examined. The ability for information to be exchanged between the Director-General of the Department of Fair Trading and the chairperson of the new tribunal is an important provision of the bill. It is essential that the department is made aware of issues arising in the tribunal, within the responsibilities of the director-general, where steps may be needed to protect the public and to assist with investigations or disciplinary action. However, if the chairperson thought that giving this information would compromise a matter that has been lodged with, or is before, or is not yet finalised by the tribunal, then they have the right to refuse the request.

Warnings may need to be given about hazardous products or unscrupulous activities. I have been advised that there are glaring examples of the situation described, where various traders have been subject to both applications to the tribunal and complaints to the Department of Fair Trading. There have been occasions where the issues being complained about are significant, particularly in regard to transactions where licensed traders are involved, such as building and motor vehicle matters. The information needed by the Department of Fair Trading has not always been readily available for it to take the necessary action. Changes have also been made to the Supreme Court appeal provisions.

Under the existing tribunals legislation, appeals may be made on matters of law from decisions of the Residential Tribunal, but in the case of the Fair Trading Tribunal in some instances there is no right of appeal. In some cases, matters involving amounts of money of $25,000 or less could be reheard by the tribunal, but Supreme Court appeals were not available. These differences are removed by this bill and all decisions of the Consumer, Trader and Tenancy Tribunal will be appealable to the Supreme Court on matters of law. The new tribunal will continue to have the responsibility to use its best endeavours to bring parties in dispute to a conciliated result. Of course, the parties are sometimes very far apart on disputes which have not only financial implications but also genuine emotive and deep personal history. There is no doubt that many disputes have the potential to be overcome through constructive conciliation, and the tribunal will be required to do its best to assist the parties in finding a solution.

As honourable members will recall, earlier this year the Government introduced a range of home building reforms. A central theme of these reforms was the establishment of an early intervention dispute resolution mechanism to handle residential building matters. The administration of that mechanism is currently being finalised. It had been intended that it would be attached to the Fair Trading Tribunal. In light of the proposals contained in this bill, the alternative dispute resolution mechanisms will now be attached to the Consumer, Trader, and Tenancy Tribunal. Finally, the community will be better served by the new tribunal and New South Wales will have a specialised dispute resolution forum in which we may all have confidence. I thank my staff, particularly Jane Fitzgerald, for their efforts in bringing the bill to the point of introduction to this House. I commend this bill to the House.

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

## CONVEYANCING AMENDMENT (RULE IN PIGOT'S CASE) BILL

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

### Second Reading

**Mr DEBUS** (Blue Mountains—Attorney General, Minister for the Environment, Minister for Emergency Services, and Minister Assisting the Premier on the Arts) [9.34 p.m.]: I move:

That this bill be now read a second time.

In December 1998 the New South Wales Law Reform Commission was asked to review the rule in Pigot's case to determine whether the rule should be abolished or restated in a more restricted way. The rule in Pigot's case was established in 1614. It provides that a contract will be void, or voidable according to some interpretations, if the document in which it is recorded is materially altered by the promisee, the

person to whom the promise is made, or a stranger to the transaction, without the promisor's consent. The rule has been developed over the ensuing four centuries so that what amounts to a material alteration can become a central issue of dispute where it is pleaded, and the parties are unable to accurately assess the enforceability of their contractual obligations.

The Law Reform Commission reports that the primary reason for the rule is thought to lie in its original application to deeds only and the inability of the law at the time to separate the obligation from its physical evidence as manifested by the parchment, wax and ink of old deeds. The rule was apparently perpetuated because of the need to preserve the evidential value or authenticity of a document while perhaps the strongest reason for the continuation of the rule has been the notion that it acts to punish the person who has fraudulently altered the contractual document. In January this year the Law Reform Commission reported and recommended that the law deriving from the rule should be abolished by way of an amendment to the Conveyancing Act. The Conveyancing Amendment (Rule in Pigot's Case) Bill achieves this.

In making its recommendation to abolish the law derived from the rule in Pigot's case, the Law Reform Commission considered, among other things, that adequate remedies are already available for contractual fraud and that the rule itself is far from clear and its application somewhat uncertain. The commission also considered the New Zealand Law Commission proposals to abolish the rule there. The Government is proposing this amending bill, the Conveyancing Amendment (Rule in Pigot's Case) Bill, because it removes an unhelpful legal relic from modern contract law and ensures that modern contract law will have a greater level of certainty as well as more effectively meeting the requirements placed on it in the contemporary environment. I commend this modest bill to the House.

