LEGISLATIVE ASSEMBLY

Tuesday 27 May 2003

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Mr Speaker (The Hon. John Joseph Aquilina) took the chair at 2.15 p.m.

Mr Speaker offered the Prayer.

PETITIONS

Cudgen Creek Seaway

Petition requesting that the Cudgen Creek seaway at Kingscliff be cleared of silt, received from **Mr Cansdell**, **Mr Fraser** and **Mr R. W. Turner**.

Dunoon Dam

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

Bushfires and Hazard Reduction

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

Age of Consent

Petition supporting a uniform age of consent of 18 for both boys and girls, opposing legislative changes to lower the age of consent for consensual male homosexual acts, opposing retrospectivity of the legislation, supporting increased criminal penalties for sexual predators, and praying that age of consent and penalties be dealt with in separate bills, received from **Mr Richardson**.

DISTINGUISHED VISITORS

Mr SPEAKER: I welcome to the public gallery Ms Katina Hodson-Thomas, the Acting-Speaker of the Western Australian Legislative Assembly.

QUESTIONS WITHOUT NOTICE

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DEATH OF MRS SARITA YAKUB

Mr BROGDEN: My question without notice is to the Minister for Infrastructure and Planning. When was he advised of the outcome of NSW Health's inquiry into the circumstances surrounding the death of Mrs Yakub? Why did he fail to immediately correct the public record, and acknowledge that she was never called for treatment?

Mr KNOWLES: The point to make at the start of this response is that the assertion behind the question is wrong. If there were any suggestion of an attempted cover-up, why would we have forwarded the report to the State Coroner, who, upon investigation, decided not to proceed with a coronial inquest? The report was then forwarded, at Mr Yakub's request, to the Health Care Complaints Commission. Let me be clear about this from the start: the assertion that this was some sort of cover-up is simply wrong. Right from the start the process was put in place to ensure that the details surrounding the tragic death of Mrs Yakub were investigated.

I understand that the Department of Health and Mr Yakub met and that he was very angry. He remained angry about his experience at Nepean Hospital and he wanted an investigation. He felt that he and his wife had been neglected. As I said, that matter was referred to the Coroner. The information contained in the independent report was also referred to the Coroner. I understood that the subsequent referral to the Health Care

Complaints Commission was after the Coroner decided not to investigate, because Mr Yakub continued to be unhappy about the treatment his wife had received. I believed that he was clear about what had occurred on the night of his wife's treatment.

Clearly, that was a misunderstanding on my behalf. That false assumption has caused Mr Yakub unnecessary pain and grief. I can advise the House that I telephoned Mr Yakub on Saturday morning to apologise to him. Let us be clear about this: the assumption that a report last year that was conducted independently by clinicians, forwarded independently to the State Coroner, investigated by the State Coroner, who declined to conduct an coronial inquest, and then reported independently to the independent Health Care Complaints Commission is some sort of cover-up is absolutely nonsense.

Mr Brogden: Point of order: My point of order relates to relevance. I specifically asked the Minister at what stage he was advised of the report.

Mr SPEAKER: Order! There is no point of order. The Minister has answered the question.

Mr BROGDEN: I ask a supplementary question. In view of the Minister's assertion that there was no cover-up, who on his staff sought to stop the *Daily Telegraph* from publishing details of this prior to the election?

Mr KNOWLES: If somebody, a journalist, said something to somebody on my staff, I will wear that. I will take responsibility for that, but the facts remain that right throughout that process there was an inquiry taking place—first by the Coroner and second by the Health Care Complaints Commission. That inquiry continues.

BAIL LAW REFORM

Mrs PALUZZANO: My question without notice is directed to the Premier. What is the Government's response to community concerns about serious violent criminals being granted bail?

Mr CARR: The changes we have already made to the Bail Act have resulted in a massive increase in the prison population. The Opposition disputes that, but the figures speak for themselves. Since we came to government, the remand population has increased from 719 to 1,800. As I said, the figures speak for themselves—from 719 to over 1,800. Since July last year when we removed the presumption in favour of bail for repeat offenders, the remand population has increased by about 300.

Mr Tink: Point of order: The Premier says "the figures speak for themselves", but a murder occurred in Newcastle after the election—

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

Mr Tink: And that murder speaks for itself.

Mr SPEAKER: Order! The honourable member for Epping is trifling with the ruling of the Chair. I call him to order.

Mr CARR: The Coalition's bail bill did not guarantee that bail would have been refused in that case.

Mr Tink: Nor would yours.

Mr CARR: He concedes that.

Mr Hazzard: It is a presumption.

Mr CARR: Oh, yes; it is a presumption. I said it was.

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

Mr CARR: A figure of 719 compared to 1,800, and since July last year, which is when our amendments took effect, the remand population increased by 300.

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

Mr CARR: This week the Government will introduce the next stage of our reforms to the Bail Act. This will mean that anyone who is charged with murder will be refused bail unless there are exceptional circumstances, such as when a battered wife has killed her husband. Anyone who is charged with murder will be refused bail: it is as simple as that. Serious violent repeat offenders will be refused bail unless there are exceptional circumstances. Police will have the power to hold a serious offender in custody when the offender is granted bail, pending an appeal to the Supreme Court.

These reforms are about protecting the community and, as it happens, particularly protecting women in the community. There is no crime more serious than murder. Bail should not be granted in murder cases unless there are exceptional circumstances. That will now be the law. Exceptional circumstances might justify bail when the prosecution case is very weak or when the court is satisfied that the person poses no threat to the safety of anyone.

I turn now to the matter of serious violent offenders. Honourable members will recall the tragic murder of Patricia van Koeverden. In April this year she was murdered by her estranged husband, Toni Bardakos, while he was on bail for the offence of sexually assaulting and detaining her. The community was rightly outraged that he was granted bail. Tragically, the fears of those who knew him were realised. Serious violent repeat offenders who are charged with another serious violent offence should not be granted bail. They are a threat to their victims and to the general community. The bill that the Government will introduce this week will prevent a person who is charged with a serious personal violent offence and who has previously been convicted of a serious personal violence offence from being granted bail, unless there are exceptional circumstances.

Serious personal violent offences are those that carry a maximum of 10 years imprisonment or more. They include murder, manslaughter, kidnapping, robbery offences, home invasions, sexual assault and serious assaults. Domestic violence is an endemic problem in our society. Police are now developing a domestic violence checklist to highlight risk factors and provide a more comprehensive history of the offender to the court when the court is determining whether to grant bail. This history will include previous apprehended violence orders, an assessment of the vulnerability of the victims—for example, a victim who has recently separated—and any mental health issues.

I come to the issue of a stay of proceedings. The bill will also implement our election commitment to allow prosecutors in serious cases to temporarily stay bail decisions. At present when bail is granted, the alleged offender is released and the prosecution has to make an application to the Supreme Court for review of the bail decision. In future, prosecutors will be able to stay proceedings when bail is granted. This will apply to anyone who is charged with child sexual assault, murder or any other offence that carries a life sentence, such as gang-rape and serious drug offences. If a magistrate decides to grant bail, the police or the Director of Public Prosecutions [DPP] will be able to immediately tell the court that an application for review of the decision will be made to the Supreme Court. Bail is then suspended until the Supreme Court reviews the magistrate's decision.

That is an important reform. The stay ends when either the review by the Supreme Court is completed, the police or the DPP decide not to proceed with the review, or three clear business days have elapsed from the commencement of the stay, whichever occurs first. The bail working party is currently developing the next stage of our bail reforms. The working party includes the representatives of the Attorney-General's Department, NSW Police, the Ministry of Police, Legal Aid, the Public Defender's Office, the Law Society and the DPP. The working party is looking at ways of simplifying the Bail Act, improving police and prosecutorial practice, making special provisions for juveniles and legislation in other jurisdictions, including the repeat offender laws in the Australian Capital Territory. The working party will make its recommendations during the next two months and legislation will be introduced in the spring session.

COUNTER-TERRORISM EXERCISE

Mr COLLIER: My question without notice is directed to the Minister for Police. What is the Government's response to today's counter-terrorism operation?

Mr WATKINS: Over the past two years global terrorism has changed the face of our community. In Australia that has meant anti-terrorist plans have been significantly enhanced at both State and Federal levels. Although NSW Police has always had the capacity to respond to terrorist incidents, a capacity that has been

honed by the Sydney Olympics, after Bali and the recent terrorist strikes in Africa, we need to remain vigilant to ensure that we are doing all we can to prepare, should such a horrendous incident occur on Australian soil. As a country and as a State we need to be prepared, and that is why today, tomorrow and on Thursday a major counter-terrorist exercise will be running in Sydney and the Australian Capital Territory.

The aim of Operation New Deal, as the exercise has been called, is to be ready in case the worst happens, ready to use specific counter-terrorism powers passed by this Parliament last year, and ready to deploy all the necessary government agencies, both in New South Wales and federally, such as the Australian Federal Police, the Department of Defence, the Department of Foreign Affairs and Trade, the Premier's Department and the Department of Prime Minister and Cabinet. In short, Operation New Deal is about being as ready as we can, should New South Wales or the Australian Capital Territory become targets for terrorists.

This week's operation is part of a series of counter-terrorism exercises that are being held regularly in the States and Territories, but this is the first national operation to be held since the Sydney Olympics in 2000. Having participated already this morning, I can inform the House that Operation New Deal is already providing an excellent opportunity to test our response and to test how government and law enforcement and defence agencies are prepared. Today we will see what we are doing well, what needs to be improved, and what logistical issues might arise if a real life incident occurred.

I will now bring the House up to date on what has happened in today's training exercise. Today, after a request from Acting Commissioner Andrew Scipione I authorised, for the purpose of the exercise, the use of powers under the Terrorism (Police Powers) Act 2002. My authorisation today relates to the request that powers be available in relation to three specific suspects who were seen to leave a suspected car bomb in the central business district [CBD]. In addition, I have authorised the use of powers to prevent a terrorist act in three police regions, that is, the inner metropolitan, greater metropolitan and southern regions.

Mr SPEAKER: Order! I called honourable member for Lane Cove to order.

Mr WATKINS: For the benefit of honourable members I will again explain what those powers mean. They are special powers for NSW Police, extraordinary powers to provide a law enforcement response should an extraordinary event occur. The powers are not designed to deal with day-to-day happenings, and their use requires the most senior New South Wales police officers to seek government approval for the powers to be activated. I take this opportunity to bring the House up to date about a number of other New South Wales specific counter-terrorist measures that have been put in place since late last year. NSW Police has upgraded its counter-terrorism investigative capacity with the establishment of the Counter-terrorism Co-ordination Command, under the leadership of Commander Norm Hazzard.

I also advise the House about the status of critical infrastructure patrols in the CBD. Honourable members would recall that when the war in Iraq commenced, Operation Coodra commenced in and around the city. Although the war in Iraq has now ended, NSW Police believe that there is an ongoing need for additional patrols of critical infrastructure, but not at the same level as during the war. That is why Operation Coodra is now replaced by Operation Circuit, which was the pre-war patrol level implemented from the end of November last year. All relevant local area commands will continue to liaise with appropriate sites within their commands and make regular patrols of those premises.

Mr SPEAKER: Order! I call the honourable member for Murray-Darling to order.

Mr WATKINS: NSW Police is constantly assessing threat and security levels so that it can make an appropriate escalation or de-escalation of patrols at any time. Finally, I inform the House of the latest information on the procurement by NSW Police of new counter-terrorist equipment. I am advised that the Department of Commerce has finalised the purchase of the new counter-terrorist helicopter. I am informed that currently the engines are undergoing necessary upgrading and that the operational fit-out is being finalised. In addition, new equipment such as bomb suits, public order personal issue equipment and forensic equipment has been delivered. As I said earlier, we have to do all we can to be ready for any terrorist attack. Although the nature of terrorism means that anticipating every outcome is simply impossible, in New South Wales we are making sure that plans, powers and equipment are in place. That is the only way that we can plan against the possibility of a catastrophic terrorism event.

WHEAT STREAK MOSAIC VIRUS

Mr STONER: My question is directed to the Minister for Regional Development, representing the Minister for Agriculture and Fisheries. In view of the potential of the exotic wheat streak mosaic virus to inflict massive financial damage and job losses to the $2 billion New South Wales wheat industry and, consequently, to the State economy, what progress has the Minister made towards halting the spread of that devastating disease?

Mr CAMPBELL: I undertake to get details from the Minister for Agriculture and Fisheries and come back to the House with a response.

UNIVERSITIES REGULATION

Ms MEGARRITY: My question without notice is addressed to the Minister for Education and Training. How is the Government responding to community concerns about unregistered universities and related matters?

Dr REFSHAUGE: I thank the honourable member for her ongoing interest in education matters. I was alarmed to discover that a number of unregistered universities have attempted to operate in New South Wales by offering unaccredited and bogus degrees. Fake degrees are not worth the paper they are printed on, but they can damage the good reputation of many legitimate universities and other higher education providers. Fake degrees can allow people without the proper qualifications to get a job or professional qualifications that they do not deserve and they hoodwink genuine students, who pay substantial amounts of money to further their education. Today I am introducing tougher regulations for universities and am dramatically increasing fines by 4,000 per cent for unscrupulous operators who offer fake degrees.

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

Dr REFSHAUGE: I am advised that fake degrees, purportedly from reputable universities, are readily available from more than 40 different sources. Last year alone the Department of Education and Training investigated more than 20 allegations of dodgy operators. I am also aware of people having lost thousands of dollars after signing up to some of those bogus operations. In particular, a company calling itself Warnborough University, which is not accredited as a university anywhere in the world, has operated out of Newcastle and offered security training degrees for $12,000. However, the Bachelor of Applied Science degree in Security, Investigations and Risk Management, which Warnborough University allegedly provides, is not recognised anywhere in Australia. It is even worse that fake institutions, or degree mills, offer an instant degree, for a price—no study required, no questions asked.

In those circumstances students are provided with a degree using counterfeit university crests, serial numbers and student identification numbers purporting to be from some of the world's most prestigious universities, such as Harvard, Oxford or Stanford. They are all available for a price! As the largest education sector in Australia, New South Wales is a target for bogus providers that seek a springboard into the Australian higher education market. We cannot afford to be complacent when it comes to devious organisations seeking to trade on the excellent name of Australian higher education. That is why today I am pleased to announce important measures that are designed to protect students and employers and to ensure the quality of university education provided in New South Wales.

From 1 July this year, tougher legislation will mean increased penalties for bogus universities that provide fake degrees. The fine was $550, and I have raised that to $22,000. All higher education providers in New South Wales must be registered if they provide higher education courses. All overseas universities wishing to operate in New South Wales must be approved by the director-general of the Department of Education and Training, and be registered. All higher education courses must be reviewed by an expert panel and accredited against rigorous State and national requirements. The legislation will ensure that the public has full confidence in the value of an Australian degree. New South Wales is the State with the highest number of overseas students and in 2002 a record 58,000 students chose to study at New South Wales universities. We need to protect those universities and their reputation.

I announce also additional measures to crack down on bogus providers to protect people's rights to a quality degree, including a public register of all qualified higher education providers, accessible at the Department of Education Training and on its web site; a new web-based hotlink for the public to dob in

fraudulent operators; and a statewide consumer education campaign, with pamphlets entitled "Is that degree genuine?" provided to all public high schools, TAFE colleges, public libraries, employer groups, consulates and embassies. The brochure will assist employers, professional bodies and the public to reduce the risk of being stung by individuals who present fraudulent qualifications to try to obtain a job or professional recognition to which they are not entitled.

I announce also tougher commercial regulations for universities. From today, universities will be required to tighten-up the guidelines governing their commercial activities. They must identify, monitor and disclose all commercial activities. The Commonwealth funding cuts have forced our universities to engage in commercial activities in order to raise the money they need to operate. These commercial activities have the potential to compromise the principal aim of universities, which is to educate. Unfortunately universities have been stung already by inadequate commercial guidelines. For example, one university reported to the ICAC that it had uncovered fraud of approximately $180,000 in one business centre.

The Government's commercial activities legislation requires universities, as of 1 March 2002, to establish guidelines aimed at reducing the risk of commercial activities and ensuring greater public disclosure. Following extensive consultation, the Government is now requiring universities to tighten up these new guidelines. Universities have had time to consider these important requirements. However, the Government is also asking that additional measures be put in place, such as taking out insurance policies before they invest significant resources in new commercial arrangements, assessing potential risks of investments before proceeding, and ensuring that any activity involving a fee for service is covered by the guidelines.

The Treasurer and I will be writing to every vice-chancellor urging action on these important procedures. With further deregulation of the higher education sector announced in the Federal budget, there will be increased pressure on universities to engage in commercial activities. No State has been more concerned about commercial risk to universities than New South Wales, which was the first State in Australia to enact statutory guidelines protecting against commercial risk. These guidelines are paramount, given the Commonwealth's miserly approach to the funding of our universities.

HOME WARRANTY INSURANCE

Mr DRAPER: My question without notice is directed to the Premier. What is the Premier's response to the concerns expressed by many builders in the Tamworth electorate about the difficulties they are facing when trying to secure home warranty insurance?

Mr CARR: As it happens, over the years I have received—

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

Mr Hazzard: They should all join the Labor Party.

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

Mr CARR: That is a bitter thought. The honourable member should not say that kind of thing. He should not sully the wonderful good humour that is part of life in the Legislative Assembly with thoughts that express such a deep, cankerous bitterness. The honourable member for Wakehurst may choose not to believe me, but I have often received representations from builders in Tamworth about this matter, including Mr Ron Carr.

Mr George: What about Lismore?

Mr CARR: My parents' family come from Tamworth. But let me not be distracted from thanking the honourable member for Tamworth for his question and congratulating him on the remarkable election outcome that saw him elected to this place. He defeated a sitting member who had been member for Tamworth for a year and he won 52.48 per cent of a two-party preferred vote, representing a swing of 11 per cent, if I am not mistaken, against the National Party.

[*Interruption*]

Fancy injecting partisanship into this! The National Party has no fonder friend in this Chamber than I. The good old National Party, which had its forebears in the Country Party, has fallen on sad times. The collapse of the biggest home warranty insurer, HIH, followed by the global insurance crisis after September 11, has effectively left home warranty insurance with one insurer. That is the crux of the problem. A lack of competition is not healthy in any market.

The situation has hit people like Tamworth builder Ron Carr, who has operated a Tamworth building firm—Tamkit—for more than 20 years. He was insured with HIH. But, after its collapse, he was left without coverage and, as a result, he was out of work for six months. It took the personal intervention of the then Minister for Fair Trading to help him secure coverage with Royal and SunAlliance. But that was not all. His coverage was cut in half—from $2.5 million to $1.2 million. That meant he could not do a lot of high-value work. He was forced to put his family home on the line as equity, bringing his cover up to $2 million.

[*Interruption*]

I am trying to do the right thing to bring Opposition members up to date by filling them in with essential background.

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

Mr CARR: Knowing their limitations and their level of intelligence, I want to share with them data collected by the so-called Stasi—and how I hate that term! I want to share this data with the House.

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

Mr CARR: As a result of all this the Government appointed Mr Richard Grellman to inquire into the home warranty market.

[*Interruption*]

The honourable member for Gosford said, "An inquiry is not needed." The global insurance market is in chronic turbulence, home warranty has slid into a monopoly and the honourable member for Gosford says, "Don't have an inquiry. Don't bring the parties together."

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

Mr CARR: Home construction and renovation are at record levels. Australian Bureau of Statistics figures released on 5 May show that dwelling approvals for March are up 4.5 per cent on the figures for the previous month. But we need to understand why no other players have entered such a buoyant market.

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

Mr CARR: After this inquiry the Government will be happy to look at any model that is sustainable and prudentially sound. That is, I might say, any model other than the old Building Services Corporation. I note that the honourable member for Gosford, in his wisdom, said:

> What is needed is the re-creation of the old Building Services Corporation.

What he did not admit is the budget liability that comes in its wake. The old corporation had $82.5 million in its kitty, but so far the Government has been forced to pay out $100.5 million for its liabilities. That means that the taxpayers have had to foot the $18 million gap, and that only covers claims made so far. Future claims could be anything up to $40 million to $100 million.

Mr Brogden: What a silly concern!

Mr CARR: The Leader of the Opposition said, "What a silly concern to have." I, on behalf of taxpayers, have to be concerned about a liability of $40 million to $100 million.

Mr SPEAKER: Order! I remind the Leader of the Opposition that he is on two calls to order.

Mr CARR: That is real money that would have to be picked up and paid for by taxpayers. The Grellman inquiry has the support of the Housing Industry Association, the Master Builders Association and the Insurance Council of Australia. We look forward to that report.

Mr Hartcher: Point of order: Under Standing Order 73 I have been misquoted by the Premier. The Premier has not quoted the full press release that I issued. I call on him to do so. The Premier now is embarking on a further inquiry when he did not implement the last inquiry by Mr Grellman into workers compensation. He ordered a full inquiry by Mr Grellman into workers compensation, which he never implemented. He now wants an inquiry into the Building Services Corporation and he will not implement that either.

Mr SPEAKER: Order! There is no point of order. The honourable member for Gosford will resume his seat.

Mr Hartcher: The Premier should take the press release that he has—

Mr SPEAKER: I call the honourable member for Gosford to order for the second time.

Mr Hartcher: What about him?

Mr SPEAKER: Order! I have ruled that there was no point of order.

MOBILE SURGICAL UNIT

Mr BLACK: My question without notice is directed to the Minister for Health. What is the latest information on the trial of the mobile surgical unit for rural and regional New South Wales and other matters?

Mr IEMMA: I acknowledge that the honourable member has an interest in delivering better health services to rural constituents. Last year the provision of a mobile operating theatre was an integral part of the Government's rural health policy. The mobile operating theatre provides state-of-the-art surgical equipment and technology in a fully equipped transportable unit. Rural patients are expected to benefit in a range of ways. The mobile theatre brings to town some surgical services not previously available locally. This is not only convenient but benefits the patient by reducing the time that he or she might wait for surgery. Health staff, especially surgeons, will be encouraged to stay in their local community because they will have the opportunity to participate in a wider range of surgical procedures.

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

Mr IEMMA: The mobile unit also offers the very practical advantage of allowing surgery to continue while a local hospital's operating theatre is undergoing maintenance or redevelopment. The mobile operating theatre is an impressive piece of equipment. It contains all the features one would expect to see in a normal operating theatre, including an anaesthetic room, a fully equipped operating theatre with ventilators, resuscitation equipment, X-ray viewers, endoscopic equipment and a two-bay recovery room. Once inside, one could easily mistake the unit for any well-equipped permanent operating theatre.

Similar mobile theatres have been used successfully in the United Kingdom, the United States of America and throughout Europe. The New South Wales van is an Australian first. It is currently running a six-month trial, visiting Narrabri, Moree, Walgett, Lightning Ridge and Gunnedah on a rotating basis. The $2.6 million trial has the support of the Rural Doctors Association, and it will be reviewed comprehensively upon its completion. Where possible, local health staff are involved in surgery, which provides vital training and experience for our rural health professionals. The trial commenced on 10 March and more than 50 operations were performed in the first eight weeks. They included 35 cataract operations, 8 gynaecological procedures, 6 episodes of general surgery and 2 endoscopies. That means 51 patients received health care closer to home that improved the quality of their lives. I am advised that the feedback, particularly from patients, has been very positive.

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

Mr IEMMA: I will detail two instances involving two residents of Gunnedah. Two female patients, one aged 73 and the other aged 83, were delighted that they could undergo cataract surgery at Gunnedah through the mobile surgical service. They would normally have had to travel to a larger centre, such as Tamworth, Armidale or Inverell. Being able to access the mobile surgical service in their home town meant that those residents did not have to travel and had their waiting time for surgery reduced by approximately 11 months. This unit is part of the Government's ongoing commitment to providing better rural health services to local communities. At the end of the trial we will evaluate the service comprehensively across the State.

HAYMARKET ATTEMPTED MURDER INVESTIGATION

Mr DEBNAM: My question is directed to the Minister for Police. Given the ongoing police budget crisis, was Strike Force Therapy—which is the investigation of the Haymarket attempted murder—suspended last month?

Mr WATKINS: This day has finally arrived: Ten days into the new parliamentary sitting and 99 questions later, the shadow Minister has finally asked a question about police. I am pleased to receive his question. We have record numbers of police in New South Wales, a record budget, record resources, high officer morale and the force is being led by a fine commissioner.

Mr Brogden: Why don't you answer if you have been waiting that long?

Mr WATKINS: I am. The matter referred to by the shadow Minister for Police was featured on the front page of the *Daily Telegraph* this morning. I have sought a report about the incident and the investigation from Acting Commissioner Andrew Scipione and I am advised that police have been confronted—

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

Mr WATKINS: The House deserves to have an answer regarding the serious matter that was reported in this morning's press. The police have advised that they have been confronted by a wall of silence in their investigation of the shooting upon which the task force is reporting. The police told me today that the investigation is continuing. I make a public appeal to anyone with information about the matter to contact Crime Stoppers on 1800 333 000. All calls will be treated in the strictest confidence. I repeat: The investigation is continuing. We have a record police budget in New South Wales. Almost $1.8 billion is being provided to police in this financial year. It is a record budget for a record police service.

Mr Debnam: Point of order: The Minister has misled the House. The police were confronted by a lack of resources; that is why they suspended the investigation last month. The Minister should tell the truth!

Mr SPEAKER: Order! There is no point of order. The honourable member for Vaucluse will resume his seat.

Mr WATKINS: This Government has provided New South Wales police with a record budget—$1.758 billion—this financial year. I have received advice about some of the issues related to the greater metropolitan area budget, to which the shadow Minister has referred. Being a Minister is a difficult task.

Mr SPEAKER: Order! There is a little more than five minutes of question time remaining. Several members are on at least two calls to order and one member is on three calls to order. Some members will not remain in the Chamber for the remainder of question time if their present behaviour continues. The Minister will be heard in silence. I call the Leader of the National Party to order for the second time.

Mr WATKINS: On Saturday night Ministers go to a petrol station as soon as they can to see what will be in the Sunday newspapers in case they contain something that may cause them concern. On Saturday I was in a service station at about 8.30 p.m. I looked at the newspapers and saw an article containing allegations about the police budget. So I went home and prepared myself for the inevitable attack the next morning from the shadow Minister. I was up at 6.00 a.m. on Sunday, monitoring the news and expecting him to launch a withering attack on the police budget. I listened to 2UE and 2GB but I heard nothing from the honourable member for Vaucluse. So I gave a sigh of relief. I listened to the 7.00 a.m. news, expecting to hear something from the honourable member for Vaucluse about the police budget. But there was nothing. I then listened to the 8.00 a.m. news—

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

Mr WATKINS: I thought that surely by then the shadow Minister would have roused himself and wandered, in his pyjamas, to his local service station to check the papers and trot out something on morning radio.

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

Mr WATKINS: By 8.00 a.m. I fully expected to hear a withering attack but there was nothing.

Mr Debnam: Point of order: To correct the record, I get my newspapers at 8.30 p.m. on Saturday at the BP service station—

Mr SPEAKER: Order! There is no point of order. I call the honourable member for Vaucluse to order.

Mr WATKINS: Sunday morning passes in a state of excitement for a Minister, who is left hanging, waiting. Finally, at 11.30 a.m. the shadow Minister worked himself up to utter something about what was in the newspaper. I suppose that down in a coffee shop on the concourse at Bondi the honourable member for Vaucluse flicked through the *Sun-Herald* and the *Sunday Telegraph*, saw something about police and thought, "Oh, look, there's something about police in the paper. I should say something about it." He then finally roused himself and rang 2UE and 2GB to put on the public record a pack of distortions about the police budget. The shadow Minister suggested that the alleged problems with the police budget that he identified could be solved by abolishing the police media unit.

He says this would solve everything. This is just like the election campaign. On Sunday the shadow Minister for financial reform called for the police to be provided with all these extra funds. He demanded that the media unit be abolished. He called the media unit of the police force a propaganda machine. I checked what sort of propaganda he thought we were purveying. Yesterday the fax read, first: "Inquiries will continue this morning into the cause of a house fire at Eastwood last night." That is devastating propaganda. Second: "Police appeal for assistance after an elderly woman was robbed in Ettalong." These were just picked up off the fax machine. Third: "Investigation into cruise ship death takes police to South Australia." These are important notices of the media units around town—

Mr Armstrong: Point of order: The Minister is making a point but he is probably not aware that there were no police in Condobolin this morning.

