

LEGISLATIVE ASSEMBLY

Wednesday 17 March 2004

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

Mr Speaker offered the Prayer.

BUSINESS OF THE HOUSE

Bills: Suspension of Standing and Sessional Orders

Mr CARL SCULLY (Smithfield—Minister for Roads, and Minister for Housing) [10.00 a.m.]: I move:

That standing and sessional orders be suspended to allow the resumption of the adjourned debate on the following bills:

Stock Diseases Amendment (False Information) Bill
Thoroughbred Racing Amendment Bill

This motion will enable the second reading debates to commence today, a day earlier than might otherwise have been the case in accordance with the standing orders.

Mr ANDREW TINK (Epping) [10.02 a.m.]: Standing Order 198 (11) provides:

The mover shall ask the Speaker to fix the resumption of the debate as an Order of the Day for a future day which shall be at least five clear days ahead.

The Coalition believes that is an important standing order, especially for non-government members of the House, because it provides at least a certain amount of time to be able to get information about the bill before the House, to consult with interest groups, and to ascertain and weigh the pros and cons of the debate so that a response can be made to the Government that is accurate and reflects the public interest in any debate. The Government brings legislation before the House with the benefit of the advice of a quarter of a million public servants, plus a capacity to be able to determine the timing of legislation through Cabinet, the timing of the legislation through caucus and the timing and progress of legislation through this House, subject only to this particular standing order. It is not a standing order to be done away with lightly. From my vantage point I do not believe that the standing order should be done away with at all.

When the Leader of the House spoke a few moments ago he did not give any reason why the standing order should be set aside in this particular case. It may be that the Government has very little business to do; things do seem to have been light. It is pretty obvious to me that non-government members have a more demanding and active schedule of legislation and other matters before the House than the Government does. I do not believe that Standing Order 198 (11) should be done away with as a matter of general principle, and no argument has been advanced as to why it should be done away with in this case. Therefore the Opposition will oppose the motion.

Question—That the motion be agreed to—put.

Division called for and, pursuant to sessional orders, deferred.

APPROPRIATION (BUDGET VARIATIONS) BILL

Bill introduced and read a first time.

Second Reading

Mr GRAHAM WEST (Campbelltown—Parliamentary Secretary) [10.08 a.m.], on behalf of Mr Craig Knowles: I move:

That this bill be now read a second time.

The Appropriation (Budget Variations) Bill is a key part of the annual budget process. Essentially, it ensures that the Parliament is able to examine changes to expenditure from what is forecast as part of the budget at the start of the financial year. The bill ensures that there is a transparent process for examining expenditure. And so the practice of seeking approval for supplementary appropriations to cover payments not provided for in the Annual Appropriation Act has now become an important part of the process. This process has been endorsed by the Auditor-General, as well as the Legislative Council's General Purpose Standing Committee No. 1 in its report on appropriation processes.

The bill has four key elements: first, to account to Parliament on how the Treasurer's Advance has been applied for recurrent and capital expenditure; second, to seek an adjustment of the Advance prior to the end of the current financial year; third, to seek appropriation to cover expenditure approved by the Governor under section 22 of the Public Finance and Audit Act 1983; and, fourth, to seek additional appropriations for payments which are intended to be made in the current financial year where no provision was made in the annual Appropriation Bill. Schedule 1 to the bill covers appropriations for 2003-04, and schedule 2 covers payments made in 2002-03. The payments from the last financial year have already been brought to account in the agencies' audited financial statements and have no impact on the published budget result for that year.

This Government, in presenting further Appropriation Bills, has sought as far as possible to ensure that the Parliament has the opportunity to scrutinise anticipated additional funding requirements prior to expenditures being incurred. However, it is not always possible to seek Parliament's authority in advance for pressing expenditure needs, and the Parliament has previously established procedures to provide for this eventuality. Each year Parliament makes an advance available to the Treasurer to meet unforeseen expenditures. In addition, section 22 of the Public Finance and Audit Act 1983 enables the Governor to approve payments to cater for unforeseen expenses, in anticipation of appropriations by Parliament.

The Appropriation (Budget Variations) Bill, in respect of the 2003-04 financial year, seeks appropriations of: \$290.523 million in adjustment of the advance to the Treasurer; \$177.399 million for recurrent and capital works and services approved by the Governor under section 22 of the Public Finance and Audit Act 1983; and additional appropriations of \$135.3 million. Schedule 1 to the bill has a full account of how the Treasurer's Advance has been applied this year. The Treasurer's Advance payments in 2003-04 highlight the commitment of the Carr Government to ensuring appropriate services for the community, and include \$60 million for increased disability services and \$57.038 million for education. This includes assistance to non-government schools for educational facilities and further funding towards adult and community education; \$32.053 million to upgrade police computer systems; \$13.4 million to accelerate the Government's online licensing project; \$10.337 million to complete the Western Sydney international dragway; and \$6.796 million to establish the Independent Transport Safety and Reliability Regulator.

The additional appropriation required under section 22 of the Public Finance and Audit Act 1983 relates to the provision of funds to meet certain expenditures that were unforeseen. This amount includes appropriations of \$67.780 million for natural disasters, including \$45 million for drought assistance, as well as additional aid required due to the impact of floods, storms and bushfires across significant areas of the State. This is in addition to the \$15 million allocated for natural disasters in the 2003-04 budget. It takes the total cost of natural disaster assistance to farmers and businesses this year to \$82.780 million; and an appropriation of \$38.5 million for the across-the-board increase of 3.5 per cent for nurses under the Public Hospital Nurses Award.

An additional appropriation of \$135.300 million is required: towards an operating subsidy of \$52 million for the recently established Rail Corporation; to fund \$38.3 million for extra police officers; \$25 million to meet the increased cost of services to high-needs children in out-of-home care; and \$20 million to meet a higher than expected number of first home owner grants. The bill also seeks appropriations to adjust certain payments made during the 2002-03 financial year either from that year's advance to the Treasurer or approved in that financial year by the Governor under section 22 of the Public Finance and Audit Act.

Additional funding in 2002-03 was provided for the retirement of debt, a contribution to the General Government Liability Management Fund and towards improved transport, education and disability services. However, the State still achieved a budget surplus for the year ended 30 June 2003 of \$619 million. This was \$421 million higher than the 2002-03 budget estimate of \$168 million. Last year Parliament approved the excess surplus being invested towards the provision of higher capital works funding for health services. Also the State's net debt as a percentage of gross State product was reduced from 6.5 per cent to 5.1 per cent compared to the previous year. Each of the payments made in 2002-03 has been included in the audited financial statements of

the relevant agencies for that year. The practice of introducing further Appropriation Bills has enhanced accountability for the expenditure of public moneys from the Consolidated Fund. It is further evidence of the Government's commitment to transparent and full financial reporting to the Parliament and the community. I commend the bill to the House.

Debate adjourned on motion by Mr Thomas George.

BOTANY BAY NATIONAL PARK (HELICOPTER BASE RELOCATION) BILL

Bill introduced and read a first time.

Second Reading

Mr GRAHAM WEST (Campbelltown—Parliamentary Secretary) [10.18 a.m.], on behalf of Mr Carl Scully: I move:

That this bill be now read a second time.

I am pleased to introduce this bill, which will allow the development of a rescue helicopter base. This Government is committed to maintaining rescue helicopter services. In 2002 it became apparent that the rescue helicopter services currently provided by the Southern Region (SLSA) Helicopter Rescue Service Pty Limited, referred to as the Rescue Service, could no longer operate from their temporary facilities at the former Prince Henry Hospital site. More than 30 alternative sites were reviewed but all were deficient in some way. A site was finally found within the Botany Bay National Park. However, the National Parks and Wildlife Act does not permit the construction of such facilities in a national park. Accordingly, on 7 October 2003 Cabinet approved the excision of land at Cape Banks from the Botany Bay National Park [BBNP], provided that such excision is only for the purpose of providing rescue helicopter services. By permitting passage of this bill, public safety will continue to be safeguarded.

Issues such as native title, vesting of title and the interest of other competing users of Botany Bay National Park have been addressed. The boundary of the excised area took a considerable degree of time and effort to finalise in order not to include the general car park opposite the pistol club. The car park is heavily utilised by visitors to Botany Bay National Park, providing the only public access to the northern section of the coast track. Anglers, whale watchers and bushwalkers are all regular users. In addition, this area will shortly be gazetted as an Aboriginal place. Accordingly, this section of the park was not excised and remains within Botany Bay National Park; nor does the bill excise the access road that runs adjacent to the proposed helipad site. This road is the main route used by the Department of Environment and Conservation and emergency services to access the coastal section of Botany Bay National Park and is also the main, but not the only, pedestrian access to the coast.

Accordingly, the road has been retained within Botany Bay National Park and is not excised from the Botany Bay National Park by this bill. Instead, the rescue service will have access to the rescue helicopter base by way of easement and licence over this road. This is a necessary and sensible bill that will safeguard the health and safety of the people of New South Wales. It will benefit many hospitals and other emergency services providers, as well as having benefits for park staff and visitors in emergency, rescue or park management situations. The bill will not open up the floodgates for excision of other areas from other national parks. Rather, it will ensure, on this one occasion, continuity in the provision of services, which the people of New South Wales are entitled to expect. It is based on a sensible process that enables the consideration of the competing interests of all stakeholders. I commend this bill to the House.

Debate adjourned on motion by Mr Thomas George.

NATIONAL COMPETITION POLICY AMENDMENTS (COMMONWEALTH FINANCIAL PENALTIES) BILL

Second Reading

Debate resumed from 16 March.

Mr ALAN ASHTON (East Hills) [10.22 a.m.]: I support the National Competition Policy Amendments (Commonwealth Financial Penalties) Bill. The title of this bill tells the story, that is, it outlines

Commonwealth financial penalties that will be imposed on New South Wales if it does not enact this legislation in line with national competition policy. Rarely does the title of a bill so clearly describe its contents. The bill not only includes national competition policy to bring New South Wales in line with other States and Territories; it also outlines the Commonwealth financial penalties that will be imposed if New South Wales does not make the amendments.

I am sure that over the past few months every member of this House would have been approached by chemists, optometrists, dentists, taxi drivers, owners of retail outlets, liquor distributors and others who cannot understand why the New South Wales Government will be penalised to the tune of \$51 million if this legislation is not enacted. Since 1995 the Government has enacted 200 pieces of legislation to bring New South Wales into line with national competition policy. The implementation of recommendations made by the National Competition Council has meant that billions of dollars have been freed up in the Australian economy to improve competition and reduce monopolistic control. This bill is the result of the very unfair, death-knell decision of the Federal Government to bring the provision of services and industry in New South Wales into line with the rest of Australia. I believe the Commonwealth Government has gone too far. There has been no cogent argument that pharmacies should not continue to be run by chemists but should instead be run perhaps by a wealthy eastern suburbs businessman or a racehorse owner, but that is the essence of national competition policy.

Despite the hundreds of recommendations made last year by the Alcohol Summit, the National Competition Council has said that New South Wales must provide opportunities for more liquor outlets and that the needs test should be abolished. That is ludicrous. The Alcohol Summit cost several hundreds of thousands of dollars and people came from all over Australia to testify to the problems of alcohol addiction. If New South Wales does not enact the recommendation to allow alcohol to be distributed through service stations, corner shops and other outlets it will be penalised.

New South Wales is already the leader in implementing Federal Government policies for major industries. When the Government signed up in 1995 it accepted that ports, rail freight, electricity and transport policies were restrictive. However, it is madness for a bill to stipulate in detail how chicken growers must grow chickens, that liquor outlets must be increased, that pharmacists, optometrist and dentists must free up their profession, that action must be taken with respect to farm debt mediation and ricegrowers, and that taxi plates must be released into the community, denying owners the right to sell those plates for a reasonable return.

The electorate of East Hills does not have many chicken growers or rice producers but it does have people who run reasonably profitable liquor outlets. Panania has a hotel and a liquor outlet; Revesby has a hotel and two liquor shops, Padstow has a hotel and liquor shops, and Condell Park and Milperra have hotels and liquor shops. It is quite reasonable to expect people who wish to obtain a liquor licence to pass a needs test. Just because liquor is a money earner does not mean it should be available in a shop on every corner. When I grew up corner shops sold paddle-pops, ice-creams and Smiths chips. The Government will move amendments in Committee to introduce a needs test, otherwise liquor outlets will be everywhere, and the bill sends a message to the community that it is more important to find the best location to sell a product and make a profit than it is to set up a shop or industry that is useful to the community. Unfortunately, the sale of alcohol is profitable and if it is not a licence to print money, it is close to it.

The Government is carrying this legislation with a heavy heart. The Premier has introduced it not as a most wonderful and positive measure but because it has to, in the hope that some suggested amendments will enable the National Competition Council to decide that New South Wales is compliant. I am quite hopeful that the council will so decide, and I will give more evidence of what the New South Wales Government has done. In December last year this State signed up to one of the biggest rail freight reforms in Australian history, leasing New South Wales interstate tracks to the Federal Government for 60 years. This Parliament had considerable debate about whether that was a good decision. Yet another boost to competition by the New South Wales Government related to chicken growing!

As I said, liquor sales are a real problem, and the Alcohol Summit was of the opinion that New South Wales did not need to adopt the Commonwealth position and should look at other areas of reform. I have been talking to my local pharmacists, dentists and optometrists, who spend a lot of time at university, studying hard to get their qualifications. There is a limit to how many pharmacies can be set up in a community, but all of a sudden, under the legislation that this Government must regrettably carry, virtually anybody can set up one of those businesses.

I am sure I speak for everyone on this side of the House when I say that the devil is in the first couple of lines of the amendment, that is, the reference to Commonwealth financial penalties. New South Wales cannot

afford to lose the \$51 million that the Commonwealth Government would fine us. We are already copping a loss of \$376 million in funding from Commonwealth grants. Clearly, this is part of a Howard Government agenda to break New South Wales, to send us almost bankrupt, and it has a terrible impact on the citizens of New South Wales. I recommend the amendment and I recommend the bill, but only on the basis that New South Wales has a gun pointed at its head. That gun has been loaded by the National Competition Council but is being fired by the Howard Government. The New South Wales Government and the people of this State are the victims in this process, and we can only try to dodge that bullet by carrying this legislation.

Debate adjourned on motion by Mr Daryl Maguire.

BUSINESS OF THE HOUSE

Bills: Suspension of Standing and Sessional Orders

Deferred division

Mr SPEAKER: Order! The House will now proceed with the deferred division on the question, That the motion be agreed to.

The House divided.

Ayes, 47

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

Noes, 33

Mr Aplin	Mr Humpherson	Mr Slack-Smith
Ms Berejiklian	Mr Kerr	Mr Souris
Mr Brogden	Mr McGrane	Mr Stoner
Mr Constance	Ms Moore	Mr Tink
Mr Debnam	Mr O'Farrell	Mr Torbay
Mr Draper	Mr Page	Mr J. H. Turner
Mr Fraser	Mr Piccoli	Mr R. W. Turner
Mrs Hancock	Mr Pringle	
Mr Hartcher	Mr Richardson	
Mr Hazzard	Mr Roberts	<i>Tellers,</i>
Ms Hodgkinson	Ms Seaton	Mr George
Mrs Hopwood	Mrs Skinner	Mr Maguire

Pairs

Mr Bartlett	Mr Armstrong
Ms Saliba	Mr Brogden

Question resolved in the affirmative.

Motion agreed to.

STOCK DISEASES AMENDMENT (FALSE INFORMATION) BILL**Second Reading****Debate resumed from 12 March.**

Mr MATT BROWN (Kiama) [10.41 a.m.]: When farmers commit to life on the land they take on the challenge of dealing with many unpredictable factors, including the weather, the Australian dollar, and international trading markets. They can also include the issue under the spotlight in this place today, namely, animal diseases and how best to manage them. One of these diseases, ovine Johne's disease [OJD], has been a major consideration for sheep farmers in New South Wales for a number of years. The focus on OJD has grown in recent years as the local industry has become increasingly divided over the issue. In April 2003 a former member of Parliament, Richard Bull, was appointed to review the current OJD management program. The New South Wales OJD Advisory Committee also carried out a thorough review. Both of these evaluations were based on widespread consultation with farmers and other industry groups.

The two reviews produced a series of detailed recommendations based on a new approach to OJD management in New South Wales. Industry groups united to support these calls for a new approach, and the State Government is continuing to work with industry to implement the changes. While the review specifically targeted the OJD management program and the sheep industry, a number of the recommendations also had wider application to all animal disease control programs. For example, the review recommended that the OJD management program should be less reliant on traditional and costly regulatory mechanisms to reduce the impact of the disease. This could include quarantine and other traditional command and control regulation that involves high enforcement, compliance, and efficiency costs. It should be noted that many animal disease control programs—not just the OJD control program—have previously relied on these methods.

Instead, the new program places much greater reliance on producer responsibility within a controlled framework. Regulation in many other areas of the economy is also moving towards more economically based instruments, with a greater reliance on producer responsibility and market forces. This is a practical, sensible approach, and one that the OJD program is now adopting. In the sheep industry most diseases are spread through the sale and movement of sheep. With ovine Johne's disease, one infected sheep could potentially release enough bacteria in its faeces to infect hundreds of others. We also know that these organisms can survive for a long time and can also be spread through water or through individual straying sheep.