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

## LAND TITLES LEGISLATION AMENDMENT BILL

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

### Second Reading

**Mr YEADON** (Granville—Minister for Information Technology, Minister for Energy, Minister for Forestry, and Minister for Western Sydney) [9.40 p.m.]: I move:

That this bill be now read a second time.

This bill amends the Real Property Act 1900 and the Conveyancing Act 1919. Principally, it deals with certain aspects of leases, forestry leases, adverse possession of Torrens title land and registration of change of name. It also covers some minor points by way of statute law revision. The amendments are the result of an ongoing and continuous process of review of the Real Property Act and the Conveyancing Act. The review process is intended to increase the effectiveness of these Acts, to make their administration more efficient and to improve the system of conveyancing and land transactions in New South Wales. Honourable members would know that an up-to-date, efficient and responsive legal system is the basis for economic growth and social stability in a modern society. To that end, therefore, our property laws are regularly reviewed and improved. This bill demonstrates the success of that process. It proposes a variety of amendments that will clarify and extend the law, thereby assisting the owners and users of land in this State.

One of the main amendments in this bill concerns the variation of leases and section 55A of the Real Property Act. Section 55A was introduced in 1991 in order to facilitate the variation of registered leases. It provides that a registered lease can be varied as to the term, rent or other provision by means of a simple form. As a result of section 55A, leases can be changed or extended quickly and cheaply. That is why the section was introduced. It avoids the costs and delays associated with the old practice of

surrendering the original lease and registering a new lease that incorporated the varied term. There is, however, a minor problem with section 55A. Soon after it came into operation in 1991 some solicitors attempted to register variations where the lease had already passed its termination date. In that case, the tenant decided to exercise the option to renew and served a notice to this effect. However, soon after, the tenant breached a covenant in the lease. The landlord refused to grant the new lease because of this breach. The tenant then applied to the Supreme Court for relief under section 133E.

In normal circumstances, section 133E permits the court to give relief against breaches of covenants where the tenant seeks to renew the lease. In this regard, it serves a very useful purpose and fully justifies the Law Reform Commission's 1972 recommendation for the section's introduction. However, in the Flagstaff case, it was not clear whether section 133E applied because the breach occurred after the notice to renew had been served. In considering this question, His Honour noted that there were several judicial decisions at first instance and that they were not in agreement. His Honour concluded therefore that the law remains unsettled. In this particular case, His Honour found that due to the wording of section 133E, the court had no jurisdiction to provide the relief sought. More generally, he noted that the doubt over the section should be clarified by Parliament.

This amendment has been introduced in response to His Honour's comments. It will make it clear that the court's jurisdiction extends to breaches of covenants committed in the period both before and after the notice exercising an option has been served. This will permit the court to exercise its current discretion to overcome minor breaches of leases. In doing so, the amendment will make the law more certain, thus facilitating commercial activity. A third aspect of leases that is covered in this bill is forestry leases. Honourable members would know of the great benefits that the forestry industry provides to this State. These amendments have been designed to assist in the expansion of that industry and thus the overall economic and environmental wellbeing of New South Wales.

The bill will amend the Conveyancing Act 1919 to allow plans of subdivision, which have been approved by council, to be lodged for registration in the Office of the Registrar General for forestry lease purposes. When the plans have been registered, forestry leases, for terms that do not exceed 40 years, may be registered over the lots in the plans. While a subdivision plan may be a plan of survey, compiled plans will also be permitted. The latter plans are prepared by surveyors and are compiled from existing and calculated measurements. Their use is to be allowed, because the cost of producing plans of survey is a major burden and disincentive to those who want to develop and promote forestry lease schemes.

Additionally, survey plans impose a level of accuracy that may not be necessary in a timber plantation. Under the proposed system, a subdivision plan will be endorsed with a subdivision certificate that indicates that the plan is for forestry lease purposes. Any requirement for development consent for the subdivision will still apply. When the leases expire, the boundaries created for the purposes of the forestry leases will cease to exist. Overall, the new facility will provide a cheaper and simpler method of creating forestry leases. It will in no way compromise existing planning and environmental controls. The fourth major matter covered in this bill is adverse possession of land. The amendment arises from circumstances that occurred over 100 years ago. It is intended to overcome a problem that many people who live in inner city suburbs have experienced.

Honourable members would be aware that in many of the older subdivisions of urban land in New South Wales the subdivider made provision for access to the rear of the properties. These lanes served a purpose—they provided access for the night soil collectors. As a result, they were commonly called "dunny lanes". One of the ways that subdividers provided access to the rear of the properties was to create a separate land parcel. This parcel ran along the back or between the two rows of blocks that the subdivider was offering for sale. The subdivider then sold off the blocks but the access way stayed in the subdivider's name.