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

Mr WATKINS: I am meeting the honourable member later this afternoon, probably to discuss that very matter. The allegations—and they are allegations—made by the shadow Minister are about an investigation. The investigation is continuing.

ILLAWARRA EMPLOYMENT AND INVESTMENT

Ms SALIBA: My question without notice is directed to the Minister for Regional Development, Minister for the Illawarra, and Minister for Small Business. What it is the latest information on efforts to create jobs in the Illawarra?

Mr CAMPBELL: I thank the honourable member for Illawarra for her question and also for her ongoing interest in the economic development of the Illawarra region, an interest that is shared by our colleagues representing the electorates of Kiama, Wollongong and Heathcote.

Mr SPEAKER: Order! I remind honourable members that question time has not concluded. Those members who have been called to order remain on those calls.

Mr CAMPBELL: The Government continues to strongly support the efforts of the Illawarra community to grow and develop new business opportunities. By working with local business we are helping create jobs. This means greater security for local families, and new and expanded business in the Illawarra benefits everyone in New South Wales. The Illawarra has much to offer companies. It can provide a winning combination of a highly skilled workforce, a broad range of commercial property and a world-class port. Honourable members will be interested to hear that it is full steam ahead for nine local companies whose innovation is helping create economic success in the region.

These companies include: Orrcon, Australian and Overseas Alloys and the Australian Lock Company—all now based at Unanderra; Propix at Jamberoo; the Herd Group at Kemblawarra; the INS Health Group; Oasis Asset Management in Wollongong; Palm Springs at Sutton Forest and Harold Knudsen at South Nowra. These companies have settled into the Illawarra and all plan to expand over the next five years. If their business plans are realised, they will create more than 430 new jobs in the Illawarra. That is 430 more pay packets being spent buying food, goods and services from local businesses. That is greater security for 430 Illawarra families. The good news does not stop there. These companies also plan to spend $33 million expanding their businesses. The Government has supported these nine companies in their plans to develop and expand.

For instance, Orrcon Pty Ltd has established a new multimillion dollar steel and tube mill, a move that is expected to create 80 new jobs. The company plans to invest nearly $22 million in this expansion. The Government played an important role helping Australia's third largest manufacturer and distributor of steel tubing establish itself in the Illawarra. We assisted the company to locate and establish the new mill at Unanderra. The Herd Group, which relocated its operations from Revesby to Kemblawarra last year, is another local success. It manufactures aluminium bullbars and bumper bars for heavy vehicles as well as maximum security vehicles. It plans to invest $3.7 million in the Illawarra over the next five years. Herd started operations at Kemblawarra with less than 80 staff and an annual turnover of $10 million. The company forecasts it will triple its turnover to $33 million by 2005 and will employ 150 people within five years.

Tourism is an important industry to the Illawarra region as the gateway to the South Coast. The tourist business Propix Pty Ltd operates the Jamberoo Recreation Park. Each year 160,000 people visit the park and this company's expansion will help attract a further 80,000 visitors annually. This expansion will create up to 40 new jobs. The company intends to spend $8 million realising its business plan, which will have a significant flow-on effect to other local tourist operations. Another Unanderra company, Australian and Overseas Alloys, is looking to expand within the next two years. This means up to 16 new jobs will be created. The company produces products used in heavy industry and mining. These are exported worldwide, and demand is increasing. Last year Australian and Overseas Alloys relocated its wear plate production and fabrication operations from Taren Point to Unanderra. In all, it is investing $1 million in expanding its Illawarra operations.

The local company INS Health Group provides innovative home health care services for those who are aged or infirm. It has developed a personal alarm system that is worn by its clients. Last year the company worked with the Government to outdo its competitors, including international companies. It now plans to create an extra 53 jobs within five years. The Australian Lock Company is yet another Illawarra company that exports its products overseas. It is a local manufacturer of security products, best known for its BiLock range. With Government help, the company consolidated its operations from three locations in Fairy Meadow to new premises in Unanderra. That decision has been good news for this company. It is now consolidating and expanding its production with plans to invest more than $3.5 million in upgrading its new premises in Unanderra. The company predicts it will create a further 24 permanent and eight casual jobs by 2004.

During the next three years Oasis Asset Management in Wollongong plans to grow its business and create 40 new jobs. It is investing $2 million in this project. As an investor directed portfolio service operator, Oasis needed to develop, market and administer customised financial products on behalf of securities dealers. The water bottling and distribution company Palm Spring plans to sell its water Australiawide. Its expansion at Sutton Forest means 12 new jobs and an investment of nearly three-quarters of a million dollars. The Shoalhaven region has strong manufacturing, defence, retail, tourism and education sectors. An engineering company, Harold Knudson Pty Ltd in South Nowra, has been working with the Government to grow its business. The company specialises in manufacturing caravans and trailers. Thanks to government assistance an extra 11 people will be employed during the next three years.

These nine businesses to which I have referred are an excellent example of the diversity and direction of future growth in Illawarra jobs. They reflect a balance between traditional blue collar jobs, service industries, tourism and personal care. It is a mix that is important to the diversification and strengthening of the Illawarra economy. The success and drive of these companies means greater security for families in the Illawarra. It is a great example of what can be achieved by business and the Government working together for the benefit of everyone living in the Illawarra.

Questions without notice concluded.

RETIREMENT VILLAGES REGULATION

Ministerial Statement

Ms MEAGHER (Cabramatta—Minister for Fair Trading, and Minister Assisting the Minister for Commerce) [3.19 p.m.]: There are some 50,000 residents living in 700 retirement villages across New South Wales. The majority of residents are over the age of 70, many receive the pension and 80 per cent are women. An issue that causes great concern is that of fees, particularly charging personal fees for meals, laundry and cleaning services once a person has died or has permanently vacated the premises to go into a nursing home or hospital.

Currently, fees can be charged for a period of 28 days after a resident has passed on or has moved out of the village. I understand there may be justification for a period of ongoing liability in respect of temporary absences for reasons such as hospitalisation or holidays. However, I am concerned about the fairness and equity of charging estates and former occupants for personal services no longer being provided during the 28-day absence. I can inform the House that I have today referred the issue of personal fees for deceased or permanently vacated residents to the Retirement Villages Advisory Council—which is made up of both resident and industry representatives—asking it to advise me whether the existing arrangements provide suitable protection for residents and their families.

In 1999 the Carr Government brought in the most significant reforms regulating the retirement village industry ever undertaken in New South Wales. There are maximum penalties of up to $22,000 for operators who do the wrong thing by residents. Before 1999, when there was much less regulation of the industry, some residents were being charged for meals, laundry, cleaning and other personal services years after those residents had died or otherwise left the village. Under the 1999 changes a resident who dies, moves out of a village, or is temporarily absent, ceases to be liable to pay recurrent charges for personal services after 28 days. That was an important step—to put a clear time limit on charging of these fees. But I am keen to have input from the advisory council to see whether this provision should be revised for residents who pass on or permanently vacate the premises. Older Australians have made an invaluable contribution to our way of life. It is only fair that we protect their rights in their retirement years.

Ms HODGKINSON (Burrinjuck) [3.21 p.m.]: The Opposition, similarly, voices concerns that such charges are being applied to retirement village residents. It is commendable that the matter has been referred to the Retirement Villages Advisory Council. We look forward to the results of that request. Our older citizens have made terrific input to all aspects of community, and they deserve our greatest respect. It is outrageous that fees continue to be charged against them and their families after they have passed on or left those premises. This serious anomaly needs to be rectified at the earliest possible opportunity. We look forward to resolution of the matter.

PARLIAMENTARY CONTRIBUTORY SUPERANNUATION FUND

Appointment of Trustees

Motion, by leave, by Mr Scully agreed to:

That, in accordance with section 14 (1) (b) of the Parliamentary Contributory Superannuation Act 1971, the following members be and are hereby appointed as trustees of the Parliamentary Contributory Superannuation Fund: Mr Campbell, Mr Humpherson, Mr McLeay, Mr Mills and Mr J. H. Turner.

SEXUAL OFFENCES LEGISLATION

Personal Explanation

Ms HODGKINSON, by leave**:** I wish to make a personal explanation. My reputation may have been impugned last Wednesday in that the *Hansard* record of proceedings on the Crimes Amendment (Sexual Offences) Bill does not note that I was absent from the Chamber and the reason for that absence. The problem arises due to the fact that a conscience vote was allowed on the bill and that no pairs were recorded. I place on record that last Wednesday the Hon. Ian Armstrong and I had leave of absence from the Parliament to attend the funeral in the electorate of Burrinjuck of Ian Armstrong's mother, Doreen Armstrong, a truly outstanding woman. I attended the funeral as the representative of the Opposition. During that period of absence a conscience vote was taken on the bill, and pairs were not recorded in *Hansard*. I wish it recorded that I would have opposed the bill, that I would not have abstained from the vote. That was not recorded in *Hansard*.

CONSIDERATION OF URGENT MOTIONS

Nardell Coal Corporation Pty Ltd Liquidation

Mr HICKEY (Cessnock—Minister for Mineral Resources) [3.24 p.m.]: My motion is urgent because the collapse of the Nardell colliery has had a catastrophic effect on approximately 200 unsecured creditors, their employees and their families, to the tune of $10 million. Almost all of those creditors are small family-run business people from tight-knit communities around the Cessnock, Maitland, Singleton and Muswellbrook areas. The closure is hurting the economies of those communities. The matter is urgent because Parliament

cannot stand by and let hard-working families pay the price of corporate greed. That price seriously affects each and every family member and puts immense strain on the family unit. All honourable members must show their support for those families by recognising the urgency with which this motion should be debated.

Mr Kerr: Point of order: The honourable member is addressing the substance of his motion, rather than trying to convince the House of its urgency.

Mr SPEAKER: Order! The Minister has spoken for less than a minute and a half and has not had time to make any substantial points. He may continue.

Mr HICKEY: Due to the frequency with which industry hides behind the veil of corporation, this matter is very urgent. It is urgent because now that the Nardell Coal Corporation is in liquidation we must insist that the liquidator use every power available under Corporations Law to pursue the directors of Nardell and associated entities in the Supreme Court. The matter is urgent because we must immediately demand action from the Federal Government, through the Australian Securities and Investments Commission, to investigate any evidence of wrongdoing in the months, weeks and days leading up to the company's collapse. I ask all members to support this motion and demand justice for the Nardell victims before it is too late for small business people, who otherwise could lose faith with corporate Australia for good.

State Taxes

Mr BROGDEN (Pittwater—Leader of the Opposition) [3.27 p.m.]: Last Friday the Australian Bureau of Statistics released figures showing that New South Wales continues to hold the title of the highest taxing State in the Commonwealth. This matter is urgent because as we come towards the State budget it is important for the House to debate that fact. Every man, woman and child in New South Wales pays just below $2,000 in tax. Why are the citizens of this State the highest taxed but suffer some of the poorest services in the nation when we have such a prosperous economy? What do people get for their money? They do not get value for their money.

Mr Hickey: Point of order: The Leader of the Opposition should be trying to convince the House why his motion is urgent, not debating the content of it.

Ms Moore: To the point of order: I make the point that urgency was established in this House to allow non-Government members to raise important matters at a time of priority. As the Minister may make a ministerial statement and the Government can move for suspension of standing orders, I submit it is improper for the Minister to move for urgent consideration of his motion. Also, his taking of a point of order reduced the time available to the Leader of the Opposition. The Minister should be called to order and warned to not further interrupt.

Mr SPEAKER: Order! The Chair will hear the Leader of the Opposition further.

Mr BROGDEN: The honourable member for Bligh tested my patience on the matter. This matter is urgent because, as New South Wales is the highest taxed State in the Commonwealth, we must bring to the attention of the House and the people of New South Wales the need for urgent tax reform from this Government. It is urgent because the Premier, when questioned in the House just 10 days ago by the Opposition, refused to give a guarantee of payroll tax relief to businesses in New South Wales. It is a known fact that, despite the loss of 36,000 jobs—nearly 1,000 jobs a day under the Carr Government in April alone and some 54,000 jobs since June 2000—there is no commitment from the Government or the Premier for payroll tax relief in New South Wales. It is urgent because we are losing jobs. They are going out the backdoor. The State that was promised a post-Olympic employment boom is no further ahead than it was in June 2000. We have a payroll tax rate of 6 per cent off a $600,000 payroll, compared to 4.75 per cent off an $850,000 payroll in Queensland. It is no wonder that jobs are travelling north to Queensland and south to Victoria, to fairer tax climates.

We are being taxed to death by the State Government, which is taxing every man, woman and child $2,000 in duties and imposts. During Labor's eight years in office the budget papers show that revenue from payroll tax increased by 58 per cent, revenue from land tax increased by 105 per cent and revenue from insurance duty increased by 56 per cent. According to the latest figures from the mid-year review, revenues from contracts and conveyancing duties is up 211 per cent. The boom in New South Wales, contributed to by the good policies of the Commonwealth Government, is being taxed away by this Government. As the State

seeks to grow, the taxes of the State Government deprive it of opportunities for job growth. Worse, jobs are disappearing from New South Wales to a more competitive environment in Queensland and Victoria.

Newly elected members, such as the honourable member for Strathfield, should be concerned about this, but she is giggling. She is disinterested in this motion, but it is very important for the taxpayers of this State. Labor has introduced new taxes since it was elected eight years ago, such as insurance protection tax that pulls in $69 million a year and premium property tax—the great socialist tax, the great class-hating tax of the Labor Party that taxes people for living in their own homes, a tax that the Coalition will abolish—is raking in $14 million. As we approach the handing down of the budget, it is urgent that we debate this motion. [*Time expired*.]

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

NARDELL COAL CORPORATION PTY LTD LIQUIDATION

Urgent Motion

Mr HICKEY (Cessnock—Minister for Mineral Resources) [3.32 p.m.]: It is with great sadness that I move:

> That this House:
>
> (1) notes the liquidation of Nardell Coal Corporation Pty Ltd;
>
> (2) calls on the Australian Securities and Investments Commission to immediately investigate the circumstances behind the company's collapse;
>
> (3) expresses support for the workers and unsecured creditors of Nardell Coal Corporation Pty Ltd and associated entities; and
>
> (4) urges the Federal Government to tighten the Corporations Law and increase corporate transparency.

The collapse of Nardell Coal Corporation Pty Ltd and the behaviour of its directors and associated entities continue to cause untold grief and hardship for hundreds of families in the Hunter Valley. Nardell Coal Corporation Pty Ltd was placed in administration and receivership on 20 February. The mine ceased coal production and was placed in care and maintenance without the consent of the former Minister for Mineral Resources. It was not until 4 March, almost two weeks later, that Nardell Holdings Ltd, one of the four companies registered from the same Ravensworth address, wrote seeking the Minister's consent for that action. The problem was that Nardell was not the leaseholder.

Nardell sublet two mining leases from another company entirely, Ashton Coal Interests Pty Ltd, so it was to Ashton that the Department of Mineral Resources wrote on 12 March, advising that it would be the most appropriate applicant for consent under section 70 (1) (a) of the Mining Act. That same day, 12 March, the former Minister met with several of the unsecured creditors and issued a media release stating:

> I urge the owners of Nardell coalmine to ensure that all unsecured creditors are paid what they are owed.

On 19 March limited coal production finally resumed at Nardell, almost one month from the date it had ceased without the Minister's consent. Two days later the former Minister received a letter from Ashton Coal applying for consent to the suspension of mining operations in relation to the two leases held by it at Nardell. On 11 April the department received a letter from the administrators of Nardell Coal Corporation Pty Ltd advising that they had received a deed of company arrangement from the directors of Nardell Holdings Pty Ltd. This arrangement would give the unsecured creditors:

> A return greater than they would receive in a liquidation of the company.

The offer worked out at a miserable 17¢ in the dollar. Nardell placed a few interesting conditions on that offer. First, it was subject to the Minister's consent of the suspension of mining. Second, and most important, it was:

> A global settlement in full and final satisfaction of all claims against directors, MIT 111, AVLLC, Bond Street Investments Pty Ltd and Macquarie Bank Limited.

Why is this important? If the unsecured creditors had accepted this offer it would have been the end of the road for any further investigation into Nardell's failure. On 30 April the unsecured creditors voted to reject the offer of 17¢ in the dollar because they wanted something more than a fraction of the money to which they were entitled. They rejected it because they wanted answers to some interesting questions. They rejected it because they wanted justice. If that justice comes in the way of expensive legal action then they are prepared to see it through. By voting against the offer of 17¢ in the dollar, the unsecured creditors effectively forced Nardell into liquidation. The company did not want to go into liquidation, not for the benefit of the unsecured creditors, but because liquidators carry a much bigger stick than receivers and managers.

Corporate Australia has tried to rip off the little guys once too often. If the liquidator uses his power under the Corporations Law to pursue the directors of Nardell and its associated entities in the Supreme Court then, for once, the little guys might get the justice they deserve. Thanks to their courage and determination the unsecured creditors have the right to examine all documents pertaining to Nardell Coal Corporation and its business dealings. They can subpoena directors of Nardell and its associated entities to give evidence under oath in their fight to be paid what they are owed. The creditors can use any evidence of wrongdoing that emerges in any such hearing or in any civil action they take to recover what is rightfully theirs. All these things are possible only because the unsecured creditors decided that taking nothing while reserving the right to ask those hard questions was better than taking the scraps they were being thrown by an arrogant company that wanted the whole sorry mess over, no questions asked.

Not only are they still out of pocket—some owed thousands, others more than $1 million—the unsecured creditors are so determined and united that they have agreed to fund further legal investigations into the failed company, its directors and associated entities. There are many questions about Nardell's collapse, but the ones that stand out are: Was Macquarie truly acting at arm's-length from Nardell and its operations? If so, were the debt and equity arrangements between Nardell and its associated entities realistic? Why was Nardell paying interest of up to 23 per cent on loans from Macquarie Bank-controlled entities? As professor Scott Holmes from the University of Newcastle said on the ABC's *Stateline* program on 2 May, "You can get a better interest rate on Bankcard." Did Nardell trade while insolvent, with Macquarie standing behind the security of its status as a fully secured creditor?

Which Macquarie-nominated directors of Nardell Coal Corporation Pty Ltd knew about Macquarie Bank's decision to withdraw support, and when did they find out about the decision? Why were debts to unsecured creditors allowed to rise sharply in the final months of Nardell's operations? Why was coal production ramped up in the final months of Nardell's operations? These questions warrant thorough investigation. That is why on 8 May I wrote to the Federal Treasurer, who is the Minister responsible for the Australian Securities and Investment Commission [ASIC], and asked him to arrange an investigation into any breaches of the Corporations Law in the Nardell case.

On the same day I wrote to the directors of Nardell Holdings Pty Ltd and Ashton Coal Interests Pty Ltd asking them to explain why I should not cancel the Nardell mining leases. They have until 5 June to make their case to me in writing. To date ASIC's response has not been very encouraging. In a letter to the Federal member for Hunter, Mr Joel Fitzgibbon, dated 22 April, ASIC stated:

> ASIC conducts an assessment of every complaint we receive. In determining which matters we will select for further action, consideration is given to a range of factors, including the likely regulatory effect of any available action.
>
> After careful consideration... ASIC has decided that we will not commence an investigation into [these] issues... as there appears to be insufficient evidence to suggest a contravention [of the Corporations Act] at present.

That is simply not good enough. The decision was made before the liquidator began his investigation. I am sure that if the liquidator uncovers any evidence of wrongdoing, he will refer his findings to ASIC. ASIC has conducted several high-profile investigations recently. By bringing this matter before the House for urgent consideration, I place on the public record my expectation that if ASIC is presented with compelling evidence of corporation wrongdoing, it will launch an immediate and thorough investigation and recommend appropriate action to be taken through the courts. ASIC must not be hampered by a lack of political will or a lack of resources. My Cabinet colleague the Minister for the Hunter has made his position on Nardell very clear. I wish to quote from the media statement he made on 16 May:

> The Corporations Act needs to be strengthened to ensure corporate transparency. Proposed changes could include a section allowing the Federal Court to make an order requiring a related company to pay the debts of the other company, including accrued entitlements to employees when the company goes into receivership.

Honourable members should make no mistake: this Government will continue to fight for a better outcome for the unsecured creditors of the Nardell coalmine. We must get justice for them. The implications of letting

corporate greed and arrogance win again and again are huge. Australians are fed up with the fat cats and the attitude that people can do as they like as long as they hide behind loopholes, creative accounting and dodgy corporate structures. This case is threatening the very fabric of the business life in communities that I and the honourable member for Maitland represent. [*Time expired.*]

Mr PICCOLI (Murrumbidgee) [3.42 p.m.]: It is ironic that the Minister should be asking questions in this House on this serious matter. Every member of this House is dismayed to hear that the Nardell mine has gone into receivership, because that represents the loss of jobs and the loss of businesses in the Hunter Valley. Each member sympathises with people who have lost their jobs and with those who will subsequently lose money, but it is rather hypocritical of the Minister to ask questions of ASIC, the Federal Government and other organisations. He is a Minister of a Government that over the past eight years has been responsible for hiking up the cost of conducting coalmining operations in New South Wales. In a search for the real reasons why the coalmine was not successful, honourable members would not have to look much further than workers compensation costs, which amount to $25,000 a year for every job created in the coalmining industry.

The former Minister for Mineral Resources, Eddie Obeid, estimated in a press release of 30 August 2001 that 55 jobs would be created. That is $1.5 million a year of workers compensation costs borne by the Nardell Coal Corporation. It is probably no surprise that the company ended up in receivership, but it is rather hypocritical of the Minister to question organisations when he is in the best position to do the most about stopping companies such as Nardell going into receivership by ensuring that the mining industry in New South Wales has a future. If the Minister had any guts he would go to the next Cabinet meeting, thump the table, and insist that something be done about this. Over the past eight years we have seen workers compensation premiums and workers compensation costs go through the roof, particularly in the mining industry. In the coalmining industry, workers compensation has become a real burden. When Wayne Isaacs was elected Chairman of the Minerals Council of Australia he made the point that workers compensation is an absolute burden on the coalmining industry and is the most significant issue for it.

Mr Price: Point of order: The shadow Minister should return to the substance of the motion, which is certainly not workers compensation. The motion refers to the debts accrued by a company that has put a number of small firms into liquidation and workers out of work.

Mr SPEAKER: Order! The honourable member for Murrumbidgee may resume his contribution, but he should keep his remarks relevant to the motion.

Mr PICCOLI: The liquidation of the Nardell Coal Corporation is significant, as all the costs associated with coalmining have led to the liquidation of the company. As stated by representatives of the industry, workers compensation is a significant cost. I suggest that the Minister, as a member of Cabinet, should be able to do something about reducing workers compensation costs.

Mr Hickey: Point of order: Again the honourable member for the Murrumbidgee has strayed from the content of the motion. Workers compensation was not the issue in the liquidation of Nardell; the fault lay in the operations of the mine. I think the shadow Minister for Mineral Resources needs to understand what this is about and speak to the motion.

Mr SPEAKER: Order! The honourable member for Murrumbidgee may resume his contribution.

Mr PICCOLI: I note the Minister's comments. I would appreciate it if, during his reply, the Minister would provide the House with information about workers compensation costs for the Nardell Coal Corporation, because that information may well back up his comments. Since the Minister posed questions to other organisations, the second question I pose to him is: If Macquarie Bank is so bad, so evil, why does the Australian Labor Party's 1999-2000 declarations of contributions show that the Labor Party accepted a donation of $75,000 from Macquarie Bank?

Is the Minister really sympathetic to people who are owed money, such as Gerry Feeney, who is owed $98,000, to which the Minister referred a couple of weeks ago in answer to a question in this House? The Minister said that Gerry Feeney is a hardworking person who has been exposed to a debt of $98,000. Why does not the Minister ask Eric Roozendaal at the Australian Labor Party head office to give the donation of $75,000 to Gerry Feeney? That would come close to wiping out his $98,000 debt.

Mr Hickey: Point of order: Again I ask you to direct the honourable member to speak to the urgent motion. The motion is not about political donations, which all parties benefit from.

Mr PICCOLI: Of course this is relevant. The Minister made several disparaging remarks about Macquarie Bank. I am making the point that if he is so concerned about creditors, why does he not request the head office of the Australian Labor Party to return the donation of $75,000? I am sure that when the declaration of contributions is made for the 2003 election, we will see more significant donations from Macquarie Bank. This is not a reflection on Macquarie Bank, which can contribute to any political party it likes—I am sure that the bank makes political donations to my side of politics as well—but it is not my side of politics that is haranguing Macquarie Bank.

It is this Labor Minister who is making disparaging remarks about Macquarie Bank and bleating in this House about how sympathetic he is to the workers and what an awful organisation Macquarie Bank is. Yet in 1999 the Minister willingly put out his hand and accepted $75,000, and prior to the recent election he accepted another significant contribution. If he really were concerned about this, and if this were above politics, he would ask the Australian Labor Party head office to return the money. I am sure that the Nardell creditors would be very willing to accept money from the Labor Party.

Mr Hickey: Point of order: Quite a few different mining organisations made political donations to the ALP.

Mr ACTING-SPEAKER (Mr Mills): What is the point of order? Which standing order has been breached?

Mr Hickey: My point of order is relevance.

Mr ACTING-SPEAKER: Order! I have heard enough. I ask the honourable member for Murrumbidgee to keep his comments relevant to the matter under discussion.

Mr PICCOLI: I conclude by reiterating these two points: If the Minister wants to do something about the coalmining industry, he should do something in Cabinet; he should thump the table and tell caucus that it has had eight years to do something. If the Minister is concerned about the future of coalmining, he should tell Cabinet to do something about reducing the cost of workers compensation premiums. If he really wants to make a contribution to the creditors he should ensure that the money the Macquarie Bank donated to the Labor Party is returned.

Mr PRICE (Maitland) [3.51 p.m.]: On behalf of the workers in my electorate who have been well and truly dudded by Nardell Coal Corporation, I support the motion of the Minister. The creditors are mainly family-owned local businesses, and there are quite a number of them in my electorate. The impact on local contractors and the people they employ has been absolutely devastating. As the member for Maitland, I have received representations from a number of Nardell's unsecured creditors. Those small business men and women continued to deal with Nardell up to the final hour that the board made its announcement and brought in its receiver. It might be old-fashioned, but to Hunter Valley business people one's word is as good as one's bond—and a handshake frequently seals a deal. In the Hunter we still maintain that old-fashioned practice, and it is that kind of business ethic that may help explain why so many people continued to do business with Nardell. They simply never dreamed that a company backed by one of the biggest names in corporate Australia would leave them high and dry.

On 20 February their worst nightmare came true. The company they had worked for and supplied in good faith came crashing down, leaving some 200 unsecured creditors owed about $10 million. In my electorate of Maitland, one street in the industrial estate houses six firms that are owed more than $4.5 million by Nardell. Those firms have already had to lay off more than 60 people. That means that 60 households in my electorate are directly affected; and a number of those people have already left the area to seek employment elsewhere. I advise the House that one creditor, Mr Derek Thompson of East Maitland, recently wrote to the former Minister as follows:

> Sadly I am one of those creditors, although they owe me much less than some others. My loss is $4,000, but it really hurts a small business like mine.
>
> … what is to stop a company ordering thousands and thousands of dollars, knowing full well it can be sold off to aid their plight?

This is what the small business owners and their workers are concerned about. They have spent the past two years building up resources and now they get absolutely nothing. The mine owners are attempting to capitalise on their former employees' hard work, and that is not on. It never was: it was not good practice then, and is not

good practice now. At the other end of the scale, Eastern Mining Construction is owed about $1 million. Mr Vince Martin of Eastern Mining is angry. Eastern Mining supplied more than half the Nardell work force and was shocked by the sudden closure of the mine. According to Vince Martin, in the weeks leading up to the closure Nardell asked for extra work. The small businesses carried out that work but to date have not been paid.

Businessmen such as Gerry Feeney and Trevor Elks in Singleton and Muswellbrook are owed more than $100,000 between them. Gerry Feeney is owed more than $90,000; he received a cheque for $55,000 on 27 February, the day on which the mine closed. Of course, that cheque is now worthless—it is still bouncing! A meeting of creditors was called by the receiver, and an offer of 17¢ in the dollar was soundly rejected. The unsecured creditors considered it to be a slap in the face. Consequently, the small businesses have rejected the offer. Anger has now grown to such an extent that all but one of the 80 people at the creditors meeting earlier this month voted to send the operation into liquidation. We have heard from the Minister why liquidation is a better deal than receivership. Gerry Feeney has said that he would rather "have nothing than the 17¢ they are offering. This has become a moral fight as much as a financial one".