This is why it is critical that buyers have the best possible information on the disease risk of animals before they purchase any stock. To improve this information flow, both reviews recommended the introduction of mandatory animal health statements for sheep in New South Wales. These statements contain crucial information on the disease status of a flock. Both reviews also suggested that we needed to boost the penalties for providing false or misleading information on disease risk. Penalties must be high enough to act as a significant deterrent for those who deliberately endanger the disease status of other producers.

It should be noted that these proposed amendments will bring the penalties for providing false and misleading statements on disease risk into line with similar penalties in other States. They will also bring them more into line with the penalties applicable to similar offences in connection with the sale of other goods in New South Wales. Examples of similar, if not higher, penalties for similar offences can be found in section 49 of the New South Wales Fair Trading Act 1987 in relation to "Certain misleading conduct with respect to goods". Other examples are found in the New South Wales Crimes Act 1900 at section 307B, "False or misleading information", and section 307C, "False or misleading documents". In conclusion, these recommendations are seen as a positive step forward for the New South Wales sheep industry. The bill demonstrates the Government's commitment to supporting self-regulation in animal disease control. I compliment Minister Macdonald on his efforts in relation to this bill, and I support the introduction of it.

Mr ADRIAN PICCOLI (Murrumbidgee) [10.46 a.m.]: On behalf of the shadow Minister for Agriculture and Fisheries, the Hon. Duncan Gay, I lead for the Opposition on this bill. At the outset I point out that the Opposition will not be opposing the bill, because ovine Johne's disease [OJD] is a complex problem. OJD has caused a great deal of division throughout country New South Wales, particularly in the south and south-west, so the New South Wales Opposition will support anything that can be done to deal with this difficult disease and the problems it has caused. A former Opposition spokesman on agriculture, the Hon. Rick Bull, chaired an independent review of the ovine Johne's disease program last year, and this legislation is partly the result of the recommendations of that committee.

One key recommendation was the introduction of mandatory animal health statements for all sheep traded or introduced into New South Wales. These statements will provide critical information to sheep buyers on a flock's OJD status. They will help producers make a more informed decision about the risks of animal disease. If farmers are required to make mandatory animal health statements, there needs to be a legislative penalty for providing misleading information. This legislation does that in two ways. The first is by creating a new offence of giving false or misleading information in relation to certain matters—I refer in particular to the mandatory animal health statements. That is important because buyers will be relying on those mandatory statements. So it is appropriate that there be a penalty for providing false or misleading information in those statements.

The bill also provides for an increase in the maximum penalty for the existing offence under the Stock Diseases Act of giving false or misleading information in relation to certain matters. It not only creates a new offence but also toughens penalties for existing offences. It is hoped that the mandatory animal health statements will make the implementation of the new OJD regime more effective. It has been difficult to negotiate through the number of different and competing factors between animals that have the disease and those that do not have. Problems have been experienced in saleyards. For example, Wagga Wagga had to divide its saleyards.

The honourable member for Burrinjuck, who will speak to the bill, has been very much a part of finding a solution to this very difficult problem. We hope the bill will provide a significant part of the solution and enable farmers to trade their livestock with some certainty. Creating a new offence and bolstering the penalties for providing misleading information should go a long way to solving the problems. The sheep industry, particularly the sheep breeding industry, is very important to rural New South Wales, and it has been knocked around by OJD. The Opposition will not oppose the bill.

Ms KATRINA HODGKINSON (Burrinjuck) [10.51 a.m.]: I also support the Stock Diseases Amendment (False Information) Bill. It is extremely important that the House does its utmost to ensure that this amending bill is passed. I commend the Minister for having the foresight to give the Hon. Rick Bull, a former member of the Legislative Council, the task of reforming how we deal with ovine Johnes disease [OJD] in New South Wales. OJD has had a significant impact on much of my electorate. Since my election as a new member to this place in 1999 I have been raising issues associated with OJD regulations introduced by the former Minister for Agriculture, the Hon. Richard Amery. I have regularly drawn attention to real and valid concerns. It is astonishing that the former Minister continually failed to deal with the concerns of farmers in Bathurst, Burrinjuck, Wagga Wagga, the Southern Highlands, and Orange. I very pleased that we are debating the legislation today.

The purpose of the bill is to amend the Stock Diseases Act 1923, following the review of the Hon. Richard Bull of control measures implemented under the Act to control OJD. The bill will make it an offence to give false or misleading information in relation to certain matters in or in connection with an agreement or arrangement for the agistment of stock, or for the use of land for the grazing of stock. OJD can be transferred through land contamination, but the Act provides no penalties for providing false or misleading information in connection with the agistment of stock. I highlight for the information of honourable members the plight of one of my constituents, Mr John Garry, who owns the property Barroom—a beautiful property—which is between Gunning and Crookwell. In 1998 Mr Garry wanted to sell the property. Unfortunately one week before it was due to go to auction his property came under suspicion for OJD.

Some samples were taken, but it was never proved conclusively that there was OJD on his property, or that it ever had been. Suspicion surrounded the tests. This is just one example of many in my electorate. Unfortunately, Mr Garry was the victim of reduced land prices as result of the suspect OJD status of Barroom. He continues to fight that status. A couple of weeks ago I met with Mr Garry in my office in Yass. The incredible panic that surrounded OJD in the early days has now subsided, no doubt as a result of the review conducted by the Hon. Rick Bull. I commend him for his outstanding work, and I thank him for listening to my concerns, the concerns of other members of The Nationals and other members of Parliament who have expressed directly to him their concerns and those of the farmers and graziers in my electorate of Burrinjuck.

The key recommendations of the original report, released last September, were the ready availability of the Gudair vaccine, with sales expanded to other outlets as subagents to the rural lands protection board; industry to take the lead role in managing the disease; the future role of government to be educative and supportive rather than regulative; and future trading to be based on a factual animal health declaration. The recommendations are closely aligned to the many calls for reform I have made in this House in the past four years. On several occasions I have said in this place that OJD has caused much angst among farmers in my

electorate. I have had best mates in my office shouting down each other, their faces absolutely white with anger. I have had husbands and wives in my office in tears because of the former draconian policy of the New South Wales Labor Government.

The approach to dealing with OJD under the former Minister was that farmers were guilty until proven innocent. It was a denial of the fundamental natural justice we all take for granted. The former Minister had absolutely no understanding of this issue, and I am grateful that the current Minister for Agriculture and Fisheries had the foresight and good sense to refer the problem to the Hon. Rick Bull for advice. He deserves to be commended for his actions. I have spoken previously in this House about Graham Privett, a stud owner from the Yass area, whose property was quarantined because of another disputed positive OJD test. The income from his property dropped by \$150,000. As a result of the declaration of his property being OJD infected he lost an export contract to supply 26 rams worth \$46,000.

Mr Privett's rams were slaughtered and subject to autopsy on the orders of the Department of Agriculture. Not one of the rams was found to be infected, and he received not one cent in compensation from the Department of Agriculture. These are the types of crises that farmers have had to cope with, the types of crises that we hope farmers will never have to deal with again. The former New South Wales OJD control program took its toll on farmers. More recently the Anglican diocese of Canberra and Goulburn Synod recommended that Reverend Roger Draffin, the Rector of St Clements Anglican Church in Yass, sort through the social and personal impact of the former OJD regulations on members of his parish. They are not just constituents of mine, they are also members of the Anglican and Catholic churches and various other religious groups around the local area.

The synod called for every clerical and lay leader in the diocese of Canberra and Goulburn to make themselves aware of the economic and social impacts of past Government-inspired control measures of OJD and to make the gospel relevant to those affected. The synod congratulated the New South Wales Government and its Department of Agriculture on the recent decision to extend the use of the Gudair vaccine in control and management areas—something The Nationals have been calling for for years. The synod called on the Commonwealth and State Ministers for agriculture take a co-operative approach to the ongoing management and research of OJD, and the development of practical management strategies. It called for moves to encourage the State Government, as a matter of social justice, to make financial compensation for economic loss caused to graziers resulting from the implementation of past flawed State Government control measures. That is yet to come.

It is important that those poor farmers who have been so heavily affected by the former unfair bureaucratic red tape policy of this Labor Government should be able to seek financial compensation. Graham Privett and John Garry are just two examples of the many dozens of people who have come to me with tales of woe about the financial impact those former OJD policies had on their businesses. They are businesspeople. They are farmers and they have to run their own businesses. The synod also called for representation to the State and Federal governments to encourage the deregulation of OJD, allowing the inherent skills of graziers and veterinarians to enable the industry to live with the disease as it does with so many others.

Following the moving of that motion, the debate in the synod drew speakers from just about every rural area of the diocese—lay people and clerical people. Every speaker had a tale of family distress or breakdown. Health problems have been brought about as a result of stress or financial hardship caused by the OJD control program. Many marriages have broken up. There have been suicides in my electorate because of the extreme stress caused by the financial hardships of the former OJD policies. It is a serious problem. That OJD program has a social legacy of six years in New South Wales. The Department of Agriculture's figures showed that that program failed to control the spread of OJD.

I reinforce my support for and my thanks to the Hon. Rick Bull, who was engaged by the State Government to undertake an assessment of the New South Wales OJD program and to make recommendations regarding the future management of the disease in New South Wales. It will be part of the national OJD control and evaluation program that will conclude on 30 June this year. The Hon. Rick Bull recommended to the State Government that the management of OJD should rest with the industry. That is something that we called for, the synod called for and everybody has been calling for, and I commend the Hon. Rick Bull for that. To assist industry to adopt a risk-based trading approach, the New South Wales Government should make changes to the Stock Diseases Act to double the penalty for making a false declaration with regard to the sale of stock.

The changes recommended in the Bull report that do not require amendment to the Act include compulsory use of animal health statements that inform buyers of the risks associated with OJD for individual

consignments and the establishment, where significant producer support is demonstrated, of OJD exclusion areas. These areas will be self-funded and self-managed, with compulsory notification of sheep moving into the area and mandatory property disease management programs focusing on vaccination or destocking for disease control. That approach is to be supported by education and research. The New South Wales Opposition indicated its support for the Hon. Rick Bull's recommendations for changes to the OJD management program. The proposed amendments are consistent with the Opposition's policy on OJD.

The objects of this bill have received widespread industry support. Once again, the Opposition does not oppose the bill. As I have mentioned, we are pleased that the changes in relation to OJD are finally taking place in New South Wales. It has been a long, hard slog. The people of Crookwell, Goulburn, Yass, Boorowa and beyond to Wagga Wagga and many southern and central parts of the State, including Bathurst and Orange, will be grateful that some commonsense is finally prevailing. It has been way too long coming. Too many people have been unfairly afflicted and affected by financial and social hardships caused by the former policies of the Carr Labor Government. Why did it take so long to get to this stage?

I trust this legislation will go a long way towards improving farmers' relationships with each other so far as OJD is concerned. In the past many veterinarians have been blamed for putting properties under suspect notice. They have had it rough. They have been trying to comply with all the rules on OJD imposed by this Labor Government. They have to live in their local communities with these farmers. I am sure they will similarly be grateful for the changes that are coming into place. Once again, I commend the Government for appointing the Hon. Rick Bull to recommend these changes. I trust that in the future the Government will look to the Hon. Rick Bull for guidance in relation to OJD. I have no doubt that additional changes will be needed in the future. The Opposition supports the bill.

Mr GERARD MARTIN (Bathurst) [11.06 a.m.]: I am delighted to support the Stock Diseases Amendment (False Information) Bill. As the honourable member for Burrinjuck pointed out, it has been a long and difficult process coming to grips with ovine Johne's disease [OJD]. For years many people in the industry were in denial about the problem. Many sheep producers were divided as to whether OJD existed and whether it had any impact and needed control or regulation. I commend the former Minister for Agriculture, the honourable member for Mount Druitt, and the current Minister for Agriculture and Fisheries for dealing with this problem. The Labor Government has been prepared to take on this issue. The Hon. Richard Bull, a former member of the upper House, did a good job with his inquiry and his recommendations, but many other people made contributions along the way.

I refer to two people in my electorate: John Seaman, who runs a sheep stud called "Brooklyn" near Perthville, and Col Ferguson. Many fellow farmers were critical of John, in particular, who was one of the passionate supporters of the Gudair vaccine being used. He worked closely with the former Minister and was appreciative of the Minister's efforts in getting the vaccine up and running. The vaccine is the key to controlling OJD in the first instance, as are all the other management practices. The bill will help underpin the Stock Diseases Act and is a new direction for the management of ovine Johne's disease in New South Wales. As has already been said, this bill was partly in response to recommendations contained in reviews of the current OJD management program in New South Wales. One of the issues raised in the reviews was the need for mandatory animal health statements for sheep.

These statements are critical for producers to make informed decisions on purchase and agistment of sheep. The format of the statements has been agreed to at a national level and is being implemented across all States and Territories. There has to be a national plan with respect to the control of OJD. The problem is that some States do not think they need to be part of it. In New South Wales the statements first became mandatory on 17 January this year. At the same time, the New South Wales Minister for Agriculture and Fisheries announced a moratorium on the regulation of the statements. The moratorium is designed to give producers time to familiarise themselves with the new system. In addition, an extension brochure is now available to help producers fill in the forms and a full-page advertisement has been taken out in the *Land*. Local staff from the New South Wales Agriculture and the rural lands protection board are also available to assist. The Government recognises that another important adjunct to this issue is education and, through its agencies, it will be involved in the ongoing education of farmers.

The declarations on an animal health statement are practical and address issues such as the area from which the sheep originate, the testing of sheep and vaccination history. Through ongoing testing and abattoir monitoring, we now have a good understanding of the OJD status of various regions in New South Wales. The OJD assurance-based credit points system on the animal health statement allows producers to accurately record

their status on area, testing and vaccination. The animal health statement awards points for each of these categories. This information is available to a producer purchasing or accepting sheep on agistment. Producers need to know of any potential impact of sheep on agistment, even though they are temporarily located on a property. A lower number of points on animal health statements represents a higher disease risk and will potentially reduce the income that producers receive for their sheep at sale. This could create the temptation to falsify the information on animal health statements. Therefore, the legislation provides for increased penalties. If sheep buyers rely on incorrect or false information, it can affect their properties and those in surrounding areas.

As ovine Johne's disease can spread down watercourses to properties further down the river system, other management techniques have been introduced. Further, ovine Johne's disease is one of a number of livestock diseases that can cause land contamination that persists even after infected livestock are removed. That is why we also target properties that take stock on agistment. Examples of such pests and diseases include bovine Johne's disease in cattle, cattle tick, anthrax and many internal parasites. The value of the affected land can be significantly reduced for a period of time until the disease has disappeared. In many cases, it could take several years. A subsequent owner, agister or lessee of the land could, by using the land to run livestock, unknowingly contaminate their livestock with disease, and this could lead to the ongoing spread of diseases and significant losses.

Under the proposed amendments, we will double the maximum penalties that apply to a person convicted of giving false or misleading information on animal health statements when selling stock. Those penalties should be compared with the significant losses that could potentially be suffered by producers relying on incorrect disease-risk information. This issue goes to the heart of the amendments. The loss of stock would far outweigh the maximum penalties proposed in the bill. Having said that, it is accepted that animal health statements require a significant amount of information. We know what the reaction will be from many people on the land to having to fill in another piece of paper. That is understandable.

We are all afflicted with that burden, but the farming community feels it is more heavily afflicted than others. It is also acknowledged that human error could potentially lead to a producer making a mistake in filling out the form. There is no intention to prosecute people for making genuine mistakes on an animal health statement. The Act includes strong defence provisions to cover such honest mistakes. No-one wants to see producers prosecuted for making honest mistakes. Rather, we want to protect the interests of producers. For that reason, I support this very important bill.

As to the comments made by the honourable member for Burrinjuck, we could argue forever whether there was overregulation in the early days. The spread of this disease has been a difficult problem to come to grips with. We are at the stage where all the players in the industry agree that this is the appropriate path to take. We now have to move forward, and I am sure that this bill, which has been introduced by the Minister for Agriculture and Fisheries, will go a long way to resolving the vexing problems we have faced in the past. I commend the bill to the House.

Ms PETA SEATON (Southern Highlands) [11.14 a.m.]: When I was elected in 1996, one of the first issues that was brought to my attention was the desperate need of people as a result of the emerging issue of ovine Johne's disease [OJD] on properties around the Goulburn area. For altruistic reasons of goodwill, a number of property owners put up their hands to allow testing on their properties, not knowing that their world was going to come to an end. They put up their hands but, unfortunately, they got the wrong answer. As the honourable member for Burrinjuck referred to in her speech, I also had many meetings with local producers, with Paul Stephenson, the local mayor of Mulwaree shire, with affected farmers and with representatives of the New South Wales Farmers Association. They were trying to come to grips with this Government's incredibly blunt and cruel approach to people who were affected by OJD on their properties.

I can inform the House that there were many people at those meetings who had family members who were contemplating suicide or domestic violence issues in their homes as a result of the financial and other pressures associated with dealing with OJD. Some people literally could not afford to put food on the table. Although their property had previously been a viable working farm worth \$2 million to \$3 million, the banks deserted them and they were unable to sell their properties. Those proud and independent people had to use the services of welfare organisations to simply make ends meet. People whose properties were under suspicion of infection by OJD also were deserted by banks and unable to put their properties on the market. They also were trapped in this nightmare, which was entirely the making of this Government and the Department of Agriculture.