There are many such access ways standing in the name of the original subdivider. Most of them occur in the urban areas of New South Wales that were developed in the nineteenth century. However, after reticulated sewerage was introduced, the original purpose of the access ways ceased to exist. Many

of them have fallen into disrepair and now create problems for the adjoining owners. The unused access ways can become dumping grounds. Not only does this damage the environment, but adjoining residents report that the lanes encourage criminal activity. To deal with these problems, the adjoining owners often fence in the part of the lane that is next to their land.

At present the common law permits those who fence in the land to claim formal ownership after a long period of occupation. The Limitation Act sets that period at 12 years. However, the common law rule only applies where the access way is old system title. Occupiers cannot claim part of an access way by occupation where the land is Torrens title. This is because the Real Property Act only permits the whole of a land parcel to be claimed. In the case of access ways, the fenced parts are normally only a small part of the land parcel.

The reason that occupiers cannot claim part of a Torrens title land parcel is to ensure subdivision control. Torrens title makes up the bulk of land in this State. Although a precise figure does not exist, it is generally believed that more than 98 per cent of land parcels are Torrens title. Were encroachments to be recognised over Torrens title whenever they occurred, the shape and size of land parcels would be constantly changing without local council knowledge or consent. The Government has received representations that the law on this point should be amended in one particular instance. Specifically, it has been submitted that the prohibition against claiming part of a Torrens title land parcel by possession should be removed in the case of access ways. The proposal has been accepted and this amendment will bring it into effect.

Under the amendment, adjoining landowners will be able to claim the land that they have occupied for 12 years. This in turn will result in the gradual disappearance of the access ways and thus the problems I have described. The amendment will not, however, adversely affect public lanes and private lanes that are being properly used. The proposal is limited to residue lots in Torrens title subdivisions and also "revenge" or "spite" strips. “Revenge” strips are narrow pieces of land, usually 30 or 60 centimetres wide, that a developer included in a subdivision. One type of revenge strip is referred to in the bill. That is where the strip is between a subdivision and a road. But because there may be other types of revenge strips, the amendment makes provision for those revenge strips to be included by regulation.

Under the amendment, the persons claiming the land will have to provide evidence by way of statutory declaration to prove 12 years exclusive possession of the land and lodge a plan of consolidation showing the person's land and the part of the access way that he or she is claiming. The second requirement will ensure that small land parcels do not come into existence due to this amendment, thus protecting subdivision control. A further requirement will be a letter from the local council. The letter will have to state that the council does not object to the claim. In this way it will ensure that land belonging to the council, or land that the council has maintained, cannot be claimed. In addition, it will permit the council to call for the payment of a proportion of the outstanding rates.

I make two further points about this amendment. Firstly, it is intended that the amendment will not affect the legal rights of third parties to go across the land by means of legally created easements. Their rights will continue to exist, even after the occupier’s ownership is recognised. Secondly, it is not intended that the heritage value of private access ways will be affected. Prior to the drafting of this legislation consultation took place with the councils of Woollahra, Waverley, South Sydney, Leichhardt, Marrickville, Newcastle and Randwick. Discussions were also held with the Department of Urban Affairs and Planning and the Department of Local Government. Of particular concern in discussions with certain of these bodies was the heritage value of private lanes.

This amendment will not present a threat to these lanes because the right to claim land will only arise after the occupier has occupied the land for 12 years. Where a private lane has heritage value, the local authority will have a substantial period of time in which to deal with the encroachment before any claim can be made. A further safeguard is provided by the requirement for a letter from the council stating

that it does not object to the claim. The last major topic covered by the bill that I want to outline concerns change of name. The bill will amend the Conveyancing Act to permit the Registrar General to refuse to register change of name documents. This amendment arises from the decision that all documents showing a change of name should be registered at the Registry of Births, Deaths and Marriages.

Before 1996 a person who wanted to change his or her name could register with the Registrar General a document showing the change. In 1996 the Births, Deaths and Marriages Registration Act commenced operation. That Act set up a new system for the registration of change of name. From that time it was intended that people who wanted to change their name would have to do so at the Registry of Births, Deaths and Marriages. As a result, most changes of name are now registered at that registry.

However, a small number of people continue to come to the Registrar General's office and demand to have a change of name document registered. The Registrar General cannot refuse to register a change of name document because section 184D of the Conveyancing Act provides that he is required to register any document that is presented. Therefore, despite the existence of the facility at the Registry of Births, Deaths and Marriages, people can still have their change of name document registered by the Registrar General.