The *Newcastle Herald* reported that a Nardell spokesman denied that there was a moral obligation to pay out unsecured creditors. John Scott of H and M Engineering and Construction had committed $140,000 for work on the mine for which his company was not paid. Mr Scott says that his cash flow situation has been damaged and that his company has suffered as a result. The *Newcastle Herald* of 22 February stated:

> Call Management Operations and Processing manager Peter Braun said his company stood to lose about $1 million.
>
> His business supplied coal processing and marketing and managed a $3.5 million stockpile extension at Nardell.
>
> He has laid off 12 workers, including his own sons, but was hoping to trade out of debt.
>
> "It sucks, there's no doubt. We're down to bare bones at the moment," Mr Braun said.

[*Time expired*.]

Mr SOURIS (Upper Hunter) [3.56 p.m.]: I take the opportunity of this urgent motion to place on record my support and concern for the creditors and their employees who have found themselves without resources: in some cases to continue their businesses, and in other cases to continue the level of employment they had enjoyed. In many respects their faith has been shattered by the general probity of big business, medium business and small business in the coal industry. On more than one occasion I have heard suggestions, even accusations, of impropriety in respect of the financial behaviour of Nardell during the period leading up to its being placed under administration, or its possible placement under liquidation.

The Corporations Act makes provisions for preferred payments and for directors being responsible when their actions create new liabilities. It is of some interest to me that the Minister has said that this company is not completely without resources, even to date. In that respect—quite apart from what should happen pursuant to the provisions of the Corporations Act—if the Minister has more questions to ask or better information with regard to the questions he has asked, he should give the House that precise information. I do not doubt that there is substance behind the details he has, but we should be told about any solid facts that form the basis of the series of questions he posed in this debate.

If there is substance behind those questions, there could be substance for direct liability, at law, of the directors and against whatever resources the company may still have. It would be worthwhile pursuing those avenues. I do not have enough details to say, prima facie, that the unsecured creditors are correct in assuming that, as a liquidator has greater powers than an administrator to pursue directors, and particularly given the offer of only 17¢ in the dollar for unsecured creditors, the liquidator may prove to be the better course of action. As I do not know the substance of the points that have been made, I am not aware whether that would ultimately yield a better result than the 17¢. Overriding all those points is the moral obligation of this company and its related entities to make good what in the scheme of modern global banking is a small amount of money but what is a most telling amount of money in the minds of the small businesses and their employees who have been so adversely affected.

I spoke in this debate because some of the businesses and employees who are directly and indirectly affected are constituents of my electorate of Upper Hunter, just as some are the constituents of the honourable member for Maitland and the Minister for Mineral Resources, the honourable member for Cessnock. If sufficient material is available to back such accusations, the Minister, using the full extent of the law, should pursue with all vigour whatever investigations are required. Notwithstanding all that I have said and the fact that

the directors of this company would not deliberately go into liquidation, the company still has a moral obligation in related entities of substance to make good these debts.

Mr BLACK (Murray-Darling) [4.01 p.m.]: The honourable member for Murrumbidgee, who is the shadow Minister for Mineral Resources, said it was ironic that the Minister for Mineral Resources asked questions about this issue and then went on to comment about workers at Macquarie Bank. It is ironic that the honourable member for Murrumbidgee is the shadow Minister. There are only two mines in his electorate and I doubt whether he would know the name of either mine. This is the shadow Minister who is on record as saying that itinerant workers on irrigation fields in the Murrumbidgee area do not need toilets. He made all sorts of statements about Macquarie Bank, but his tears were wasted.

The honourable member referred also to the Australian Securities and Investments Commission [ASIC]. This Government wrote off $820,000 in environmental costs to get the Conzinc Riotinto of Australia Ltd [CRA] mine at Cobar up and running. Opposition members made much reference to directors of the Nardell Coal Corporation, but was it not the responsibility of ASIC to ensure that a foreign company operating in Australia—ironically that company still operates in Western Australia—had an Australian director? That is the law. ASIC, once again, is asleep at the wheel, as it was in relation to HIH insurance. The company to which I referred, which does not have an Australian director, told its workers, "Sorry mate, you no longer have a job and you do not have workers entitlements." A similar problem occurred at the Nardell coalfield. In many cases employees who, in a strict sense, are contract workers, are paid a daily wage. We have just established from the Federal Government that, under the law, their entitlements are not secured.

What is the estimated ownership or control of tonnage in New South Wales coalfields? Rio Tinto, which evolved from the Conzinc corporation in Broken Hill, owns 26 per cent; Xstrata, which is now trying to take over Mount Isa mines, owns 29 per cent; BHP, which was born and bred in Broken Hill, owns 12 per cent, but we do not want to boast about that; Centennial owns 11 per cent; Anglo American owns 6 per cent; and other mines, which include the Nardel Coal Corporation, own 16 per cent. Was Macquarie Bank not the company that hired Max the Axe? Not that many years ago he was employed by the other side to sack workers one after the other. He was then employed by the Federal Government and he sacked more workers, and he has shown his face again. Is he not the bloke who is trying to sack workers at Sydney airport?

In recent years coalmines followed the Broken Hill example and employed daily paid contract labour—people who are employed on contract to produce daily tonnages. Agreements have been reached in relation to what workers are paid for so many tonnes. That workers initiative, which had its origins in Broken Hill, is now being followed by all coalmines. As I said earlier, this development is not reflected in the Corporations Act. The secured creditors of Nardell Coal Corporation include Macquarie Investment Trust. That makes Macquarie Bank both the owner and the secured lender. The bottom line is that the Federal Treasurer must amend the Corporations Act to ensure that workers are paid and that their contracts are secured.

The Corporations Act covers priority of debts when Australian companies in general are wound up, but it does not cover obligations to workers. That was revealed in recent arguments between Parilia and Pasminco and Consolidated Broken Hill Ltd and Pasminco at the Elura mine in Broken Hill. The Commonwealth Government must change the Act to ensure that the entitlements of contract workers and the entitlements of other organisations are paid when they are due. [*Time expired*.]

Mr HICKEY (Cessnock—Minister for Mineral Resources) [4.06 p.m.], in reply: I thank the honourable member for Maitland, the honourable member for Broken Hill, the honourable member for Murrumbidgee and the honourable member for Upper Hunter for their contributions to this debate. The honourable member for Murrumbidgee, who is the shadow Minister for Mineral Resources, condemned me for asking questions, yet he sits on his hands and does nothing to try to help these people. Nardel Coal Corporation does not pay small contract workers any workers compensation; the unsecured creditors were paying workers compensation premiums for staff who were subsequently released when Nardel went belly up and issued cheques that were not honoured.

I thank the honourable member for the Upper Hunter for his contribution and I commend him for his obvious grasp of this problem. However, the honourable member for Upper Hunter should sit down with the shadow Minister and give him some advice about the mining industry. Clearly, the shadow Minister has only one concept in his mind, that is workers compensation. He made no mention of mines or mineral resources, and he should be better informed about those issues. The shadow Minister referred to donations made by Macquarie Bank. On 8 October Macquarie Bank donated $3,000 to the National Party, on 25 September it donated $1,400 to the National Party and on 6 June it donated $1,000 to the National Party—which is more than it deserves. That is appalling!

Over a period of many years decent people have built up good businesses for themselves and their families in the coal industry, using their skills and knowledge. Their livelihoods and aspirations have been snatched away on the whim of a few corporate cowboys. Coal is the black ribbon coursing through the Hunter region. Coal touches every community, indeed every family, in the Hunter in some way. Our history was built on the seam and our future depends on it. I urge the shadow Minister to consider this issue seriously for a change. He should not address only one aspect of the problem, as he did recently when he asked the House to note the issue as a matter of public importance. On that occasion and again today he spoke only of workers compensation. He has displayed no other knowledge of the coal industry. The workers compensation scheme is closed within the coal industry.

I urge all honourable members to support the unsecured creditors. They should not make a mockery of the situation but should support the workers, the families and the communities of the Hunter that have been touched by this collapse. I urge honourable members to support, not condemn, this motion. This liquidation has wide ramifications: it is much bigger than Nardell Coal Corporation Pty Ltd. Any industry could be similarly affected. That is why we are sending a clear message to the Australian Securities and Investments Commission [ASIC] to lift the corporate veil and examine the situation, not refer it elsewhere. It must ensure that the directors involved are squeaky clean and that there has been no wrongdoing.

Mr Piccoli: Are you suggesting they are acting fraudulently?

Mr HICKEY: I am not suggesting anyone is anything but squeaky clean, but I simply do not know. The honourable member for Upper Hunter is hearing the same things as me: some very strong comments are coming from the Hunter. Those allegations must be dispelled or dealt with. ASIC must sort out this problem. It should not follow the lead of Opposition members, who just sit on their hands and do nothing. ASIC must show that it is fair dinkum about addressing this issue and ensuring that similar collapses do not occur in the future.

Motion agreed to.

NATIONAL RECONCILIATION WEEK

Matter of Public Importance

Dr REFSHAUGE (Marrickville—Deputy Premier, Minister for Education and Training, and Minister for Aboriginal Affairs) [4.12 p.m.]: The theme of National Reconciliation Week in New South Wales this year is "Reconciliation—it's not hard to understand." National Reconciliation Week is now being recognised by many as an event for all Australians. It is a time to consider where we have been, where we are now and where we are going. The spirit in which we will make the journey together is most important. Nationally, we need not only to say sorry but to deliver justice to the stolen generations and their families. The nation needs to say sorry to acknowledge the great wrong that was done and the scars that Aboriginal people still bear as a consequence each and every day.

The New South Wales Parliament was the first Parliament to apologise to the Aboriginal people for past government practices. That apology was supported by all sides of politics. The New South Wales Government was the first government to stage a Black Parliament. On 18 June 1997 a motion was adopted by this House that allowed Nancy de Vries to enter the Chamber and deliver a powerful speech about her experiences as a child of the stolen generations. We need leadership from our national government that, unfortunately, we are unlikely to get. But the most important part of National Reconciliation Week is that it is a time for gestures not just by governments but by the people of New South Wales and of Australia as a whole. Less than three years ago we witnessed hundreds of thousands of people walk across the Sydney Harbour Bridge in a gesture for reconciliation that was matched in ceremonies around the country.

The meaning and significance of National Reconciliation Week is growing every year within the general Australian community. There is more of an understanding and an appreciation of what it means to be an Aboriginal or Torres Strait Islander Australian, especially amongst young Australians who are keen to explore the combined history of the peoples who form our nation. We have seen reconciliation pull away from its unassuming beginnings as a bureaucratic initiative and become a movement that has been embraced by millions of people throughout our nation. Reconciliation is about the people leading the leaders and breathing life into a concept that is growing to have a spirit, a vitality and a beauty of its own. Reconciliation is rightly a passionate and forceful movement of people working for what is honourable and just. This makes the reconciliation movement unique in our history, marking the point when Australian people stood up and faced this moral

challenge openly with a generosity and a warmness of spirit that has rekindled the flame of our nationhood. We understand that the orthodoxies of times past did not serve Australia as well as it was hoped they would.

We are making progress towards equality and equity for our indigenous peoples but much more needs to be done. As Minister for Education and Training, and Minister for Aboriginal Affairs, I want educational outcomes for Aboriginal people to match, or better, mainstream outcomes within a decade. It is not right that in 2003 we have such a disparity. We need retention rates to be higher. We need numeracy and literacy results to improve. These are the building blocks of education. We must be creative in achieving these aims, and we have received support from the New South Wales Teachers Federation in finding more imaginative ways of delivering improvements in numeracy and literacy. We have made progress in other areas also. We have a dual naming policy through the Geographical Names Board of New South Wales. This important practical and symbolic change recognises that history, culture and identity are reflected through both European and Aboriginal names for places.

The New South Wales Government was the first to provide funding for its State reconciliation body. This funding means that reconciliation processes can continue at local, community and State levels. The New South Government not only supports the reconciliation process politically but has backed it up with the financial support that it needs to carry out its work. We have provided the New South Wales Reconciliation Council with $400,000 for its work over the next four years. The council works hard to promote the aims of the reconciliation movement to State and local governments and to communities and other organisations. For the first time in this State's history there is a strategic plan for reconciliation. It was launched this week by the New South Wales Reconciliation Council and sets out the council's priorities for the next three years.

The strategic plan reinforces the connections to what is a people's movement, and its first focus is to foster that movement. For the council, that means ensuring that local reconciliation groups continue to operate and that their membership grows. To meet this challenge the council has funded a small grants program for local reconciliation groups that will provide small amounts of money for projects and activities in local communities. Another focus area for the council is economic independence and cultural renewal for Aboriginal people. These goals were also identified in the final report of the Council for Aboriginal Reconciliation. The New South Wales Reconciliation Council in partnership with the Office of Information Technology is piloting an information technology [IT] training program for Aboriginal people that will give them with basic IT skills and open doors to other opportunities through online learning and e-commerce. The pilot project will go ahead in Kyogle in July. A terrific Aboriginal IT trainer will run it and a number of young unemployed Kooris from the local community will be involved. The local reconciliation group in Kyogle will act as the co-ordinating body for this project and will work with adult community education bodies, TAFE and other organisations to ensure that the training is not a one-off and leads to further study.

Another area of focus identified in the strategic plan is communication. The New South Wales council will develop a number of education resources that can be accessed by the whole community. Since the Council for Aboriginal Reconciliation was abolished by the Federal Coalition Government far fewer reconciliation materials have been made available. The New South Wales council will work with the Department of Education and Training and the Department of Aboriginal Affairs to develop a number of resources. This will help to cement a broad people's movement and outline how local groups can be supported.

The final area of focus for the council is leadership. The council will provide $40,000 over four years to one community to run a local history project that identifies a significant local historic event and seeks to commemorate or recognise its significance. The project must demonstrate a community reconciliation outcome and it must have the support of the Aboriginal and non-Aboriginal community. The project will be mentored by the Myall Creek Memorial Committee. It presents one community with the unique opportunity to leave a lasting reconciliation legacy. It will require strong leadership, honest negotiation and truth telling. Myall Creek showed us that an honest approach to shared history does not have to be about finger pointing and guilt. It can bring positive change to the way our communities live together. All these projects will roll out in the new financial year. They are exciting grassroots projects that draw on the strength of the people's movement and its supporters.

Mr HAZZARD (Wakehurst) [4.20 p.m.]: As shadow Minister for Aboriginal Affairs I have spoken to numerous motions in this House in relation to reconciliation between Aboriginal and non-Aboriginal Australia. I have also spoken on a number of occasions on Sorry Day and National Reconciliation Week. On each occasion I have indicated that the New South Wales Coalition, the Liberal and National parties, supports all aspects of reconciliation. We have indicated, as the Minister has said, that there is a bipartisan approach to those issues.

Dr Refshauge: Due to you.

Mr HAZZARD: Thank you. I do not intend my remarks to reflect adversely on the Deputy Premier, but I am concerned about the way the Government has approached Aboriginal issues in the past decade. Having confirmed the support of the Coalition for reconciliation, I do not want to dwell on National Reconciliation Week and Sorry Day. I want to use these precious minutes to look at some of the issues to which the Minister referred when he said we need more than gestures to achieve results. I detect a genuine frustration in the Aboriginal and non-Aboriginal communities that the focus has been so much on reconciliation that, in effect, attention has been diverted to far too great an extent away from the substantive issues that face Aboriginal men and women.

The first of those issues is evident only a short distance, 1.5 kilometres, from Parliament House in Redfern: Eveleigh Street and The Block. As shadow Minister I frequently visit The Block, where a number of amazing people have suffered greatly during their entire lives as a result of the disadvantage suffered by Aboriginal people. There are many people there I like to visit. One is Joyce Ingram, who the Minister may know, the most senior elder on The Block. She tells me about the frustration of Aboriginal people and the way that young people from all over the State are drawn like a magnet to Redfern, the centre of social problems. The fact that the Government, after almost a decade in office, has not focused attention on drug abuse amongst Aboriginal people, particularly on The Block, is appalling.

A few weeks ago I spoke to various members of the local community in Redfern who I shall not name for fear that they may be subject to retribution. I observed a man who, in the course of an hour, half-filled an esky with used syringes. I was told that every day of the week a half to full esky load of syringes is taken from The Block, that is, from the streets on The Block and not from inside the buildings. In the street young people are playing and milling about. That fits absolutely with broader assessments of the problem of Aboriginal people and drugs. On Wednesday 14 May, the *Sydney Morning Herald* stated:

> There are no rehabilitation centres specifically for indigenous people addicted to illicit drugs, even though abuse of these substances is beginning to outstrip that of alcohol in Aboriginal communities, a national conference was told yesterday.

The article continued:

> "There is a silent epidemic out there and for some reason, people are not taking into account what it is doing," the chairman of the National Indigenous Substance Misuse Council, Scott Wilson, told a drug and alcohol conference in Adelaide.

The article also stated:

> Fewer than one in five Aborigines who regularly injected drugs drew on mainstream treatment agencies, hospitals or rehabilitation services to beat their habits, the nation's largest study of indigenous users has found.

We do not need to be told that is an issue: all we need do is take a short walk from Parliament House. I have said publicly before, and I will say it again in this Chamber, that if we are serious about reconciliation the Government has to stop talking the talk and start walking the walk. It must make sure that there is a focused Aboriginal rehabilitation service in the heart of the highest concentration of Aboriginal people in Sydney with serious drug problems.

I will deal now with one or two other issues. A recent report from Aboriginal and Torres Strait Islander Social Justice Commissioner Dr Bill Jonas relating to women in gaol stated:

> Indigenous women live in a landscape of risk and as a nation we should be ashamed that we have not addressed this urgent problem …

Dr Jonas continued:

> In NSW in comparison to a non-Indigenous woman, an Aboriginal woman is:
>
> - Four times more likely to be murdered;
> - More than twice as likely to be the victim of sexual assault, or sexual assault against children;
> - Four times more likely to be a victim of assault;
> - Seven times more likely to be a victim of grievous bodily harm.

The Carr Labor Government should have social justice issues at the forefront of its agenda. What has it done to address the problems of violence involving women since it came to office? In relation to Aboriginal deaths in custody, a few weeks ago a young fellow died in prison who should not have even been there. The media has now said that yet another Aboriginal prisoner has died. I am infuriated when I hear about such reports. The young man in question was convicted on some minor charges and was serving periodic detention. He ended up in full-time detention, and the Department of Corrective Services got wrong again. It is now 13 years since the Royal Commission into Black Deaths in Custody. The Government has been in office for almost all of that time. Where is the commitment from the Government to get reconciliation right in relation to inmates in New South Wales prisons? In 1997, when I was the shadow Minister for Corrective Services, I was infuriated by what Commissioner Keliher said on ABC radio in relation to another prisoner's death:

> … we've got a very difficult system to run … We can't prevent people from killing themselves. If somebody really sets their mind to it and decides they're going to kill themselves then they'll do it alright.

That is a cop-out. Has the Government responded to that issue? It has not, because deaths in custody have continued. I am amazed that year after year we talk about reconciliation, but there is a constant problem. Some action has been taken. For example, some hanging points have been removed from gaols, but prisoners are often one-out. The royal commission report said they should be two-out and there should be mentors and systems inside the gaols to make sure the Aboriginal inmates are properly protected. How often does that not happen? Ministers visit the gaols, walk around with their heads down and do not take a damn bit of notice of what is going on. They cop what they are told by the bureaucrats. We are talking about Reconciliation Week: it is time the Government, which supposedly has social justice policies at the forefront of its agenda, took it seriously. It is time it started doing something instead of just talking about it.

The Minister said he has some wonderful ideas for education. Again, this is not a personal attack on the Minister, whom I work with and know has some interest in these issues, but I am infuriated that a decade after the Government came to power, contrary to what the Minister just said, the literacy and numeracy of Aboriginal children is at the bottom of the pile. The State Government scrapped a particularly sensitive review of Aboriginal education because it knew before any evaluation that its seven-year-old policy had failed Aboriginal students. I quote from an article of 17 February 2003:

> The Minister for Education, John Watkins, confirmed that he stopped a $100,000 independent review of Aboriginal education policy because statewide test results and high suspension rates had already revealed "we weren't delivering to Aboriginal kids."

The Government needs to move on from focusing on talk and start focusing on action. For the next three or four years it could do some good if it met with people who know how to make things better, or at least with those interested in trying to make a real difference. We cannot allow ourselves to be diverted from the real issues by talk of reconciliation. We must instead walk the reconciliation path. Let us start delivering for Aboriginal people.

Ms BURNEY (Canterbury) [4.30 p.m.]: I am happy to have the opportunity to speak on this matter of public importance. Of course, the House is aware that this is a very significant week in the life of our nation. Yesterday was 26 May, National Sorry Day. Today, 27 May, marks the beginning of National Reconciliation Week. The establishment of National Sorry Day was one of the recommendations of the "Bringing them home" report. That report was the outcome of the National inquiry into the separation of Aboriginal children from their families conducted by the Human Rights and Equal Opportunity Commission. The report was tabled in Federal Parliament on 26 May 1997, just before the National Reconciliation Convention.

I remember that well because I was part of the National Reconciliation Council at that time. We had such hope then that reconciliation was close. The "Bringing them home" report made 54 recommendations. The report did something important for us as a nation. I underscore that the report drew a line in the sand in Australia. After its delivery, and the national discussion that went with it, no-one in this country could say, "I did not know it happened." In New South Wales, the Government responded to the report in May 1999. So who are the stolen generations, and why should we remember? I take this from the Department of Aboriginal Affairs web site:

> The Stolen Generations are the generations of Aboriginal children taken away from their families by governments, churches and welfare bodies, to be brought up as white in institutions or fostered out to white families. Removing children from their families was official government policy in New South Wales. However, the practice had begun in the earliest days of European settlement, when children were used as guides, servants and farm labourers.

I wanted to underscore that because it was such a significant report in the life of this nation. Every family that I know, every Aboriginal family has been affected by the removal of their children. This is not ancient history.

This is history within our lifetimes. It is our collective history as a nation, and therefore it is a part of history that we must all own, whether we like it or not. One wonderful outcome of the report is that this is now part of school curriculum in New South Wales. No longer will any child leave our schools not knowing the truth or not understanding the importance of the art of truth telling.

This year the theme for Reconciliation Week is "It's not hard to understand". I would like to think it is not hard for all people to understand. But, obviously, for some parliaments and some parties in this nation, it is hard to understand. I personally feel a great deal of distress that the Federal Government has closed down the national dialogue and discourse on reconciliation, but it is really good to hear the Minister speak of the New South Wales Reconciliation Committee's launch of its strategic plan yesterday, focusing on economic independence, cultural renewal, communication, leadership and, importantly, growing the reconciliation people's movement.

Whilst I feel great distress that the Federal Government has attempted to close down this national debate, I am very much heartened by the many local reconciliation initiatives and activities that are taking place this week. Next weekend a group of parliamentarians from this Parliament will travel to Myall Creek to commemorate the Myall Creek massacre at the memorial site. Last night, in Marrickville I attended a healing ceremony at my local school. Might I also say in response to the shadow Minister's comments that in a past life I was Director-General of the New South Wales Department of Aboriginal Affairs. I can inform the shadow Minister that there is an awful lot happening in Aboriginal affairs in New South Wales—an approach not being taken anywhere else in this country. It would be worthwhile if the honourable member at some point got a briefing on that. We must remember one important point in the reconciliation debate. There is no alternative in Australia to reconciliation. If it takes 10 years or 20 years, we will get there, and we will get there together.

Dr REFSHAUGE (Marrickville—Deputy Premier, Minister for Education and Training, and Minister for Aboriginal Affairs) [4.35 p.m.], in reply: I thank honourable members for their contributions. It is worth restating what was said by the honourable member for Canterbury: There is no alternative to reconciliation. It is the only way forward. We must do it. Of course, it is a great and valuable aim. I recognise the leadership shown by the shadow Minister within his party to ensure that we maintain a bipartisan approach to Aboriginal affairs. That demonstrates that as a Parliament we can show leadership. That has been useful for the whole of the Australian community, but particularly for the people of New South Wales. As the honourable member pointed out today, that does not mean that he will not criticise what the Government is doing and indicate where we can do better. That must remain part of the bipartisan approach.

As the honourable member for Canterbury pointed out, it is worth highlighting to the shadow Minister that a number of things are happening. Certainly, more needs to be done. However, it is important to realise that the issues that he raised are being addressed. We are constantly looking at finding better ways to handle this matter. It would be nice to have a solution to the problems experienced by any ethnic groups regarding drugs of addiction. It would be nice if we had an easy answer to the problem. But there is no easy answer. There are lots of bits of answers, but we are still trying to find the better answers. That happens whether we are talking about the mainstream Australian population or the Aboriginal population. There are in place programs that are still trying to find the better answers.

The honourable member for Wakehurst said one in five was a small number of Aboriginal people accessing rehabilitation places. Basically, one in five is the usual number from the mainstream population. It is a poor response that we are getting from most of our programs, but one in five, or 20 per cent, is the sort of success rate that one gets from almost any program. It is certainly worthwhile trying to get a better success rate, but it is not as if the existing success rate is different from that which one would find elsewhere.

In regard to violence against women, an issue that certainly is of great importance, we have gone through a number of processes, particularly a sexual assault roundtable, bringing together Aboriginal people from the community with people from departments that have an interface on issues concerning Aboriginal women, particularly relating to violence and sexual violence, to try to work at our better solutions; to try to find out where we can find a better answer than the one we have been working with.

We had two very successful roundtable conferences to try to get the community, professionals, departments and policymakers together to get a better answer. The Attorney General's Department is responsible for taking forward and progressing our program. We considered a whole range of other processes, including the Council of Australian Governments process of reconciliation, to develop goals and targets, performance agreements and performance indicators of where we can do better. We looked at the broader issue, rather than looking only at the silos of each government agency. We considered the cross-portfolio issues that we need to work with.

At the State level we have adapted it to our circumstances to address those issues more broadly. In some programs we have done that directly through the Community Solutions Program to resolve the communities' problems. It is always easy for us to think of what the answer might be, but it is always better to hear from the community what it thinks would be worthwhile and for us to deliver. I had the honour of announcing the Community Solutions Program in Kempsey, and more recently in Taree. It is interesting to note that the program was supported by the local member, who happened to be from the other side of the Parliament rather than from my side of the Parliament. No doubt we have a bipartisan approach to serious problems being tackled by the community and the Government in partnership, particularly problems facing local Aboriginal communities.

Very good proposals have been forthcoming and they have been funded. It is also worthwhile to consider the ways in which we have introduced circle sentencing to try to reduce the rate of incarceration and make the community more involved in its approach to and support for what we do for those who have transgressed at the local level. A lot is being done, but no-one would say that there is not a lot more to be done. I finish, I suppose, where I started: there is no alternative; reconciliation is the only way forward. With the bipartisanship that has been shown in this place, we can achieve that in New South Wales. [*Time expired.*]

Discussion concluded.

JOINT SELECT COMMITTEE INTO THE TRANSPORTATION AND STORAGE OF NUCLEAR WASTE

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

Mr SPEAKER

The Legislative Council desires to inform the Legislative Assembly that it has this day agreed to the following resolution:

1 That this House agrees to the resolution in the Legislative Assembly's Message of Thursday 8 May 2003, relating to the appointment of a Joint Select Committee into the Transportation and Storage of Nuclear Waste.

2. That the time and place of the first meeting of the Committee be at 1.00 pm on Thursday 29 May 2003 in the Waratah Room.

The Legislative Council also desires to inform the Legislative Assembly that the following members have been appointed to serve as Members of the Legislative Council on the Committee:

Mr Cohen
Mr Lynn
Mr Primrose

Legislative Council
22 May 2003

M. BURGMANN
President

FOOD BILL

Second Reading

Debate resumed from 30 April.