The Government and the department turned a blind eye to the issue and put it on the backburner. They pursued a policy of eradication; even with the little we knew of the nature of the disease at that time, the department knew about its incubation period, the lack of knowledge about soil science and the paucity of testing methodology. Although the department knew all those things—which any high school biology student would know—it pursued a flawed methodology on eradication and essentially created an economic apartheid. Those property owners who had done the right thing and put their hands up for testing but obtained the wrong answer found themselves completely unable to trade or do business. The department and the Government were incapable and unwilling to try to find another way to model another trading environment for those people so that they could stay afloat.

I commend the work of our former colleague Richard Bull in trying to bring some commonsense to this issue. I commend a number of individuals who were there from the very beginning and assisted me, particularly Terry Hayes, Nigel Baines and farmers from the Tarago, Breadalbane, Gunning and north Goulburn areas. In particular, I acknowledge the work of Alix Turner, who has brought his considerable intellect to this problem on a consistent and selfless basis. I believe he has been the powerhouse for many of the sensible decisions, although long overdue, that are beginning to flow through to families and businesses affected by OJD. The Stock Diseases Amendment (False Information) Bill is part of the good work by Richard Bull and the New South Wales Farmers Association, including the New South Wales OJD Advisory Committee, to bring it to fruition.

The objects of the bill are to create a new offence of giving false and misleading information in relation to certain disease-related matters in connection with an arrangement or agreement for the agistment of stock or the use of land for grazing of stock, with a penalty of 200 penalty units. The bill also increases the maximum penalty for the offence under the Act. In those early days, one of the farmers' overwhelming objectives was to find a way to continue to trade and to provide an income for their families, having identified those areas within which it was responsible and safe to trade. Until people were able to return to a trading regime there was no hope of escaping from the situation confronting them.

A number of other factors have surrounded the issue we are discussing today. I refer in particular to the funding of disease control. I commend the recommendations of the New South Wales Ovine Johne's Advisory Committee, which has always advocated a strong role for industry in determining how OJD is managed, the rate of funds collection, the use of funds, and also that commonsense criteria be applied to the application of any further initiatives that might address the control or eradication of OJD. Commonsense has been the missing link in the New South Wales Government's approach to this issue. It is relevant to the implementation of the amendment we are considering. New section 20J (2A) provides:

A person must not, in or in connection with an arrangement or agreement or proposed arrangement or agreement for the agistment of stock or for the use of land for grazing of stock (including any lease or proposed lease of land for grazing of stock) make a statement or provide information in relation to:

- (a) the presence or absence of infection in stock, carcasses or land, or
- (b) any matter relevant to an assessment of the likelihood of the exposure of stock to infection, or
- (c) any other matter prescribed in the regulations,

that is false or misleading in a material particular.

In itself that is a sensible step in upholding high standards, certainty, security and confidence in any ongoing trading regime. On the other hand, commonsense must prevail in the interpretation of the legislation. The more we know about OJD, the more we understand that we must take into account possible diversity in incubation periods, which can depend upon a range of environmental factors that we do not yet understand. We have not yet established the impact of the environment, climate, drought, sequential seasons with or without rain, or the influence of certain soil types and the mineral content of those soils and its impact on the bacteria in the ground—that is, whether it kills it or lets disease incubate for a long period or whether it can promote the infection's viability. We still do not know enough about all the vectors involved in spreading the disease, including wildlife and feral animals. We do not properly understand the cross-species issues or the activity of animals as vectors for the disease. We still do not understand many issues.

We must appreciate the limits on farmers acting in good faith and with good will who make the best declarations they can given the available information. Many aspects of the science of OJD are still not clear. I would hate farmers who have done the right thing to find themselves victims of the law because they could

never have understood the impact of a declaration they believed to be correct because of a lack of information about OJD. I ask the Government to ensure that commonsense is applied in the application of this amendment. That is important because we must have a viable, strong and secure trading environment that gives people confidence to trade in stock. However, in raising that bar and setting that important standard we must ensure that we do not victimise farmers who do not have the benefit of information that we might have in years to come. Let us hope we do have that information, because the more information we have the better our decisions will be.

Mr RUSSELL TURNER (Orange) [11.25 a.m.]: As has been indicated by other honourable members, the Opposition will not oppose the Stock Diseases Amendment (False Information) Bill. I acknowledge the hard work undertaken by our former colleague the Hon. Richard Bull in conducting the independent review. I am concerned about the strict liability aspects of the legislation and how they could affect innocent farmers. New section 20J (2A) provides:

A person must not, in or in connection with an arrangement or agreement or proposed arrangement or agreement for the agistment of stock or for the use of land for grazing of stock (including any lease or proposed lease of land for grazing of stock), make a statement or provide information in relation to:

- (a) the presence or absence of infection in stock, carcasses or land, or
- (b) any matter relevant to an assessment of the likelihood of the exposure of stock to infection, or
- (c) any other matter prescribed in the regulations,

that is false or misleading in a material particular.

It goes on to list the penalties. I am concerned that a farmer might inadvertently provide incorrect information. Most of the discussion this morning has been about ovine Johne's disease [OJD], because it is the disease of the moment and was the subject of the Bull review. We should also take into account a number of other diseases that have affected and are still affecting sheep flocks. My 5,000 sheep suffered from footrot, and I would hate to put anyone through the agony that it caused. Lice are a continuing problem with sheep going through saleyards. Of course, we all heard about the alleged scabby mouth infection in the flock travelling to the Middle East last year and the ensuing controversy and concern. Fortunately most of the diseases encountered can be treated with vaccine and good management. Most of our farmers are very good managers, but every now and again that good management inadvertently breaks down.

In certain instances, farmers might make declarations in good faith but then be subjected to the strict liability provisions in this legislation. I am very concerned about those provisions. I will itemise some of the areas in which a farmer may inadvertently make a false declaration. A farmer may purchase a mob of sheep from a saleyard or at a private sale, which often happens. He would receive a certificate from the vendor or previous owner of the stock and, acting on good faith, might reasonably quickly turn over some or all of that stock. Some farmers might buy store ewes, get them into good condition and join them and sell them as joined ewes. That might happen over a period as short as two or three months—that is, well within the OJD, footrot or any other disease incubation period. A farmer might buy a pen of 1,000 lambs and fatten them up. The ewe portion might then be sold privately and the wether portion might be sold at a saleyard. Again, acting in good faith, and while in possession of a certificate stating that the sheep were OJD-free or came from an area not under quarantine, the farmer might sell those sheep and some time later—as long as two years later—be charged with an offence under these strict liability provisions.

Those of us who represent rural electorates have heard of instances of farmers' properties being tested for OJD a number of times. The tests have been negative, and two years later another mob of 500 or 1,000 sheep is checked, one suspect shows up, and that farm is immediately quarantined, as are neighbouring farms. Yet that farmer could have sold his sheep the day before in good faith because his farm had been tested and the sheep were clear. The farmer then has to go through the agony of getting the property taken out of quarantine, even though the next test may again be negative.

The testing procedure that has been developed until now has had wide variations and there has been doubt as to its reliability. I am aware that the industry is now undergoing changes that will allow the industry to, in effect, control itself. Providing the sheep have been vaccinated for OJD and the farmer is issued with a certificate declaring the origin of the sheep and their history, farmers will be able to trade the sheep within a wide area of New South Wales. I understand that the industry in New England is trying to have the area declared free of OJD so that sheep cannot be traded from outside the area. Given that the industry has now been put in charge of controlling the disease, I am sure that the matter will settle down and the disease will be controlled.

Farmers who buy and sell stock know what saleyards to go to for the purchase of reliable stock. When I was looking for sheep to purchase, to ensure that I did not purchase lice-infected sheep I would go to one particular saleyard rather than another, knowing that the stock from that area were generally lice-free. Farmers get to know where the good stock are, who the good agents are, and where they should purchase stock from. They also know where they can send their own stock to get a premium price for them and who has a good reputation.

As I said, the industry has now been put in charge of its own destiny, whereas in the past, as other members have said, farmers had to go through the agony of not knowing how they would survive whilst their farms were under quarantine. At the time quarantine was thought to be the right thing. In some instances, for better or worse, it was warranted that a farm go into quarantine. Because of the large numbers of stock in high-rainfall areas—parts of my electorate, parts of the Molong and Bathurst rural lands protection board areas, and parts of the electorate of the honourable member for Burrinjuck—the incidence of OJD was more prevalent. Similarly, in the past many areas had a high incidence of footrot, whereas others did not. To a great extent we have been able to eliminate footrot by good management. However, the industry must continue to be vigilant; as soon as it relaxes we may find that another outbreak of footrot will occur.

Unless we remain vigilant about OJD we may never eradicate the disease. Indeed, there has been a lot of conjecture and debate about how long the disease has been around. It has been suggested that the disease was brought in by carpet wool sheep imported from New Zealand. If that is the case, perhaps I have been guilty of bringing in the disease from New Zealand, because I imported carpet wool sheep from that country. But at that time we did not know much about the disease. Sometimes we thought a sheep that was in poor condition might have worms. However, if we happened to kill the sheep and open it up, we often found that it did not have worms, it had OJD. And that was 20 or 30 years ago! As I said, we do not know how long OJD has been in the country. But at last we are now tackling the disease far more professionally than we have done over the last few years.

Farmers know what they need to do to get their properties out of quarantine and to begin trading again, to some extent the industry is now in charge of its own destiny, and I am sure that as time goes by the cost of the vaccine will come down. There is still debate about whether governments should subsidise the cost of the vaccine; I am not sure where that is up to as far as the industry is concerned. But at least the vaccine is available. If it is freely available, we will find that the cost of it will come down, the reliability of it will improve, and with good management we will be able to get OJD under control, as we have done with most other diseases.

My main concern is that farmers who, in good faith, for a number of reasons, may inadvertently sell stock that somewhere down the track may be found to be diseased, will be subject to the strict liability provisions of the bill. Rather than the purchaser having to prove that they purchased diseased stock, the farmer will have to prove that he unknowingly sold that diseased stock. So there is still that cloud over the industry as far as the strict liability provisions of the bill are concerned. Farmers are still not quite sure where they are heading, but the legislation is certainly good news for them as far as OJD is concerned. In the past it has been one of those issues on which every farmer has had a different opinion. Everyone believed that the Government should be doing this and that or that the Opposition was not doing enough. It was a hazy area: no-one knew what the result would be or what should be done. Following this review, at least farmers have now been given clear guidelines and the industry can now move forward with a lot more confidence than it has had over the last five to ten years.

Mr DARYL MAGUIRE (Wagga Wagga) [11.37 a.m.]: The object of the Stock Diseases Amendment (False Information) Bill is to amend the Stock Diseases Act 1923 to create a new offence of giving false or misleading information in relation to the agistment of stock or the use of land for grazing of stock, and to increase the maximum penalty for an existing offence under the Act of giving false or misleading information in relation to certain matters in connection with the sale or disposition, or proposed sale or disposition, of stock.

Section 20J (2) of the Stock Diseases Act makes it an offence for a person, in connection with a sale or disposition, or proposed sale or disposition, of stock, to make a statement or provide information in relation to certain matters—concerning the presence or absence of infection in stock, carcasses or land, any matter relevant to an assessment of the likelihood of exposure of stock to infection, or any other matter prescribed by the regulations—that is false or misleading in a material particular. The Act currently provides that the maximum penalty for such an offence is 100 penalty units, or \$11,000, and the bill increases the penalty to 200 penalty units, or \$22,000. Schedule 1 [2] inserts new section 20J (2A), which provides:

A person must not, in or in connection with an arrangement or agreement or proposed arrangement or agreement for the agistment of stock or for the use of land for grazing of stock (including any lease or proposed lease of land for grazing of stock), make a statement or provide information in relation to:

- (a) the presence or absence of infection in stock, carcasses or land, or
- (b) any matter relevant to an assessment of the likelihood of the exposure of stock to infection, or
- (c) any other matter prescribed by the regulations,

that is false or misleading in a material particular.

The bill is long overdue. Recently I spoke in debate on the Animal Diseases Legislation Amendment (Civil Liability) Bill, which was connected with this bill. The amendments in the bill are the result of the work of the Hon. Richard Bull on the problem of ovine Johne's disease [OJD] and the industry's response to government about what needs to be done to manage this problem and to get the industry back on its feet by permitting those farmers who have been identified as being either in exclusion zones or under quarantine to vaccinate and to trade.

When I spoke on the Animal Diseases Legislation Amendment (Civil Liability) Bill I said that the bill was long overdue, as has been the overall response to OJD. That bill amended the Stock Diseases Act. It was important legislation that provided protection to stock and station agents who were required under the Act to disclose information about trades. That information, in turn, enabled the rural lands protection board officers to trace stock and identify OJD on affected properties. The stock and station agents were concerned that if the industry were to pursue them for disclosing that information under the Freedom of Information Act they would be liable. I supported that view because I believed they were between a rock and a hard place.

I have written to those who suggested the amendment. In 2002 I first wrote to the previous Minister, seeking the amendment. That was an important step. This bill is also an important step. It increases fines and sends a message to the industry about disclosure. That message is part of the overall response, and I understand that more decisions need to be made by the industry and that important votes will be undertaken in the future. Government will obviously be guided by the industry and its decisions. One of those decisions will be in relation to exclusion zones.

Some of those important decisions will come before the House and I rely, as the Government should, on the industry's opinion and its overall agreement on what should be done to try to resolve this affliction. I call it an affliction because it is clear that the disease has no boundaries. I understand that infections have even been found in Western Australia, which previously declared that it was free of OJD. I firmly believe that this disease has been in Australia for many, many years. The honourable member for Orange said the disease has been identified here for about 30 years. I believe it has been here a lot longer. I believe also that environmental conditions cause the symptoms of OJD to appear. For example, when sheep are under stress they show symptoms of the disease.

I believe the suggestion that the disease can be transferred from property to property is correct. That has caused a lot of grief because once someone's property was put into quarantine their neighbours' properties all became suspect as this disease spread like a cancer. The problem was not only the spread of OJD, but also the stigma of possibly having OJD on one's property and having one's neighbours becoming suspicious and they in turn looking at their neighbours in the same way. That caused enormous problems, not to mention the enormous financial problems that some families have suffered as well.

The honourable member for Burrinjuck has been involved in the entire OJD debate and has spoken about it forcefully many times in this House. She has said that families have been destroyed by this disease, which has taken a number of years to develop to its present state. That has been very sad. People in my electorate have spoken to me about family break-ups, debts, and all sorts of problems that stem from the fact that they were once stock traders and suddenly had no income. Individuals in the industry were trying to cope with all sorts of problems. I agree with the honourable member for Burrinjuck that this disease has caused a lot of grief in our communities. However, I am pleased that steps are being taken to address the problem, although those steps could have been taken more quickly.

I made representations to the previous Minister for Agriculture and he was rather slow to act, but the steps being taken by the present Minister are a positive outcome. I look forward to the industry's future recommendations as to what other steps can be taken to ensure that farmers get a fair go, that they are able to trade and that they can restore viability to an industry some of them have been in for generations. One fact that

has not been mentioned a great deal in this debate, unfortunately, is that some of the families who had been in the industry for generations have lost their breeding stock. Bloodlines that took years and years of breeding over generations were lost. I do not know that they can ever be replaced. That is another consequence of the saga we call OJD. I look forward to the industry's suggestions and the further recommendations of the review under the excellent chairmanship of Richard Bull, who is no stranger to members of this House. Under difficult circumstances he is delivering outcomes for the industry.

Mr TONY McGRANE (Dubbo) [11.46 a.m.]: I support the Stock Diseases Amendment (False Information) Bill. Like other speakers, I applaud the work that has been done by Richard Bull. The Minister should be congratulated for coming to grips with a difficult long-standing problem. He took quick action and appointed Richard Bull to make recommendations to him. Those recommendations have resulted in the amendments in the bill. As previous speakers have indicated, ovine Johne's disease [OJD] and other stock diseases have caused a lot of heartache in a lot of areas throughout New South Wales. The bill increases penalties for those who do the wrong thing. OJD is the primary reason for these amendments being before the House today. OJD is one of those diseases that has been around for a long time; it has probably been around longer than we all thought. It has caused heartache to those whose stock were not affected but whose properties were in the quarantine area.

For many people on rural properties part of their operations were absolutely shattered because they happened to be in an area that was declared to be affected by OJD. That was devastating to them financially because they could not sell their stock and, as has been indicated, in many areas bloodlines established over many years—in some cases probably over 100 years—have been wiped out because of OJD. My electorate of Dubbo has the biggest sheep abattoir in Australia. Some 40,000 sheep are killed at Dubbo abattoir each week for export throughout the world. It is important that our sheep industry has a clean bill of health.

The biggest sheep saleyards in Australia are also in Dubbo. It is important that we have an industry that is squeaky clean. Any downturn in the export of sheep would have a big impact on the economy of Dubbo and on the turnover of stock through the saleyards. Of course, the biggest impact would be on the individual sheep farmers. The bill creates a new offence and increases the maximum penalty for the existing offence of giving false or misleading information. However, the biggest win from the bill for industry is that it will be able to take control of its own affairs, something that livestock producers have sought for a long time. I congratulate the Hon. Richard Bull and the Minister on the bill, which I support.