Honourable members would realise that having two change of name registries is inconsistent and inefficient. In addition, permitting people to register outside the Births, Deaths and Marriages system could facilitate fraud. To resolve this problem, the amendments to the Conveyancing Act provide that the Registrar General will be able to refuse to accept a document that changes a person's name. In this way, he will be able to turn people away and send them to the proper place. However, under this amendment the Registrar General will retain his discretion. This is to cover the rare case in which a change of name is required to be registered under a common law rule of conveyancing. Although not lengthy, the bill contains a variety of worthwhile provisions, and I commend it to the House.

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

## HARNESS RACING NEW SOUTH WALES AMENDMENT (RULES) BILL

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

### Second Reading

**Mr FACE** (Charlestown—Minister for Gaming and Racing, and Minister Assisting the Premier on Hunter Development) [9.57 p.m.]: I move:

That this bill be now read a second time.

The object of the legislation before the House is to amend the Harness Racing New South Wales Act 1977 to restore words omitted in the restatement of the existing rulemaking functions by the Harness Racing New South Wales Amendment Act in 1998. It occurred that certain words were not carried forward at the time of the 1998 amendments, and their insertion would reinstate the intention of the Act that rules can be made if no regulation has been previously made on a specific matter.

In this regard, the intention of the Harness Racing New South Wales Act 1977 is that a rule cannot be made where a regulation has been made in relation to a specific matter. However, at the time of the Harness Racing New South Wales Amendment Act in 1998 the words and figures "(section 27(2) excepted)" were inadvertently omitted. The effect of that omission, it has been argued, on a literal reading, suggested that rules could not be made on matters where there was a regulation- making power. The explanatory note for the amending Act makes it plain that it was not the Legislature's intention to render ineffective the existing rule-making power. Consequently, the drafting omission at the time of the 1998 amending Act was unintended and should be corrected to give effect to the wishes of Parliament.

Both the Crown Solicitor and the Parliamentary Counsel recognise that there are precedents in relation to drafting omissions, similar to the present case, where the courts have recognised the drafting error and the intention of Parliament, and the courts have accordingly construed the relevant provision as though the omitted words were in place. However, it has been considered prudent, for reasons of abundant caution and to put the matter beyond doubt, to correct the error by way of amendment. I would mention that the Regulation Review Committee of the Parliament recently examined the regulations made under the Harness Racing New South Wales Act 1977 and have recommended that the amendments be made by way of a substantive legislative proposal. Such an approach is not supported at this stage. It is the Government's belief that the first priority of Parliament must be to restore the certainty of the regulation and control of harness racing.

There was clearly no intention for Parliament to make a policy change at the time of the 1998 amendments. Certain people with vested interests tried to scuttle the original intention. No individual should expect to profit from a technical defect or omission from the Act. The best way to address the drafting error is to restore the legislation to the form that it would have been in if it had not been for the error. Accordingly, the legislation before the House will operate from the date of the commencement of the 1998 amending Act—that is, 1 January 1999. Separately, and after due consideration, the reform proposals made by the Regulation Review Committee may or may not—I emphasise may not—be supported by the Government for the relevant provisions of the Act. However, that does not mean that the status quo should not be validated pending resolution of the Government's response to the Regulation Review Committee's report. I commend the bill to the House.

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

## APPRENTICESHIP AND TRAINEESHIP BILL

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

### Second Reading

**Mr AQUILINA** (Riverstone—Minister for Education and Training) [10.03 p.m.]: I move:

That this bill be now read a second time.

The issue of modernising and streamlining the apprenticeship and traineeship system in this State is an important matter. It is important for businesses, particularly small businesses, which rely on training new workers for the long-term viability of their industries. It is important for unions, which play a crucial role in supporting and developing trades and vocations. And it is important to the young people of New South Wales, who gain skills and start on a career thanks to an apprenticeship or traineeship. Apprenticeships and traineeships are important because they are about jobs—about skills and careers. Over the past five years the number of people undertaking an apprenticeship or traineeship has grown by 83 per cent—from 50,270 to 92,370. In fact, in the past 12 months alone apprenticeships and traineeships have grown by more than 16 per cent. So more than 12,860 additional people have benefited from gaining new skills in real jobs in the last year. And it is young people who benefit most: almost 63 per cent of those apprentices and trainees are under the age of 25.

Because of the rate of growth and because of the importance of jobs for young people, a year ago I initiated a comprehensive review of the New South Wales apprenticeship and traineeship system. The legislation I am introducing today is the result of that review. It involved consultation with employers associations, unions, training organisations and government agencies. More than 1,000 people and organisations were invited to comment on the changes needed to apprenticeship and traineeship legislation. Ten public forums were attended by more than 350 people in Sydney and across New South Wales. The results of the review were loud and clear. Employers, unions and training providers alike

highlighted pressures on the New South Wales apprenticeship and traineeship system: the emergence of the knowledge economy, with scientific and technological advances; outsourcing, deregulation, capitalisation of the labour market; and more students staying on to complete the Higher School Certificate and gaining vocational skills while at study.