Mr O'FARRELL (Ku-ring-gai—Deputy Leader of the Opposition) [4.43 p.m.]: As much as I could go on for hours about food, particularly restaurants across this city, I will not detain the House because the legislation is non-controversial. For the benefit of those in the gallery, it was introduced into the Parliament last year, but lapsed because of the election campaign. The bill is in exactly the same terms as the Food Bill 2002. I certainly look forward to the contribution from the honourable member for Georges River. I will ensure that the speech he gives on this occasion is different from the one he gave last year.

Mr Greene: It is, but it will be as good.

Mr O'FARRELL: I did not pass comment on how good it was. The bill is a major step towards a national uniform system of food regulation and is the result of an agreement between the Commonwealth, States, Territories and New Zealand. It is the culmination of many years work that dates back to the mid-1970s. The bill is based on draft model food provisions approved by the Council of Australian Governments [COAG]

in November 2000. It has been available for the public, particularly interested parties, to take note of. The process behind the legislation and similar bills that come to this Chamber from time to time demonstrates one of the significant reforms instituted, in particular, by the Greiner Government in co-operation with what ultimately became the Keating Labor Government federally in ensuring some degree of national uniformity across State and Federal borders. It is an important development 100 years after Federation.

The benefits of the legislation speak for themselves. The bill will provide a national uniform approach to food safety standards to which all jurisdictions have agreed, and will be an important basis upon which to build future legislation. I am pleased to note that after discussion with the Minister's office and the Independents in the upper House the meal made of proposed section 141 in the last Parliament will not occur on this occasion. The Opposition does not oppose the legislation. The honourable member for Baulkham Hills received a communication from a volunteer member of the Rural Fire Service and a member of the State Emergency Service [SES] who was concerned that the Food Bill does not cover food served to voluntary members of the service because, as he notes, they are not employees and they do not sell the food they are given during operational time. They are concerned that the Food Bill does not cover them because of the definitions of "sell" in proposed section 4 (1). I would ask the Minister in response to provide some assurance to members of the Rural Fire Service and the SES as to their status. As the volunteer said:

> While I enjoyed serving in the RFS and believe that care is taken in food preparation, it would be a great reassurance to members to know that all the food served meets the food standards required by the bill.

In seeking that assurance later in the debate, I indicate the Opposition's support for the bill.

Mr GREENE (Georges River) [4.46 p.m.]: It is a great pleasure that I once again speak in support of the Food Bill. Many of the comments I will make were made when the previous bill was presented to the House last year. That bill is an important measure to protect public health and ensure that New South Wales residents are protected by the best regulatory regime possible. Few things can be more important than regulations that ensure that the food we eat and the food we feed our children meet our regulatory standards, so that standards of health in this State can be protected. The bill, which will repeal the 1989 Food Act, will update and strengthen the regulatory framework for food production, distribution and sale in New South Wales.

The intergovernmental agreement to implement nationally consistent food regulation notes that there is a need to implement a co-operative national system of food regulation to achieve the following objectives: to protect public health and safety; to reduce the regulatory burden on the food sector; to facilitate the harmonisation of Australia's domestic and export food standards and harmonisation with international food standards; to provide cost-effective compliance enforcement standards for industry, government and consumers; to provide a consistent regulatory approach across Australia; to recognise that the responsibility for food safety encompasses all levels of government and a variety of portfolios; and to support trans-Tasman efforts to harmonise food standards.

It is important to note that the legislation of each State and Territory is not uniform, but rather aims for consistency. The legislation will apply consistent standards and consistently adopt the food standards code, subject to amendments that recognise local conditions and promote and facilitate its effective application in each jurisdiction. The bill will help the New South Wales economy. Nationally consistent legislation and standards will facilitate interstate and international trade in food and, therefore, promote economic development in food-producing areas of both the State and the nation as a whole. This proposal, which helps our State's economy, is one that I will support.

The bill was drafted in line with the draft model food provisions provided by the Council of Australian Governments in November 2000. States and Territories have committed to introducing legislation based on the national provisions. The model provisions were drafted in two parts, annex A and annex B. Annex A contains only those provisions that are agreed to be mandatory. Annex B contains those provisions that jurisdictions could choose to introduce, with whatever amendments a jurisdiction considered appropriate.

Queensland and Victoria have amended their existing Food Acts to implement annex A of the model provisions and certain parts of annex B. A number of new offences relating to food handling and sale have been introduced, including handling of food in an unsafe manner, misleading conduct in relation to food and the sale of unfit equipment or packaging or labelling material for use with food. The maximum monetary penalties for food-related offences have been increased from those contained in the 1989 Act, which were in the range of $3,300 to $5,500, to between $40,000 and $100,000 for individuals and between $200,000 and $500,000 for corporations. It is noted that the Food Act 1989 also provided for a penalty of up to six months imprisonment for many offences. That penalty has not been replicated in this Food Bill.

The Minister will undertake various processes to ensure that these standards are implemented and that the development of food standards is undertaken by Food Standards Australia New Zealand, which must notify its decisions to the ministerial council. A single member of the ministerial council is able to require that Food Standards Australia New Zealand undertake a review of its decision. Following that review, the decision is to be returned to the ministerial council for further consideration, and the majority of the members of the ministerial council—that is, six out of 10—may require that a second review be undertaken. Following the second review, a majority of the ministerial council may vote to reject the decision. Therefore, jurisdictions have the overall control of the acceptance or rejection of new food standards or amendments to food standards. An example of the involvement and control of the ministerial council in the development of food standards is Standard 1.5.2, which relates to food produced using genetically modified ingredients.

Genetically modified foods are regulated under the Food Standards Code. The standard has two essential items, a mandatory assessment before it reaches the market and a labelling requirement. There is a requirement to label genetically modified food where novel DNA or protein is present in the final food, and when the food has altered characteristics. It is worth noting that, with regard to labelling and composition standards, it is appropriate that labelling and composition are dealt with on a national level. These matters are therefore dealt with by the Food Standards Code, which is adopted by the bill. The labelling of food products is comprehensively dealt with by part 1.2 of the Food Standards Code. Composition of food is comprehensively covered by chapter 2 of the Food Standards Code comprising 10 parts, each covering a category of food products.

As I indicated, the Director-General of Health will have the power to order a business to undertake recalling of unsafe food. The inspection and enforcement powers of authorised officers are set out in greater detail in this bill. The bill introduces a registration system for any food business which is required by the regulations to be registered. There are no plans at the moment to require the registration of any class of businesses. Part 7 of the bill provides for the auditing of food businesses in accordance with food safety plans that businesses will be required, by the regulations, to prepare. Auditing is to be undertaken by private auditors who are approved by the Director-General of Health for that purpose. The role of local government in policing food businesses will continue in the same form as under the Food Act 1989.

In preparing the model provisions, COAG, through Food Standards Australia New Zealand, consulted widely with stakeholders, including consumers, manufacturers and businesses. That is why there is general agreement and an acceptance that the Food Bill 2003 is indeed approaching the regulation of food standards most appropriately. Section 135 of the bill protects the State, the authorities and others from civil liability in connection with the handling, sale or consumption of food when a claim is based on an alleged duty of care arising from the exercise of functions under the legislation. While the State clearly has a responsibility to exercise its regulatory functions in a diligent fashion, it is not appropriate to seek to imply that the State is responsible for an injury or illness to a person when that injury or illness arises from unsafe food.

Clearly the party responsible for an injury or illness caused by unsafe food is the person who supplied or prepared that food. It is not appropriate to seek to imply a responsibility to the State in order to recover compensation. In developing the Food Bill, the Department of Health sought input from SafeFood New South Wales, which supports the bill. I am pleased that the Deputy Leader of the Opposition has indicated that the bill also has the support of the Coalition. As I indicated earlier, there cannot be many matters more serious than ensuring that the food we eat and the manner in which it is served are regulated appropriately and meet national standards. I commend the bill to the House. Most importantly, I also commend the efforts of Mr Bill Porter, a resident of my electorate, who made a significant contribution to formulation of the regulations associated with the bill. I thank him personally and on behalf of the Georges River electorate for his contribution.

Mrs PERRY (Auburn) [4.55 p.m.]: It gives me great pleasure to support this very important and significant Food Bill. As previous speakers have indicated, we must do all we are able to ensure that New South Wales residents have peace of mind when purchasing or consuming food. What makes Australia a great place in which to live is the diversity and variety of the available foods. The Auburn electorate is a snapshot of the range of food outlets in Australia. My electorate has people representing 120 different cultures and many of those people have food outlets in the local area. This bill will strengthen the regulatory framework so that the handling of food in New South Wales is consistent with a natural approach. As such, the bill will support local food and business outlets as well as local communities. It is important for New South Wales residents to feel completely safe in the knowledge that the food they are purchasing or consuming will not come back to bite them, so to speak.

This bill introduces substantial improvements in the area of enforcement and accountability that should be supported. For example, an authorised officer will be able to issue an improvement notice to a food business and require that business to address failings in its practices within a specified time frame. This is a sensible approach to take because it means that businesses are given an opportunity to correct their failings and remove a situation which, if left unattended, could develop into a major public health risk. In cases of businesses that already pose a significant health risk, an authorised officer will be able to issue a prohibition order until the business is able to demonstrate that there is no further risk. This bill provides for adequate compensatory measures. A person who suffers losses resulting from prohibition will be able to obtain compensation for that loss, if there were no grounds for making the order. This provision exists to strike the right balance between the interests of public health and protection from overzealous enforcement.

The bill also provides that food and equipment may be seized when there is evidence of an offence, or when food or equipment do not comply with the Act or regulations. Though this draws similarities with the Food Act 1989, the new bill provides for compensation in the event that food or equipment is seized. The application for compensation is made directly to the agency that enforces the decision, not through the court system. This bill will simplify the compensation process and will reduce the costs of seeking compensation. The bill also strengthens the provision for the naming of persons who are convicted of offences; in other words, the fact of a person being convicted of offences relating to the handling of food for sale may be published in the *Government Gazette* or in a newspaper in New South Wales. This provision contrasts with the Food Act 1989. Though a similar provision exists in the Food Bill 1989, the 1989 legislation required that a person be convicted of more than one offence before that person's name and details were published.

In this bill the message is very clear—even once is too much! As the shadow Minister, the Deputy Leader of the Opposition, indicated when the previous Food Bill was presented to the other place, there was a lot of extensive argument and debate about clause 141. I note that today there is no opposition to that clause or to the bill as a whole. Clause 141 allows the Governor to make a regulation modifying the application of the Food Standards Code provided that the Minister for Health has certified that the regulation will not have a significant effect on nationally consistent food regulations, and provided that the Premier approves the making of the regulation. Strong protections are in place to ensure that the regulation-making power is not used to undermine the application of nationally consistent food standards.

There are very strong policy reasons for that power to be included in the bill. It allows the Food Standards Code to be adjusted to fit local circumstances and conditions without altering the national character of the code. The best example concerns the proposal that a regulation be made to modify the business notification provisions of the code. The code requires that all businesses notify the Department of Health of their existence and of the name and contact details of their owner. It is important to note that the Government wants to exempt charities and community organisations from that procedure. That will mean that a sausage sizzle organised by a local scouting, girl guide or similar group will not have to notify the Department of Health of their existence or of the event. The exemption will mean that the Country Women's Association cake stall does not need to be burdened with red tape.

Those organisations play a vital role in our local communities, and we must lend a helping hand whenever we can to lighten their load. This sensible approach recognises the value our communities attach to such events. Clearly, the approach adopted by our colleagues on the other side of the House is in agreement and that suggests to me that they too do not wish to see valuable community activities and groups tied up by red tape. Accordingly, clause 141 will stand unchanged. Another matter of debate in the other place was the addition of MSG to food. Following disallowance by the other place of the Food Amendment (MSG) Regulation, there is no proposal for the making of such a regulation through this bill.

It is necessary to give a brief background on the origins of the Food Bill. The development of the model food provisions was undertaken at a national level over a lengthy period with input from all jurisdictions and key stakeholders. In 1991 Ministers agreed to adopt food standards developed by the Australia New Zealand Food Authority without amendment. In 1996 health Ministers agreed that the Australia New Zealand Food Authority should develop nationally uniform food Acts as a matter of priority. The model food provisions were developed by a senior officers working group of the Council of Australian Governments. In 1989 the Australia New Zealand Food Authority produced three discussion papers on the development of uniform food Acts for Australia and New Zealand.

In 1999 the regulatory impact assessment on the development of uniform food Acts for Australia and New Zealand was published. The current Food Bill is the culmination of a fairly extensive consultation process,

one that has been undertaken for quite some time. I note that there have been no calls for the Department of Health to undertake any additional consultation. I conclude by saying that in the interests of public health it is necessary to have all those safeguards in place to ensure that New South Wales residents are afforded the best standards of food safety possible. I commend the bill to the House.

Mr McLEAY (Heathcote) [5.04 p.m.]: It gives me great pleasure to support the Food Bill and do my part to ensure that New South Wales residents have appropriate safeguards in place to promote public health. I remind the House that when the previous Food Bill was presented in the other place a lot of extensive argument and debate centred on clause 141. I remind the House that clause 141 allows the Governor to make a regulation modifying the application of the Food Standards Code provided that the Minister for Health has certified that it will not have a large effect on nationally consistent food regulations. As the honourable member for Auburn said, there are strong policy reasons for this power to be included in the bill.

That power allows the Food Standards Code to be adjusted to fit local circumstances and conditions without altering the national character of the code. The best example concerns the proposal that a regulation be made to modify the business notification provisions of the code. The code requires that all businesses notify the Department of Health of their existence and the name and contact details of their owner. The Government wants to exempt charities and community organisations from that procedure. That will mean that a sausage sizzle organised by a local scouting group will not have to notify the Department of Health of their existence; it means also that a local branch of the Australian Labor Party or local Country Women's Association planning to hold a cake stall will not be burdened with red tape. Clearly, this sensible approach recognises the value that our community attaches to those events.

Many within our communities, and many in this House, have participated in such activities and have enjoyed very much the hospitality of local organisations, and frequently support charity events. It is unnecessary to burden community organisations with additional red tape for holding a cake stall, lamington drive or sausage sizzle. The bill acknowledges and appreciates that burden and, therefore, exempts charity organisations from that procedure while ensuring that bona fide businesses continue to notify the department of their existence and of the name and contact details of their owner. The Government would like to excuse charities and community organisations from that provision, therefore it is necessary give a brief background of this bill.

The honourable member for Auburn has highlighted some areas and I will point out some more. The development of the model food provisions was undertaken over a lengthy period at a national level with input from all jurisdictions and key stakeholders. In 1996 health Ministers agreed that the Australia New Zealand Food Authority should develop nationally uniform food Acts as a matter of priority. The model food provisions were developed by a Council of Australian Governments senior officers working group. In 1998 the Australia New Zealand Food Authority produced three discussion papers on the development of uniform food Acts for Australia and New Zealand.

In 1999 a regulatory impact assessment of the development of uniform food Acts for Australia and New Zealand was published. As I have just outlined, the consultation process for the Food Bill has been extensive. There have been no calls for the Department of Health to undertake additional consultation. The shadow spokesperson referred earlier to Rural Fire Service volunteers. Whilst I do not know the answer to the issues he raised, I am an active member of the Rural Fire Service in Sutherland shire and I have been happy with the quality of food that has been provided. Sutherland Shire Council goes to great lengths to utilise local service providers. I am sure that all firefighters in Menai and Engadine would agree that the food that was provided to them during the recent bushfires was of the highest standard. I thank all those service providers who contributed on that occasion. I commend the bill to the House.

Miss BURTON (Kogarah—Parliamentary Secretary), on behalf of Mr Iemma [5.12 p.m.], in reply: I thank all honourable members for their contributions to the debate on this bill. The Deputy Leader of the Opposition said the Food Bill regulates the food that is provided to volunteers, such as volunteer firefighters and members of the State Emergency Service. Those organisations should not be subject to the provisions of this bill if they do not seek to obtain a benefit. The Food Act 1989 does not cover those organisations, and there has never been a cause for concern as a result. I emphasise that the bill is designed to regulate those instances where food is provided for gain, not for those working in a volunteer or domestic capacity.

It is clear from the contributions of the honourable member for Georges River, the honourable member for Heathcote and the honourable member for Auburn that food safety is a matter of considerable concern to members and the public in general. Unsafe food and the illnesses that result from that food can have a

significant and sometimes lifelong impact on individuals. It is therefore appropriate that food safety and control of the production and retailing of food are given a high priority.

The Food Bill, along with the nationally developed Food Standards Code and the integral Food Safety Standards, create the regulatory framework that delivers assurances to the community that governments are taking practical steps to deliver a regulatory system that will deliver safe food. The fact that the regulatory system implements standards on a national basis means that consumers can expect the same high standards, irrespective of where in Australia food is produced, imported or sold. I commend the bill to the House.

Motion agreed to.

Bill read a second time and passed through remaining stages.

Pursuant to sessional orders business interrupted.

PRIVATE MEMBERS' STATEMENTS

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PENRITH LAKES SCHEME

Mrs PALUZZANO (Penrith) [5.15 p.m.]: I wish to speak about the Penrith Lakes scheme, which is located in my electorate of Penrith. The Penrith Lakes scheme, which is a massive series of lakes and parks emerging from old quarry sites and dairy farms, will become a world-class recreation and urban area not only for the people of Penrith but also for all western Sydney. This project is an example of what we all work to achieve: the creation of a social, economic and political environment in which the public and private sectors of the economy can join to work for the benefit of the whole community. As well as the obvious social benefits that this scheme will provide, it will also create a number of new jobs in the area because of increased tourism. It is estimated that some 15,000 people visit the Penrith Lakes scheme every month, which is good for local businesses.

I take this opportunity to congratulate the Penrith Lakes Development Corporation and its chief executive officer, Ian Stainton. I also extend my thanks to the companies involved in the corporation: Pioneer, Boral and CSR. Without their support this scheme would not be possible. The Penrith Lakes scheme, which is a wonderful sporting and recreational facility, also houses educational centres: the Penrith Lakes Environmental Education Centre and the Mirru Mittigar Aboriginal Learning Centre. At the Penrith Lakes Environmental Education Centre, students study a range of human society and its environment content areas, such as environmental education, social systems and structure, change and continuity. Students also undertake day trips so they can study on-site water quality and management, and the quarrying process. At the Mirru Mittigar Aboriginal centre, students investigate both contemporary and traditional Aboriginal culture, such as bush food and the use of traditional weapons.

The lake scheme not only houses environmental education centres, it also houses recreational centres, such as the international regatta centre, which has continued usage post-Olympics, and the Penrith whitewater stadium, which hosted the Olympic kayak slalom events. I was fortunate to be a volunteer with the spectator services section during the Olympics and I met many Australians as well as international visitors. It was my pleasure to welcome them to Penrith and to showcase our world-class sporting facilities. There are world cup events this year in Spain, Slovenia, and Slovakia, but the Penrith whitewater stadium hosted a world cup event over the weekend of 10 and 11 May.

I congratulate the staff and volunteers who worked at the stadium to ensure that the event went off without a hitch. Peter Flowers, the manager, and the board of the stadium and Canoe Australia deserve to be congratulated on the tremendous work they did. I am proud to inform the House that Australian competitors took out both gold and silver medals in the C1 class at the Australian world cup. Tasmania's Justin Boocock won the gold medal, Robin Bell picked up the silver medal, and the bronze medal went to Slovakia's Michael Martikan. It would be remiss of me not to say that this was the first-ever gold medal won by an Australian in a C1 event. Penrith was proud to be the host city for this remarkable achievement.

I take this opportunity to congratulate all participants on making the event such a wonderful success. I am proud that the residents of Penrith are able to enjoy these world-class sporting and recreational facilities. It

gives me much pleasure to inform the House of the environmental sensitivity that is being afforded to this site. I hope that in coming years more Penrith youth will enjoy the facilities, be encouraged to participate in water-based sports, or learn sustainable strategies by experiencing the environmental education programs of the Penrith Lakes Environmental Education Centre and the Aboriginal programs of Mirru Mittigar.

Ms NORI (Port Jackson—Minister for Tourism and Sport and Recreation, and Minister for Women) [5.19 p.m.]: I congratulate the honourable member for Penrith, who has not been a member of Parliament for very long, on so quickly working out the importance of tourism to her electorate, and the role of the Olympic legacy and the whitewater rafting facility run by Penrith council. Only a few weeks ago I was waxing lyrical about the sorts of things that a visitor to Penrith can do. I was encouraging listeners of a radio station in Sydney to think about visiting Penrith and those sporting facilities and the other venues referred to in the honourable member's speech—some of the best kept secrets to be found not that far away from home. I congratulate the member on her perspicacity and on her interest in the tourism industry.

SUTHERLAND SHIRE FLOODING

Mr KERR (Cronulla) [5.20 p.m.]: The recent heavy rain has caused severe flooding in Kurnell and in other areas of my electorate. I spoke about this issue last week also. The flooding that has occurred in the past 10 days has caused incredible problems with the drainage system, particularly in Kurnell and Taren Point. I visited Kurnell yesterday and saw for myself the effect of flooding in Torres Street—or "Torrents" street, as residents now call it. In light of the hundreds of thousands, if not millions, of dollars of damage that has been occasioned, it is time that Sutherland Shire Council undertook an independent assessment of the drainage system and provided an objective analysis to shire residents. Those who have sustained damage pay very high rates and they are entitled to have a drainage system that works. They do not have such a system at present. One of the most basic requirements of any council is that it perform its civic duty to provide a drainage system for its ratepayers. That is simply not happening in the Sutherland shire. I have witnessed the degree of damage sustained and the existing drainage system's inability to cope, and I believe it is time for an independent assessment to be conducted.

Heavy rainfall impacts particularly on schools in my electorate. As the shadow Minister for Education and Training said, the contract of the company performing school maintenance work, Resolve Management, lapsed in April and a new contract will not be signed until October. This means that routine maintenance will not be performed until then. Therefore, schools must undertake their own urgent maintenance work, and reimbursement for the cost of such work will be at the discretion of the Department of Education and Training. "Urgent' is a fairly subjective word in bureaucratic circles and a refund of moneys spent may not be forthcoming. Parents and citizens associations in my electorate do tremendous work for their schools and their achievements often go unrecognised. I was very pleased to see in today's edition of the *St George and Sutherland Shire Leader* some recognition of the work of the parents and citizens association at Caringbah Primary School.

I urge the Government to ensure that maintenance takes place at all schools in the Sutherland shire. The Government must explain why maintenance work will be in limbo until October, which is totally unsatisfactory. No doubt when the Treasurer comes from another place to deliver his budget speech in this Chamber he will talk of how he is maintaining a budget surplus in this State—on the back of stamp duties and land tax, I might add. Yet no money is being allocated for urgently required school maintenance because the existing contract has lapsed. This Government must provide an explanation for this unsatisfactory state of affairs.

ARGENTINEAN NATIONAL DAY

Mr LYNCH (Liverpool) [5.25 p.m.]: I draw honourable members' attention to events involving the Argentinean community in Sydney last weekend that were of particular interest to my constituents with an Argentinean background, who form a significant part of the multicultural society in south-west Sydney, particularly in Liverpool. Argentinean National Day is 25 May and several events were held in Sydney last weekend to celebrate it. I was able to attend two of them. I attended the celebration held on the evening of Saturday 24 May at the Uruguayan Club, which is located at Hinchinbrook in my electorate. This event was organised by the Argentinean club ALU. The President of the club is Jose Gil Landaburu and the secretary is Zuli Mendez, and much of the event's organisation was done by Cindy Fernandez. It was a pleasant and enjoyable evening attended by several hundred people.

On Sunday 25 May a bust of the Argentinean hero General Don Jose De San Martin was unveiled at the Ibero-American plaza in Chalmers Street, near Central railway station. The event was hosted by Councillor

Fabian Marsden from the City of Sydney council. The Ambassador of the Republic of Argentina, Nestor Stancanelli, and the Consul-General, Enrique Rubio, were present, as were consular and diplomatic representatives from Uruguay, Chile, Colombia, Bolivia, Portugal, Cuba and a number of other countries. The Ibero-American plaza already hosts the busts of a number of famous Latin American, Filipino and Spanish figures, such as Simon Bolivar, Bernardo O'Higgins, Artigas from Uruguay, Antonio Narino from Colombia, Juana De Padilla from Bolivia, Benito Juarez from Mexico, Jose Marti from Cuba and many others.

The Argentinean national day celebrates the independence of Argentina from Spain and the Spanish empire. In 1810 Napoleon invaded the Iberian peninsular, which sparked the beginning of independence movements throughout Latin America. On 25 May 1810 a Criollo junta that proclaimed its loyalty to the Spaniard Ferdinand VII came to power in Buenos Aires. That is the event we are celebrating 193 years later. Political developments in Argentina were not simple or easy. As historian George Pendle noted, what commenced as resistance to France developed into war against Spain, and the Buenos Aires junta came under the sway of Jacobins and Liberals such as Mariano Moreno. In 1814 the monarchy was restored in Spain, and Spanish reaction began in South America: The royalists wanted their empire back. Argentina was not under the control of the royalist armies but while they remained on the continent they were a threat to Argentina's independence.

As I read the country's history, this explains the great importance of Jose De San Martin, whose bust was unveiled on Sunday near Central railway station. San Martin was born in 1778 in northern Argentina. He was the son of a Spanish officer and travelled to Spain while still very young to train as a soldier. He fought in the Spanish army against the French. He returned as a professional soldier to South America in 1812 and offered his services to the authorities in Buenos Aires. In 1814 San Martin became a provincial governor based at the town of Mendoza. He spent two and a half years preparing methodically and patiently to campaign against the royalist forces in other parts of the continent.

The Argentineans had already made three unsuccessful attempts to do this but San Martin adopted a different strategy: he decided to go to Chile. This involved the small problem of crossing the Andes. It was a brilliant strategy, because no-one thought that anyone would be stupid enough to try it! The army of the Andes consisted of 4,000 soldiers and auxiliaries of 1,400, and it performed extraordinary feats crossing the Andes. After crossing the Andes, San Martin defeated a royalist force at the Battle of Chacabuco. The army entered Santiago, the capital of Chile, and Bernardo O'Higgins took over the Government. Independence for Chile was formally declared in February 1818. In April 1818 the royalist forces were again defeated by San Martin at the Battle of Maipu.

In August 1820 San Martin set out, with the assistance of a small fleet under Lord Cochrane, to liberate Peru. The Cadiz military mutiny in Spain in 1820 made it much harder for loyalist forces, and San Martin entered the capital of Peru, Lima, in July 1821. Peruvian independence was then proclaimed. In July 1822 San Martin met Bolivar at Guayaquil at a meeting over which gallons of historians' ink have been spilt. Bolivar came as the liberator of the north and San Martin came as the liberator of the south. According to historian Edwin Williamson:

> Bolivar was clearly in a far superior position, and so, after their famous secret discussions, San Martin chose to withdraw from the fray and leave for Europe, never to return.

San Martin died in exile in France in 1850, having taken no further part in South American politics. San Martin was a fascinating figure. He had some very conservative tendencies. For example, he supported the concept of a South American monarchy and a European, even Spanish, prince. Yet he is claimed as much by the left as by the right. Following the 1959 victory of the Cuban revolution, Cuba's foremost poet, the Communist Nicolas Guillen—who was then in exile in Buenos Aires—published a poem praising Che Guevara and comparing him with San Martin. That is a very interesting comment about the breadth of support that figures such as San Martin maintain. People such as a Jose Marti have written some fascinating material on him.

Ms NORI (Port Jackson—Minister for Tourism and Sport and Recreation, and Minister for Women) [5.30 p.m.]: I thank the honourable member for his invaluable history lesson.

LAND TAX ASSESSMENTS

Mr PAGE (Ballina—Deputy Leader of the National Party) [5.30 p.m.]: For some time now I have been very concerned about the huge land tax bills that are impacting on many of my constituents, particularly those who own property on or near the coast. Land tax is an annual tax and applies generally to property other

than a person's principal residence when the land value exceeds the threshold of $261,000. A constituent of mine has advised that his land tax bill in 2000 was $1,120,whereas in 2003 it is $11,269—an increase of 906 per cent. The problem for people affected by such huge hikes is that their ability to pay this extra tax has not increased, despite rising property values. In this case the land tax burden went up 906 per cent, land values went up 264 per cent and the threshold only went up 36 per cent. The key point is that the threshold increases way below the land value increases and far below the land tax increases.