Mr GREG APLIN (Albury) [11.50 a.m.]: The purpose of the Stock Diseases Amendment (False Information) Bill is to amend the Stock Diseases Act 1923 and follows primarily a review by the Hon. Richard Bull of the control measures implemented under the Act to control ovine Johne's disease [OJD]. The bill creates a new offence of giving false or misleading information in relation to certain disease-related matters in connection with an agreement or arrangement for the agistment of stock or the use of land for the grazing of stock. The current Act does not provide penalties for providing false or misleading information in connection with the agistment of stock. As ovine Johne's disease can be transmitted through land contamination, this is an important amendment.

The bill increases the current maximum penalty for the offence under the Act of giving false or misleading information in relation to certain matters in connection with the sale or disposition of stock. The penalty will be increased from 100 penalty units, which is \$11,000, to 200 penalty units or \$22,000. The two objectives of the bill result from recommendations of the Hon. Richard Bull to address the obvious gap in the cost of penalties being a genuine deterrent for providing false or misleading information. At the height of the ovine Johne's disease crisis in 2003, bearing in mind that it had affected areas well before that time, a number of farmers and I consulted the Hume Rural Lands Protection Board, and I attended a couple of the board's meetings. Farmers experienced considerable stress because their livelihoods were adversely affected and their personal lives were placed under incredible duress. Indeed, the bloodline of their stock was threatened with extinction. The Hume Rural Lands Protection Board responded to some of our concerns in a letter which stated:

It would be great to treat this disease like scabby mouth or clostridial diseases ... but to dismiss this emerging disease so readily could be condemning generations of Australian sheep producers to unknown and ongoing costs. To consider that course of action we would be assuming that the disease is everywhere, and would need access to a high efficacy vaccine.

There is no evidence that the disease is everywhere.

In those days the vaccine was still being evaluated. The letter further stated:

A recent trial has shown that a skilled operator can detect 95% of diseased sheep—

and that is extremely relevant—

In Hume Board, where most diseased flocks are being picked up with low levels of infection, abattoir operators are finding diseases up to 18 months before the manure test can confirm it in some flocks. This offers a tremendous advantage in allowing producers to start vaccinating before the contamination in the paddocks starts to build up.

Again, that is highly relevant in that producers will take on that responsibility, something the bill seeks to address. The letter continued:

Vaccine was first made available in response to demands from affected producers in the Central Tablelands who were suffering unacceptable sheep losses ... Vaccine is projected to reduce losses from OJD when combined with other management. It is not claiming to cure a flock.

The bill acknowledges that the vaccine will be combined with other management strategies. The letter further stated:

We, like yourselves, are also very concerned about the lost trading opportunities and costs that our ratepayers are asked to bear. States in the Protected and Free zones have not contributed the funds to support our producers, yet have significant input into policies that directly affect us. This inequity is compounded by the lack of sale yard facilities for local Quarantined sheep ...

Attempts to contain the spread of the disease during the six year evaluation program have caused social and financial losses to parts of the community borne on behalf of the whole industry. Industry itself has had difficulty defining a course of action to suit so many different businesses that run sheep as a common link ...

The relationship between producers and the board was certainly affected during that exceptionally stressful time. It was hoped that the connection had not been permanently damaged. The board expressed the view that control programs rely on the co-operation of producers, whether for footrot, which is down from 64 per cent to 4 per cent in the Hume board area, or an exotic disease. Again, that is central to the bill. The board stated that the results of research over the past five years of the program had given useful information about how the disease spreads and that the vaccine was a positive outcome from the program. The letter continued:

A manure test is being developed that is far more accurate than the blood tests previously available. New more rapid screening tests are in the pipeline. The review of this 6 year program has now started and we would hope will take into account the distress and financial burden undertaken by producers.

I attended many rallies during that time and witnessed the extreme stress experienced by producers. I am pleased that the Hon. Richard Bull was appointed to the review committee on OJD to advise and make recommendations, which it was hoped would be eventually accepted. I note that the Minister has willingly embraced the recommendations of the report. Therefore, the Opposition calls on the Government to provide the necessary resources and for co-operation with industry to ensure that the recommendations can be properly implemented. In particular, I refer to key recommendations of the assessment that the Gudair vaccine be made readily available with sales expanded to other outlets as subagents to rural lands protection boards, that the industry take a lead role in managing the disease, that the future role of government be one of education and support rather than regulation, and that future trading should be based on a factual animal health declaration. That is central to the bill.

The fact that the Government appointed the Hon. Richard Bull to undertake the assessment was a positive that came out of a rather distressing and overregulated period which will linger long in the memory of farmers in my electorate. The Opposition hopes that recommendations regarding future management of this disease will help us work towards education, management and statements that are controlled by producers. We look forward to supporting those measures and to the eventual control of trade by farmers, who have suffered the difficulties associated with OJD. The Opposition looks forward to the implementation of the provisions of the bill and supports it.

Mr JOSEPH TRIPODI (Fairfield—Parliamentary Secretary) [11.57 a.m.], in reply: I thank all honourable members for their contributions to the debate. I take this opportunity to acknowledge the work undertaken by those involved in the sheep industry in New South Wales in working towards the outcomes achieved by this bill. It is important to note that the former program was a national program, heavily supported by industry at both the State and national levels. Both governments were signatories to the program and both governments funded it. Indeed, it was a brave decision by the Minister for Agriculture and Fisheries to appoint the Hon. Richard Bull to conduct the review that has delivered such positive changes. I commend him for his work. I also congratulate the Minister on his wisdom in appointing the Hon. Richard Bull to that position, even though it was a political risk. In this instance his judgment was right.

I draw to the attention of the House the results of extensive consultations with farmers and the willingness of the Carr Government to undertake change where it is needed. Ovine Johne's disease [OJD] is not and never has been simple. However, it is vital that we look towards future reform. The provisions of the Stock Diseases Amendment (False Information) Bill will increase penalties for making false or misleading statements on disease and disease risk in connection with the sale of stock. The extension of that offence to leasing land and agistment of stock will greatly enhance the ability of the sheep industry to effectively and efficiently control OJD and maintain high standards of animal disease control in New South Wales. The risk-based categories on the OJD animal health statement will be reviewed regularly to take new knowledge into account. Participation in those reviews will form part of New South Wales Agriculture's ongoing commitment to a better approach to OJD, as well as further research into both its causes and effects.

The honourable member for Orange expressed concern about strict liability applying to producers who must fill in an animal health declaration. I note that this proposed amendment does not change the onus that has long applied to persons being prosecuted under section 20J of the Stock Diseases Act. The onus of strict liability is applied to producers who provide national vendor declarations and other disease-related statements. Prosecutions under this section are rare, and I do not think the increase in the fine or the extension of the offence to statements made in relation to agistment or leasing will be a burden on procedures. On the contrary, the increase in the offence penalty and its extension will support the objective of improving the integrity of statements made by vendors.

The honourable member for Orange also commented on the usefulness of vaccination. By assigning credit points for the vaccination status of sheep being sold, animal health statements will encourage vaccination. Simply put, producers selling sheep can expect to get more money if their sheep are vaccinated. The amendments in the bill will ensure that producers can rely on the integrity of information provided, rather than encourage people to falsify information to gain a higher price for their sheep. The information requested on the animal health statement is practical and specific. Producers are asked about the results of tests, not whether the stock might be infected. In addition, there are defence provisions in place so that producers making a mistake will not be prosecuted. I commend the bill to the House.

Motion agreed to.

Bill read a second time and passed through remaining stages.

THOROUGHBRED RACING LEGISLATION AMENDMENT BILL

Second Reading

Debate resumed from 12 March.

Mr GEORGE SOURIS (Upper Hunter—Deputy Leader) [12.02 p.m.]: I have the pleasure of leading for the Opposition on the Thoroughbred Racing Legislation Amendment Bill. I will certainly welcome the contributions that will be made by the honourable member for Blacktown and the honourable member for Georges River, who coincidentally adjoin each other on the list of members. So either it is their turn to speak or they have an intimate knowledge of, and frequent attendance at, race meetings and have taken an interest in the restructure of the Racing Appeals Tribunal and the appeals process.

Mr Joseph Tripodi: We are not in it just for fun.

Mr GEORGE SOURIS: You are certainly not. What a killjoy! I am pleased to support this bill, which the Opposition will not oppose. The principal provisions are to establish a process by which the board may appeal previous decisions to both the Appeal Panel and the Racing Appeals Tribunal. Those rights had previously been available to applicants but not to the board. On some occasions it has been frustrating when stewards' decisions have produced lenient sentences and the board has taken the view that those sentences should have been tested on appeal. This bill will enable that to happen. It is no different in common law, whereby the Crown appeals certain outcomes of court cases. This bill is simply continuing that concept to the racing tribunal and the appeal panel.

The bill further provides that new evidence may be introduced at hearings of the Appeal Panel and the Racing Appeals Tribunal. I am cognisant of the fact that on a number of occasions His Honour Mr Barrie Thorley has commented during his judgements that this avenue of reform should be introduced. That reform is

introduced in this bill and therefore the Opposition supports it. We also support the other somewhat minor amendments, including the change of name of the New South Wales Thoroughbred Racing Board to Racing New South Wales. I hope that Racing New South Wales will not be confused with other organisations with similar names—such as Thoroughbred Racing New South Wales, which refers to the thoroughbred industry, Harness Racing New South Wales and Greyhounds New South Wales. That will provide uniformity in approach, but we hope it will not be confusing.

The bill also provides for the board to choose, rather than accept automatically, a nominee from the Public Interest Advocacy Centre for membership of the Racing Industry Participants Advisory Committee—a committee that performs a significant, good role in the racing industry. That will enable the board to be a little more flexible in choosing a member of the advisory committee. With those few comments, I have pleasure in supporting the bill and I commend it to the House.

Mr PAUL GIBSON (Blacktown) [12.05 p.m.]: I am pleased to debate this bill with honourable members opposite, and it is good that members on both sides of the House agree on this bill. It was only last night that we were debating an issue relating to national competition policy and the House was told that the Federal Government had imposed a hefty fine of \$25 million on the New South Wales Government for not opening more liquor outlets. The Government and the Opposition disagreed on that point last night. As I said, I am pleased to speak on the Thoroughbred Racing Legislation Amendment Bill. I fully support the amendments.

The bill makes a number of amendments to the Thoroughbred Racing Board Act 1996 and the Racing Appeals Tribunal Act 1983, as well as consequential amendments to other Acts. Principally, the amendments relate to minor changes to the two-tiered appeal system for the New South Wales thoroughbred racing industry. The bill also changes the name of the controlling authority, and makes minor amendments to the operations of the industry's advisory committee.

The Thoroughbred Racing Board, which is the controlling body's current title, has sought to have its name changed to Racing New South Wales to align with the name of its main interstate counterparts. That is a move in the right direction. "Racing New South Wales" is a term already well known in the industry; indeed, the board's web site is www.racingnsw.com.au. The board, while set up by statute, operates in a commercial environment, and this name change will greatly assist it in its duty as this State's controlling body for thoroughbred racing. The name should have been changed a long time ago, and it is commonsense to move in that direction, particularly given the address of the web site, which I am certain I will use frequently.

The appeal amendments in the bill will provide Racing New South Wales with the same right of appeal to both the Appeal Panel and the Racing Appeals Tribunal as those currently available to an aggrieved person. They are necessary amendments to provide Racing New South Wales with the option of either appealing a decision of one of its racing organisations to the Appeal Panel or appealing a decision of the Appeal Panel to the Racing Appeals Tribunal. This will enhance the integrity of the rules by providing for greater consistency in the application of penalties. I cannot stress how important the integrity of racing is to its future, because public confidence is everything in this industry. It is easy for public opinion to go against the thoroughbred racing industry, so it is important to have public confidence in everything the industry does.

This is recognised by His Honour Mr Barrie Thorley, who is the Racing Appeals Tribunal, and he supports the amendments. The Racing Appeals Tribunal Act currently provides for the appointment of a tribunal and an acting tribunal. However, on occasion there has been a need for a further person to fill in as the acting tribunal during absences. An amendment in this bill will provide for the appointment of a third person to function as the acting tribunal when necessary in time of illness or absence of the tribunal or acting tribunal. Again, that is a commonsense amendment. Further, the bill provides that procedures will be put in place to enhance the communication between the Racing Industry Participants Advisory Committee [RIPAC] and Racing New South Wales. It also provides that the Public Interest Advocacy Centre will nominate three people to be selected by existing RIPAC members to be the consumer representative on the committee.

One of the most important provisions in the bill is the one giving Racing NSW the power to screen a person with a non-spent criminal conviction. This will assist the board in providing a safer work environment for industry employees, particularly younger employees. I am certain that everybody in the industry will support these amendments. Kenny Callander, a well-known racing identity, had a little bit to say today about money being spent on the arts and not on racing. I am sure that even Ken would say that these amendments will be beneficial to the future of racing in New South Wales. I compliment the Minister on bringing these amendments before the House today. I fully support them.

Miss CHERIE BURTON (Kogarah—Parliamentary Secretary) [12.11 p.m.]: The proposal in the bill to change the Thoroughbred Racing Board's name to Racing New South Wales will help clarify the controlling body's name, which has been well used and is already known in the industry. Racing New South Wales, as it will now be formally known, is empowered with the responsibility of controlling the thoroughbred racing industry in this State. As members would be aware, the integrity of the racing industry is paramount to public confidence and ultimately to the future of an industry that employs many thousands of New South Wales people and gives recreational pleasure to many more. So it stands to reason that when an opportunity arises to provide added strength to that integrity it should be taken. This State's thoroughbred racing industry has a two-tiered appeal system, the first being the Appeal Panel and the second the Racing Appeals Tribunal.

The proposed amendments in this bill provide that the controlling body will have similar rights of appeal as those currently available to aggrieved persons. I am sure there have been occasions when Racing New South Wales, had it been afforded the right, would have appealed a decision when a charge against a person for contravention of the rules of racing was dismissed. Similarly, I believe there would have been cases where a penalty handed down was inconsistent with that imposed in earlier similar cases. If given the opportunity, I am sure the controlling body would have appealed in those cases. This bill affords them the right to do that now. Other amendments in this bill provide for clarification that a hearing by the Appeal Panel is in the nature of a new hearing and that fresh evidence may be given on the appeal. Also included are amendments making it clear that the Appeal Panel may vary the decision appealed against by substituting any other decision that the racing authority has available to it.

Further amendments proposed by the bill make similar provisions in relation to the Racing Appeals Tribunal, allowing the controlling body a right of appeal to the tribunal against decisions of the Appeal Panel. In addition, a hearing by the tribunal will be in the nature of a new hearing and fresh evidence may be given on the appeal. These amendments basically provide for greater consistency in the application of penalties and can only strengthen the integrity of the whole appeal system. It is pertinent to note that both the controlling body and the Racing Appeals Tribunal, His Honour Mr Barrie Thorley, have argued strongly for these amendments. A further important amendment will provide that the Racing Appeals Tribunal Act will empower the tribunal to compel witnesses to attend hearings and produce documents, adding further strength to the whole appeal process. Other amendments in the bill are also aimed at enhancing the current legislation and I fully support the bill.

Mr TONY McGRANE (Dubbo) [12.14 p.m.]: I support the Thoroughbred Racing Legislation Amendment Bill, which is overdue. Racing is such a fluid industry that it needs to be looked at every so often to make sure that the legislation controlling it is up to date and meets all the necessary standards and regulations that apply in other industries. The thoroughbred racing industry has been a main part of the development of regional Australia. Since settlement, racing has played a big part in bringing communities together for a day out and enabling people to mix with their neighbours; and the racecourse is a great venue where one can mix with all levels of society. There is nothing more exciting than going to a race meeting and seeing the cross-section of the community.

These days racing is a fairly involved enterprise and it is reasonably costly to be the owner of a thoroughbred racehorse. There are more slow horses than there are fast horses, but the cost of owning and training a slow horse is the same as owning a fast horse. Even though one can own a fast horse and win a number of races, prize money has not kept up with the cost of owning a horse. Thoroughbred horses are well looked after these days while they are in training, and the costs are very high. They only have to sneeze and they are off to the vet, and veterinary bills are so high.

Be that as it may, racing is an important part of our way of life in Australia and we have to maintain the industry with integrity. That is what this bill is all about, making sure that the right regulations are in place so it is a well-run, modern operation. As I have said, racing is an important part of life in the country. Major races are held in the country, such as the Wellington Boot, which will be run next Monday. Probably 6,000 or 7,000 people will be in attendance. A lot of those people come from the city, so it is a great chance for people from the city to go to a country race carnival. The Wellington Boot carries well over \$150,000 in prize money, so it not only attracts people from the city to come and be part of racing in the country, it also brings horses from the city stables to run in the country. That means bookmakers from the city come to the country and stand at race meetings such as the Wellington Boot.

The Dubbo Cup has prize money of more than \$100,000. Hopefully, next year the Minister for Gaming and Racing will attend the Dubbo Cup and present the trophy. It is almost unique for a country race to carry prize money of more than \$100,000. That again brings horses from throughout country areas as well as from the

city, and it gives people who cannot travel to Randwick and other courses in Sydney a chance to see thoroughbreds racing in country areas. That is why the big cup meetings are essential to racing in country areas. Last year about 5,500 people attended the Parkes Cup, which is a major social event for Parkes and the region. It brings people back to the communities they have left and it also brings other people out into regional areas, and it creates a cash flow in those country areas that is so badly needed.