On top of changes in the economy, the nature of vocational education and training has changed substantially over the past decade. A national training system has been established to promote apprenticeships and traineeships across the nation. Apprenticeship and traineeship courses can now be delivered entirely in the workplace, customised to individual employer needs. Workers already in work can gain new skills by taking on a traineeship without changing jobs. Trainees can study their courses either full time or part time. And new industries are establishing traineeships regularly. For example, I recently approved new traineeships in information technology and local government. But the most important message from the review of the New South Wales apprenticeship and traineeship system was that the 12-year-old Industrial and Commercial Training Act has not kept pace with the rapid rate of change.

The 1989 Act requires complex administrative procedures that bury employers—particularly small business owners—and young people in paperwork. This is turning people away from the system. The lack of flexibility in the duration of training because of the indenture process is also discouraging young people and employers. The current legislation makes the introduction of new types of apprenticeships and traineeships difficult and complex. Some people in industry have criticised the New South Wales legislation for causing delays in implementing new national training packages. The need to simplify and modernise the legislation, to introduce more flexibility into apprenticeships and traineeships, is obvious. The challenge in reforming the 1989 Act has been to introduce reform while preserving the strength of the New South Wales system: protecting young workers in apprenticeships and traineeships from exploitation; maintaining a collaborative relationship between industry, unions and training providers in approving new apprenticeships and traineeships; and retaining a strong internal dispute resolution body and appeals mechanism for apprentices, trainees and their employers.

The most important challenge is ensuring that the quality of the New South Wales apprenticeship and traineeship system is not compromised so that unscrupulous employers or training providers can take on an apprentice or trainee, get the Commonwealth subsidy payment and then not deliver any training. There have been countless cases in other States of exactly this occurring. But our legislation has, thankfully, prevented that from occurring in New South Wales. The legislation that has been drafted has achieved this while retaining the strengths and reforming the weaknesses of the system. The draft bill is widely supported by the Australian Industry Group, Australian Business Ltd, the Australian Retailers Association, the Labor Council of New South Wales, the Board of Vocational Education and Training and the TAFE Commission Board. In drafting the legislation the Government has taken care to ensure that the concerns of industry and the union movement have been addressed.

Let me turn now to the details of the legislation. The bill will repeal the Industrial and Commercial Training Act 1989 and replace it with a bill that addresses 10 key areas of reform by modernising terms and references, reforming declaration of vocations, providing greater flexibility in training arrangements, simplifying the establishment of apprenticeships and traineeships, strengthening employers' duties under host employment arrangements, introducing registration of group training organisations, including provisions for existing worker trainees, clarifying processes for disputes, complaints and appeals, introducing a new provision for prohibited employers and making provisions for electronic communications and fees.

Outdated terminology will be updated to reflect developments in the national training system. For example, the bill now recognises the role of registered training organisations, training contracts and group training organisations—nomenclature that did not exist 12 years ago. Clause 5 replaces the current process of declaring trades and callings with a more streamlined process whereby the Commissioner for Vocational Training recognises trade and traineeship vocations. Currently, the Minister declares trades and callings, but the vocational training orders must be issued by the director-general and then

implemented by the commissioner.

The new approach streamlines this by providing the power to recognise vocations and, under clause 6, to issue vocational training orders to the commissioner. Of course, this is not an unfettered power. The commissioner's powers must only be exercised in accordance with the guidelines issued by the director-general, who acts under the authority of the Minister. The new provisions ensure that industry has an ongoing involvement in identifying training arrangements and supporting better implementation of national training packages. It also provides greater flexibility in establishing training arrangements for apprenticeships and traineeships. Vocational training orders specify the following matters in relation to the required training: the appropriate term for apprenticeships and traineeships, conditions under which the term may vary, the qualifications to be awarded, any additional training to be provided, and an appropriate probationary period.

Clause 7 simplifies the process of establishing an apprenticeship or traineeship in New South Wales by introducing a one-step process to establish a training contract. This replaces the current requirement to first submit an application and to then establish indentures—a process that can take several months. Under the new arrangements an application to establish an apprenticeship or traineeship will be accompanied by a training contract signed by the parties. The legislation also introduces a requirement for the submission of a training plan endorsed by a registered training organisation. This will strengthen the quality of training arrangements by setting out what kind of training will be provided and when and where it will be delivered.