There is no connection between the current average statewide threshold and individual land values. This is very unfair. There should at least be a specific percentage connection between the threshold and land values that keeps some control over the land tax that is payable. This would not be difficult to do because every property has a land valuation for rating purposes. One of the worst aspects of land tax, especially as it applies today, is that it penalises those who have worked hard all their lives to provide for their retirement. They have saved their money and invested in a property in the hope that they will not be a burden on the taxpayer in retirement. Now they find themselves the new poor, unable to pay land tax, and in many instances they have to either borrow money to do so or sell their property. They are bleeding badly.

The current land tax regime in New South Wales is a huge disincentive to provide for one's own retirement. This is not the way we should be going, given the huge number of baby boomers who will retire in the next 10-20 years. We should be encouraging people to create a nest egg and not to be dependent on the taxpayer in their retirement. Let me compare land tax in New South Wales with the tax in Victoria and Queensland. In New South Wales land tax on a $300,000 property is $663, in Victoria $220, and in Queensland $341. In New South Wales land tax on a $600,000 property is $5,797, in Victoria $1,180, and in Queensland $3,199. In New South Wales land tax on a $900,000 property is a whopping $10,927, in Victoria it is only $4,480, and in Queensland $7,686. So for the average investor who has a property valued up to $900,000, New South Wales is by far the highest taxing State in relation to land tax.

Land tax also discriminates against families. If a husband and wife jointly own a second property, they only get one threshold. If they own the property in separate names they get two thresholds before they are eligible to pay land tax. Property owners in most cases are not rich, they are just ordinary families and small business people trying to survive, but they are being king-hit by skyrocketing land tax bills. Tenants are also being hit, as property owners seek, where they can, to pass on some of the extra land tax. On 16 May 1990 in this Chamber the then Leader of the Opposition—the current Premier—expressed his outrage about land tax increases. He asked of the Coalition Government:

> Why does this Government have such a hostile attitude to small business and small investors?

The situation is far worse now than it was in 1990, yet the Premier, the Treasurer and indeed the whole Carr Government will not do anything to ease the burden and provide some fairness with land tax. I note that the Government imposes rate pegging on local councils to keep their tax regime in check but it does not apply the same discipline to itself. I note also that the notification system in New South Wales is a farce. People can be liable for land tax and not know it. There is no notification process to owners when their property goes above the threshold; three years later they get a bill for three years of land tax to be paid in one sum. If they ask for time to pay they will be given three months, if they are lucky.

I will conclude by giving a typical example of a Byron Bay investment. In 1989 a property had a land value of $120,000 and no land tax was payable. Today it is worth $910,000 and the owner pays $15,570 in land tax. Rental income is $350 per week, which is $18,200 a year, and council rates, agent's commission and insurance total $3,118, which means that the owner is making a loss of $488 on that property. Effectively the profit is going to the Carr Government. It is theft by the Carr Government.

LAKE MACQUARIE AREA ASSISTANCE SCHEME FUNDING

Mr HUNTER (Lake Macquarie) [5.35 p.m.]: Last week, together with my colleague the honourable member for Charlestown, I had the pleasured of announcing that under the State Government's area assistance scheme, social and community development projects in the Lake Macquarie area would share $96,120 in funding this year. The grants are part of $3.2 million allocated for 132 new area assistance scheme projects that have been approved by the Minister Assisting the Minister for Infrastructure and Planning (Planning Administration). The total area assistance scheme funding includes $6.8 million to support existing projects and $500,000 in subsidies to councils to employ community projects officers.

In regions experiencing the impacts of significant population growth or economic change, the Government, local councils and community organisations are working together through the area assistance

scheme to meet community needs. That is certainly the case in Lake Macquarie, with close to $100,000 being allocated in the round of funding for this year. Grants for projects in the Lake Macquarie local government area include $6,700 to Lake Macquarie Police and Community Youth Club, which is located in the Charlestown electorate.

This funding is to provide additional valuable components to programs and workshops relating to leadership, teamwork, relationships and anger management with young people who are predominantly at risk, through the purchase of necessary tools/equipment; $17,250 to the Eastlake Youth Centre Services, which is also located in the Charlestown electorate, to produce a video about driver safety, road awareness and safer driving practices from the perspective of young people for the education of other young people in the Lake Macquarie local government area; $34,520 to Toronto Multi-Purpose Centre, which is located in the Lake Macquarie electorate, to employ a community development worker for the West Lake Macquarie area to identify the strengths and needs within the local community; and $16,000 to the Lake Macquarie Neighbourhood Information Centre, which is also located in the Lake Macquarie electorate. This funding is to upgrade the current rented premises in Boolaroo to enable good standard disability access and improve the use of the current training and public access space.

Further area assistance scheme grants have been given to the Sugarvalley Neighbourhood Advancement Group, which is also located in the Lake Macquarie electorate. The first grant of $6,200 is to assist young people with training and mentoring specifically designed to encourage their participation in the proposed skate park for Holmesville, in the North Lake Macquarie area. Earlier this year I was pleased to announce a $15,000 sport and recreation capital assistance grant towards the construction of that skate ramp. Currently, we are working with the local community and Lake Macquarie council to see that project advanced. I believe that in excess of $100,000 will be spent building that facility.

The second area assistance scheme grant to the advancement group is $15,450 to direct young people who are at risk of disengaging from education into local services appropriate to their needs. The area assistance scheme is successful because it draws on the local knowledge of the community and local councils and builds on their capacity to deal with the challenges of change. The area assistance scheme projects include improvements to community facilities, support for vulnerable groups, local community enterprises for resource sharing, community education and awareness, improving access to existing services, and culture and arts programs.

We especially focus on innovative self-help projects and partnerships that improve social and community infrastructure. The ongoing and substantial support of the Government for the area assistance scheme demonstrates our commitment to social justice goals for New South Wales. Through this scheme we are working with councils and the community to ensure a fair go for everyone. I congratulate the Government on the continuation of the area assistance scheme funding, and on granting funds to worthy projects in the Lake Macquarie local government area.

ALBURY ELECTORATE ENVIRONMENTAL TOURISM

Mr APLIN (Albury) [5.40 p.m.]: I applaud the efforts of farmers, tourism bodies and environments in our region who are using natural assets to increase visitation to the Albury electorate. They are focussing on the naturally enhanced environment in the area, which includes the south-west Riverina, to create new opportunities for rural people. Here, we are focussing particularly on land care and nature conservation activities that are leading to a new empowerment at grassroots level. Farmers in these small communities have embraced their environment and are now promoting this approach to others. Certainly, droughts and other impacts have led to this movement, but it is the embracing of the natural environment on which I would like to concentrate this afternoon.

New groups of people are now paying to visit such sites. This has created a new income stream for cash-strapped farmers and for rural communities. One example is at Hawksview, near Lake Hume, where Ros Webb hosts school groups and other tours on a working farm. She has written an educational work-book for the students. Amongst the activities that are enjoyed during the visit is an education experience in the shearing shed, a working sheep dog display, and of course the inevitable afternoon teas and the selection of local produce. Those are all part of the experience.

But high-value educational tours are now being organised to teach others how farmers and communities have dealt with environmental problems. Local people are being trained to be tutors, and taught

how to conduct visits in a professional way. This is to ensure that the money stays in our community. There are, of course, other economic benefits, such as the flow-on into accommodation, the food providers, the transport operators, and so on. One family holds weddings and corporate functions on their mountain, with the funds raised being used to improve the natural environment of that mountain, which is now closed off from cattle grazing. As one can see, the environment benefits from this particular application of funds. That is the Table Top Mountain Retreat, which is operated by Roger and Elizabeth Patterson.

There is now a high level of participation by farmers in land care activities in the region. In fact, the National Land Care winner at the Wirraminna Environmental Education Centre at Burrumbuttock, the principal of the local public school, Owen Dunlop, and people like Judy Frankenberg and Sue Schilg have been behind this marvellous establishment of an educational environmental centre, which is an attraction to schools and to visitors from throughout our region and much further afield. Indeed, at Savernake we have Bill Sloane, who last year received the Prime Minister's Award as Environmentalist of the Year, the Banksia Award.

In Albury we have the Wonga Wetlands, which is an award-winning site. In fact, the Wonga Wetlands were established from grazing lands which are now using Albury city's environmentally treated waste water. This is an absorbing natural conservation area, featuring 600-year-old Murray River red gums and an astonishing number of birds. "Wonga" means cormorant in the Wiradjuri language, and there are 130 different bird species living in these wetlands. Even more importantly, the recently established Aquatic Environment and Education Centre and the Wiradjuri Cultural Centre at Wonga Wetlands are the starting point for an hour-long walk, where you can view the old Murray River wetland system and see how it has been brought back to life. Of course, this has now become an important tourist attraction as well as an educational attraction.

The region has a contrasting natural environment: it is on the edge of the Australian Alps and on the broadacre farming areas of the Riverina. There are difference species of flora and fauna in the region, some of which are endangered. A variety of projects are being conducted, and the results are being showcased to visitors. I mentioned the different species of birds, and of course they are attracting bird groups to the area. There are niche markets in so many different tourist fields. Some farmers have created new habitats to protect brolgas that nest on their properties. Another farmer has put 30 per cent of his property under trees by direct seeding native species. This has created a new home for a wide variety of birds and has improved the health and fertility of his farm. He receives many visitors to his property. He wants now, of course, to be paid for these activities, and host groups of people on a commercial basis so that he can pass on his skills and knowledge to others. The ecotourism that is opening up in our area I believe will be valuable in a new form of niche tourism which will enhance the attractions of rural and regional Australia.

Ms NORI (Port Jackson—Minister for Tourism and Sport and Recreation, and Minister for Women) [5.44 p.m.]: I congratulate the new member on his perspicacity regarding the importance of the tourism industry. I am always looking for allies in this place when it comes to tourism. Of course, much of what the honourable member said is quite true. That is not to imply that the remainder of what he said is not: I cannot speak personally about some of what was said. In view of the drought, the Government ran a farm stay/farm hand campaign. The honourable member might have seen the television advertisements, featuring Lee Kernaghan, encouraging people to get out into the bush. We also ran a promotion on touring by car, through Albury, which tends to be the place where I launch any new initiatives in our country conferencing and meetings industry strategy. Albury is very well placed, being on the border, to benefit from the tourism industry.

The honourable member rightly pointed out that people who as recently as five years ago may not have recognised the value of tourism—farmers, for example—are now increasingly recognising the value that tourism can bring to an area, and that of course means sustainability. People will not travel to see degraded land. They want to see the natural wildlife, which can be so abundant. I look forward to working with the honourable member. He did mention a couple of places that I have not had the pleasure of visiting. The next time I am down his way, I would like to visit some of those places that he thinks are particularly good examples of what we have been talking about tonight.

CANTERBURY COMMUNITY OF SCHOOLS EXPO

Ms BURNEY (Canterbury) [5.46 p.m.]: Some people would describe me as a bit of a sook. Last Thursday, 22 May, I attended the Canterbury Community of Schools Expo 2003. It was simply wonderful, and I do admit I spent a good bit of the expo with tears in my eyes: tears of pride and joy from watching the children and young people of Canterbury Girls and Canterbury Boys High School, Ashbury, Canterbury South, and Canterbury public schools celebrate public education in my electorate and the St George district of the New South Wales Department of Education and Training.

The expo was a series of performances, including dance, song, choral and contemporary and instrumental performances. There was also a wonderful display of students' work, particularly a display of the innovative literacy program being run by Canterbury Boys High School. The importance of literacy programs at secondary schools cannot be emphasised enough. Often, if children have missed learning to read effectively by the time they finish primary school, there is little opportunity for them to do so in secondary schools. Canterbury Boys High has recognised that and is doing something for young people who fall through the net and still need help in attaining good literacy at a secondary school level.

What I saw at the expo last Thursday made me, as a former teacher, very happy, and I felt inspired on leaving the hall. The first item was by Canterbury Public School choir. It consisted of two songs, "One People One Land" and "Celebrate". Those songs are about recognition of the whole history of Australia and of the cultural diversity of our nation. The sentiments and the enthusiasm of this performance clearly set the themes and the mood for what followed. I looked at the faces of the young singers from Canterbury Public, and my heart swelled with an appreciation and respect for the teachers and the school policy, which is clearly based on cultural diversity, truth telling and developing a sense of pride in our diversity as Australians.

The expo also celebrated a fantastic mentoring program that operates across all schools. The mentoring program is to give year six students confidence, and to make them familiar with their move into high school. The year six students have lessons at the second school, as well as other types of visits and activities. It was touching, funny and insightful to hear Georgina Kaye from Ashbury and Minh Nguyen from Canterbury talk about what they expected from high school. Georgina spoke about being a bit nervous, but saw high school as a step closer to becoming an adult. Karen Nam Gung from Canterbury Public told us she was looking forward to high school but was a bit anxious, nervous and excited. Minh told us that she was lucky to be part of the community of public schools.

Ashbury Public School put on a wonderful dance medley that incorporated, believe it or not, Aboriginal traditional dance and the tango. The routine had lots of kids in it; the emphasis was on participation. Their faces were beaming. They were so proud and they enjoyed their moment on show. Canterbury Boys High School and Canterbury Girls High School representatives Michael Perline, Phoebe Hookey, Esther Rath, Raymond Padora and Samin Raihan spoke about being in high school. Phoebe, a young Koori girl from Canterbury Girls High School, said that high school was about making friends for life, deciding your future and learning from older students. Michael spoke about the value of the mentoring program and the maturing process that high school brings about.

But the stars of the day in my eyes were the boys of Canterbury Boys High School. They just blew me away with their performance. During the election campaign I had seen many of these boys on Canterbury railway station on their way to school. They recognised and remembered me, and one teenage student acknowledged me with a nod of his head, but that slightest nod of his head made me feel good. The boys sang a song written by Abraham Leota from that school called Harmony, which is such an appropriate song for our area. It was about peace, a golden shore and all that will be reached on one glorious day. It was very gospel sounding.

The stage then burst into hip-hop and the message conveyed was for all of us to get rid of hatred, and to find a place where peace, not division, could live forever. By this time my tears were well and truly trickling down. The event left me with a sense of pride. Everyone involved in the Canterbury Schools Expo should be congratulated on the level of care and commitment demonstrated. With students, teachers and families working together in this way, celebrating our cultural differences and promoting peace and harmony, the future looks incredibly bright for the young people involved in the expo. My commitment to all those present on the day, as their local member, is to exercise this same level of care and commitment by supporting and assisting wherever possible.

COFFS HARBOUR PSYCHIATRIC NURSES OCCUPATIONAL HEALTH AND SAFETY

Mr FRASER (Coffs Harbour) [5.51 p.m.]: I raise a matter concerning the psychiatric nurses in the Coffs Harbour area. I intend to read into *Hansard* a brief from the nurses presented to their union:

> A branch of the NSW Nurses' Association was formed on 18th August 1999 called the Coffs Harbour Community Health Nurses. Following discussion among branch members this was changed with NSWNA approval to the Coffs Harbour Mental Health and Community Nurses some six months later. The members who commenced this branch were concerned about industrial matters, especially OH&S issues that were not being dealt with through the usual management channels.

> Following a rise in assaults in the in-patient psychiatric unit, which included a serious assault on nurses, branch members formulated a document known as the "fifty-six points". This document outlined areas of OH&S that required remedial action. Industrial negotiations took place over a lengthy period and despite all attempts to conciliate the matters the Branch took the first strike in NSW by the NSWNA members in thirteen years. Following this a committee was put in place to negotiate matters with management. These actions came to the notice of the Director General of Health who sent his Deputy to Coffs Harbour to assist with the matter. The DDGH felt there was "outstanding matters" and provided his investigators from the Staff Records Department to investigate issues.
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> A group of nurses were being investigated for matters that could only be considered false, minor or scurrilous. These investigations for some members commenced in February 2000 and some of the matters raised have caused these nurses to be investigated up to five times on the same issues. The nurses investigated were either Branch officials or people who had assisted in a face-to-face situation in industrial negotiations. It should be noted that many nurses could have been investigated over some of the issues raised but the investigators targeted a specific group
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> The investigators from NSW Health commenced in November 2000 and the report was released nearly 12 months later. It was felt that the investigation was clearly flawed and the evidence presented did not support discovery action. It was also felt that the investigators findings would not stand up to scrutiny in the legal arena. Following a meeting between the NSWNA, CEO and DDGH it was decided that no further action would be taken provided the nurses undertook a range of education sessions. The nurses refused to be singled out for attendance at education sessions when they had committed no offence. The CEO then issued letters outlining the same disciplinary action he had already described plus attendance and education sessions. The nurses in question pressured the NSWNA to take further action. The NSWNA was reluctant to do anything but eventually agreed to file a dispute in the Industrial Relations Commission (IRC).
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> At the IRC on 5th March, 2003 agreement was reached by all parties that the process of the investigation was "deficient" and that "the Area Health Service withdraws the allegations". It was agreed that "There will be no adverse note or record entered against any of the five individuals on their personal records "arising from the allegations or the investigation" and they will be treated no differently to any other employee in relation to education courses". Despite the agreement that the allegations are dropped the matters have now been taken to the Health Care Complaints Commission (HCCC) and this occurred before the nurses had even received confirmatory letters about the decision in the IRC. The NSW Health investigators have sent the same material ruled as "deficient" in the IRC to the HCCC. The group has asked to have the matter re-referred to the IRC as a Breached Conciliation Dispute on repeated occasions.
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> At best, the NSWNA is now reluctant to re-file a dispute and, despite numerous attempts to communicate with the Association, the matter is languishing. This has now extended to the stage where certain union officials now do not respond to even our e-mail. Our understanding of the NSWNA charter is to represent its members industrially at the "highest" level. The decision to undertake legal representation by the NSWNA for its members should not be based on apportioning of the costs involved, neither should it be considered anything else but a right.
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> This matter now needs examining in the political arena, as there are implications for all nurses in NSW. We are aware that the same modus operandi has been used in other health services. The slow and often unresponsive action by the NSWNA is, we can only conclude, a symptom of a disease of industrial complacency, which cannot and should not be tolerated. The time has come for the NSWNA to examine its relevance to its membership if it is to survive.

I ask that the Minister for Health haul the Chief Executive Officer of the Mid North Coast Area Health Service over the coals and ask why he is victimising these nurses who have done nothing but exercise their industrial right, that is, to complain about occupational health and safety conditions at the hospital since 1998. The CEO is blatantly subjecting these nurses to pressure they do not need. In fact, the IRC has dismissed the claims of the area health service. I ask that the Minister have this matter in investigated immediately.

ABBEY AND DEBBIE BORGIA MEMORIAL GARDEN

Ms KENEALLY (Heffron) [5.56 p.m.]: I speak today about the moving ceremony conducted by Tempe Primary School dedicating a memorial garden to one of its former students, Abbey Borgia, and her mother, Debbie Borgia, both of whom died in the Bali bombings. I have spoken before in this House about the importance of community. Abbey and Debbie were well-known members of the community at Tempe Primary School. Debbie was an active member of the school parents and citizens and Abbey had a wide circle of friends. Abbey's father, John Borgia, to whom I spoke at the ceremony, told me that his wife and daughter drew other people to them. John told me that they always had people coming and going from their home in Tempe. Abbey and Debbie, through their wide circle of friends, kept the house alive with friendship and laughter.

The cowardly act of terrorists on 12 October 2002 snatched these two wonderful people from our local community. The terrorists may have taken Abbey's and Debbie's lives, but the students and staff at Tempe Primary School refused to let terrorists destroy their spirits. The school set up a permanent memorial to Abbey and Debbie on the school grounds. The Sydney Airports Corporation donated $25,000. The school designed and built a beautiful garden that will provide quiet areas for children to walk through or gather, with pathways and benches, and native trees that will provide shade and shelter. The garden is truly an oasis and a beautiful spot. Tempe Primary School students and members of the local community staged a lovely and moving ceremony to dedicate the garden to Abbey and Debbie.

Local Koori woman Themie Bostock, who is grandmother to several Tempe Public School students, gave a welcome to the land. The Tongan School choir, under the tutelage of Ms Leber Lasike and Ms Salome Huanga, sang beautifully, as did Ms Karen Beutler, a teacher at Miranda Public School, and Mr Dynes Austin, who formerly taught singing at Tempe Primary School. Assistant principal, Katherine Sydenham, co-ordinated the ceremony. It was emceed by Thomas Sayers, a year-six boy who knew Abbey. Katie Powter, a student from Tempe High School who went to Tempe Primary School, spoke fondly about the friendship she shared with Abbey. Ms Wendy Griffiths, the school counsellor at Tempe Public School and a good friend of Debbie's, recalled the support and friendship that Debbie gave to her over the years. Many members of the Tempe community attended the ceremony, including District Superintendent Jack Basley and Marrickville Mayor Barry Cotter.

The students and staff of Tempe Primary School, with magnificent support from the Sydney Airports Corporation, exemplify the best of the Australian character and demonstrate palpably the importance of community: the willingness to support each other through difficult times, the determination that those who perpetrated these evil acts, the Bali bombings, will not have the last say, and an optimism that celebrates the blessings and the joy that Abbey and Debbie brought to our community. For the Borgia family—John and his sons, Blake and Ben—there is now a place in their local area set aside to the memory of their lost mother, wife, daughter, sister. They know that we, the local community, share their loss, and miss Abbey and Debbie too. For one afternoon, the children and staff at Tempe Primary School filled the quiet in the Borgia's lives. I congratulate the students and staff at Tempe Primary school, the Sydney Airports Corporation and all who participated in this garden dedication. Because of their efforts, Abbey and Debbie Borgia will be known to generations of schoolchildren who will pass through the Tempe Primary School, and their indomitable spirits will live on.

WINDSOR ROAD-BARINA DOWNS ROAD INTERSECTION

Mr MERTON (Baulkham Hills) [6.00 p.m.]: I draw to the attention of the House an important issue for residents in the Baulkham Hills electorate, particularly residents from the Crestwood and Bella Vista areas who have contacted my office to express their opposition to the proposal by the Roads and Traffic Authority [RTA] for a "No Right Turn" traffic sign that will prevent turns being made from Windsor Road into Barina Downs Road. Everyone supports the upgrading of Windsor Road because its repair is well overdue and because it plays an essential role in providing the people of my electorate with reasonable access to and from the city and the western part of the State.

However, the problem that will be created by a sign prohibiting a right-hand turn from Windsor Road into Barina Downs Road will present enormous difficulties for the people of my electorate. The residents have stated that if a right-hand turn is not allowed, further congestion will occur on main thoroughfares and up to five kilometres will be added to the journey of people who want access to their properties. I raised this issue in November last year with the Minister for Roads. A response was received from the Minister's Parliamentary Secretary which stated:

> Due to limited sight distance, the provision of a right turn from Windsor Road into Barina Downs Road for private vehicles cannot be accommodated as a safe turning movement and... alternative access to this area is available at the nearby traffic signal controlled junctions of Windsor Road with Norwest Boulevard and Merindah Road.

Residents who have contacted the RTA state that they have been advised that the decision to remove the right turn was taken as a safety issue. A number of residents have made the point that they consider the intersection affords good visibility. They have only ever witnessed one accident at this intersection, but it is a different matter at the intersection of Windsor Road and Norwest Boulevard which is the suggested alternative route. Many residents have informed me that there are more accidents at this intersection, which is controlled by traffic lights, than at the Barina Downs Road intersection. They fear that with the banning of right turns into Barina Downs Road, more accidents will occur because traffic at that intersection will increase dramatically. At present, there are long bank-ups of vehicles at these lights waiting to turn right into Norwest Boulevard. One resident has stated that the intersection is misleading because the median strip is wide. Cars often get caught out in the middle of the intersection, which results in many accidents.

After the ban on right-hand turns into Barina Downs Road is imposed, the other intersection that will be faced with increased traffic is the intersection of Windsor Road and Merindah Road. A resident of my electorate, Mr Leigh Williams, has expressed his concern about the safety of children in this area because traffic will be forced to travel past St Michael's Primary School and Crestwood High School. Mr Williams has suggested that an additional four metres in the design of the widening of Windsor Road at its intersection with

Barina Downs Road could accommodate the required right-hand turning lane and alleviate any safety fears. Residents have also expressed concerns relating to the approval of higher density housing in the area without the strain that increased population density places on the current road system being taken into account.

People such as Sally Oliver feel let down by the Government. She explained to me that she has been a resident of Crestwood for 8½ years. During that time she has seen the loss of the right-hand turn in and out of Chapel Lane into Seven Hills Road at one of the only two western boundary entries, and that has caused motorists to travel an extra half a kilometre around the block. She has also seen the installation of many annoying speed traps, causing her to constantly negotiate humps and chicanes. In addition, she has seen the loss of her seven-days-a-week link with Seven Hills station when the Westbus route 715 was diverted into Bella Vista. Now she is faced with a prohibition on the right-hand turn into her estate from Windsor Road into Barina Downs Road.

I urge the Minister for Roads to approach the Roads and Traffic Authority to see what can be done to allow continuation of the use of the right-hand turn from Windsor Road into Barina Downs Road. The people of The Hills district are in a unique position. There is no rail service in the district and they travel from their homes to their places of employment either by private or public road transportation. They are utterly dependent on buses and cars and their destiny is controlled by Windsor Road. Prohibition of right-hand turns at the Barina Downs Road intersection will certainly create additional hardship for those residents, who find it difficult enough already to get to work on the congested roads that exist currently.

PIONEER CLUBHOUSE

Mr BARR (Manly) [6.05 p.m.]: I draw to the attention of the House an important community institution in my electorate, Pioneer Clubhouse, which operates under the auspices of the Schizophrenia Fellowship of New South Wales. It is primarily funded by the New South Wales Department of Health and is run by a voluntary management committee that is drawn from the local community. Membership of the clubhouse is free and is open to anyone who has a mental illness. The clubhouse has a non-medical focus and aims to empower its members by assisting them to return to paid employment. It has a work-ordered day and operates in parallel to normal working hours. When the club opened eight years ago, it was the first of its type in New South Wales. Currently it has more than 350 members with approximately 50 members in attendance each day. It is one of two in the State; the other one is the Billabong Clubhouse in Tamworth. I visited Tamworth yesterday and I spoke to people about Billabong.

Clubhouse members design and run the program themselves. Currently there are units in food services, communications, employment and education and there is a social program. Employment placements provide members with a job over periods from six to nine months with full support, on-the-job and off-the-job training, site visits, goal assessments and ongoing liaison. The club is unique because it guarantees employers that it will provide a full service. There will never be any absenteeism. Should someone be unwell and unable to go to work, that person will be replaced by a staff member or a volunteer from the clubhouse. Employers are guaranteed that there will always be someone who is able to do the job. The club has also guaranteed that employers will never again have to advertise, interview or train people for positions. The clubhouse provides an important service for local employers and for people who are accustomed to using Pioneer.

In partnership with the Department of Education and Training and the Australian National Training Authority, vocational training is provided which enables members to gain formal workplace qualifications. The clubhouse is currently located on what used to be a bowling club off Quirk Road. The building is part of the Manly Council's depot. Pioneer Clubhouse is on borrowed time at the premises, and for a long time members have known that the clubhouse could remain there only until the council redeveloped its depot. That redevelopment could take place at any time, and the issue is the availability of alternative accommodation for this important social institution. Not enough is being done to assist people with mental health problems, their families and carers. We need to find a home for Pioneer Clubhouse.

I met the previous Minister for Education and Training and senior staff from the office of the current Minister for Education and Training to suggest a co-location of Pioneer Clubhouse with TAFE at the vacant Seaforth TAFE site, or with a community college. The Seaforth TAFE site has been mothballed and has been vacant for more than three years. It is ready for operation. I have walked around the site with members of Pioneer Clubhouse and with people who are interested in the site either as a community college or as a TAFE site.

Pioneer's requirements are for a floor space of about 800 to 1,000 square metres, an outdoor area suitable for a garden, disability access and a commercial kitchen. It must be close to public transport, have a large dining area and meeting spaces as well as adequate airconditioning and heating. Seaforth TAFE satisfies all those requirements. Once again I suggest to the Minister that the Government look carefully at opening Seaforth TAFE as an educational institution, once again, but with co-location with the Pioneer Clubhouse. That would be a great community use and would keep it in public hands and keep it going as an educational institution for people at Pioneer and at TAFE. This important issue offers the Government a way forward which I suggest it follows.