Racing is a very important part of our way of life and we should do everything in our power to keep it that way. There are problems in the industry, such as the cost of TAB outlets and the TAB itself. That is another part of the industry that needs to be looked at. We cannot let the racing industry fold. So many events that have been part of our way of life in country towns for the past 150 years have folded, but racing has survived. In some areas, because of the high cost of insurance and for other reasons, racing and other sporting activities have ceased to exist. But, generally, racing has survived and will continue to survive with the proper guidelines set out in the bill. I commend the bill to the House.

Mr KEVIN GREENE (Georges River) [12.20 p.m.]: It is with great pleasure that I speak on the Thoroughbred Racing Legislation Amendment Bill. Only last Monday Australian crowds thrilled to the sight of Lonhro charging out of an almost impossible pocket in the straight to win the Australian Cup. Races such as that make us excited by the thoroughbred racing industry. The effort of Lonhro in the Australian Cup victory made me reflect on other outstanding race finishes. I thought of Kingston Town in the Cox Plate and the famous Bill Collins call that "Kingston Town can't win from there". Of course, Kingston Town, to the thrill of the crowd as it charged down the straight at Moonee Valley back in, I think, 1982, did win.

Such great races encourage people like me to take an interest in thoroughbred racing. Other great victories that come to mind are the outstanding performance by Gunsynd; a Cox Plate race that showcased Bone Crusher and Our Waverley Star; Kingston Town when it was beaten in the Melbourne Cup; and the great effort by Kiwi when it charged down the outside to win the Melbourne Cup in the late 1980s. Those types of races keep bringing people back to watch races at Randwick, Rosehill, Canterbury and Warwick Farm in Sydney or at country tracks. As the honourable member for Wagga Wagga said, the country race meetings are a highlight for small country communities. In a few weeks, on 3 April, the Golden Slipper will be run at Rosehill. I know that Lindsay Murphy and his team at Rosehill will prepare a great racetrack for that major event. Then we can look forward to the Autumn Carnival, which includes the Doncaster, Derby Day, and the Sydney Cup at Randwick. I hope the Randwick racetrack is in A1 condition for those races.

Track conditions are important because those involved in the industry want races to be run under the very best conditions, to ensure the credibility of the industry. As honourable members would know, approximately \$3 billion is invested each year by New South Wales punters in the thoroughbred racing industry. Also, the New South Wales racing industry has approximately 60,000 employees. As the honourable member for Wagga Wagga also said, many of those employees are involved in small establishments in country towns. For example, trainers, perhaps earning less than \$50,000 per year, take their small stable of thoroughbreds around the various country tracks and occasionally head to tracks at Newcastle or Kembla Grange. Perhaps they just run their horses around the smaller country events, such as the carnival that is held on the South Coast each year in January.

Many people throughout the State are involved in the industry, and it is important for the credibility of the industry that it is administered properly. This amending bill addresses those issues. It will ensure that the people involved in the industry—employers, employees and investors through ownership of thoroughbreds or as punters—are certain that all the workings of the industry are above board. The thoroughbred racing industry faces many pressures. The esteemed honourable member for Blacktown referred to an article by Ken Callander in this morning's *Daily Telegraph*. Ken Callander referred to overseas interests buying Australian thoroughbreds, looking to take them out of the Australian industry. I know that Bob Ingham has been under pressure to race Lonhro in Dubai and the magnificent sprinter Exceed and Excel has just been sold. That colt is now going to be raced overseas. The sale of our thoroughbreds to overseas interests has a major impact on the industry. That is just one example of the many issues facing the thoroughbred industry. Other issues are Sky Channel and the broadcasting of races at various clubs, but I will not discuss them at this time.

This bill has been prompted by a review of the legislation, which was first enacted in 1996. Its introduction is timely, with so much happening in the industry. This weekend the Riesling Stakes and Todman Stakes will showcase some of our magnificent two-year-olds. I know that the filly Alinghi is running this weekend in the Riesling Stakes for two-year-old fillies. I understand that five or six fillies are running in that race. Whilst there is only a small field in the Todman Stakes, they are good-quality horses. The quality of the horses augurs well for the Golden Slipper carnival to be held on 3 April.

The Thoroughbred Racing Board was established in 1996 following the recommendations of the Temby review. The establishing legislation, the Thoroughbred Racing Board Act 1996, transferred the control and regulation of thoroughbred racing in New South Wales from the Australian Jockey Club to the Thoroughbred Racing Board. There was a great deal of discussion at the time, with the Australian Jockey Club having had control of the industry for in excess of 100 years. The purpose of that legislation was essentially to overcome any perceived conflict of interest and to provide greater industry representation on the controlling board.

As required by the legislation, a five-year review of the Act was conducted in late 2001 and the review report was tabled in Parliament in June 2002. There was wide public consultation and public submissions were made to the review. This was an ideal opportunity for any interested person or organisation to comment on the operation of the Act and to put forward any suggestions for improvement. The report from the review concluded that the existing structure of the board should remain and recommended certain amendments to the relevant legislation.

One of the proposed amendments was to change the official name of the controlling body from the Thoroughbred Racing Board to Racing New South Wales. This change was requested by the Thoroughbred Racing Board. For the past 18 months the board has been using the name "Racing New South Wales" in the corporate world and is already well known by that name. I also highlight that the board has appointed a new chief executive officer, Mr Peter V'Landys, who had a magnificent and outstanding career in the harness racing industry. Peter has just taken over at Racing NSW. If my memory serves me correctly, John Dumesny has taken over at Harold Park, and he is doing a good job. I was at Harold Park only a few weeks ago and it was good to catch up with him and couple of my mates.

Mr Grant McBride: Including Mark Waugh.

Mr KEVIN GREENE: In fact, I did speak with him that night. Of course, he is a member of the board. The organisation's name change to Racing NSW aligns it with the names of the other interstate control bodies. It will now more easily be recognised as this State's controlling body. Another important amendment relates to providing Racing NSW with the power not to register or license a person with a non-spent criminal conviction if, in the opinion of the board, the person is not a fit and proper person to be registered or licensed in the industry. That provision will enable the board to take into account whether a person with a non-spent criminal conviction has the potential to pose a threat to another person in the industry before determining the appropriateness of registering or licensing that person. Persons falling within that category include trainers, jockeys, stablehands, bookmakers and bookmakers' clerks. In an industry in which many employees are young a provision such as this is important in providing a safe working environment.

A number of the provisions in the bill have been included to strengthen the appeals provisions available to the thoroughbred racing industry. In particular, the provisions that allow the board of Racing NSW to appeal decisions of the racing authorities or the appeal panel will enhance important integrity issues. In addition, the provisions clarifying issues relevant to the operation of the Racing Industry Participants Advisory Committee are seen to be beneficial to efficient communication between the committee and the Racing NSW board. Of course, that particularly applies to three nominations being put forward and one of the three being accepted.

I have had a very slight involvement in the racing industry dating back many years. My father, who unfortunately passed away in 1976, worked part time, generally on Saturdays but also at midweek race meetings, for the well-known bookmaker Lloyd Tidmarsh, who was tragically murdered in the 1970s. When I reflect on the integrity required in the industry I think about Lloyd Tidmarsh. He was a magnificent man who had great credibility in the bookmaking fraternity and the wider industry. While attending the occasional race meeting with my father I developed a great love for the thoroughbred racing industry. The industry has a magnificent tradition and has a large number of participants. It is important that everyone involved in the industry has confidence in its administration. The legislative powers exercised by this Parliament have allowed the New South Wales racing industry to engender great respect not only in the Australian racing arena but also internationally.

Anything we can do as a Parliament to strengthen the authority of the various boards—in this case Racing NSW—and to support the various fraternities should be done to the best of our ability. These amendments do that. Those of us who have a passing interest in the sport or those involved to a greater degree, whether through employment or simply enjoying the occasional bet, will have great confidence in the industry because of these amendments. They will improve the industry and that is why I am sure that, like me, all honourable members who have spoken on the legislation are happy to commend the bill to the House.

Mr DARYL MAGUIRE (Wagga Wagga) [12.35 p.m.]: The object of the Thoroughbred Racing Legislation Amendment Bill is to change the name of the New South Wales Thoroughbred Racing Board to Racing NSW; to strengthen the board's recognition and licensing functions; to exclude a person with a criminal record such that the person would not meet the fit and proper person test in the legislation; to amend the membership of the Racing Industry Participants Advisory Committee so that the Public Interest Advocacy Centre may nominate three persons, one of whom would be a representative of consumers of racing and betting services; to provide the board with a right of appeal, first, to the appeal panel and, secondly, to the Racing Appeals Tribunal, and the right to appeal is deemed necessary to deal with inadequacy of penalties imposed by stewards and the appeal panel; to designate that the hearing by the appeals panel or the Racing Appeals Tribunal is a fresh hearing, that new evidence may be given and that the body hearing the appeal may substitute any decision of the original body hearing the case; to empower the Racing Appeals Tribunal to compel witnesses to attend hearings and to produce documents; and to amend the acting arrangements for the Racing Appeals Tribunal to a third person in addition to His Honour Judge Barrie Thorley and Mr Justice Wayne Haylen, QC.

I understand that the industry is very supportive of these proposed amendments. After reading them, the public needs assurance that industries such as racing—in fact any industry that the public accesses and uses—is managed transparently and according to a set of rules and regulations in which they can have confidence. Of course, the racing industry is one those wonderful industries that operates throughout Australia. The honourable member for Dubbo mentioned the Dubbo Cup. Everyone knows about the Wagga Gold Cup, which is the premier event in our region. It began in the mid-1800s and has a long and proud history. Mr Cox, a well-known land-holder in the region, put up £1,000 in prize money in 1835. That was an enormous amount of money at the time. At the time the racing club was the centre of activity in the community, and it still is today. Visitors to the event contribute between \$3 million and \$5 million to the local economy.

Only a month ago I had the great honour of attending the Wagga Gold Cup draw. Nine years ago a major sponsor withdrew \$100,000 in prize money and the town wanted innovative ideas about how to replace it. A friend of mine suggested to the board that it hold a draw. Anyone wanting to be in the draw had to pay \$1,250 and in return they would be invited to a special black-tie event. The last ticket pulled out of the barrel wins the rights to the Wagga Gold Cup. That enables the winner to host visitors, business partners and clients to a wonderful day of racing. The runner-up prizes involve a similar event but on another day during the racing year. The draw has been oversubscribed for the past nine years. It is a wonderful commitment to racing on the part of the business community and the people of Wagga Wagga. I congratulate Jim Buffler, the president of the Murrumbidgee Turf Club, one of the oldest racing clubs in New South Wales, for promoting an event of which the community is very proud.

With regard to racing generally, Wagga Wagga is a regional racing centre. The electorate also has smaller racing centres, in Lockhart, Tumbarumba and Holbrook. We have the Tumbarumba races, which originally held two meetings a year. Unfortunately, it has been cut back to one major event a year, but it is a successful event. I go to that race meeting every year. I had a hand in trying to provide updated facilities to ensure safety for jockeys, given the requirements for the railing and the way the tracks are set out. Community members were the real contributors to this. Although we worked behind the scenes politically, the community contributed in kind more than \$100,000 to bring the track up to standard so they would not lose their race day. It is very important to them. I attended the Tumbarumba race meeting in February, and it was a marvellous day. An enormous crowd turned up. Like other special events in small communities, it is the highlight of the year.

Ms Katrina Hodgkinson: Snake Gully.

Mr DARYL MAGUIRE: The honourable member for Burrinjuck mentions the Snake Gully Cup.

Ms Katrina Hodgkinson: And the Goulburn Cup.

Mr DARYL MAGUIRE: The Goulburn Cup is another special event. They are all marvellous days. Busloads of people in specially organised groups travel from Wagga Wagga to the Snake Gully Cup, another great event on the calendar. I know that you, Mr Acting-Speaker, are interested in racing.

Mr ACTING-SPEAKER (Mr Paul Lynch): Order! The honourable member for Wagga Wagga will come to order.

Mr DARYL MAGUIRE: Lockhart picnic races is another flagship event for small communities. All such events rely on good legislation that ensures the industry is transparent and that everything is above board.

During the next week Holbrook races will be held in my electorate, another great race day for the community. People from all over the State come to Holbrook for the races. People come from Sydney, families reunite, they arrange to have their own special marquees and tents, and they line them up under the shade of the gum trees. It is another marvellous day.

The economic contribution that racing makes to our community should never be underestimated. The Minister for Gaming and Racing visited the Wagga Wagga electorate recently and met with members of the harness racing fraternity, people who are interested in greyhound racing—which is a great sport—and also the Murrumbidgee Turf Club board of management. I am pleased that the Minister has taken an interest in country racing because it is important to us. The next time he visits the Wagga Wagga electorate I invite him to pick up the phone and let me know, because I am also interested in racing and I want to do what I can to support the industry. I am sure that the next time the Minister visits the area he will give me that courtesy, as all members should. When Ministers are on my turf I like to know what is being discussed and to take part in the discussions, because often the matters can be addressed in a bipartisan way. That is important when the discussions are about industries as influential as the New South Wales racing industry. Mr Acting-Speaker, I thank you for your interest in racing.

Mr ACTING-SPEAKER (Mr Paul Lynch): For my very considerable indulgence.

Mr DARYL MAGUIRE: Absolutely. I thank you for your considerable indulgence. The bill is not opposed, and from the indications I have had the industry certainly supports it.

Mr BRYCE GAUDRY (Newcastle—Parliamentary Secretary) [12.44 p.m.]: Today the St Patrick's Day race meeting is being held in Newcastle. Indeed, today marks the forty-ninth running of the Newmarket in Newcastle, a premier event that has been recognised on the National Heritage List calendar for this year because of Newcastle having its bicentennial celebrations. This year is the 200th anniversary of those Irish rebels from Vinegar Hill being sent to Newcastle to construct coalmines in the area. Obviously, at that stage it was a fairly vicious settlement for the convicts. I acknowledge the settlement of Newcastle much earlier by the Awabakal people, the first custodians of the land. The running of the Newmarket today indicates the professionalism of the Newcastle Jockey Club and the tremendous steps that have been taken since the establishment in 1996 of the Thoroughbred Racing Board as an independent non-government body responsible for the control and regulation of thoroughbred racing in New South Wales.

Since that time I have seen enormous changes in thoroughbred racing in the Newcastle area. Under the auspices of John Curtis, the secretary-manager of the Newcastle Jockey Club, and his board the club has undergone many upgrades, including upgrades to administrative facilities and facilities for punters. The racetrack has been upgraded tremendously, and the facilities are first class. The upgrade has been acknowledged by the location at the racetrack of several social functions, particularly the functions associated with the Australian Masters Games when they were played in Newcastle, and the Trans-Tasman Games. The Newcastle Jockey Club provides first-class facilities not only for the racing fraternity but also for other major social events in the Newcastle region. I am also very lucky to have in my electorate the Newcastle Harness Racing Club, under the administration of Ross Gigg. The club has what I would regard as the premier flat harness racing track, if not in New South Wales certainly outside the Sydney area. It is a fantastic facility. Both those facilities in the Newcastle electorate bring great economic benefit to the area, and provide great facilities for the racing fraternity, trainers, jockeys, strappers, those who involved in the exercising of horses and veterinary groups.

The bill strengthens the board's registration and licensing functions so that persons with a criminal record will not be registered or licensed if, in the opinion of the board, the circumstances of the offence are such that the person would not meet the fit and proper person test set out in the Act. That is an important aspect of this legislation, as it applies particularly to the control of people involved in the industry. The bill states that persons with non-spent convictions involving sexual assault would be given very close scrutiny by the board if they wish to participate in the racing industry or a workplace that includes young persons. Many young boys and girls are involved in the racing industry at an early age, working as either strappers or trainee jockeys, and there is potential for exploitation if persons of less than the best character are involved in oversighting the work of those young people. I am pleased that the bill makes that change.

The bill changes the name of the New South Wales Thoroughbred Racing Board to Racing NSW. This morning I spoke to John Curtis, the secretary-manager, about that matter and he was very positive about it, as is the board of the Newcastle Jockey Club, because once again it emphasises the professionalism of the board and Racing NSW and acknowledges their contribution to the State's economy. I will not speak much longer because

I know that the honourable member for Bathurst wishes to contribute to this debate. One could not have been anything but impressed by the contribution of the honourable member for Georges River, who seemed to have an enormous depth and breadth of understanding of the racing industry. He called to our attention the Acting-Speaker and his potential link with racing, which I think from a distance he saw as somewhat unusual.

Newcastle has produced some great thoroughbreds, particularly Choisir. Last year the Minister for Gaming and Racing lauded the outcome of Choisir's wins in the United Kingdom and France. Racing in the city of Newcastle is an important economic activity. People at all levels have the opportunity not only to enjoy thoroughbred racing but also to participate in the economic activity that surrounds the sport. This review is part of the Government's approach to legislation. It is important that this review has taken place. A five-year review was tabled in 2002, and these amendments have flown from that. I commend the bill to the House.