The training contract, when approved, is binding for the employer and apprentice or trainee on the date the probationary period expires for the specified term in the same way as the current indenture is. During the probationary period, either the employer or the apprentice or trainee may withdraw from the apprenticeship or traineeship by notifying the commissioner in writing. The new legislation strengthens employers' responsibilities to manage host employment arrangements where an apprentice or trainee is placed with a host employer through group training or labour hire arrangements. These arrangements have become very popular over the past few years, with the establishment of more than 90 group training companies in New South Wales. Under host employment arrangements, employers remain responsible for fulfilling their obligations for all hosted apprentices and trainees.

In particular, employers must ensure that the apprentice or trainee is placed with a host employer who can provide appropriate work-based training, properly supervise any host employer and ensure the apprentice or trainee has time to undertake training. Although group training organisations have become popular, they have never been regulated. The bill allows group training organisations to be registered as meeting minimum operating standards. I point out that registration is optional, but the Government envisages that registration will become a requirement for access to Commonwealth and State funding. Although funding will not follow automatically, I am sure that most group training companies will seek registration. These provisions have been developed in consultation with the peak body and group training organisations, and are strongly supported within the group training industry.

When the Commonwealth Government introduced existing worker traineeships in 1999 the New South Wales Government introduced administrative arrangements to guarantee workers' industrial rights. The bill now incorporates these administrative arrangements into statute to further secure their conditions of employment. Where a person becomes a registered existing worker trainee their conditions of employment, superannuation, accrual of leave and other entitlements are protected. Existing worker trainees are entitled to remain employed and retain their rights, including their right under the Industrial Relations Act 1996 to access the Industrial Relations Commission.

The bill replaces the existing Vocational Training Board with a Vocational Training Tribunal. It is considered that the term "tribunal" more accurately reflects the function of this body. Under the current Act more than 70 members are appointed to the Vocational Training Board by the Minister, but the board does not have a policy role and does not ever meet as a full board. Rather, panels of four members are

convened, consisting of relevant industry, union and training representatives and presided over by the commissioner or a delegate. This arrangement has worked well—it ensures that all interests with appropriate expertise are represented, but in a manageable and relatively informal format. The Government believes that it is appropriate to maintain that arrangement, but to clarify it. The new Vocational Training Tribunal will be composed of four members appointed by the director-general and convened as necessary.

For example, if an apprentice in the hospitality industry were to have a dispute with their employer, a panel consisting of a representative of the Australian Hotels Association, the Liquor, Hospitality and Miscellaneous Workers Union, TAFE New South Wales and the commissioner could be convened. On the other hand, if it were a hairdressing apprentice, a panel relevant to that industry could be convened. The functions of the tribunal and appeals panel remain the same as under current legislation. Taking into account the strong views of many during consultation, I can confirm that right of appeal by leave to the Industrial Relations Commission will be retained.

The current legislation does not provide appropriate sanctions against unscrupulous employers. The bill allows the Vocational Training Tribunal, in determining a complaint against an employer, to declare an employer as a "prohibited employer". This may be either indefinitely or for a period and may authorise transfer of existing apprentices and trainees to another employer. Let me make it clear: this provision will only be used where employers wilfully breach their obligations under the Act, and I would hope that will be on a very irregular basis.

The Government plans to introduce electronic lodgment of training contracts and training plans by March next year. This will mean for most employers that the process of taking on a new apprentice or trainee is greatly simplified—reducing paperwork, time and effort. The bill enables this by providing regulatory power to enable electronic record keeping, digital signatures and the computerised lodgment of documents. Finally, regulations may create a schedule of fees for particular services. While no additional fees are envisaged at this stage, the current legislation does not provide the power to charge them should a fee become necessary. I assure honourable members that this Government will not charge fees for apprentices or trainees to access the tribunal or appeal panel.

These reforms have the support of employer associations, industry peak bodies, unions, employers large and small, group training companies, training organisations and government agencies. The new legislation removes barriers to more young people accessing training. It removes barriers to employers taking on more apprentices and trainees. I am delighted with the outcome of the Government's review of the apprenticeship and traineeship system. I firmly believe that the new legislation builds on the strengths of the 1989 Act while fixing the problems and ensuring its relevance to meeting the training needs of our current and future industries. I commend the bill to the House.