BRIGALOW BELT SOUTH BIOREGION AND GUNNEDAH TIMBERS

Mr DRAPER (Tamworth) [6.10 p.m.]: On a recent trip to Gunnedah I was fortunate to meet with George Paul, the Managing Director, and Patrick Paul, the Site Manager, of Gunnedah Timbers. The company commenced operation in 1948 and has operated continually since that time. Originally the company had a building and joinery section, but now it focuses on milling. Gunnedah Timbers supplies not only timber but also sawdust and woodchips to the poultry, equine and horticulture industries and Macquarie Generation, at which site it is used by Liddell and Bayswater power stations for electricity generation. Another company colours the woodchips for sale as decorative garden coverings. Gunnedah Timbers employs some 35 people directly, plus approximately six contractors that employ additional staff. It has two licences for timber: 20,000 square metres near Barradine and about 14,000 square metres near Gunnedah.

The company is 2 years into a 10-year licence, yet it faces great uncertainty due to the threat that access to the Brigalow Belt South Bioregion may be taken away from it—and this company is a very important employer in Gunnedah. The Brigalow Belt covers more than 52,000 square kilometres, and the traditional native timber industry is based mainly on harvesting white cypress pine and ironbark. Cypress is a timber species that is possibly the best example of the timber industry assisting greatly in the continuation of the species. The many attempts to farm cypress have proven to be unsuccessful. There needs to be a combination of unique climatic factors for cypress to propagate, and when that happens the seedlings are so thick that they reach only a minimum height before competition sees their growth stall or block. The trees stop growing, but due to the congestion nothing else will grow in that area. Culling allows the cypress forest to grow and encourages a great deal of biodiversity that would otherwise not happen.

The Brigalow Region United Stakeholders group [BRUS], has proposed an option for the long-term sustainability of the region, and its option is supported by 24 stakeholder groups including local Aboriginal land councils, chambers of commerce, the Country Women's Association, Landcare, rural lands protection boards, the New South Wales Shires Association, the New South Wales Apiarists and the New South Wales Farmers Association, among others. The option suggests a reduction of about 3 per cent of available timber volumes, while the Greens are proposing an alternative reduction of 74 per cent. The BRUS group has identified some 190,000 hectares of new conservation reserves including nearly 32,000 hectares of State forest from which timber harvesting will be excluded.

Its option ensures that conservation values are integrated with timber production. It allows for sustainable access to white cypress logs and recognises the value of the timber industry in sustaining small communities and providing jobs and wealth creation in rural New South Wales. The initiative also supports tourism-based initiatives around State forests to complement the experiences available in the bioregion's national parks and nature reserves. The group has identified that resource security also underpins the development of new value-added industries within the timber sector of the bioregion. The industries will see an immediate investment of $6 million, a further investment of $15 million in the short term and the creation of more than 100 new jobs, especially in the tourism industry.

The option allows for the continuation of the timber industry through maximising access to existing areas of State forests, and while it reduces available volumes by only 3 per cent it allows for continued access to a sustainable yield of white cypress sawlogs of 68,000 cubic metres per year. It is deemed to have only a minor impact on the timber industry. Gunnedah Timbers say that too much of a reduction will force the business to close down—and there are many others throughout the region in a similar situation. I urge the Government to look at all the options before it, and to consider the full impact of future legislation upon regional communities before making decisions that may appease a minority, but would almost certainly jeopardise the future of small regional business, and, indeed, many small regional communities.

Private members' statements noted.

[*Madam Acting-Speaker (Ms Andrews) left the chair at 6.15 p.m. The House resumed at 7.30 p.m.*]

UNIVERSITIES GOVERNING BODIES REPRESENTATIVES

Motion, by leave, by Mr Scully agreed to:

That the following motions be agreed to:

(1) That:

(a) Mr Stewart, member for Bankstown, continue as the representative of the Legislative Assembly on the Council of the University of Technology, Sydney;

(b) Mr Price, member for Maitland, continue as the representative of the Legislative Assembly on the Council of the University of Newcastle;

(c) Mr Martin, member for Bathurst, continue as the representative of the Legislative Assembly on the Board of Governors of Charles Sturt University; and

(d) Mr Newell, member for Tweed, continue as the representative of the Legislative Assembly on the Council of the Southern Cross University.

(2) That Mr Campbell, member for Keira, be elected as the representative of the Legislative Assembly on the Council of the University of Wollongong, in accordance with the provisions of section 9 of the University of Wollongong Act 1989.

(3) That Mr Yeadon, member for Granville, be elected as the representative of the Legislative Assembly on the Board of Trustees of the University of Western Sydney, in accordance with the provisions of section 12 of the University of Western Sydney Act 1997.

(4) That Mr Aquilina, member for Riverstone, be elected as the representative of the Legislative Assembly on the Senate of the University of Sydney, in accordance with the provisions of section 9 of the University of Sydney Act 1989.

(5) That Mr Pearce, member for Coogee, be elected as the representative of the Legislative Assembly on the Council of the University of New South Wales, in accordance with the provisions of section 9 of the University of New South Wales Act 1989.

(6) That Mr Torbay, member for Northern Tablelands, be elected as the representative of the Legislative Assembly on the Council of the University of New England, in accordance with the provisions of section 9 of the University of New England Act 1993.

(7) That Mrs Perry, member for Auburn, be elected as the representative of the Legislative Assembly on the Council of Macquarie University, in accordance with the provisions of section 9 of the Macquarie University Act 1989.

GAMING MACHINES AMENDMENT (SHUTDOWN PERIODS) BILL

Second Reading

Debate adjourned from 7 May.

Mr SOURIS (Upper Hunter) [7.32 p.m.]: I have the pleasure of leading for the Opposition in debate on the Gaming Machines (Shutdown Periods) Bill. I indicate at the outset that the Opposition supports this bill. It is timely to reflect on the brief history relating to gaming machine shutdown periods. The Gaming Machines Act 2001, which commenced on 2 April 2002, required gaming machines to be shut down for a period of three hours, between 6.00 a.m. and 9.00 a.m., with an automatic extension on 1 May 2003 to six hours—a period between 4.00 a.m. and 10.00 a.m. The Coalition has always believed that the general harm minimisation that ought to apply to gaming machines—not only the shutdown period but also other measures such as reel speeds, prize denominations, cheque payments for prizes exceeding $1,000, maximum bet denominations, liquor accords and other measures—should be determined using an evidence-based approach.

The Coalition's policy, which was publicly enunciated on many occasions prior to the last election, was to conduct an evidence-based review of the existing three-hour shutdown period prior to extending or not extending that shutdown period to six hours. As that measure has been in operation for about 18 months there would have been sufficient evidence—and there would have been ample time—to conduct a review of the impacts or benefits of a shutdown period extending beyond three hours and to consider harm minimisation aspects. The Government's view, which was stated publicly on a number of occasions in the lead-up to the election, was not to agree to a review but to proceed on 1 May with the automatic extension of that shutdown period, which has now come to pass.

The Government, which decided to consider the question afresh after the election, decided to conduct a broad evidence-based review of general harm minimisation in poker machine practice. The Government

publicly stated its intention to conduct an evidence-based review of poker machines and harm minimisation generally, although that represents a rather radical change of position to the position it held prior to the last election. Prior to the last election the Australian Labor Party's position essentially was completely prohibitionist. Subsequently, it gave its consent for an evidence-based review—the best and most balanced approach to consider the impacts and benefits of this shutdown period. I would be interested to see the terms of reference of such an evidence-based review.

I understand, after discussions with the Minister and his staff, that the Minister is agreeable to that course of action. When the Minister replies to debate on this bill I ask him to inform honourable members about the draft terms of reference for an evidence-based review that might be able to be conducted prior to the completion of this legislation in the other place. A harm minimisation review is supported by Opposition members, but we need to see the terms of reference of that review. Although that issue is not specifically covered in this bill, it does refer to harm minimisation. I ask the Government to enable that exposure.

I thank the Government and, in particular, the Minister, for their co-operative approach. The Minister negotiated with Opposition members in relation to all these issues. I also commend those three ministerial staff members with whom I have had had dealings over the past few weeks to reach this quite reasonable position. As I said earlier, the Opposition will support this bill in general terms. The Government intends to amend paragraphs (a) and (b) of section 40 (3)—issues about which I and members of the industry are concerned. The Government said that the operation of paragraphs (a) and (b) would have served to negate the purpose of this bill. The Opposition will support the amendment that the Minister foreshadowed he would be moving in Committee.

The greater role that local government has had to play as a consequence of the initial legislation has come to light since the State election. I agree with the Government's position and with that of local government that local government should not have to find its own path and decide whether to attach a recommendation to an application by a hotel or club for an exemption in respect of financial viability and hardship or the establishment's historical opening hours pattern. I think it is asking too much of local government to expect it to have sufficient resources to perform this function properly. The pressure applied to local government from a council gallery stacked with people for or against an application might lead to a skewed decision. It is an abrogation of the Government's responsibility in this area to shift the decision-making function to local government. The Government, Opposition and local government agree that that role should be removed.

This debate has exposed what guidelines should apply in the assessment of applications from the Liquor Administration Board. My principal concern in this area has always been the content of those guidelines. I do not believe it is good legislative practice for the Opposition to pass a bill carte blanche, leaving the guidelines to be determined by ministerial fiat. I have had many discussions about the guidelines with the Minister and his staff and I understand that the Minister is prepared to lay upon the table those guidelines that the Liquor Administration Board will use to determine applications for exemptions. I felt that those guidelines presented to me initially as the final guidelines did not take account of the impact of the extended shutdown period after 1 May 2003. So I presented my concerns to the Minister.

I was also concerned that the guideline seeking cost recovery in addition to an application fee could result in a blank cheque. A club or hotel that makes an application on the grounds of hardship may find the prospect of a cost recovery imposition of several thousand dollars for assessment or investigation impossible. That would seem to be an unnecessary impediment on a club that is already suffering hardship. It also abrogates the Government's responsibility to make assessments. It should not seek recompense for its role as government. After all, the Government's legislation has created this applications regime and it is properly the responsibility of government to assess it. I understand that the guidelines that the Minister intends to table will address those concerns.

While debating this bill I think it is timely to consider whether prohibition reduces harm. It will be up to the evidence-based review to determine that.. It is essentially the role of government and industry to identify problem gamblers and to put measures in place to assist them. That role involves identification, counselling services and other harm minimisation measures. I am generally concerned that overregulation and excessive prohibition may lead to a proliferation of alternative gambling establishments, including underground gaming venues, and therefore prove to be worse than counterproductive by creating a black market gambling industry that does not allow for problem gambling identification or access to counselling and harm minimisation measures. We, as legislators, must ensure that in taking a prima facie prohibitionist approach we do not create an even greater underground problem. Some anomalies exist in this area. For example, it is a joke to deem

veterans to be at risk if they play a poker machine early on Anzac Day in the period between the dawn service and the traditional march. The Government should address that anomaly. The previous Minister promised to resolve the matter but failed to do so.

In considering this bill I have sought opinions and input from a number of stakeholders, including Clubs New South Wales and the Australian Hotels Association. I have had many consultations and communications on these sorts of topic since I became the shadow Minister for Gaming and Racing. I also consulted briefly with the Local Government and Shires Associations to confirm that local government believes it should not properly have a role in these matters. I also benefited from speaking to Mr Paul Symond of the BetSafe consultancy, who said:

> There is no evidence to suggest that the proposed reduction in hours will have any effect on the issue of problem gambling. This argument is also flawed by the assumption that problem gamblers gamble at that time of the morning. Anecdotally we have been asking those people we counsel for a gambling addiction whether such a closure would have any effect on their gambling—the overwhelming response is NO.

His response related to the proposed extension not the initial three-hour shutdown. The overwhelming weight of opinion was that the initial three-hour shutdown would be beneficial but that expanding the period would yield no perceptible benefits. I also took the opportunity of speaking to Reverend Chester Carter of the Wesley Mission, who said that he would prefer the proposed system of exemption applications providing for the three-hour shutdown to remain immune. However, he also expressed the view that the Liquor Administration Board should become more active in policing any venues so exempted, and I agree. When exemptions are granted, follow-up reviews should be undertaken to ensure that all obligations are being met.

I acknowledge that the clubs and hotels industry has made considerable progress over the years in introducing harm minimisation measures. One needs only to contrast the present situation with that which prevailed a decade or only five or six years ago to see that the industry is very serious about its operations, practices and its image. It is also serious about the most important issue of harm minimisation, which goes hand in hand with the equally serious approach it adopted to the responsible service of alcohol. It is worth recording that we are all grateful to the industry for providing an organised and responsible venue for recreation for our citizens, both young and senior. It would be remiss to conclude without pointing out that credit ought to be paid where it is due to the industry for its remarkably good progress in recent years. I commend the bill.

Mr GIBSON (Blacktown) [7.50 p.m.]: I support the Gaming Machines Amendment (Shutdown Periods) Bill. I congratulate the Minister for Gaming and Racing on the fine job he is doing. I understand that the Minister and the Government intend to ensure that any applicant seeking an exemption fully complies with all harm minimisation measures contained within the current legislation. I am not yet fully convinced that a shutdown for either three or six hours will work. We do not suggest that the TAB should run one or two fewer meetings a week, or that NSW Lotteries should have only one Lotto draw a week instead of two. The industry and the Government have accepted their responsibility to problem gamblers with this six-hour closedown. At the end of the day the new shutdown will be evaluated.

Consideration could also be given to any additional measures that a club or a pub may have before an exemption is granted, to which the honourable member for Upper Hunter referred. Some measures provided under the existing legislation include player information brochures that must be displayed in gaming machine areas to help players understand the nature of gaming machines and their chances of winning a prize on them. Also, each gaming machine must carry a gambling warning notice and a notice, advising players of where to get help for gambling problems. A notice must be displayed in gaming machine areas in clubs and hotels to advise players of the chances of winning a major prize on a gaming machine.

Cheques of more than $400 cannot be cashed, and cashing third party cheques is prohibited in hotels and clubs unless an exemption applies. Prize amounts of more than $1,000 must be paid by cheque payable to the prize winner, or by electronic funds transfer. If requested by the player, the amount of a prize under $1,000 must be paid by cheque or electronic funds transfer. They are great harm minimisation measures. There must not be automatic teller machines or electronic funds transfer terminals in areas where gaming machines are located.

All club and hotel managers and staff whose duties involve the conduct of gaming machine activities must have completed an approved responsible conduct of gaming course. It is important to educate the people who serve in hotels and clubs. A self-exclusion scheme must be available to members and patrons. Clubs and hotels must have arrangements with a service provider in place for the provision of problem gambling counselling services for members and patrons. Responsible gaming legislation in New South Wales has also

provided for a cap of 104,000 gaming machines, including a cap on the maximum number of gaming machines allowed in any club or hotel; a transferable gaming machine entitlement scheme for clubs and hotels, allowing entitlements to be traded with the club and hotel sectors, but requiring the forfeiture of one entitlement for every three or less traded; and a social impact assessment process for gaming machine applications.

The industry as a whole has accepted these measures. Legislation has also provided for a ban on gaming machine advertising, signage and other material which may be seen from outside clubs and hotels, and restrictions on gaming machine-related promotions and player loyalty systems. Pubs have also stepped up to the mark in terms of tackling the issue of problem gamblers. The President of the Australian Hotels Association [AHA], Mr John Thorpe, is in the gallery. That is a demonstration of the extent of industry interest in this legislation, and other legislation. In December 1999 the AHA was one of the first industry groups in Australia to appoint a full-time problem gambling counsellor, and so is very aware of that problem. The AHA is a world leader in harm minimisation. The AHA looks forward to the evidence from this six-hour shutdown trial.

In November 2000 the AHA also introduced: a GameChange Program, which aims to assist both patrons and local hoteliers through the operation of a 24-hour toll-free service across New South Wales, allowing people to gain information about a self-exclusion program, which has been used by more than 700 people; a counselling referral service, by which GameChange refers problem gamblers to the Casino Community Benefit Fund services; and a hotelier education program to raise awareness amongst hoteliers of what constitutes a safe and responsible gaming environment.

Part of the problem is that if the media has a slow day or week it is easy for it to target hotels and clubs and start throwing stones at them. Hotels and clubs put considerable resources back into the community, and in many country towns they help knit the community into one unit. If hotels and clubs disappeared from many small towns, the towns would collapse. In many areas local town halls have closed down and in their place club halls are used by the community. It is important that people who run hotels and clubs educate their community, because quite often the industry has been badly treated by the media.

The AHA regularly commissions research into gambling-related issues and is currently assessing the effectiveness of the GameChange Program in conjunction with Macquarie University and many other leaders. We need to encourage owners of pubs and clubs to follow this lead and be socially responsible. For a long time I have said that hotels and clubs do not tell the real tale about what they do, and how beneficial they are for the local community. By creating clear and transparent guidelines for any exemption to reduce the shutdown from six hours to three hours, the Government seeks to ensure that pubs and clubs act socially and responsibly. This bill is about providing socially responsible policies. We need to ensure that applications for exemptions are based on hardship or prior trading history and that exemptions are granted only to operators who are socially responsible. By creating guidelines, this can be achieved. Statistics show that probably one-third of adults in New South Wales are members of clubs, and hotels and clubs provide employment to hundreds of thousands of people. I commend the bill to the House.

Mr STEWART (Bankstown—Parliamentary Secretary) [7.58 p.m.]: I support the Gaming Machines Amendment (Shutdown Periods) Bill. Along with my colleague the honourable member for Blacktown, I congratulate the Minister for Gaming and Racing on his appointment. He has already put in a lot of time and has earned the respect of local communities. He has worked closely with clubs and pubs. I am sure that as a result we will see some real dividends—no pun intended—in the momentum and direction that we take with this important industry.

On 26 July 2001 the Carr Government announced its plan for gaming reform in New South Wales. This is a very contentious matter, one that has resulted in a lot of debate and scrutiny. As part of the plan, clubs and hotels were required to close down gaming machines for a period of six hours each day. The first three-hour shutdown commenced on 1 April. From 1 May 2003, as history shows, in line with the legislation, the shutdown increased from three hours to the full six hours, from 4.00 a.m. to 10.00 a.m. The reason for this is that the Government is exploring ways to achieve harm minimisation of problem gambling. We all know that problem gambling is an issue, one that has been the subject of fairly significant debate. But, to put it into perspective, we need to carefully explore methods of dealing with this problem and, at the end of the day, carefully analyse its effects.

Under the current legislation, clubs and hotels can apply to have the shutdown period on Saturdays, Sundays and public holidays reduced to three hours, from 6.00 a.m. to 9.00 a.m. That is a very significant concession, given the way this legislation operates. It recognises the needs and importance of the industry, and it

is subject to providing proof of the application's worthiness and subject to the agreement of the local consent authority. Also, clubs and hotels that can satisfy the Liquor Administration Board that they had a history of trading as "early openers" prior to 1997 are permitted to apply for a different closure period. That has already happened.

Since the introduction of the three-hour shutdown period, ClubsNSW and the Australian Hotels Association have reported that some members are experiencing financial difficulties as a result of the shutdown. I again acknowledge the presence this evening of John Thorpe, President of the Australian Hotels Association, in the public gallery. I applaud John Thorpe, an excellent President of the AHA who has taken a very keen interest in the industry, as is demonstrated by his presence tonight to hear the debate on this important issue. The industry needs such people to proactively explore ways and means of dealing with community concerns about problem gambling. That is central to this bill.

The Liquor Trades Division of the Licensed Hotels and Motels Association has also expressed concerns about some of the impacts of this legislation. Further, some local councils have indicated their unwillingness, or lack of expertise, to determine gaming machine shutdown exemptions. The requirement to gain local authority agreement is in contrast with section 209 of the Gaming Machines Act, which removes any power from local consent authorities to regulate or restrict gaming machine operations through development consents or other planning powers. Councils, particularly those that operate in a manner similar to that of Arcadia Waters—which had a matter of infamous proportion, for those with an interest in grassroots style politics—are hardly the place to deal with the determination of exemption applications.

Gambling addiction issues are complex. That is why this Government, along with the industry, wants to tackle these concerns proactively and determinedly but in a way that delivers a win for community need and a win for the industry, which is a very large and responsible employer. Currently, with no guidelines in place, there is too much risk of inconsistent decision-making by councils across New South Wales on this most important social issue. In fact, decision-making has become fairly ad hoc: some councils have a grasp of the issue, some do not. An independent process that can draw on experts as necessary to determine any exemption application is the appropriate way forward. Clubs and hotels are important features of Australian culture, predominantly so in New South Wales. These industries provide significant employment. It is entirely appropriate that hardship exemptions be created so that such features as a club's liability, service provision and level of employment are not unduly impacted upon.

Following these issues being brought to the attention of the new Minister, the amendment before the House was crafted. The aim of the bill is to retain the six-hour shutdown period, which commenced on 1 May this year. It is proposed that the legislation be amended to provide that clubs and hotels may apply to the Liquor Administration Board—as opposed to councils—for exemption on hardship grounds from the six-hour shutdown, and seek instead the three-hour shutdown. That is a very important avenue that clubs and hotels may now pursue.

Another aim of the bill is to develop guidelines for exemptions to shutting down gaming machines for more than three hours per day, in consultation with industry and community representatives. A further aim is to remove local councils from the approval process for each exemption to shut down gaming machine operations for only three hours per day on Saturdays, Sundays and public holidays, and to establish a clear and consistent set of guidelines for such applications.

It is the correct step to have the Liquor Administration Board consider such applications along with the use of guidelines, rather than the current situation that gives councils the major determining role. As I have said, problems have arisen from the current decision-making process because some councils have been largely ad hoc. The Government is seeking a more consistent process, one which, very importantly, falls in line with industry needs and embraces industry involvement. This process should be free from politics and placed in the hands of the Liquor Administration Board. The process will be tough, but it will be fair.

The Minister for Gaming and Racing has also committed to conducting a major review of gambling harm minimisation measures, including a full review of the impact of the six-hour shutdown, with full community consultation over the 12 months of the review. I urge the Minister to look carefully at the operation of the six-hour shutdown regime. There is mixed opinion about how effective it will prove to be. We all want to deal with problem gambling, and clubs and hotels regard themselves as very accountable in that process. They have been at the forefront of investigating ways to deal with harm minimisation measures, taking opportunities available to them that are tangible, such as putting on counsellors, and seeking to identify other measures they

can take to deal with the very small proportion of the community—less than 3 per cent—who are problem gamblers. The fact is that we do have a number of problem gamblers, and they need to be dealt with. In my opinion, the only way that can be done effectively is by clubs and hotels taking ownership of the issue. That is what they have done successfully over a period of years now, working in partnership with each other.

I am very confident that, along with the Government measures that the Minister is implementing, we are on a very successful path to dealing with harm minimisation and achieving tangible results in this great industry. The industry does a lot for our communities. The Bankstown District Sports Club is a great example of a truly community-oriented club that has worked hard over the years to deliver for the local community, not just in sport but in social realms as well.

In the last year alone it has made grants to, inter alia, Youth Off the Streets—a very famous Father Riley charity—which received $20,000; the Westpac Lifesaver Rescue Helicopter, which received $20,000; Bankstown City Aged Care Limited, which received $150,000; Bass Hill High School, which received $30,000; Disability Services Australia, which received $50,000; the Ozanam Villa, Home for the Aged, run by St Vincent de Paul, which received $20,000; Bankstown-Auburn Home Care Support, which received $11,850; DRUG-ARM Drug Awareness and Relief Movement, a very proactive organisation, which received $23,507; Bankstown Lidcombe Hospital, our own local hospital and one that we are very proud of, which received $50,000—making a total of $373,000 that the club has given the hospital over the past four years; the Sydney South West Area Health Research Foundation, which received $47,500; Bankstown Girls High School, which received $40,000; St Brendan's Primary School, a good local school, which received $20,000; and the Commonwealth Games Athletes Fund, which received $10,000.

They are just some of the donations this club has made to its community. Added to those, of course, is the support that a lot of local hotels have given to community groups. Arthur Laundy, a well-known local publican, has given generously to my local community. The Greenacre Chamber of Commerce has benefited because he owns a hotel in the Greenacre area and always looks after their community interests. Arthur Laundy has pursued opportunities and done things without any fanfare or media coverage. For example, a local elderly woman could no longer go shopping because she was unable to walk. Arthur Laundy, very quietly, bought her a motorised cart. She now uses it daily to go shopping. It has also boosted her morale and quality of life. She has reclaimed some dignity and is now able to do things. They are the sorts of things that people in the industry are doing for our community, and I applaud them for it. The industry is about more than pursuing gaming revenue. The communities of which these people are a part are the beneficiaries of this industry. They are true community representatives.

The Minister for Gaming and Racing is committed to conducting a major review of harm minimisation measures, and I applaud the direction the Government is taking. I know that the Minister has a strong grasp of the concerns the industry is facing and of the need to deal with harm minimisation. But it is clear that the industry must continue to be successful. As a government we must understand that the industry has a customer, and we do not resile from that. The approach the Minister is taking will work. It is intended that the review will provide evidence-based frameworks for future policymaking that will provide a solid backbone for the direction and focus of the industry in partnership with the Government that has delivered so strongly for our community. I commend the bill to the House.

Mr ARMSTRONG (Lachlan) [8.11 p.m.]: I have listened to and watched on the television screens a number of Government and Opposition members speak to the legislation. The focus seems to be on problem gambling, which is why the legislation seeks to close down for a certain period access to gambling machines, namely poker machines. Originally hotels, or pubs as they are commonly called, were places of accommodation that dispensed alcoholic beverages. They were the centrepiece of suburbs and towns across this nation and the Western world. But let us stick to New South Wales. Clubs came into their own here after World War II. When servicemen returned from overseas duty the RSL was the catalyst for the creation and development of many clubs, coupled with sporting clubs such as bowling clubs and golf clubs. They were the licensed clubs. We have always had tennis clubs, cricket clubs, croquet clubs and a plethora of card clubs, et cetera, but they were seldom licensed.

To a great extent the viability of hotels depended on the sale of alcohol and although the club industry had a monopoly on poker machines, in the past decade and a half the hotel industry has had access to them. The bill consistently refers, as have many speakers, to problem gambling. I am always at a loss to know what a problem gambler is. A problem gambler could be a pensioner who may have a wife at home and a debt on the family premises, and who spends as little as $25 week. Alternatively, a problem gambler in average employment

earning $40,000 a year, who has a wife and maybe one child at home and whose home is half paid off, might spend $150 a week. It is a bit like beauty: it is all in the eye of the beholder. There is no common rule as to how much one can spend. I defy any club manager or republican to know what percentage of disposable income any person playing the machines tonight is spending. Are they spending 10 per cent, 50 per cent or 70 per cent? Is the family going without shoes, baked beans or milk?

One might say that determining who is and who is not a problem gambler is a subjective assessment. But a few things are patently obvious: more family money, personal income, is now expended on recreational activities, including gambling, than ever before. That is a matter for society. We have a responsibility to try to maintain a balance within the community. But clubs and pubs within smaller, outer suburbs and country towns are changing. I represent about 44 communities across some 44,000 square kilometres. My electorate covers towns such as Tullibigeal, Ungarie, Springvale, Barmedman, Wallendbeen and Bethungra, all of which have pubs and/or clubs. Probably 25 golf clubs sit outside the main town areas. My electorate probably has 25 or more bowling clubs. As a collective statement, virtually all the bowling and golf clubs in my electorate are in financial difficulty. Two-thirds of them are probably terminal.

During the last week the manager of the Junee Golf Club, a volunteer, has rung me nearly every day asking me what he should do. Last year the Government made $9 million in unclaimed prize money from Keno, which is available to clubs throughout New South Wales. The clubs had to prepare a business plan, and Junee got $5,500. The ClubBIZ accountants charged $5,000 to prepare a business plan to spend $500. It was not much help at all. It was a nice exercise, but people spent many hours providing free information to the accountants, who then charged $5,000. The problems at Junee, Cootamundra, Young, Grenfell and Forbes still exist. The bowling club at Ungarie is run 100 per cent by volunteers. The bowling club at West Wyalong is virtually run 100 per cent by volunteers. I ask the Government, in its enthusiasm to deal with problem gambling, to consider social demographics and the changes caused in the culture of our country towns and, I suspect, our suburbs, and not only the smaller ones.