Mr GERARD MARTIN (Bathurst) [12.51 p.m.]: I join my colleagues in supporting the Thoroughbred Racing Legislation Amendment Bill. The Act has been reviewed after its initial five-year period. The honourable member for Newcastle spoke about the changes made to Racing NSW. I admit that my first thought was, "Racing what?" I thought that issue needed to be addressed. My initial thought was that it would be appropriate to use the word "thoroughbred"—we all know about greyhound racing and harness racing. Of course, it is part of the Australian vernacular for people to say that they are "going to the races". We all know what that means: it refers to thoroughbred racing. Honourable members have spoken about the importance of racing to the recreation and the economy of local communities, particularly in regional areas, whether it be picnic races or the bigger race meetings in the provincial cities of Wagga Wagga, Bathurst, Orange, Tamworth and so on. The races are important social events but they are also important because they generate income and tourist activity. There is an industry around thoroughbreds.

The bill gets to the heart of what is essential to racing, whether it be in the metropolitan, provincial or country areas: the integrity of the system. A major part of racing involves gambling, so integrity is extremely important. It comes down to putting in a process where we can do away with hometown decisions, if I can put it that way, and underwrite the whole industry—that is, people who are professionals, people who provide racing stock, jockeys and, more importantly, punters. Integrity in the system is necessary to inspire confidence. Over the years there has been much talk about "colourful racing identities"—I believe that is a euphemism for "crooks". The provisions contained in this bill go a long way towards eliminating those types of people from having any impact on the direct running of racing. I believe that is extremely important.

It is extremely important that the Minister for Gaming and Racing has reviewed the Act and brought forward this amending bill at this time. The racing industry, like a lot of industries, is going through a reasonably difficult time. There is a lot of competition for the leisure dollar, which did not occur in years gone by. Apart from competition from other forms of racing, young people in particular have many options as to how they spend their leisure time and money. As people become more affluent there are a lot more things for them to do. Racing needs to be mindful of that. It needs to ensure that the integrity of the industry is protected, as we are doing here, and promoted. That issue is particularly important in our regional centres.

I have a colourful poster in my hand. I do not intend to use it as a prop, but I will read from it. The poster advertises the Broken Hill St Pat's Races. The Minister for Gaming and Racing is Irish, the Acting-Speaker is Irish and I am Irish. Therefore, I think it rather appropriate that I refer to the Broken Hill St Pat's Races. This year the thirty-ninth annual race meeting of the St Pat's Races at Broken Hill will be held under the patronage of my great friend and colleague the honourable member for Murray-Darling. It is the single most important tourism event in Broken Hill. There is \$150,000 in prize money and the Outback Cup—very appropriately named—has \$41,300 in prize money. The fact that those races have been going for 39 years is testimony to their success. The money that comes from the St Pat's Races goes to local charities.

Racing gives people who participate in the sport an important outlet. Approximately 6,000 to 7,000 people turn up to the St Pat's race meetings, and many of them are visitors. They come along, spend their money and bring millions of dollars into the Broken Hill economy. For that reason, the races are as much a racing event as they are a tourist event. It is important that the races be underpinned by integrity—the rules and regulations of government—and that the stewards are beyond reproach. If that integrity falls apart the industry suffers. I commend the Minister for introducing this bill. I am happy to support it.

Mrs BARBARA PERRY (Auburn) [12.56 p.m.]: I know very little about racing, although my husband's family has a background in racing, as has some of my maternal family in Queensland. I speak as the chairperson of the Committee on Children and Young People, a joint parliamentary committee. I congratulate

the Minister for Gaming and Racing and his department on introducing the Thoroughbred Racing Legislation Amendment Bill not only because of the openness and transparency that it creates but because it strengthens the capacity of the board in its registration and licensing functions through the provision relating to criminal convictions. People under 18 need protection in all sorts of industries. This bill will go a long way to strengthening those important issues for young people working within the thoroughbred industry or the racing industry generally. I congratulate the department and the Minister on their foresight and vision. I wish the board well in implementing these provisions. I support the bill.

Mr GRANT McBRIDE (The Entrance—Minister for Gaming and Racing) [12.59 p.m.], in reply: It is well known in Parliament that Mr Acting-Speaker loves racing, loves a drink and loves carousing. He is a true Celt.

Mr ACTING-SPEAKER (Mr Paul Lynch): Order! The Minister for Gaming and Racing will behave himself or our Irish Republican colleagues in common will deal with him.

Mr GRANT McBRIDE: I thank all honourable members who have contributed to the debate. The shadow Minister, the honourable member for Upper Hunter, stated that the Opposition supports the bill. Both the honourable member for Blacktown, who is well known for his interest in racing, and the honourable member for Kogarah made important contributions. However, the outstanding winner was the honourable member for Georges River, who blitzed the others in the straight, leaving them slowly heading home to the finishing line. I congratulate the honourable member for Dubbo, who has a longstanding knowledge of, and participation and interest in, the racing industry. He also acknowledged the major contribution that racing makes to local non-metropolitan communities.

The honourable member for Wagga Wagga outlined the vital role that provincial racing plays in the fabric of non-metropolitan Sydney. He elaborated at length on the importance of racing as an event that brings the community together in celebration. The honourable member for Newcastle referred to the famous Choisir, a great horse that is up there with Phar Lap. The honourable member for Bathurst also outlined the importance of country racing and referred to the St Patrick's Day racing event in Broken Hill on 27 March. Finally, the honourable member for Auburn made the important point that it is the responsibility of all areas of government to protect young people and congratulated the department on taking up that issue.

Yesterday I visited Armidale for the Armidale Cup. I have been told that in the old days there were two building blocks for the community when a town was established: a racetrack and a church. But they did not necessarily come in that order. An interesting quirk in Armidale is that the Armidale Jockey Club and the racetrack were established in 1842 but the township of Armidale was not gazetted until 1849. The racetrack was built before the town, let alone the church. That is a clear demonstration that racing is the lifeblood of rural communities. I believe that racing is even more relevant today in regional and country New South Wales than it was in those early years. The bill seeks to maintain the integrity of the racing industry in New South Wales. Integrity is the cornerstone of the racing industry and I am pleased that its integrity is beyond reproach. The New South Wales racing industry is world class and for as long as its integrity is maintained, we will have a strong industry. I commend the bill to the House.

Motion agreed to.

Bill read a second time and passed through remaining stages.

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

MINISTRY

Mr BOB CARR: In the absence of the Attorney General, and Minister for the Environment, who is attending a meeting of the Standing Committee of Attorneys-General, the Deputy Premier, Minister for Education and Training, and Minister for Aboriginal Affairs will answer questions on his behalf.

PETITIONS

Nowra Public School Specialist Literacy Tuition

Petition requesting suitable accommodation for specialist literacy tuition at Nowra Public School, received from **Mrs Shelley Hancock**.

Milton-Ulladulla Public Schools

Petition requesting community consultation for suitable public school infrastructure in the Milton-Ulladulla districts, received from **Mrs Shelley Hancock**.

Goulburn TAFE Arts Department

Petition requesting guaranteed continued operation of the arts department at Goulburn TAFE, received from **Ms Katrina Hodgkinson**.

Autism Spectrum Disorder

Petition requesting additional support for children affected by Autism Spectrum Disorder in all educational settings in New South Wales government schools, received from **Mr Daryl Maguire**.

Frederickton Public School

Petition praying that priority be given to the construction of buildings at Frederickton Public School, received from **Mr Andrew Stoner**.

Stamp Duty Reduction Legislation

Petitions supporting the Duties Amendment (Stamp Duty Reduction) Bill 2003, received from **Mr Greg Aplin, Mrs Judy Hopwood, Mr Andrew Humpherson, Mr Barry O'Farrell, Mr Michael Richardson, Mr Anthony Roberts and Mrs Jillian Skinner**.

Gaming Machine Tax

Petitions opposing the decision to increase poker machine tax, received from **Mr Steve Cansdell, Mr Andrew Fraser, Mrs Shelley Hancock, Mr Malcolm Kerr, Mr Daryl Maguire, Mr Wayne Merton, Mr George Souris, Mr Andrew Stoner and Mr Andrew Tink**.

Luna Park Development Application

Petition opposing the latest development application for Luna Park, received from **Mrs Jillian Skinner**.

Narrawallee Subdivision

Petition opposing any form of access or egress from the subdivision adjoining Blake Place, Narrawallee, received from **Mrs Shelley Hancock**.

White City Site Rezoning Proposal

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

Water Police Pyrmont Site

Petition opposing development of the current Water Police Pyrmont site, received from **Ms Clover Moore**.

Lake Woollumboola Recreational Use

Petition opposing any restriction of the recreational use of Lake Woollumboola, received from **Mrs Shelley Hancock**.

Kosciuszko National Park Management Plan

Petition opposing the formulation of the Kosciuszko National Park Management Plan without community consultation, received from **Mr Adrian Piccoli**.

Brothels Closure Legislation

Petition supporting the Community Protection (Closure of Illegal Brothels) Bill, received from **Mr Andrew Tink**.

Coffs Harbour Pacific Highway Bypass

Petition requesting the construction of a Pacific Highway bypass for the coastal plain of Coffs Harbour, received from **Mr Andrew Fraser**.

The Alpine Way Upgrade

Petition requesting funding to repair, upgrade and realign 11 kilometres of The Alpine Way between the State border at Bringenbrong Bridge and the beginning of Kosciuszko National Park, received from **Mr Daryl Maguire**.

Windsor Road Traffic Arrangements

Petitions requesting a right turn bay on Windsor Road at Acres Road, received from **Mr Wayne Merton** and **Mr Michael Richardson**.

The Spit Bridge Traffic Arrangements

Petition opposing the proposal to add a two-lane drawbridge next to The Spit Bridge, received from **Mrs Jillian Skinner**.

Pacific Highway Upgrade

Petition requesting the construction of a dual carriageway on the Pacific Highway between Nambucca Heads and Macksville with an interim 80 kilometres per hour speed limit, received from **Mr Andrew Stoner**.

Acquired Brain Injury Patients

Petition requesting facilities for acquired brain injury patients, received from **Mr Greg Aplin**.

Coffs Harbour Aeromedical Rescue Helicopter Service

Petitions requesting that plans for the placement of an aeromedical rescue helicopter service based in Coffs Harbour be fast-tracked, received from **Mr Steve Cansdell**, **Mr Andrew Fraser** and **Mr Thomas George**.

Canterbury Electorate Commuter Bus Shelters

Petition requesting provision of adequate bus seating for commuters, received from **Ms Linda Burney**.

CountryLink Rail Services

Petitions opposing the abolition of CountryLink rail services and their replacement with buses in rural and regional New South Wales, received from **Mr Steve Cansdell**, **Mr Andrew Fraser**, **Ms Katrina Hodgkinson** and **Mr Daryl Maguire**.

Newcastle Rail Services

Petition requesting the retention of rail services to Hamilton, Wickham, Civic and Newcastle stations, received from **Mr Bryce Gaudry**.

Broadmeadow to Newcastle Rail Service

Petitions opposing the proposed closure of the railway line from Broadmeadow to Newcastle, received from, **Mr Matthew Morris**, **Mr Robert Oakeshott** and **Mr Milton Orkopoulos**.

State Forests

Petition opposing any proposal to sell State Forests, received from **Ms Katrina Hodgkinson**.

Public Transport

Petition requesting the development of a transport blueprint for public transport as an alternative to private vehicle use, received from **Ms Clover Moore**.

Bus Service 311

Petition praying that the Government urgently improve bus service 311 to make it more frequent and more reliable, received from **Ms Clover Moore**.

Casino to Murwillumbah Branch Rail Line

Petition requesting the extension of the Casino to Murwillumbah branch line to south-east Queensland, received from **Mr Donald Page**.

Goulburn Rail Services

Petition opposing any reduction or removal of rail services between Goulburn and Central, received from **Ms Peta Seaton**.

Isolated Patients Travel and Accommodation Assistance Scheme

Petitions objecting to the criteria for country cancer patients to qualify for the Isolated Patients Travel and Accommodation Assistance Scheme, received from **Mr Thomas George**, **Ms Katrina Hodgkinson** and **Mr Andrew Stoner**.

Local Government Amendment Bill 2003

Petitions opposing the Local Government Amendment Bill 2003, received from **Mr Andrew Fraser** and **Mr Tony McGrane**.

Companion Animals Legislation

Petition requesting amendments to the Companion Animals Act 1998, received from **Ms Clover Moore**.

Wagga Wagga Electorate Fruit Fly Control

Petition requesting funding for fruit fly control/eradication in Wagga Wagga, Lockhart, Holbrook and Tumbarumba, received from **Mr Daryl Maguire**.

Circus Animals

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

Sow Stall Ban

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

Cat and Dog Meat

Petition requesting legislation banning the sale of cat and dog meat for human or animal consumption, received from **Ms Clover Moore**.

BUSINESS OF THE HOUSE**Reordering of General Business**

Mr BARRY O'FARRELL (Ku-ring-gai—Deputy Leader of the Opposition) [2.24 p.m.]: I move:

That the General Business Notice of Motion (for Bills) [Liquor Amendment (Parliament House) Bill] given by me this day have precedence on Thursday 18 March 2004.

I have in my hand the Liquor Amendment Act 1982. It contains 155 provisions covering 240 pages. It covers the sale, use, consumption and control of alcohol in this State but it does not apply to this Parliament. Section 6 of the Act specifically exempts State Parliament—

Mr SPEAKER: Order! The Deputy Leader of the Opposition has only given notice of a motion. It cannot be reordered for tomorrow.

Mr BARRY O'FARRELL: In response to interjections, this issue will not go away until this place seeks to discipline itself and apply this Act to Parliament.

Mr SPEAKER: Order! The Deputy Leader of the Opposition will resume his seat.

BUSINESS OF THE HOUSE**Reordering of General Business**

Mrs SHELLEY HANCOCK (South Coast) [2.25 p.m.]: I move:

That General Business Notice of Motion (General Notice) No. 302 [Princes Highway Funding] have precedence on Thursday 18 March 2004.

Only two weeks ago the Princes Highway was closed for seven hours due to a double fatality at the Twelve Mile location south of Nowra in my electorate. This is not something new for residents of the South Coast: there have been 30 fatalities on the Princes Highway over the past 15 months. Residents in the electorate of South Coast and in the neighbouring electorates of Bega and Kiama are now expressing their fury and frustration at the reluctance of the Government to appropriately fund the upgrading of the Princes Highway. This matter is urgent as people are continuing to die on the Princes Highway. The Minister must accept that the highway is a State road and he has to urgently meet with community representatives such as the southern group of councils to discuss the inadequate funding for the Princes Highway, especially south of Nowra.

This matter must take priority, as an examination of the Government's \$380 million funding package for the Princes Highway over the next 12 years that the Minister for Roads talked about so much about will result in less than \$30 million being spent on the most notorious sections south of Nowra. It is a paltry effort that I have drawn attention to before. This will do nothing to address the problems in the electorates I have named.

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

Mrs SHELLEY HANCOCK: The circus is back in town. This matter now takes on new urgency, as only last week the Shoalhaven region, which encompasses my electorate, was announced as one of the fastest-growing regions in the State and remains the most popular tourist destination. The Princes Highway south of Nowra cannot cope with the increasing traffic levels and is littered with the crosses of those who have died on the Princes Highway. The matter must take priority as bandaid solutions will no longer work. The Minister can no longer simply shrug it off and tell us to ask our Federal colleagues for help. This is a State road; it is his road. He cannot continue to be recalcitrant. He must address the problems responsibly. The matter also took on new urgency last week when Martin Ferguson, a Federal colleague of the Minister, stated that the Princes Highway is a State road and that if Federal Labor is elected it will not spend one extra cent on the road. As this highway is a State road and in the light of Martin Ferguson's comments and the Federal Labor's stance on the Princes Highway, I ask honourable members to support the reordering of this motion.

Mr CARL SCULLY (Smithfield—Minister for Roads, and Minister for Housing) [2.30 p.m.]: We never like to hear only one side of the story. It is important to hear both sides of the story. What an extraordinary performance by the honourable member for South Coast! The honourable member forgot to mention the Government's \$380 million plan and the expenditure of \$141 million on the north Kiama bypass as I speak.

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

Mr CARL SCULLY: This financial year alone the Government is spending \$50 million. The Opposition has said that if elected it will spend \$200 million over the next five years. It is a long time since I did my multiplication tables, but I believe 200 divided by 5 equals 40. The Opposition proposes to spend less than we are spending.

Mr SPEAKER: Order! The Minister for Roads has the call.

Mr CARL SCULLY: As honourable members know, a Federal election is coming up. I want to know why Main Road 92 is a road of national importance but the Princes Highway is not. Why is the Pacific Highway a road of national importance but not the Princes Highway? I want to know why the Great Western Highway is a road of national importance but the Princes Highway is not. I want to know why the north Kiama bypass is a road of national importance.

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

Mr CARL SCULLY: I am pleased to talk about this matter because the Opposition is embarrassed. We will bring it on and debate it tomorrow.

Motion agreed to.

QUESTIONS WITHOUT NOTICE

BAIL LAW REFORM

Mr JOHN BROGDEN: My question without notice is to the Premier. In light of the Premier's election commitment of no bail for repeat offenders, how does he explain the decision by Supreme Court Justice Levine to grant bail to Danny Saad and Sam Kassas, who have been charged with the brutal and senseless murder of Robert McPherson because he walked down the wrong lane in Redfern?