**Debate adjourned on motion by Mr R. H. L. Smith.**

## DENTAL PRACTICE BILL

### Second Reading

**Debate resumed from 4 September.**

**Mrs SKINNER** (North Shore) [10.21 p.m.]: The Dental Practice Bill provides for the registration of dentists and dental auxiliaries. The Dentists Act 1989 provides for the registration of dentists only, and this bill repeals that Act. The bill provides, among other things, extra mechanisms for accreditation and recognition of qualifications and definitions of dental practice to provide protection for five separate restricted dental practices, including the performance of operations on the human teeth and jaw, corrections of malpositions of the human teeth and jaw, performance of dental radiographic work, construction of dentures and other restorative appliances, and work associated with the fitting and

construction of such appliances.

The restriction on the use of anaesthetics has been removed, as that is comprehensively addressed in the Poisons and Therapeutic Goods Act. The bill provides additional protection for the titles "dental therapist", "dental hygienist" and "dental auxiliary". The bill provides mechanisms for the New South Wales Dental Board to monitor and manage impaired dentists, requires dentists to submit annual returns establishing continuing competence, and provides for notification of convictions, particularly in relation to sexual and violence offences.

The bill provides a definition of "unsatisfactory professional conduct", and provides for the continuation of the Dental Care Assessment Committee to inquire into less serious complaints and make recommendations to the board. Serious complaints of professional misconduct will be referred to an independent New South Wales Dental Tribunal. Along with other recent legislation that amended health professional legislation, the Dental Practice Bill is a result of a review of legislation required to consider public benefit issues required by the Competition Principles Agreement. The general principles of the bill are supported as they are designed to protect the health and safety of members of the public by providing mechanisms to ensure that dentists are fit to practise. The Coalition has consulted broadly with key stakeholders over a long time and it supports the bill.

**Mr McMANUS** (Heathcote—Parliamentary Secretary), on behalf of Mr Knowles [10.24 p.m.], in reply: I thank the honourable member for her thoughtful contribution to this debate. I am particularly pleased that the legislation has received such bipartisan support. I consider that to be a reflection of the provisions of the bill, which address the substantial regulatory issues raised in dental care in a measured and considered manner. I again thank the New South Wales Dental Board for its practical advice and assistance as this bill has been developed.

I reiterate my thanks to the professional associations, particularly the New South Wales branch of the Australian Dental Association, the Dental Therapists Association and the Dental Hygienists Association. Members of those bodies have contributed their time, professional knowledge and expertise to ensure that this legislation meets its primary obligation, which is to ensure that dental services are provided safely and by a skilled and professional workforce.

**Motion agreed to.**

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

## PSYCHOLOGISTS BILL (No 2)

### Second Reading

**Debate resumed from 4 September.**

**Mrs SKINNER** (North Shore) [10.26 p.m.]: The Psychologist Bill (No 2) was the subject of a review for some time, with a discussion paper circulated and submissions received from a wide range of health professionals, particularly the Australian Psychological Society. I have read some of the submissions presented to that review and the discussion paper that was circulated. That review was prompted largely by the requirements to consider public benefit issues required by the Competition Principles Agreement and by a Ombudsman's report that raised concerns about the inability to deal with misconduct issues once a person ceases to be registered as a psychologist.

I was approached about an incident in the Southern Highlands, which may still be occurring, involving a person who is alleged to have been involved in some kind of impropriety in dealing with patients and had set up a new practice, calling himself a counsellor. The Government first attempted to introduce to the new Psychologist Bill, which repeals the Psychologists Act 1989, on 11 October 2000.

The bill was introduced by the Parliamentary Secretary for Health, who is in the Chamber. He said:

> There has been extensive consultation through the review process … the main professional association, the Australian Psychological Society, supports the thrust of the proposed legislation.

That assertion was repeated in a briefing note supplied to me by the Minister for Health on 30 October 2000, who wrote:

> … the main professional association, the Australian Psychological Society, supports the proposed legislation.

While there was support for the overall aims of the bill, some provisions were of concern, not only in their application to this bill but in setting precedents for reviews of other Acts underpinning the registration of other health professionals. The parts of the bill that were of concern included the capacity of the Psychological Care Assessment Committee and the board to determine what is a service of value and to order the refund or withholding of fees, and the powers of inspectors who would be allowed to enter and inspect any premises believed to be used for the carrying out of the practice of psychology, and to seize records, question people, and take videos, photographs, et cetera, without a court order or subpoena.

As is the case with most legislation introduced into this House, the first opportunity that those most affected have to examine the provisions of the legislation is when the Coalition lets them know that the bills have been introduced and provides them with copies. That was the case with the Australian Psychological Society. This should be a lesson to the Parliamentary Secretary Assisting the Minister for Health and any Government member that they should read documents prepared for them by the Minister or the Minister's department or staff.