Today I heard on the radio that the Coogee Bowling Club has closed down, yet Coogee is one of the fastest-growing and highest-value suburbs in Sydney. It would be easy to walk out of here tonight after the legislation passes through this House and think that we have solved the problem. But unless we deal with the real problem in the social infrastructure and the culture of many of our smaller towns, major problems will strike many of the clubs servicing our bigger towns that provide sporting and recreational facilities and, as a Government speaker said earlier, facilities for meetings, weddings and twenty-first birthday party celebrations.

In probably the past 40 years very few towns have worried about town halls. For example, Condobolin, in the west of New South Wales, which has a population of about 3,800, does not have a town hall, but it has an RSL club with a very large auditorium. It also has a bowling club with quite a reasonable auditorium. Both those institutions are run mainly on the generosity of volunteers. I ask the Government to recognise that we can pontificate until we are blue in the face about problem gambling, but that we must recognise the importance of pubs and clubs. Because of the drought, the publicans of both the pubs in Ungarie had to take short-term jobs and leave their wives to run the pubs. The pub at Kikoira is still licensed, but the doors are closed. Unless we realise the changes in those cultures, we are missing the point.

While I support my colleague the shadow Minister for Gaming and Racing, I ask the Government to note that as far as the community is concerned, closing down the pubs and clubs for six hours a night will not overcome their problems because they will still be there in the morning. The problems are not being addressed. ClubBIZ is a failure. It has only helped a few accountants; it has not helped any club that I am aware of. I hope someone can prove I am wrong, but I have facts and figures to support my claim. Although the Government has introduced this legislation, it has missed the bus because it has not taken note of what is happening in small communities. Clubs and pubs in many small towns are in diabolical distress because in recent years the whole fabric of gambling has been changed. I ask the Minister, who is new to the job—and I wish him every good fortune in it—to give urgent remedial attention to the problems. I hope to be able to support him in rehabilitating clubs and pubs. They are an essential part of the fabric of society, culturally and by the provision of employment, in small towns and most suburbs.

Mrs PALUZZANO (Penrith) [8.21 p.m.]: These days the world moves pretty quickly. Working hours are longer than ever before and families need places to relax and just be together. Communities need venues for leisure and recreation to assist in achieving that balance. Reassurance can be found in the services provided by local clubs, where meals are served at affordable prices and where families can go after a long working day. As a parent with three young children, I know that of the many clubs in my local area, one club provides that type

of service. That is the Glenbrook Bowling and Recreation Club, which offers facilities for young families. There is an enclosed children's play area in the cafeteria and on Friday nights face painting is provided for young children who frequent the facility with their parents.

I am certainly aware that clubs are a beneficial attribute of the broader community. An obvious example is the Penrith Panthers club. I will mention that in more detail later. The network of clubs and pubs ranging from quite small establishments to very large ones plays an integral role in the social structure of my community. While most people have a sense of the role played by clubs and pubs, many are not aware of just how much the industry puts back into the community through sponsorship and contributions to local sporting clubs and associations. Many recreational and sporting activities that are enjoyed during the week and particularly on weekends would not be possible without the contributions that are made by clubs and hotels. Any person who drives in or through my electorate on any weekend, winter or summer, would be aware of the popularity of sport being played in my electorate. During winter people see the Penrith District Netball Association playing in Jamison Park and games are played at local parks by members of the Nepean District Soccer Association. Those two associations have many member teams and clubs that are sponsored by the local clubs and pubs in my electorate.

During this debate much has been said about sport and the sponsorship by clubs, but one must note also the cultural support within the community provided by clubs and pubs. My local gallery, the Penrith Regional Gallery and Lewers Bequest, has received support in kind and in donations for many years from the Penrith Panthers. The Penrith Panthers have supported exhibitions, board membership and is linked closely to the cultural tone of the Penrith electorate. A club the size of the Penrith Panthers draws people not only from the wider Sydney community but also from interstate and overseas. The influence that this has on the Penrith electorate both socially and economically is immeasurable. As a young university student who was paying her way through university, I very much valued the employment opportunities offered by Penrith Panthers. My partner also worked there in the bar and as a security officer while a student. The social and economic benefits of Penrith Panthers were certainly measurable in the Paluzzano family. I am assured that most, if not all, electorates receive similar benefits from their clubs and pubs.

However, it is widely acknowledged that the gaming industry needs to be regulated and monitored closely to ensure that the gambling harm minimisation rules are enforced. This amending legislation is a prime example of how the Carr Government is committed to principles such as harm minimisation. Provisions of this bill will ensure that regulators have the necessary powers to protect problem gamblers from harm while maintaining the financial strength of local clubs and pubs. This bill will confirm public confidence in the Carr Government, which is continuing its strong stance on harm minimisation. I commend the bill to the House.

Ms ALLAN (Wentworthville) [8.25 p.m.]: Like virtually all the speakers who preceded me in this debate, I support the bill. I am pleased that most speakers have acknowledged the great contributions that local clubs make to the local communities. The thrust of this legislation is a fundamental change in the way in which the Government administers the mandatory reduction of gaming hours. The Carr Government gave that commitment in July 2001. This bill will take away from local government its role in the process of determining the hours of operation of clubs. One local government authority in the Wentworthville electorate that has been successful in a process it introduced to monitor and regulate gaming hours for local clubs. At the first opportunity provided by the Government, the Holroyd City Council announced the creation of a community consultative committee and it advertised widely within the community. This process was under way during the height of the election campaign, so my role was minimal—I was more than happy to cheer from the sidelines—but the council created a committee which worked closely with clubs, councils and community groups. The committee made a series of recommendations that eventually were adopted by the Government.

The very process that this amending bill seeks to implement is one that worked well in my electorate. For that reason I congratulate the Mayor of the Holroyd City Council, Councillor Mal Tulloch, the staff of the council and the leaders and staff of the local clubs who played an active role in ensuring that the participation in, and debate on, the committee's recommendations was successful. I note also that the Wentworthville Leagues Club received unanimous support from the consultative committee which was created by the Holroyd City Council to ensure that the mandatory reduction of gaming hours was observed. The consultative approach was so successful that the club now only has to close between 6.00 a.m. and 9.00 a.m. on weekends and public holidays, but for the rest of the week it has to comply with the Government's legislation. That approach has not worked across-the-board in all local government areas, hence the need for legislation.

I take issue with the shadow Minister for Gaming and Racing, who suggested that monitoring and regulation are not the province of local government. The Holroyd City Council experience has demonstrated

that it could have been the role of local government, but generally local government authorities have sought not to put their hands up to take on that role, for whatever reason. That is fair enough. That does not take anything away from the tremendous effort made by the Carr Government in its current and previous terms to regulate gambling in this State. I am delighted with the efforts of the previous Minister and the current Minister. An active role is being played by clubs in the provision of counselling. As the honourable member for Bankstown pointed out, compulsory training is given to people who work in clubs. They have to complete a day's training on identifying problem gamblers and potential problems with clients of clubs. All of these initiatives contribute to an improved gambling environment in clubs.

I congratulate the major clubs in my electorate, particularly Wentworthville Leagues Club and Parramatta Leagues Club, on their initiatives. Wentworthville Leagues Club has gone further and joined the Millennium Foundation in carrying out further scientific and medical research in an attempt to find out what creates a problem gambler. As the honourable member for Bankstown has said, local clubs play an invaluable role in our communities. On many occasions in this Chamber I have said that schools, churches and clubs provide valuable social networks in my region of Western Sydney. I cannot underestimate the role played by that clubs. Honourable members know about the compulsory contributions clubs must make through the Community Development and Support Expenditure Scheme, but many clubs make contributions beyond what is required.

The honourable member for Bankstown listed a raft of major contributions that clubs in his electorate make. One of the benefactors is the Bankstown Sporting Club. Those generous contributions have been duplicated across the metropolitan area, and, I suspect, across regional New South Wales. Clubs in my electorate also make significant contributions from the moneys they collect from gambling. Over and above that, clubs play a specific role: when they are called upon, they answer the call. For some time I have been calling upon clubs in my area more and more often. Although the Government has legislated to make it harder for clubs to raise revenue, as highlighted by the honourable member for Bankstown, clubs have still shown their willingness to make such contributions. On Monday of last week the President of Wentworthville Leagues Club, Trevor Oldfield, and the President of Parramatta Leagues Club, Alan Overton, and I distributed—through the Helping Hand Program, which I mentioned in this Chamber last week—a number of small but important grants to local groups over and above the community service development contributions that clubs normally make.

Groups and individuals in my area associated with children and adults with a disability include the Holroyd Community Aid and Information Service, the Aunties and Uncles group, the Toongabbie Country Women's Association, the St Vincent de Paul Society in Toongabbie and Wentworthville, the Pendle Hill Church of Christ, the Persian Evangelical Anglican Church, as well as bigger charities such as Ronald McDonald House and the Parramatta Mission. They have all received direct grants from the clubs under the Helping Hand Program. Those grants are in addition to the compulsory obligations of clubs. Last Monday week I had a brief discussion with the scouts leader, Mrs Eames, a recipient of a grant on behalf of Wentworthville scouts. She was dressed in her scouts uniform when she attended Wentworthville Leagues Club to receive her cheque of $500 from the president of the club. She said to me, "Normally I do not walk into a club, it is not something that I would necessarily do".

Mr George: Not in her scouts uniform.

Ms ALLAN: She certainly would not do so in her scouts uniform. However, she acknowledged the invaluable role that clubs had played in helping her rebuild the local scout group. Mrs Eames is appreciative of the community and social work that the club had undertaken. It is pleasing to know that clubs seize the initiative to demonstrate their social responsibility by ensuring that they educate their local client community more broadly about the hazards of gambling. Despite all the regulations imposed upon them in the past decade or so clubs still show a tremendous willingness to participate as fully as possible in their local communities. My experience is not atypical.

I support this amending bill. I suspect that it will result in a major improvement in the regulation of gambling hours in this State. I emphasise that the Government managed to get it right in part of my electorate, that is, in the local government area of Holroyd. However, I acknowledge that there was a broad suspicion that the changes would not work. I look forward to a responsive Liquor Administration Board receiving applications from clubs and listening to arguments as to why gaming machines should not be shut down for the full six hours. I hope that the relevant bureaucracy is as receptive to those clubs and their arguments as the Holroyd consultative committee was earlier this year when it heard submissions from the Wentworthville Leagues Club and other local clubs.

In the past one criticism of the regulation of the liquor industry has been the detachment between the bureaucracy and the clubs. That was partly because the bureaucracy is an important regulator of the club industry. I put the bureaucracy on notice that although the Government is taking away the consultation mechanism on gambling hours—that is, local government—many in this Chamber, including me, will certainly be monitoring closely the response to the clubs to this bill. It is important that the Government, together with the liquor bureaucracy, acknowledges that clubs play a valuable role in our community. We want to encourage them, not discourage them.

Mr NEWELL (Tweed—Parliamentary Secretary) [8.35 p.m.]: It gives me great pleasure to support the Gaming Machines Amendment (Shutdown Periods) Bill. In contrast to the honourable member for Lachlan, who told a tale of woe about a number of clubs, particularly smaller clubs, that have been doing it tough in these financial times, I will indicate how this bill and other bills affect the club industry in my area. In the Tweed the club industry has a long and proud history and is the location of some of the most successful clubs in New South Wales. The industry, along with government departments, has grown to be one of the biggest employer industries in my electorate. The club industry plays an important role in the economy of the Tweed. To their credit, the clubs in the Tweed withstood the challenge from clubs across the Queensland border when poker machines were introduced in that State a few years ago. Obviously clubs in the northern part of my electorate, around Tweed Heads, felt that impact quite strongly.

I am pleased to congratulate the managers of clubs in the Tweed on their astute management in preparing for the change, which they knew would be challenging. The change came at a time of much uncertainty in the economic climate. However, despite both those challenges and others, Tweed clubs have continued to prosper and provide services to the local community. Through the Community Development and Support Expenditure Scheme, with which most honourable members are familiar, a considerable amount of money has been put into the local community by the larger clubs. The latest edition of ClubsNSW newsletter, No. 6, which State parliamentarians would have read closely, contains a tribute to the Tweed Heads Bowls Club, which recently gave $6,000 to the Tweed Heads police to help fund the lease of a car.

The Tweed Heads community crime prevention officer, Senior Constable Stuart Crawford, will use that car to travel around the Tweed electorate to educate and communicate with the community on various issues. I congratulate the club on its efforts. Whilst I single out the Tweed Heads Bowls Club, obviously a number of other clubs in my electorate contribute significant amounts to the local community through that scheme. Recently I had the pleasure of hosting the Minister for Gaming and Racing on a visit to the Tweed. He toured a number of clubs including Seagulls, Tweed Heads Bowls Club, Twin Towns Services Sports Club, Banora Point Services Club, which is known as Club Banora and Twin Towns Juniors.

[*Quorum formed*.]

I thank Opposition members for providing me with a greater audience which, I am sure, will be most interested in what I have to say about the club industry in the Tweed. I referred earlier to the role played by the club industry, the largest employer in my electorate. I said also that I recently took the new Minister for Gaming and Racing on a tour of a number of clubs in my electorate. One thing that emerged from that tour—and the Minister picked up on this point—was the way that many clubs provide the sorts of services required by the aged community. The Minister was impressed with the way in which the Tweed Heads Bowls Club Ltd and the Twin Towns Services Sports Club provided facilities for the elderly, for example, cheaper meals, free coffee in the morning, games, activities and entertainment.

Because of their decreased poker machine revenue some of the smaller golf and bowls clubs in my electorate are finding it difficult to provide the services that are required by their members. The picture that the Minister saw of clubs in the Tweed provided him with a fairly good snapshot of clubs in the rest of New South Wales. The bigger clubs appear to be successful, but clubs in smaller communities are obviously struggling. I agree with the provision in the bill that requires clubs to shut down their poker machines for three hours to give heavy or problem gamblers a cooling-down period. However, there is flexibility in relation to that shutdown period. Clubs that have a history of trading as early openers will be able to apply for variations to that shutdown period. One club in the Tweed area, which has approached me in relation to that issue, will avail itself of those provisions. I thank honourable members for giving me an opportunity to point out the importance of the club industry to the Tweed electorate. I support the bill.

Mr McLEAY (Heathcote) [8.45 p.m.]: I support the Gaming Machines Amendment (Shutdown Periods) Bill. I am a proud number of a number of fantastic clubs in my electorate. I say to Mr Thorpe, President

of the Australian Hotels Association, who is in the gallery: The pubs in my electorate do a magnificent job. I refer particularly to Libby's at Engadine, which supported me throughout the election campaign, and to a number of clubs that take a responsible attitude to gambling and to the provision of alcohol. Those clubs, which work closely with the local police, support many community activities. I do not believe that many clubs will seek amendments to their operating times because of hardship, but, if they do, they will receive my support. I commend the bill to the House.

Ms MOORE (Bligh) [8.47 p.m.]: The Gaming Machines Amendment (Shutdown Periods) Bill seeks to amend the Gaming Machine Act 2001, which introduced a range of harm minimisation measures intended to respond to increasing community concern about problem gambling as well as the serious and damning assessment of the 1979 report of the Federal Productivity Commission. The Act included a provision for an initial three-hour compulsory shutdown period to be increased to six hours from May 2003. Clubs and hotels could apply to local councils to reduce the shutdown period to three hours on Saturdays, Sundays and public holidays. The Liquor Administration Board [LAB] could approve a different shutdown period for clubs and hotels with a history of trading as early openers.

The Government argues that some hotels and clubs are now experiencing significant financial difficulties as a result of the three-hour shutdown and that unions are concerned about the risk to jobs, particularly for shift workers. The bill will provide for the LAB to approve exemptions to clubs and hotels facing financial hardship and allow them to retain the shorter three-hour shutdown period. The bill also transfers council authority over hours of operation to the LAB. I am concerned that the Minister in his second reading speech reported that it is too early to know the effectiveness of the shutdown measure. But available data indicates that a few 24-hour trading clubs appear to have experienced a decline in gaming machine profits and that the Government is not prepared to back away from its measure.

Any reduction in gambling revenue would be an indication that this measure is having some success in reducing gambling, yet I am concerned that this bill will undermine the progress that the Minister seems to have made. The clear intent of the shutdown measure is to reduce expenditure on gaming machines, but this amendment aims to reverse any observable benefits being achieved. Three years after the Productivity Commission's report on Australia's gambling industries the commission's chairman, Gary Banks, reported:

> Despite recognition by the industry that there is a problem and the introduction of legislation and self-regulation, it is unclear whether problem gambling has been reduced.

It is alarming that since 1997-98 expenditure on gambling has risen by 15 per cent to reach $14 billion, or $1,000 per adult. That is a slower growth than previously—although we can take little comfort from it—which partly reflects some policy success, but it is probably due to market saturation. The gaming machine share of gambling expenditure has risen further to 57 per cent in 2000-01 from 52 per cent in 1997-98 and from 34 per cent in 1991-92. The costs of problem gambling are greater for gaming machines than they are for any other form of gambling.

Despite the slow-down in expenditure, State and Territory budget forecasts indicate a continuing rise in government dependency on gambling taxes. New South Wales continues to be the worst offender in that respect. There are still serious problems with the regulatory environment for gambling, including a lack of genuine independent and transparent research, a lack of effective monitoring and enforcement for consumer protection and a lack of substantive independence for regulators from gaming interests.

There is further disturbing information. Analysis of government data by the Australian Institute of Primary Care at Latrobe University indicates that consistently rising State gambling tax revenue forecasts for New South Wales, South Australia and Victoria suggest that governments do not expect anti-problem gambling initiatives to be effective. Western Australia, which does not have any poker machines outside Burswood Casino, has one-third the level of problem gambling per capita compared with New South Wales. The New South Wales Casino Community Benefit Fund annual report revealed that poker machines are the most common problem reported by callers to the gaming assistance telephone service "G-line".

New South Wales has 10 per cent of the world's poker machines. The Productivity Commission concluded that deregulation greatly expanded the availability of legal gambling, particularly gaming machines, to an extent unprecedented in the Western world. Tim Costello reported that the New South Wales Government claims 43¢ in every dollar that goes through these poker machines. The backdown on the shutdown policy is a bad sign regarding the Government's commitment to addressing the harmful impacts of gambling in a way that prevents the continuous rise of gambling. If the Government were serious about harm minimisation and about

maintaining the viability of clubs and hotels it would reduce gambling taxes while phasing out poker machines in hotels and reducing its reliance on gambling tax revenues.

I have long been concerned about the impact of gambling on the New South Wales community. That is why in 1992 I opposed the Casino Control Bill introduced by the former Coalition Government. I did so not only because I thought it would provide an outlet for criminals to pursue illegal practices, including the laundering of money, but because of the impact it would have on the lives of gamblers and their families and because the main clients of a casino would be not tourists but residents of the State and it would therefore have a negative impact on the local club industry. I also have a long history of supporting local clubs. That is why in 1993 I introduced the Casino Control (Slot Machines) Amendment Bill, which sought to minimise the impact that the proposed Sydney Casino would have on clubs in the city. Clubs provide a valuable community service that is funded by poker machine revenue. The exclusion of poker machines from the casino would have preserved local clubs and their community services without threatening the viability of the casino. I also pointed out at the time that local clubs supported sporting groups and welfare services. When the Gambling Legislation Amendment (Responsible Gambling) Bill came before the House in 2001 I asked during debate on that bill:

> What does a bill that has in its title the term "responsible gambling" reflect of our social values? Where have we arrived as a society when governments sell assets which generate revenue to provide better services and instead raise revenue through the misery and exploitation of its citizens—the problem gamblers?

Unlike the other members who have spoken in this debate, I strongly oppose this bill. It appears to be largely a public relations stunt designed to keep hotel and gaming industry interests on side. I agree with Tim Costello, who accused the New South Wales Government of being hopelessly addicted to revenue from gambling and to political donations from the hotel industry. This bill will shore up the dependence of the Australian Labor Party and the Government on rising income derived from the suffering of gamblers and of New South Wales families.

Mr GEORGE (Lismore) [8.54 p.m.]: I state from the outset that my family has an interest in a hotel and that I was once a publican. I congratulate the Minister for Gaming and Racing on his appointment and I wish him all the best. I am sure that the industry is looking forward to working with him. The Gaming Machines Amendment (Shutdown Periods) Bill follows the Gaming Machines Act 2001, which commenced operation on 2 April 2002. The Act required registered clubs and hotels to shut down gaming machines for three hours from 6.00 a.m. to 9.00 a.m. and provided for an automatic extension of the shutdown to six hours from 4.00 a.m. to 10.00 a.m. on 1 May. The Act also contains provisions to apply to the Liquor Administration Board [LAB] to reduce the shutdown to three hours on weekends and public holidays if there is support from local government.

The honourable member for Lachlan referred to struggling clubs in smaller communities, and I support everything he said. As I said at the outset, I have been involved in the industry for some time and have seen it come a long way in adopting responsible attitudes first to the service of alcohol and now to gaming. As a publican in the late 1980s and early 1990s, I remember being told not to serve intoxicated people. I pay tribute to John Thorpe and the Australian Hotels Association for the role they played in convincing publicans and the industry, including the clubs, that they owed it to the community to serve alcohol responsibly. My hardest job as a publican was convincing intoxicated people that they should not have any more to drink.

The situation has progressed and the hotel and club industry is much better for that attitude change. Licensed premises now have a much friendlier atmosphere. Pubs in this State have improved their quality of services to patrons, who can take their families to such establishments and feel safe and secure. They can enjoy the hospitality of the hotel industry—with regard not just to drink but also to food. The New South Wales industry can be justifiably proud of its achievements in that area, which has helped to boost tourism in many country areas throughout the State.

Attitudes on gambling are now shifting. I know of no publican, licensee or club who does not take a responsible attitude to gaming or the service of alcohol. Any publican or club who breaks the rules is pounced on straightaway. Every community in my area has a liquor advisory committee that involves the police, council, pubs and clubs and promotes responsible behaviour in the liquor industry. We have heard tonight about the amount of money that hotels and clubs put back into the community. They are the backbone of our communities, providing support and sponsorship. I am proud to be involved in this industry—I declared my interest at the beginning of my speech—which has certainly come a long way. I am sure that the industry will continue to meet its community responsibilities by adhering to the changes outlined in this bill. I am pleased also that the LAB will be responsible for determining whether a premises should shut down its gaming machines for three hours or six hours.

Mr McBRIDE (The Entrance—Minister for Gaming and Racing) [8.59 p.m.], in reply: I thank all honourable members for their contributions to this debate. The honourable member for Blacktown outlined a range of harm minimisation measures implemented by hotels and clubs in New South Wales and their commitment to social and responsible service—a common theme amongst speakers. The honourable member for Lismore, a former publican, talked about the dramatic change in culture in the past decade in the way clubs and pubs operate in this State. The honourable member for Bankstown, who has had an interest in this industry ever since he entered Parliament, spoke about employment and trade unions. He referred to the support that the industry gives to sport and other community services in his electorate. He also gave his personal commitment to the value of a responsible hotel and club industry in this State. He said that his community has been working to find solutions to their problems—another common theme in this debate.

The honourable member for Lachlan stressed the importance of clubs and pubs to country communities and their future financial viability. I have already had representations from clubs and pubs in the country about their difficult circumstances, given the drought and other factors in the past three to four years, and their role in their community. The honourable member for Lachlan and other National Party representatives rightly pointed out that they are not just pubs and clubs but are intrinsic to the fabric of their communities. At one town the only social amenity is the local club and that is now struggling. If that club were to close down the nearest social amenity that local residents could attend is more than 60 kilometres away. Honourable members appreciate how important this industry is to their community. The honourable member for Penrith referred to the need for and value of clubs and hotels in her community. The honourable member for Wentworthville referred to a very good experience with Holroyd council and its management of the gambling issue in its local community through community consultation—an idea that is being adopted by the Government. The Government will provide total community consultation on its review and when looking at the effectiveness of harm minimisation measures. It will return to an evidence-based decision-making process, as advocated by the shadow Minister.

The honourable member for Wentworthville also referred to the contribution of clubs in her community in providing funds for a range of facilities and services that otherwise would not receive any funding. The honourable member for Tweed spoke about his electorate, where I visited five clubs two weeks ago. The clubs have tuned themselves to provide services to their local community, for example, the Tweed Heads Bowls Club provides free tea or coffee up to 11.00 a.m. and $5 lunches every day. That is an enormous service for low-income retired people. The club and hotel industry is the largest industry between Byron Bay and the Queensland border. They are intrinsic to and are the lifeblood of their communities, and without their survival there would be a major loss of services to the enormous number of the low-income retired population.

The honourable member for Heathcote gave his assessment of improvements in the responsible management and service of alcohol in clubs and pubs in his area. The honourable member for Bligh indicated her concern about problem gambling in New South Wales, a view which I share. It is a major concern of the Government and the Opposition to deal with that issue. The Casino Community Benefit Fund provides $7 million allocated annually for problem gambling services in this State. That comes off a base less than four years ago of only $200,000 being allocated to those services in this State. That and the announcement tomorrow of funding for those services in the next financial year show a real commitment to the issue of problem gambling in this State. The honourable member for Lismore confessed to being a former publican and said that his family still has interests in the industry. He mentioned struggling clubs and pubs in New South Wales and their importance to country culture, a comment with which I agree. I have no doubt in my experience in country New South Wales that country clubs and pubs are important to their communities.

The most important feature about the bill is that it preserves the three-hour shutdown of gaming machine operations that has been in place since 2 April 2003. In the vast majority of cases, it will also preserve the six-hour shutdown of gaming machine operations that has only recently been introduced. The three-hour shutdown that was introduced still stands. The only reduction that can apply is when there is an opportunity to apply for a second three-year period in relation to hardship, as outlined in the amendment to the legislation. I believe that the amendments that are before the House are limited changes that will allow the six-hour shutdown to be applied sensibly and pragmatically. Any exemptions that are to be given to the six-hour shutdown will still require clubs and hotels to shut down their gaming machines for three hours a day. The three hours is immutable. This three-hour circuit breaker has been described by problem gambling counsellors as being of importance in curbing the propensity to gamble by those with a gambling problem.

Further, the Liquor Administration Board will only be able to approve the reduced three-hour shutdown in situations that comply with specific guidelines. I note the request by the shadow Minister that the guidelines be tabled, and I am pleased do that at the conclusion of my speech. The guidelines will be finalised in

consultation with community representatives as well as industry representatives. Staff from my office have spoken to community representatives and stakeholders including problem gambling services and other representatives of community organisations and industry representatives. I want to indicate that I intend to move a Government amendment during the Committee stage of the bill. That amendment will make it abundantly clear that the guidelines will have primacy in the consideration of any application for a limited shutdown period. In view of the importance of the guidelines to this process, it is essential that the guidelines take pre-emininence over any other matters. Accordingly, I will be moving an amendment in Committee to rectify this problem.

Finally, I note the request by the shadow Minister to be consulted about the terms of reference for the proposed inquiry into gambling harm minimisation. I am happy to involve the shadow Minister in consultation about the terms of reference for the inquiry, and the broader community. I acknowledge the contribution of the honourable member for Upper Hunter, the shadow Minister, to this debate. I acknowledge his close examination of the matter which at times was almost forensic. He has been outstanding in regard to his meticulous attention to the detail of the bill. I must admit that advice from the shadow Minister, when compared with initial advice we received, was 100 per cent accurate.

Perhaps he might move on to a legal career if and when he leaves Parliament, although his attention to detail may come from his experience as a Minister and having had to look at the absolute detail of written regulations and legislation. I thank the honourable member for Upper Hunter for his impressive contribution. I am aware that he shares my interest in minimising any possible adverse impact on the broader community. I commend the bill to the House. I seek leave to table draft guidelines for the information of honourable members, having given a commitment that those guidelines would be finalised in consultation with relevant stakeholders.

Leave granted.

Draft guidelines tabled.

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

Division called for. Standing Order 191 applied.

Noes, 1

Ms Moore

Question resolved in the affirmative.

Motion agreed to.

Bill read a second time.

In Committee

Schedule 1

Amendment by Mr McBride agreed to:

Page 4, schedule 1 [7], proposed section 40A, lines 7 to 15. Omit all words on those lines. Insert instead:

(3) The Board's approval of a hotel or registered club having the limited shutdown period may be given only if the Board is satisfied that the hotel or club will suffer hardship to the extent specified in the guidelines approved by the Minister for the purposes of this section if its approval is not given.

Schedule 1 as amended agreed to.