Mr BOB CARR: I will study the bail decision and give a response.

COMMONWEALTH GRANTS COMMISSION FUNDING CUTS

Mr BARRY COLLIER: My question without notice is directed to the Premier. What is the latest information on the Grants Commission cuts to New South Wales and its impact on the preparation of the annual budget?

Mr BOB CARR: The Government has handed down nine budgets, all but one delivering a surplus. In fact, we have delivered more surpluses than any other New South Wales government.

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

Mr BOB CARR: We have delivered more surpluses than those delivered in total by any government in the past. All of our budgets have cut debt liabilities, with \$9 billion being carved out of the State's debts and liabilities so far.

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

Mr BOB CARR: All of our budgets have raised social spending to record levels. And we have achieved all those things while paying for the Olympic Games in full. How proud we all are of that! The House will recall my jumping for joy when we got the Games in 1993, as the Premier bringing them back to Australia. But paying for them in full fills me with as much pride as getting the Games in the first place.

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

Mr BOB CARR: When it comes to fiscal credibility, no government is entitled to more respect than this one. That is why when we warn of tough times ahead the public knows we mean it. It is true that this year's budget, our tenth—which, as I announced today, will be handed down on Tuesday 22 June—will be our most challenging yet.

Mr John Brogden: It's your own fault.

Mr BOB CARR: That is not what you said on radio this morning.

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

Mr BOB CARR: The community rightly expects increased funding for our health system and the rail network. We have to meet the \$400 million annual cost of recent pay rises for teachers and nurses. We have to fund our class size reduction plan, which was a key election commitment—and the biggest—I made last year.

Mr SPEAKER: Order! I call the Deputy Leader of the Opposition to order. The Leader of the Opposition will cease interjecting. Yesterday question time ran smoothly because members complied with the standing orders. It seems that members are a little restless this afternoon. I warn all members that I will not tolerate constant calling out and interjection. The Premier will be heard in silence, as will every other Minister and every member asking a question.

Mr BOB CARR: We have to hire more nurses and offer more nursing scholarships, as we are doing. But as we set about meeting these huge demands, the Federal Government hits us with the Grants Commission funding cuts worth \$376 million each and every year for five years.

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

Mr BOB CARR: That is \$1.9 billion over the five-year life of the funding agreement. The cuts are based on a dusty old formula written in the days of Jack Lang and Bertie Stevens. The funding cut follows hard on the heels of the \$300 million cut from Commonwealth funding for New South Wales hospitals over the next five years and, on top of that, the extra \$105 million over five years carved out because the Federal Government changed the indexation in the health care funding agreement.

Mr SPEAKER: Order! The honourable member for Upper Hunter will come to order. I again warn members that the Chair will not tolerate constant disruption. Earlier I warned members about calling out and interjection. It seems that some members are now adopting an alternative tactic of talking loudly amongst themselves. I will not tolerate that; I will call members to order if they continue to do so. I will place all members who have been called to order on three calls to order early in question time. The Premier, all Ministers and members asking questions will be heard in silence.

Mr BOB CARR: By any test, the Commonwealth has stuck the dagger right into the heart of this State's financial position—well managed as it has been over the years this Government has been in office. As a result, we face a tough budget. We have had to go through the spending of every department, line by line, to extract savings for indispensable frontline services. We will not touch funding for services such as health, education, police or child protection. Honourable members opposite were prepared to slash funding for the child protection area during the last election campaign.

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

Mr BOB CARR: That was revealed on the Thursday before the election. It is on the record. Every other agency budget is necessarily under the microscope. There are nine days to go before the Grants Commission recommendations become the law of the land. We have nine days in which to stop Canberra ripping \$1.9 billion out of this State's finances.

Mr Andrew Tink: Point of order: My point of order relates to relevance. It is not the Prime Minister, it is this bloke—Peter Beattie.

Mr SPEAKER: Order! The honourable member for Epping will resume his seat. I place him on three calls to order.

Mr BOB CARR: Surely he should be putting a case for New South Wales. We have nine days to go before the Commonwealth rips that \$1.9 billion out of our budget. The Opposition should speak up on behalf of New South Wales families.

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

Mr John Brogden: He asked me to speak up.

Mr SPEAKER: Order! I call the Leader of the Opposition to order for the second time. The Chair will not tolerate that sort of behaviour.

Mr BOB CARR: Honourable members opposite do not represent John Howard and Peter Costello; they represent New South Wales and they should put this State's case, just as I did when I was Leader of the Opposition. The Leader of the Opposition has put his name to absurd propositions in this fiscal context, including slashing poker machine taxes by up to \$1.6 billion, freezing transport fares at a cost of \$35 million a year, and cutting stamp duty by \$840 million. In view of these Commonwealth cuts, the State cannot remotely afford those measures. This morning on radio Mike Carlton asked the Leader of the Opposition to say whether he backed the Government's case for a better deal for New South Wales. He replied:

Well Mike the fact of the matter is, the Grants Commission has been unfair since the day it started for New South Wales. ...New South Wales has always been sluggish to subsidise the other States.

Then came the key question:

Do you agree with his (Bob Carr's) main complaint that we've been duded by \$376 million?

The Leader of the Opposition replied:

Well what, my view is that it's always been an unfair arrangement for NSW...

Carlton then said:

You're still ducking the question. ... do you agree that we've been duded \$376 million.

The Leader of the Opposition responded:

Well that's just the formula.

What a revelation! This Government wants the formula changed. The Leader of the Opposition's explanation is that it is just the formula so we should cop it sweet. It must have been lifted from the Bible and cannot be changed. That is wrong. No-one signed on to any formula. The Grants Commission imposes the formula and has done since the 1930s.

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

Mr BOB CARR: Mike Carlton went on to say:

You're fudging on this ... Carr is either right or wrong. Is he right or wrong?

Mr John Brogden: Point of order: If the Premier wants to a quote my words, how about this—

[Interruption]

Mr SPEAKER: Order! The Leader of the Opposition is deliberately defying the Chair and the standing orders of the House. I remind him that he is on three calls to order. The Chair's tolerance has reached its limit.

Mr BOB CARR: I will scroll back because I would not want anyone to miss what I am quoting. Carlton said:

You're fudging on this John. Carr is either right or wrong. Is he right or wrong?

The Leader of the Opposition responded:

Well he's right.

It is in the transcript.

Mr Ian Armstrong: Point of order: Mr Speaker, I am cognisant of your calls to order directed at the Opposition. I ask that you do the same in respect of Government members because they are interrupting the Premier's delivery. He cannot be heard over the noise of his own backbench.

Mr SPEAKER: Order! The honourable member for Lachlan will resume his seat.

Mr BOB CARR: The honourable member has done that in the nicest, most supportive and nurturing manner. The fact is that the States cannot do deals. The Grants Commission recommends and Peter Costello—one might say the Prime Minister—decides. It is all set out in the Commonwealth's legislation. That is the way the Grants Commission works. My question is this: Does the Leader of the Opposition agree that New South Wales has been duded of \$376 million? He said today—it embarrasses me to repeat it—that Carr is right.

[*Interruption*]

I will not say anything about Jack Lang. Why does the Leader of the Opposition not speak up and tell his colleagues in Canberra?

NORTH-WESTERN NEW SOUTH WALES LOCAL COUNCIL AMALGAMATIONS

Mr ANDREW STONER: I direct my question to the Premier. How can he justify his decision today to merge 10 north-western New South Wales councils into four when the Peel Valley Regional Review prepared by his \$1,250-a-day consultant for the Boundaries Commission was criticised by Forsyth's chartered accountants as being misleading and without foundation, containing fundamental errors and totally incorrect?

Mr BOB CARR: I am delighted to answer the question. The Governor of New South Wales today approved the creation of four new local government areas in north-western New South Wales. The creation of the new councils will result in financial benefits for the area, one-off savings of \$1.3 million, savings of at least \$1.8 million a year thereafter—

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

Mr BOB CARR: I am getting to the honourable member. He should relax, fasten his seatbelt and stay in an upright position.

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

Mr BOB CARR: This measure will ensure that local jobs stay in the community. The savings will be immediately allocated for services in those communities. The new local government authorities are the Peel Regional Council—which sounds terrific—the Liverpool Plains Shire Council, the Upper Hunter Shire Council and the Gwyder Shire Council. The proclamation sets 26 June 2004 as the new date for elections as requested by Tamworth, Manilla, Nundle and Parry.

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

Mr BOB CARR: The Upper Hunter election will take place on 25 September 2004. The proclamation follows a regional review conducted by Mr Chris Vardon.

[*Interruption*]

I believe he is a former president of the Shires Association. Am I wrong? Are there two Chris Vardons? He is not a member of the Labor Party; in fact, he was a candidate for Liberal Party preselection. The proclamation follows a regional review and a subsequent examination by the Boundaries Commission. I was pleased to see that the Minister had the good sense to appoint former upper House Liberal Party Whip John Jobling as an administrator in the Upper Hunter. That demonstrates the bipartisanship that has been a feature of this process. I am advised that he is the perfect person for the job, and I congratulate him on his appointment.

We are accused darkly and direly on this matter. Let me remind the House of this. We had a view expressed by the honourable member for Coffs Harbour only a moment ago by way of interjection, so I am forced to respond. He said recently, "The Government has today ignored the protest of several North Coast communities and has forced the amalgamation of their councils." How at odds that is with the view of his own colleague the honourable member for Clarence, who, on his counsel—I think the honourable member for Coffs Harbour knows what I am going to say—put his hand up to vote for the merger.

Mr SPEAKER: Order! Does the honourable member for Clarence rise on an apology?

Mr Steve Cansdell: The Premier is once again misleading the Parliament. The only thing we backed was no forced amalgamations when I was on council—

Mr SPEAKER: Order! The honourable member for Clarence will resume his seat. I call him to order.

Mr BOB CARR: I choose to believe the account of Grafton's *Daily Examiner* as to how the honourable member for Clarence voted. When he was shouted down in the council chambers for voting in favour of amalgamation, his defence was interesting. He said, "The first time I looked at it, with one or two councils in the north there would be less bureaucracy and a more united voice."

Mr SPEAKER: Order! Does the honourable member for Clarence rise on a point of order?

Mr Steve Cansdell: Once again the Premier is totally misleading the Parliament—

Mr SPEAKER: Order! There is no point of order. The honourable member for Clarence can make a personal explanation at the appropriate time. I call the honourable member for Fairfield to order.

Mr Ian Armstrong: Point of order: That is clearly a points decision to the honourable member for Clarence.

Mr BOB CARR: His defence got more interesting. He said, "The first time I favoured it because we wanted a bigger council. The second time there was a vote, I was in Sydney; I was free of involvement." So he was not there. He said, "The first time I voted that Grafton look into a review of amalgamation, and the second time I was in Sydney." If ever there was a case against attempting to do two jobs, the honourable member for Coffs Harbour has made it.

TEACHERS MISCONDUCT PROCEDURES

Mrs BARBARA PERRY: My question without notice is directed to the Minister for Education and Training. What is the latest information on procedures to deal with teacher misconduct?

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

Dr ANDREW REFSHAUGE: I thank the honourable member for Auburn for her question and her interest in education matters. Teachers hold an important and influential role in our community. They are responsible for the education and wellbeing of our children during school hours and often beyond, they are role models and they set examples. The behaviour of teachers and teaching staff must be exemplary at all times. Principals, teachers and school staff are responsible for managing school budgets, fundraising, sporting events and, of course, the welfare of our children. The relationship that teachers, principals, and teaching staff have with students is an important and powerful one—one that is based on trust. It is essential that this trust is never abused.

The Department of Education and Training will not tolerate inappropriate behaviour, whether it is financial mismanagement, misuse of the Internet, bullying, or inappropriate relationships. The department's rules are very clear when it comes to inappropriate relationships. Any close personal relationship, emotional or physical, is unacceptable between a teacher and a student. Staff must not, under any circumstances, have inappropriate relations with any school student. Teachers who are found to have engaged in inappropriate relations with a student are subject to dismissal. The law is also quite clear, and it was recently amended to make it an offence for any teacher to have a sexual relationship with a student under the age of 18. I want to make sure that the department has the best possible system in place to deal with teachers, principals or any staff who breach this trust, whether it be an inappropriate relationship or misappropriation of funds.

For some time I have been concerned about the way the Department of Education and Training has processed cases of alleged misconduct. That is why last year I announced a review of these processes. In the past, cases of teacher misconduct have been prepared and handled by a wide range of senior staff within the department. These staff members also made recommendations on what penalties should apply. Under this system officers have taken on cases on top of their existing full-time workload, and they have done so without the required expertise needed to navigate the complex legal and industrial procedures. This has resulted in a number of issues. It has often meant quite varying penalties for similar offences. It has also meant delays, because work was taken on in addition to full-time duties. It has often meant that the department had difficulty finding enough internal staff with the time and experience to conduct disciplinary inquiries. In fact, under these conditions it sometimes took 12 months or more to deal with a disciplinary case.

Today I can inform the House that serious cases of misconduct will now be handled by new disciplinary inquiry officers with appropriate legal and tribunal experience. These independent officers, hired from outside the department, will preside over cases and make recommendations to the director-general on what penalties should apply. They include Helen Gamble, Acting Judge of the District Court of New South Wales and Emeritus Professor of the University of Wollongong; Michael Green, QC, barrister of the High Court of Australia and the Supreme Court of New South Wales; Patrick Byrne, former head of CID and force crime advisor from the Scottish Police Service in the United Kingdom; Lynne Macdonald, legal practitioner and former senior lawyer with the Director of Public Prosecutions; Yolande Dubow, Deputy Registrar of the Supreme Court of New South Wales; David Landa, former Chief Magistrate of the Local Court of New South Wales and former New South Wales Ombudsman; Yvonne Grant, Acting Magistrate; Nerida Johnston, Chief Executive Officer of the Supreme Court of New South Wales, recently resigned; Reg Pollock, retired Assistant Director-General of the New South Wales Department of Education and Training; and Barbara Dobinson, retired Director of Schools and Director Quality Assurance with the Department of Education and Training.

The new disciplinary inquiry officers have now commenced and will work full time on cases. The officers take on cases for the Employee Performance and Conduct [EpaC] Directorate within the department and then report to the director-general on recommended action. These officers will handle the 32 matters currently awaiting consideration. The officers will deal with serious breaches of discipline, where the employee has denied the charges. Such cases could include a permanent teacher who has been assessed to be unable to teach effectively; an employee who has allegedly misused the Internet while at work; an employee who has allegedly mismanaged resources; an employee who has allegedly engaged in bullying or harassing behaviour; or a teacher who has allegedly mistreated students.

These are highly qualified professionals who are better placed to determine cases of teacher misconduct. Their appointment is designed to achieve three things: first, faster determinations; second, more consistent penalties; and third, more objective determinations. The changes will ensure that the people determining the future of teachers and other staff accused of misconduct will have the appropriate qualifications. It is not acceptable that any case takes a year or more to resolve; it is not fair on anybody. The changes should result in a speedier resolution for all those involved in misconduct cases, which are extremely sensitive and need to be resolved quickly. In no way are these changes about undermining procedural fairness. Instead, they are about delivering a better system that ensures a more timely resolution. Teachers need authority in classrooms; principals and staff need authority in schools. Cases of serious misconduct that remain unresolved simply undermine the confidence and the authority of teachers. This new procedure will ensure that any disciplinary action taken after allegations have been raised is dealt with as quickly and as fairly as possible.

NSW POLICE GANG ACTIVITIES INVESTIGATION

Mr PETER DEBNAM: My question is directed to the Minister for Police. Could the Minister confirm that Peter Bodor, QC, has found numerous reasons for suspecting that the James report was contrived not to reflect the full facts?

Mr JOHN WATKINS: I am advised that on advice from Ian Temby, QC, Commissioner Moroney referred the matter to Peter Bodor, QC, to conduct an independent legal assessment of the investigation. I am further advised that Mr Bodor recently completed his work and presented a report to NSW Police. I understand that Commissioner Moroney is currently considering that matter.

NATIONAL WATER INITIATIVE

Mr GEOFF CORRIGAN: My question without notice is directed to the Minister for Infrastructure, Planning and Natural Resources. What is the latest information on water management in New South Wales and the national water initiative?

Mr CRAIG KNOWLES: The national water initiative is by far and away our best chance to replenish Australia's depleted river systems. The initiative underpins the twin objectives of environmental sustainability and economic production. It should never be an argument about one versus the other. There should always be recognition that the two objectives must go hand in hand. Without the active participation of private producers there is little likelihood of substantial contributions of water for the environment. Equally, and more importantly, more water and careful management of it must be provided to sustain the environment. Without it, there is no chance to properly deal with rising salinity problems, the restoration of river flows and overstretched aquifers; no chance of long-term economic prosperity of the land.

That is why the national water initiative and the subsequent amendments we propose to the Water Management Act in this session are essential to the health of our waterways and to the health of the State's economy. Everyone acknowledges that many of our water systems are overtaxed. Successive governments for generations have encouraged farmers to drill for and pump more water. For too long it has been a free-for-all. Smart farming is all about properly valuing water, incorporating efficient water management practices to enhance the value of the business and personal effort. More water is conserved, water that can be freed up for the environment as an investment in sustainability and then investment in future production.