**Mr McManus:** I am insulted!

**Mrs SKINNER:** I am sure you would be. May I repeat what the Parliamentary Secretary said:

> There has been extensive consultation ... The main professional association, the Australian Psychological Society, support the thrust of the proposed legislation.

I now read from a critique of the bill provided to me on 30 October 2000 by Mr Bruce Crowe, immediate past president of the Australian Psychological Society, who had made numerous submissions to the review. Mr Crowe wrote this letter following his meeting with me and the Hon. Dr Brian Pezzutti. We went through the bill in detail not only with Mr Crowe but with others from the society. Mr Crowe said that the full details of the proposed bill had not been revealed in briefings by the Government. He also said:

> ... the Australian Psychological Society disputes any claim that this Bill has had the benefit of consultation with the APS.

It is disappointing that the Parliamentary Secretary has left the table, and has turned his back on this debate. He does not even extend me the courtesy of listening.

**Mr McManus:** I am getting information to shoot you down.

**Mrs SKINNER:** In light of the seriousness of the concerns I arranged a meeting between the Australian Psychological Society and the staff of the Minister and the New South Wales Department of Health, one of whom is just now leaving the Chamber. That led to a series of meetings over several months, during which the society was successful in having changes made to the legislation. The society has regularly kept me informed of progress on the discussions. As a consequence of this activity, the Government withdrew the original bill, and this is its replacement.

**Mr McManus:** We are now talking about the bill I spoke about, not the one that you spoke about.

**Mrs SKINNER:** Perhaps I should clarify that the quotations I have made were from *Hansard* of 11 October 2000, when the Parliamentary Secretary said the Australian Psychological Society "support the thrust of the proposed legislation". The Parliamentary Secretary is revealed to have been either not listening or deliberately making obfuscatory remarks in relation to this matter.

**Mr McManus:** You are a little confused.

**Mrs SKINNER:** Not at all. The Australian Psychological Society will be interested tomorrow to read the Minister's interjections. As a consequence of the activity involving the Australian Psychological Society and discussions with the department, the Government withdrew the original bill, and this is its replacement. It includes numerous changes, and it specifically removes any reference to services of value. It also requires that inspections will be limited to circumstances where a search warrant has been obtained. The Parliamentary Secretary, in his second reading speech on the bill, acknowledged that the previous legislation had not been proceeded with "because of concerns about certain aspects of the bill raised by the profession".

This is a very clear example of the potential for the Government, without proper consultation, to introduce, and for this Parliament to enact, seriously flawed legislation—legislation that would have put at risk the confidentiality of records of patients of psychologists. Those records could have been seized without warrant—a matter of very serious concern. That legislation contained provisions that somehow assessed that some services had not been of value.

**Mr McManus:** I love this!

**Mrs SKINNER:** The Minister agrees with me, because we discussed it in the corridor outside the Chamber.

**Mr McManus:** Is that right?

**Mrs SKINNER:** Absolutely. Any suggestion, as has been made by the Minister to me personally, that the Australian Psychological Society was disagreeing because of some fractional warfare is simply not true. I have raised that matter with the society. I have had many discussions with the society, which is very pleased with the Coalition's contribution to getting this bill right. I suggest that the Parliamentary Secretary question papers that are provided to him before he quotes from them to this House.

**Mr McMANUS** (Heathcote—Parliamentary Secretary), on behalf of Mr Knowles [10.34 p.m.], in reply: I had hoped for a bipartisan approach to both bills, but obviously that was not to be. The honourable member for North Shore was not able to contain herself to reading from a critique, as she normally does in this House, but has indulged in a critique about me. I would like to quote from a letter that I received recently from the Australian Psychological Society Ltd. I will read part of that into *Hansard* so that there can be no misunderstanding of my position or of my interpretation of the previous bill. This letter, written in July 2001 and addressed to the Minister, says:

> I am very pleased to advise you that the recent consultations between the APS and the Legal and Legislation Branch of the Department of Health were very positive and productive. The resulting redraft of the Bill in our view reflects most of our concerns. More generally it represents a significantly improved set of provisions (compared with the previous Act) for protecting the public from the manifold problems arising from untrained or poorly trained persons professing to function as providers of psychological services.

This letter is a result of the consultation process that the Government entered into right at the outset. We

do not make any excuse at all for the fact that we continued to negotiate. We will do so again. The bill does exactly what the Government said the previous bill would do: it provides for the provision of services and for the safety of the community of New South Wales. I commend the bill to the House.

**Motion agreed to.**

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

## SPECIAL ADJOURNMENT

**Motion by Mr Whelan agreed to:**

That the House at its rising this day do adjourn until Thursday 20 September 2001 at 10.00 a.m.

**House adjourned at 10.37 p.m.**