Bill reported from Committee with an amendment and passed through remaining stages.

ARCHITECTS BILL

Second Reading

Debate resumed from 21 May.

Mr HARTCHER (Gosford) [9.17 p.m.]: I lead for the Opposition on the Architects Bill. The bill is consistent with and implements National Competition Policy established through the Council of Australian Governments. The bill seeks to set up a regime of registration of architects, and also to lay down guidelines for the qualification of architects. It will ensure the protection of the name of architect and ensure that the

professional standards of architecture are developed and enforced. All of those are appropriate measures, and are supported by the Coalition. We are heartened by the strong support for the bill given by the Royal Australian Institute of Architects and, on my understanding, the support of other relevant bodies, including the Building Designers Association. The importance of the bill is enhancement of the professionalism of architects as well as measures to enable community members to know whom they are dealing with, and be assured there is a proper standard of professional qualification. For some time the Royal Australian Institute of Architects has been seeking a policy on registration and regulation of architects, and in fact issued a policy paper to that effect in March 2001. I will not quote from the policy paper, but it is my understanding that the legislation essentially reflects the aspirations and aims of the institute, and accordingly is worthy of support.

Architects play an important role in our society. The design and quality of buildings is something that everyone in the community takes an interest in. The Premier, together with Prince Charles, has made many remarks about building design, many of which are quite appropriate. If we are to have a beautiful city it must be well designed. Everyone would be keen for good standards of design to be developed and maintained through the great profession of architecture. Beauty is in the eye of the beholder. What some people regard as a magnificent design may not be so regarded by others. It is always difficult to get a committee or a standard to determine what is good or bad design. Many of Frank Lloyd Wright's buildings were regarded as avant-garde, adventurous and not in touch with common thinking at the time.

Barcelona has magnificent buildings, including the great Catholic Cathedral of La Sagrada Familia. Design that was regarded as undesirable at the turn of the century has now become a modern landmark. Any legislation to determine good design through either the profession of architecture or government will always be elusive. Most people would agree that some standards of design are not desirable, such as the three-storey, red-brick blocks of home units that dotted Western Sydney and parts of the northern beaches in the 1950s and 1960s. Unfortunately, they will stay with us for some time. I encourage the profession of architecture in its role in our society. It is responsible for ensuring not only strong and durable buildings, and technically appropriate buildings, but also an attractive, congenial and pleasant society. It is a challenge faced by all architects.

The Coalition wishes architects well. It also wishes well building designers, who play a very important role in house construction in ensuring good quality and affordable housing. I know many of them on the Central Coast. By and large they do a good job. Politicians receive very few complaints about the quality of designers. Most of the complaints deal with the quality of building construction or, in some cases, the inability of councils to ensure a proper and appropriate standard of building construction—I intend no criticism of councils. I acknowledge that the Coalition does not oppose the bill. We extend our good wishes to the great profession of architecture in New South Wales.

Mr PRICE (Maitland) [9.23 p.m.]: I support the bill and acknowledge the support of the spokesman for the Opposition. Since 1921 entry into the profession of architecture has been regulated in New South Wales through the Board of Architects. By this system of regulation the people of New South Wales have been assured that when they employ an architect that person is suitably qualified and subject to a system of professional discipline to discourage unprofessional conduct. The bill continues and enhances that system of protection to meet the needs of the contemporary community. Architecture, like all businesses and professions, has been subject to considerable change over recent decades. It is appropriate that the system of regulation is changed to keep abreast of market and community needs.

Through this bill the Government is doing more than modernising the regulation of a profession: it is advancing its broad program to improve the built environment for all residents of New South Wales, regardless of whether they employ an architect. Architecture is a unique public profession. Its products will affect many more people than those who own or build them. Thus, it is especially important that architects be regulated through a broadly based board that includes the views and insights of more than just architects. The bill establishes an 11-member Architects Registration Board comprising five architects, including two elected by architects, and six non-architects. The non-architects will not only bring to the board the knowledge of other parts of the industry, related professions, consumers and local government it will take to their respective groups deeper insights into architecture and its contribution to the community. This can only be a positive step and advance the cause of architecture in New South Wales.

The New South Wales Government Architect, who is a member of the board, has actively encouraged this more open and community-oriented stance. The bill will allow the new Architects Registration Board to take greater control over the running of its affairs. The board will now set fees, although ministerial oversight will ensure that they do not become excessive. The board will be able to conduct its administration duties under

its own auspices. It will be able to investigate complaints more flexibly and transparently. This can include facilitating conferencing between parties who are involved in a complaint, if that would be of assistance. I can assure honourable members that it will, in large part, frequently solve problems as they arise. It is important to note that the board will be able to educate architects and the community by publishing details of complaints that are upheld by either the board's hearing process or the Administrative Decisions Tribunal.

The code of professional conduct will encourage alternative dispute resolution in contracts between architects and their clients. Responsibilities given to the board under the bill will make it a more active board than the current legislation permits. It will have a role not only in promoting community discussion but also in informing the market about the duties, responsibilities and services that architects are expected to provide. In recognition of the national scope of many businesses, the board will be able to co-operate with other similar boards in neighbouring jurisdictions to ensure that a comprehensive list of architects registered in Australia is compiled. This co-operation will be extended to other aspects of the regulation of architects that will continue the work done by the Architects Accreditation Council Australia, which comprises representatives of State and Territory boards.

The council sets competency standards and examinations, and reviews the quality of education provided by schools of architecture. It has been involved in consultation in the preparation of the bill, and it has undertaken to assist in the drafting of a national code of professional conduct that may be suitable for use as the code to be made under this bill. In all, the bill will provide real advances for the community in the role of architecture in contributing to the comfort and enjoyment of the built environment. It creates a flexible board of suitably widely cast membership. It creates a well-defined system of regulation and professional discipline, and it requires the board to lead discussion as well as regulate.

As the bill is the result of extensive consultation and conforms to the Government's implementation of the national competition policy, it provides a new impetus for the profession of architecture and the community to join in making our built environment one that will enhance our public life and serve community needs. A number of aspects of the bill will be greeted by all levels within our community. It will certainly regulate the industry in a far more recognisable fashion and it will allow for a qualification system of recognition that will be acceptable to the profession at all levels and to the community. It will be recognised easily and applied in the same way. I commend the bill to the House.

Mr McLEAY (Heathcote) [9.29 p.m.]: I congratulate the new Minister for Fair Trading, and Minister Assisting the Minister for Commerce. She is doing an excellent job and I am sure she will continue to do so. The Government is to be commended for introducing a bill that will achieve for the community and practising architects reforms that are long overdue. An important aspect of these reforms is the bill's support for promoting discussion on architecture. The profession desires to engage the public in discussion of a topic of vital importance to us all: the utility and enjoyment of our cities and towns.

Few professions have such a broad impact on the community as do architects. Although a private individual or company might engage an architect, we are all influenced by the consequences of that engagement when the building is finally completed and in use. Few other professions have such an immediate and enduring impact on our built environment as architects have—a fact commented on by the honourable member for Maitland, who preceded me in this debate.

This bill sets out to achieve a greater interaction between the architecture profession and the community in two ways. It provides that the Architects Registration Board members have a wider range of backgrounds and skills than was previously required of its members, and, importantly, that the board comprise more non-architects than architects. There will be enough architects on the board to provide the necessary professional experience and insight, but it is important that the community perceives a board that is in contact with other spheres of industry and public activity.

Non-architect board members will act as a conduit to take back to the groups from which they are drawn the considered views of architects. Such a two-way discussion and flow of information can only be an advantage. The second means of achieving broader discussion is by the bill directly providing that the board undertake broader discussion. The board will be empowered to engage in appropriate public education activities and, to assist in educating practitioners, will be able to publish the outcomes of case studies and the like involving complaints against architects. This has long been a desire of the board, which considers that the current legislation is not broad enough to facilitate this work.

An important appointment that the Minister will be required to make to the board will be the member who represents local government. In keeping with the Government's continuing desire to improve the quality of the urban environment, the voice of local government on the Architects Registration Board will ensure that there is open communication between the profession and local government. As many honourable members know, local government is the sphere in which many decisions affecting our built environment are made.

The bill also requires a number of other appointments of the board to represent various industry and other groups. These members are expected not to push for the special interests of their group; first and foremost, they will be board members. The Government has recognised that people from particular industry and other professional backgrounds will bring their special knowledge and experience to the board. By contributing these special endowments, the bill seeks to encourage benefits for the community at large.

This bill will be of great benefit to architects and the community, which will enjoy and prosper from their work. It will enable the board to stimulate a level of discussion about architecture and the built environment that previous boards have not been empowered to support. It will provide architects with the opportunity to engage in public discussion in a way that was not provided for under the 1921 Act. All this is to the public good. I commend the bill to the House.

Ms D'AMORE (Drummoyne) [9.33 p.m.]: Successive Carr Governments have been at the forefront of advancing the interests of consumers. This Government is no different; it continues the tradition of ensuring that consumers obtain the best possible deal from their suppliers. The Government's continued responsiveness on home building matters is an outcome of concern and that responsiveness is furthered for the building industry more broadly by this bill. The current Architects Act 1921 is long out of date. The Board of Architects of New South Wales has advised that the Act is inflexible and fails to give sufficient certainty on what might constitute a breach of professional discipline.

Furthermore, a board that is almost exclusively composed of architects has allowed the perception to develop in some quarters that the board amounts to architects looking after their own. I assure honourable members that this has not been the case. The current board has discharged its responsibilities with integrity, but the time has come to modernise the regulation of architects.

To provide greater certainty for architects and their clients regarding the standards of professional behaviour, the bill provides for a code of professional conduct. The profession is contributing to the formulation of the code through preparation by the Architects Accreditation Council of Australia of what is hoped will be the basis for a national code. This continues the close involvement of the architectural profession in the development of this bill. Honourable members should be reassured that this code will not be brought into force without their scrutiny. The bill empowers the Minister to finalise the code. As the code will be made a regulation, it will undergo the full process required by the Subordinate Legislation Act 1989.

Another aspect of reform to professional discipline is the introduction of a broader range of sanctions and flexible complaints management. For breaches of a less serious nature, orders will be available for mentoring by a senior architect or for completion of a defined course of study. For serious matters, penalties reflective of the Government's concern to protect the good name of the profession and discourage harm of consumers are introduced. While these penalties are not as high as penalties that apply to the legal profession, maximum fines of 100 penalty units for an individual and 200 penalty units for a corporation are provided.

The bill reforms the whole process of making a complaint, the board's investigation of it and the approach to hearings. Consumers will be given far more advice and assistance than is currently possible. Serious misconduct matters will be brought before the Administrative Decisions Tribunal, which will comprise, among others, one member who is an architect. All this is to the good of the industry. All this has been guided by the current board in the light of its experience of the current Act. The need to achieve a strong regulatory regime for architects is prompted by the economic consequences to individuals and the community of unprofessional behaviour. The need has also been given weight by the considerable influence that architects have over the built environment—an influence that often outlives any individual.

This bill provides not only a flexible approach to professional discipline but also strong protection for the use of the title "architect". The misuse of this title by unqualified people can seriously mislead consumers and must be prevented without limiting the market for the provision of building design services. The bill can only bring benefits to the community in providing a modern and flexible system of regulation for architects while restricting use of the title to people who are professionally qualified. I commend the bill to the House.

Ms MEAGHER (Cabramatta—Minister for Fair Trading, and Minister Assisting the Minister for Commerce) [9.37 p.m.], in reply: I thank honourable members for their contributions to the debate. This bill has been some years in coming to fruition to provide the people of New South Wales and registered architects with a modern, effective and transparent regime of consumer protection and professional regulation. The bill has awaited the agreement of all States and Territories to proceed with a harmonised approach to the reform of legislation which will regulate the architectural profession following a report of the Productivity Commission on that matter.

The Government has been well assisted in the preparation of this bill by close consultation with relevant stakeholders. The Royal Australian Institute of Architects and the Association of Consulting Architects Australia have willingly provided constructive comments on issues related to the preparation of the bill over the past 12 months. It has not always been possible to take up some of the ideas offered by these organisations, but their co-operation has been appreciated. In the bill's provisions the Government has struck a balance between its commitments resulting from the National Competition Policy Agreement and agreements made in ministerial councils, as well as through the intergovernmental working group which met under the auspices of the Council of Australian Governments [COAG], and the needs of industry and consumers.

The Government has also been closely guided by the New South Wales Board of Architects, which has long practical experience of administration under the 1921 Act and has worked within the Act's limitations for many years. This experience has led to many of the provisions of this bill and therefore to a bill that is workable and effective. The board has brought to the Government's attention limitations in the 1921 Act, as they affect both complainants and respondents. The consumer protection and professional conduct framework which will be established by this bill will be transparent for all parties and will bring greater certainty to architects and their clients in the conduct of the business of architectural practice.

The board will have increased flexibility in investigating and hearing complaints; and architects responding to complaints will have the benefit of serious matters being taken before a tribunal where judicial expertise and appeal rights will assist in producing just outcomes. The community will benefit from the increased flexibility in the offering of services by architects which the bill provides, and the community and architects will benefit from the board's new role in promoting community discussion of architecture. As honourable members know, the Carr Government has long been committed to improving the built environment as a benefit to all. The promotion of discussion of related issues can only lead to improving the environment and helping to make our everyday lives more comfortable and enjoyable inasmuch as they are affected by the quality of our buildings.

One of the problems the community has to contend with is people who are not architects setting out to mislead the market about their professional status. The Government fully appreciates the work that experienced, non-architect building designers do and it recognises that they make a valid contribution to business and consumers in New South Wales. However, it remains important that business and consumers are able to easily establish whether their source of design service is an architect. Under this bill the offence of holding out to be an architect by people or companies that are not an architect, or do not employ an architect in a responsible capacity, is given due weight, as reflected in the sizeable penalties for acts of such commercial deception. The board will vigorously prosecute those who set out to mislead people.

The end result of this bill is intended to be a community actively discussing architecture that is contributing to its wellbeing, a community that is serviced by architects who have a robust professional framework and a flexible system of professional discipline. The benefits will be a more transparent profession of architecture, clearly articulated to community needs and conducting its business within a regulatory regime that is simply administered and easily worked within. I commend the bill to the House.

Motion agreed to.

Bill read a second time and passed through remaining stages.

FAIR TRADING AMENDMENT BILL

Second Reading

Debate resumed from 21 May.

Ms HODGKINSON (Burrinjuck) [9.42 p.m.]: The Government introduced the Fair Trading Amendment Bill during the last Parliament, but the dissolution of that Parliament prior to the bill's passage

through all stages of debate necessitated its reintroduction. I state from the outset that the Opposition will not oppose the bill. The proposals contained in the bill are largely based on recommendations borne out of a national competition policy review of the Fair Trading Act and the Door-to-Door Sales Act. The bill seeks to amend the Fair Trading Act to incorporate provisions that more closely reflect the changing circumstances of consumer transactions. It also seeks to address the increasingly sophisticated practices engaged in by shonky and disreputable operators in the marketplace. The Opposition has consulted with several key stakeholders to ascertain their views on the bill's contents and I take this opportunity to thank them for their prompt response.

Stakeholders contacted by the Opposition included Optus, Austar, Vocon Pacific, the Australian Direct Marketing Association, the Direct Selling Association of Australia, Telstra, the Australian Consumers Association, Foxtel, the Motor Trades Association, the Cobra Group, and the Public Interest Advocacy Group. The Opposition appreciates those parties allowing us to consult with them. The Fair Trading Act and the Door-to-Door Sales Act provide a statutory framework for the operation of the New South Wales consumer marketplace. The marketplace over which the Acts have jurisdiction comprises two arms: the trade of goods, and the provision of services. The Acts regulate a broad range of transactions, from everyday consumer purchases to the purchase of a home or car. That sophisticated and complex web of trade involves approximately $71 billion and represents 57 per cent of total household consumption. The Fair Trading Act is the principal statute that protects consumers from deceptive and dishonest commercial conduct.

The Act applies to all transactions between a supplier of goods and services and a consumer when the consumer is not acting on a commercial basis. The Act has five major themes or objectives: to require traders to provide consumers with truthful information so that consumers can make informed choices; to prescribe information and practice requirements that are not adequately addressed by market forces; to prohibit unfair practices; to provide for a means of redress for consumers and enforce the provisions of the Act; and to provide protection against unsafe goods. The Fair Trading Act plays an important part in facilitating pro-competitive conduct and the efficient operation of the economy. The Door-to-Door Sales Act regulates unsolicited door-to-door credit sales of goods and services. The aim of the Act is to deal with problems that can occur when transactions are conducted in settings which are not normally places of business and where the seller is physically present with the consumer.

The Door-to-Door Sales Act offers protection to consumers who enter into a credit agreement to buy goods and services, essentially allowing them to reconsider a credit purchase that they may not otherwise have made if they were in a place of business. The Act currently provides for a 10-day cooling-off period during which consumers may terminate a contract that they may have entered into because of inadequate or misleading information or high-pressure sales tactics. The main provisions of the bill fall into seven categories: truthful information, product safety, direct commerce, conditions and warranties in consumer transactions, prohibited practices, consumer protection and redress, and penalties and enforcement. The Act includes a range of provisions which prohibit practices in trade or commerce that seek to exploit or misinform the community, such as deceptive conduct, false representations and misleading advertising.

Truthfulness provisions, stated in broad, general terms in the Act, protect business consumers as well as consumers of domestic goods and services. Section 42 of the Act provides that a person shall not, in trade or commerce, engage in conduct that is misleading or deceptive, or is likely to mislead or deceive. The bill seeks to amend the Fair Trading Act to provide that a trader who is unable to substantiate a claim made in the marketplace shall be guilty of an offence. When the Act was amended on a previous occasion to enable the director-general to issue notices requiring traders to substantiate the claims made in their advertisements, an offence was committed only if a trader failed to comply with the notice or knowingly provided false information. However, it was not an offence if a trader failed to substantiate the claim. The bill therefore makes it an offence if a trader who has been notified by the director-general to substantiate a claim or representation subsequently fails to provide sufficient proof in support of the claim.

The bill seeks to insert a new provision to mirror the Trade Practices Act in relation to "country of origin" representations. Currently, section 44 of the Fair Trading Act prohibits false or misleading representations concerning the place of origin of goods. It is understood that a degree of difficulty has been encountered when the Office of Fair Trading has sought to investigate complaints concerning country of origin labelling, particularly over the determination of minimum requirements for country of origin claims. The Commonwealth Government has already addressed the issue by amending the Trade Practices Act to clarify the circumstances under which phrases such as "made in Australia" and "product of Australia" may be used. The bill therefore provides a test for determining whether a representation about where goods come from contravenes the Act on the grounds of misleading or deceptive conduct. In order to claim that a product has been

made in Australia it must meet two standards: first, 50 per cent or more of the production costs must have been carried out in Australia; and, second, the goods must have been substantially transformed in Australia.

The test to determine whether a good is a product of Australia is to be even stricter: it will require that each significant component, or ingredient, of the good must originate from Australia; and that all, or virtually all, of the production processes must take place in Australia. I applaud this finetuning as it will greatly assist businesses that specialise in country of origin goods. For example, those who specialise in all-Australian-made products will be able to sell their products with confidence that the majority of the products are produced in this country.

The Fair Trading Act deals with safety issues by setting safety standards for the production of specified goods, restricting or prohibiting the supply of dangerous goods and providing for the recall of defective goods. Some concern has been expressed that the provisions of the Fair Trading Act that relate to compulsory product recall are considered to lack sufficient flexibility to allow products to be quickly withdrawn from sale when they pose an obvious danger to the public. Currently, the Products Safety Committee is responsible for recommending to the Minister for Fair Trading that there should be a compulsory product recall. Prior to making a recommendation, the Office of Fair Trading is required to conduct an informal inquiry into a potentially dangerous product in addition to compiling material that substantiates the product recall prior to seeking a referral from the Minister to the Products Safety Committee.

The bill will allow the director-general to undertake the mandatory recall of products based on the advice of the department through an order published in the *Government Gazette*. It further provides that the recall order ceases to have effect after 28 days unless the Minister confirms the order by notice published in the *Government Gazette*. In addition, the bill provides that the Minister or the supplier in question may, within 14 days of the mandatory recall order, request the Products Safety Committee to review the director-general's order. These additional provisions are designed to minimise consumer exposure to potentially dangerous or unsafe products while, at the same time, giving a supplier an opportunity to appeal the recall order if he or she considers it to be unjustified.

Presently, the trade of goods, sold by unsolicited contract and purchased on credit, is regulated by the Door-to-Door Sales Act. Door-to-door selling, a direct form of selling, is a variation on traditional forms of retailing. The national competition policy [NCP] review of the Act recommended that a distinction should no longer be drawn between unsolicited transactions paid for by cash or on credit. As the Minister pointed out in his second reading speech when introducing the bill, the Door-to-Door Sales Act was introduced in 1967, a period that exhibited different social and economic circumstances to those confronted in today's marketplace. The Door-to-Door Sales Act was introduced in the context of concerns about the potential of consumers, most notably, wives being forced to enter into transactions without the authority of their husbands. It is fairly safe to say that that ideology is out of place in the twenty-first century.

It is reasonable to assume that consumers today are far more familiar with the tactics employed by high-pressure salespeople and, as a result, are less likely to fall prey to such methods. Conversely, direct selling is undoubtedly a form of commerce that is experiencing strong growth and the marketing practices engaged in across industry through a range of products is far more sophisticated and widespread. The need to protect the most vulnerable groups in our society, the elderly and the disadvantaged, from constantly being subjected to undesirable direct selling practices from disreputable traders has not diminished over time. The bill seeks to repeal the Door-to-Door Sales Act and include provisions within a direct commerce division of the Fair Trading Act that maintain the essence of the original Act whilst taking account of the different social, economic and technological environment confronted by the consumer in 2003.

The direct commerce provisions in the bill will cover both traditional door-to-door selling and telephone-based direct marketing, in other words, telemarketing. It will apply to all unsolicited direct commerce contracts for the supply of goods and services to an individual when the total consideration payable by the consumer, in cash or credit, is more than $100. It will also provide a cooling-off period of five clear business days during which a consumer may rescind a direct commerce contract. There is an argument that consumers could potentially be disadvantaged by the proposal to reduce the cooling-off period for direct commerce transactions from 10 to 5 working days. As I mentioned earlier, the 10-day period was originally put in place to allow a wife sufficient time to seek her husband's approval of the purchase.

The decision to reduce the cooling-off period from 10 to 5 days has been justified on the grounds of improved technology and ease of communication between consumers and traders to effect the cancellation of

the contract. The NCP review considered that there was no longer sufficient justification for imposing a cooling-off period on direct selling transactions that was longer than that imposed in other States. The bill seeks to prohibit a direct commerce supplier from collecting fees during the cooling-off period for services provided during this period and regulates the hours during which direct commerce may be carried out by providing that dealers or suppliers may not solicit business between the hours of 8.00 p.m. and 9.00 a.m., except by prior arrangement.

The bill also requires that a telemarketer must immediately cease contact when requested to do so, and may not contact a consumer again by telephone for 30 days after a consumer has advised that he or she is not interested in the goods or services. In addition, the bill requires that a dealer must leave the premises as soon as it is practicable when requested to do so by the consumer. A dealer must advise the consumer of the purpose of the call and produce an identity card, which I understand will be defined under regulation.

The practice of holding mock auctions, which was widespread some 30 to 40 years ago, posed a significant problem in the consumer marketplace. Consumers were enticed or tricked to pay more for goods than their real or near value by virtue of the conduct of mock auctioneers. The Mock Auctions Act was enacted to prohibit persons from selling goods to bidders at a lower price than the highest bid and to prevent persons from crediting part of the price bid to the bidder for future use. While it is recognised that mock auctions are no longer considered to be a significant marketplace detriment, the practice should remain prohibited. It has been considered to be more appropriate to include provisions dealing with mock auctions in the Fair Trading Act.

The Fair Trading Act prohibits unconscionable conduct and lists several factors that may help in determining whether conduct is unconscionable. Unconscionable conduct is conduct by which, in certain circumstances, one party acts to the detriment of another by unfairly taking advantage of a more powerful bargaining position. At present, small businesses are unable to make use of the provisions in the Act relating to unconscionable conduct arising from their dealings with suppliers as this is limited to conduct in connection with the supply of goods or services normally purchased for personal, domestic or household use or consumption. Goods or services acquired for resupply or for use in commerce are not covered. Nor do breaches of the unconscionable conduct provision attract criminal sanctions.

While an application can be made to the Supreme Court for civil remedies, many small business operators are no better able to protect their interests than ordinary consumers. The bill, therefore, seeks to extend and clarify the operation of the unconscionable conduct provisions so that the remedies available to consumers may also be accessed by small businesses in relation to their dealings with suppliers. The Act currently provides that actions for damages arising out of conduct that is in contravention of the principal parts of the Act must be commenced within three years after the date that the cause of action accrued. Since the Commonwealth has extended the time limit to six years under the Trade Practices Act, the bill provides that action must be commenced within six years after the date on which the cause of action which relates to the conduct accrues in order to bring it into line with the Commonwealth.

The bill also extends to the Local Court the authority, in conjunction with proceedings for an offence under the Act, to make a range of reparation orders to the person who suffered loss or damage as a result of the offence. This should prove to be beneficial for small businesses situated in rural locations. History suggests that disreputable traders become insolvent despite taking orders and accepting deposits for goods and services which they fail to supply, leaving the consumer out of pocket. Traders with a history of failed companies to their name start up again after each insolvency—usually under another name in another State or country—and repeat their dishonest practices. Sadly, consumers have no recourse to compensation if traders arrange their personal affairs to minimise redress to creditors in the event that their business fails.

The bill seeks to enhance the enforcement options available in this situation by conferring a statutory power on the director-general to require a person to show cause why he or she should be allowed to continue to trade. This provision is designed to enable the Department of Fair Trading to act before significant consumer detriment occurs, especially in relation to known disreputable individuals. The bill seeks to enable the director-general to issue a notice to a trader who has engaged in unlawful conduct on more than one occasion to show cause why he or she should not be banned from trading. The bill also provides the director-general with the discretion to apply to the Supreme Court for an order prohibiting the person from carrying on business indefinitely or for a specified period.

The current provisions of the Act provide only for monetary penalties. As alluded to earlier, some traders who have a history of dishonest and disreputable behaviour are able to avoid any monetary penalties by

structuring their affairs to minimise any redress. The bill seeks to give the court the option of sentencing to a term in prison habitually dishonest traders who deliberately avoid making provision for consumer redress. The bill therefore allows the court to impose a three-year prison term for repeated breaches of the unfair practice provisions of the Act in addition to or instead of a monetary penalty. The bill amends the Act to provide a maximum penalty of 100 units or $11,000 that Local Courts can impose, bringing it into line with other fair trading legislation. The bill seeks to enhance the capability of the Local Court to deal with more serious offences prosecuted by the department in the Local Court.

The Act currently provides for the preparation of codes of practice for a particular class of consumers, suppliers or persons. A code of practice is an agreed set of rules for members of a particular industry to follow to ensure integrity and fair trading in that industry or sector. The NCP review noted that the legal standing of mandatory codes prescribed under the Fair Trading Act has been questioned in respect of a case concerning the retirement village industry code of practice. Doubts were raised about the effectiveness of prescribed codes of practice as regulatory mechanisms, due mainly to difficulties in enforcement. The mandatory codes once prescribed under the Fair Trading Act have all been absorbed into specific-purpose legislation. Therefore, the section of the Act providing for the preparation of codes of practice is obsolete and is repealed by this bill.

As I indicated earlier, the Opposition does not intend to oppose this bill. The provisions in it are intended to give further weight to an Act that is already considered to be an effective instrument designed to protect consumers and enforce greater honesty among traders in the marketplace. One issue was raised by a stakeholder concerning the likely implications of the bill on the work undertaken by charitable organisations, soliciting donations or selling products either door-to-door or through telemarketing. Is the Minister able to indicate what impact, if any, the bill will have on the operation of charitable fundraising activities carried out door-to-door or over the telephone? I thank the staff of the Minister and departmental staff for answering my copious questions.

Debate adjourned on motion by Mrs Perry.

SPECIAL ADJOURNMENT

Motion by Mr Scully agreed to:

That the House at its rising this day do adjourn until Wednesday 28 May 2003 at 10.00 a.m.

The House adjourned at 10.02 p.m.