More water should not be regarded as a windfall. It is not a gift. It carries added responsibility to invest it as efficiently as we can. It is all about getting the balance right. That is why, for example, perpetual licences are a good sustainability tool. Perpetual licences do not mean open slather for farmers and irrigators, as has been suggested in recent days. Water allocations will still be controlled under water sharing plans. The concurrence regime with the Minister for the Environment does not change. Indeed, I want the relationship between the agencies of government, such as the Department of Infrastructure, Planning and Natural Resources [DIPNR], the Department of Environment and Conservation [DEC] and the Department of Agriculture, to be strengthened if we are to manage this scarce resource of water.

Water sharing plans will remain the primary instrument to establish and maintain healthy, working rivers. What will change though is that water management will be streamlined by incorporating the functions of the independent Natural Resources Commission and the new catchment management authorities in the audit and monitoring of the environmental health of rivers as part of the broader objectives of catchment management and catchment planning. For example, we propose that if the Natural Resources Commission, based on an independent assessment, advises that there is no need to remake a water sharing plan at the end of its life because it is meeting all of its objectives, then it should simply be rolled forward without the need for a mandatory review. In doing this the Natural Resources Commission will, of course, consider the range of relevant matters in the context of the catchment action plan.

That action alone, without losing any quality, potentially saves millions of dollars in red tape and bureaucracy, which can be immediately transferred into more sustainability initiatives as part of the management of the catchment. It allows resources to be devoted to those water systems that need greater assistance rather than those that may not. There should be no need to spend millions of dollars on more studies for a new plan if the present plan is working well. We propose to change the Water Management Act to reflect what is, after all, a commonsense approach in that regard.

Equally, we propose changes to clarify the definition in the Act of "environmental health water", to remove any ambiguity and to ensure that the management of environmental water better mimics natural needs. Far from taking anything away from the environment, as suggested in recent days, these efforts will be directed towards enhancing environmental management based on better science. The changes will also ensure a more transparent process. What is proposed is to provide plenty of opportunity for stakeholder participation through the catchment management authorities and the independent Natural Resources Commission as part of their annual reporting requirements, formal consultation with particular interest groups and the commission's ongoing public auditing role. There are many groups with a keen interest in water and the environment and we welcome their input.

Perpetual licences establish the basis for the security and certainty necessary for investments in sustainable irrigation development and water saving initiatives—nothing more, nothing less. They are a good

tool for helping to build the sustainability agenda; by delivering the security for investment they have the capacity to deliver a bigger dividend on water and ensure that it is properly valued and managed. The necessary infrastructure changes and changes to farm practices that must occur across the nation to improve sustainability and to deliver more water for the environment come at a cost. Nothing is free here. Governments alone do not have sufficient money to make the changes on their own.

For both financial and social reasons we need to involve private operators and private capital, to employ as many resources as is possible to make the cultural shift and the big investments towards a more sustainable future in farm practice and for our environment. The national water initiative and the subsequent changes to States' legislation have the potential to provide the foundations for that shift. Unless we do this, water for the environment will always be relegated to second place. Our proposed changes give the certainty for investment that will boost the environmental agenda. Indeed, in the long term it will improve everyone's sustainability.

BRANCH RAIL LINES

Mr DONALD PAGE: My question without notice is directed to the Minister for Roads. What is the Minister's plan to deal with up to 79,000 more truck movements on country roads if rail branch lines are closed, given the huge impact this would have on road safety and the unaffordable costs for councils to maintain the network of roads on which these extra grain trucks will travel?

Mr CARL SCULLY: This is obviously an issue about which the Minister for Infrastructure and Planning, the Minister for Transport Services and I are in discussion. The Government takes care when it makes decisions that may impact on other areas of the Government. This is not dissimilar to discussions that I have had with the Federal Government from time to time about mass limits. The Federal Government has an opportunity to do much good for country New South Wales. I would like to see the \$4 billion that John Howard is throwing around like confetti at a wedding. Worry not: we are committed to doing all we can for country New South Wales.

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

Mr CARL SCULLY: Reluctant as I am to deal with a question on rail, I cannot believe the Opposition has the gall to ask the Government questions about country rail, given the Opposition's record.

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

Mr CARL SCULLY: No-one was more entitled to the gold medal for closing rail lines than the Opposition when it was in government—absolutely second to none. The Government will continue to do all it can to assist councils in maintaining their roads. I would suggest if more information is required about branch lines questions should be directed to the Minister for Transport Services.

REDFERN POLICE STATION REDEVELOPMENT

Ms KRISTINA KENEALLY: My question without notice is directed to the Minister for Police. What is the latest information on the redevelopment of Redfern police station?

Mr JOHN WATKINS: The police at Redfern do an incredible job under very challenging circumstances. They deserve to work in first-class conditions. A new Redfern police station is a priority for the State Government and NSW Police. It is a priority that I have been following since becoming Minister last year. On my first visit to Redfern police station last year, and again recently, I saw first hand the conditions under which the police in that local area command work.

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

Mr JOHN WATKINS: The conditions can only be described as highly unsatisfactory, but that is about to change. Planning for the new complex began last year. Today I am happy to report to the House that the new Redfern police station is a step closer. A heads of agreement has now been signed, allowing us to begin negotiations to lease six floors in one of the former TNT towers at Redfern, with an option for an additional floor. Building work on the project could begin as early as next month, with the fit-out to commence soon after. Police advise me that the project should be completed by early next year. This is good news for our hardworking police officers of Redfern.

The project will deliver the modern, custom-built police station they have been waiting for, a station they so richly deserve. The new Redfern police station will be right where the officers want it. It adjoins other local services and the train station. It has a bird's eye view of the Block. The proposed lease and fit-out will provide six floors of the former TNT tower, secure undercover parking for police, extended ground floor space, with security features including bulletproof glass, airconditioning, a secure van dock, secure designated lifts for police and prisoners, and an external ramp to ensure access for disabled visitors. I am contacting the Redfern local area commander and the Police Association today to advise officers about this latest progress and I look forward to announcing more details of this project in the near future.

NSW POLICE GANG ACTIVITIES INVESTIGATION

Mr MALCOLM KERR: My question is directed to the Minister for Police. Is it true that Peter Bodor, QC, found teenage drug dealer James was doing his honest best to assist NSW Police in their investigation of gang activities and that most of the information he provided was accurate?

Mr JOHN WATKINS: Again, I will answer the same question. The Bodor investigation, I understand, has been completed and forwarded to the Commissioner of Police. The Commissioner of Police is considering the Bodor report. When he has finished his consideration of the Bodor report, I presume that it will be forwarded to me.

MENINGOCOCCAL DISEASE

Mr PAUL GIBSON: My question without notice is to the Minister for Health. What is the latest information on the fight to reduce the incidence of meningococcal?

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

Mr MORRIS IEMMA: Meningococcal disease is a rare but potentially fatal illness affecting 200 to 250 people each year in this State. Tragically, in up to 10 per cent of cases the person dies. Although meningococcal disease can affect any age group, high-risk groups include children aged under five years as well as 15- to 19-year-olds. Meningococcal disease occurs more commonly in winter and in early spring. In New South Wales the most common form of meningococcal disease is type B, followed by type C. This year there have been 23 cases of meningococcal disease notified in this State, but, thankfully, no deaths.

Public health units have successfully managed the surveillance, investigation, and control of meningococcal disease in New South Wales for the past decade. The management of cases and the people with whom they have had contact are part of routine public health practice. One of the latest weapons in the fight against this disease is the meningococcal C vaccine, which provides over 90 per cent protection against type C. The Commonwealth Government stipulated that children aged six to 19 years of age were to be vaccinated against the type C disease via a school-based program that started in 2003 and was to finish in 2006.

The New South Wales Government made a commitment to accelerate this program to ensure faster access to this potentially life-saving vaccine, and the commitment has resulted in one of the largest vaccine programs ever seen in Australia. As I have stated, the original plan was for the program to be completed by 2006 but because of the importance the New South Wales Government places on the vaccine in tackling the type of meningococcal disease that I have mentioned, I am pleased to advise that the New South Wales component of this program has already fast-tracked its way through one-third of the targeted 1.2 million children and young adults. As of March, 400,000 children have been vaccinated in this State.

Public health professionals advise that vaccinations for students in all New South Wales high schools will be completed by the Easter holidays in April of this year. The vaccination program for primary schools will be completed by December this year—well ahead of the Commonwealth Government's scheduled completion date of 2006. That is an outstanding achievement on the part of our public health officials. Parents of one- to five-year-olds are encouraged to take their child to their local general practitioner for the free vaccine. Children and young people aged 6 to 19 years are eligible for free vaccination via the school-based program, which involves all high schools and primary schools across the State. As yet there is no vaccine available for the B strain of this potentially life-destroying disease, and it is important that parents remain alert for signs of the illness. These can include fever, headache, a distinctive reddish rash and vomiting. Parents should seek medical attention immediately because early treatment with antibiotics is crucial for recovery from this disease.

[*Interruption*]

Opposition members may find this funny but I am sure that hundreds of thousands of parents across this State do not find it funny. The quality of the work undertaken on this initiative by our hardworking public health professionals ought to be strongly supported by all members of this House. While I am on the subject of vaccination programs, public health experts—the same hardworking professionals who have been responsible for our being so far ahead of schedule because 400,000 vaccinations have already been given—advise that now is the best time to be vaccinated against the flu, before the expected winter outbreak of influenza.

Those same public health experts have done a sterling job on the meningococcal vaccination program. Countries in the Northern Hemisphere are moving out of a winter flu season that was quite severe, with people of all ages, including children, struck down by the Fujian strain of influenza. More than 425,000 vaccines have already been distributed to general practitioners across the State, with more to be distributed over the coming weeks, as we prepare for what will be, on all predictions, a severe winter.

The information is at hand, advice from the experts is available, and I urge all of our senior citizens and anyone with a chronic medical condition to see their family doctor—one of the decreasing number of family doctors who bulk-bill—for a flu shot. The influenza shot is free to people aged 65 years and over, and to all Aboriginal and Torres Strait Islander people aged 50 years and over. Vaccination is the best line of defence against the flu and I call on all honourable members to advise their constituents of this very important public health service provided by our hardworking health care professionals and experts in the Department of Health and area health administrations across the State.

Questions without notice concluded.

NORTH-WESTERN NEW SOUTH WALES LOCAL COUNCIL AMALGAMATIONS

Personal Explanation

Mr STEVE CANSDELL, by leave: I wish to make a personal explanation, because I feel that my reputation has been tarnished by the Premier. Earlier, the Premier accused me of supporting the Government's forced council amalgamations. I do not support forced amalgamations. The Premier also said that I supported a move by council to force amalgamation. The only thing I moved in council was a review to look at the pros and cons and a poll on any amalgamation process.

Mr SPEAKER: Order! The honourable member is not entitled to debate the issue. He has not yet provided any personal explanation.

Mr STEVE CANSDELL: I am not debating the issue. All I am saying is that the Premier tarnished my reputation by insinuating that I supported forced amalgamations. I have never supported forced amalgamations. The Premier also insinuated that I was on council when I voted for amalgamation. I was not even on council at the time; I had resigned from council.

Mr SPEAKER: Order! The Leader of the House will come to order.

Mr STEVE CANSDELL: If anything, the Premier should admit that he lied to Parliament.

Mr SPEAKER: Order! Has the honourable member for Clarence concluded his remarks?

Mr STEVE CANSDELL: No, I have not. The Premier also insinuated that I said certain words in council chambers. I did not say those words in council chambers, and the Premier should realise that. If anything, the Premier should admit that he lied by saying that the Government's policy before the election was no forced amalgamations. He has broken that time and again.

DEPARTMENT OF SPORT AND RECREATION CORRUPTION ALLEGATION

Privilege

Mr BARRY O'FARRELL (Ku-ring-gai—Deputy Leader of the Opposition) [3.21 p.m.]: I raise a matter of privilege in accordance with Standing Order 101. Yesterday during question time the Minister for

Tourism and Sport and Recreation was asked a question about corrupt conduct by officials within her department. At the end of question time she provided a supplementary answer in relation to that matter. Yesterday's *Hansard* has her saying:

I have now received advice, and when I receive from the department the report referred to earlier in question time I will table it, as well as a letter from the ICAC, which I will read to the House shortly.

The audiovisual recording of the Parliament has the Minister saying:

The first thing I want to say is I have now received advice, and I will be releasing the report referred to earlier in question time. It's on its way over from the department and it will be tabled, as will a letter from the ICAC ...

Mr Carl Scully: Point of order: How the Minister responds to commitments she may or may not have made to the House is a separate matter. If the Deputy Leader of the Opposition wants to raise a point of privilege it must be something that occurred surrounding the time he raises the point of privilege. This is clearly not a matter of privilege. It is a matter for the Minister to respond or not to respond.

Mr BARRY O'FARRELL: To the point of order—

Mr SPEAKER: Order! The Leader of the House is still giving his point of order.

Mr Carl Scully: I have not finished. There is a long tradition in terms of how members raise matters of privilege, and I understand that this is clearly does not fall within any of them.

Mr BARRY O'FARRELL: To the point of order: The Minister has not yet seen my motion, which relates to the misreporting by *Hansard*, on this occasion, of what the Minister said.

Mr SPEAKER: Order! I have heard enough. To be able to make a determination in relation to this matter, I will need to consult further. I would request the Deputy Leader of the Opposition and the Minister for Tourism and Sport and Recreation, and Minister for Women to consult with me in my rooms at a later date so I can make—

Mr Andrew Stoner: This is in the Chamber. That's what the Chamber is for.

Mr Chris Hartcher: He's raising a point of privilege.

Mr SPEAKER: Order! The Deputy Leader of the Opposition has raised an alleged discrepancy between the videotape and the *Hansard* record.

Mr Andrew Stoner: This should not be done behind closed doors; it should be done in the Parliament.

Mr SPEAKER: Order! I place the honourable member for Gosford on three calls to order. I have made my determination. I will review the matter and come back to the House with a determination on the claim of privilege.

Mr Andrew Tink: On a point of privilege: Where the issue is *Hansard*, we are all recorded by *Hansard*, and we are all entitled to hear the problem.

Mr SPEAKER: Order! That is not the issue at all. The Deputy Leader of the Opposition has alleged that there is a discrepancy between the video recording and *Hansard*. As the Speaker I am entitled to review the matter closely. I will not hear anything further on the matter.

COFFS PROVIDEDRES

Ministerial Statement

Mr DAVID CAMPBELL (Keira—Minister for Regional Development, Minister for the Illawarra, and Minister for Small Business) [3.25 p.m.]: The New South Wales Government supports regional business through a variety of schemes. Our Regional Business Development scheme is helping Coffs Providedores to expand and target new markets on the mid North Coast and the North Coast. Importantly for the Coffs Harbour

community, it is creating new jobs. Coffs Provedores, a wholesale and cold store business, has been operating since 1995. Currently, it has 28 workers, increasing to 40 over the next three years as the company expands.

The New South Wales Government is helping this company to undertake a \$3 million expansion. In order to grow its business by 30 per cent over the next three years, the company has moved to bigger premises, tripling its storage capabilities. This well-established local company is helping to strengthen the position of Coffs Harbour as a major distribution hub between Newcastle and Brisbane. That is good news for future jobs and for local families. Coffs Provedores is another growing regional business that the New South Wales Government is supporting for the benefit of everyone in New South Wales.

Mr ANDREW STONER (Oxley—Leader of The Nationals) [3.27 p.m.]: The Opposition welcomes support for regional business, particularly Coffs Provedores, which is a successful business on the mid North Coast. When any business seeks to grow, it should have incentives to do so; it should not have disincentives. I am pleased that the Minister has recognised this need in relation to Coffs Provedores. As the Minister said, the expansion should create jobs in Coffs Harbour. It should also bring continuing economic growth to a very strong centre of prosperity on the mid North Coast. Coffs Harbour is a distribution hub between Newcastle and the Queensland border, and this assistance will be well received. I ask the Minister to take on board some of the feedback from regional business about issues such as workers compensation rates, which are too high in regional New South Wales, payroll tax rates, which are higher in New South Wales than in other States, and the latest imposition via WorkCover of occupational health and safety regulations, which are additional red tape and are anti-business in this State.

CONSIDERATION OF URGENT MOTIONS

Federal Government Public Schools Funding

Dr ANDREW REFSHAUGE (Marrickville—Deputy Premier, Minister for Education and Training, and Minister for Aboriginal Affairs) [3.29 p.m.]: My motion is urgent because we need to protect the future of our children's education. The appalling lack of support from the Federal Government, especially for our public schools, deserves our immediate condemnation and urgent attention. Families and students across the State are concerned and angry about the Howard Government's school funding announcement.

Instead of valuing public education, the Prime Minister is undermining it. He is not providing one extra dollar for our public schools, and the divvying up of the Federal funding pays no regard to the needs of schools, whether they be public or private. While fairness and equity should be central to any funding in education, the Prime Minister and the Federal education Minister are deliberately funding injustice and inequality. They think it is fair to give public schools, that educate 70 per cent of students, just one-quarter of the money on offer.

Our students' futures demand that my motion be debated urgently, and the parents concerns also demand that. Labor governments across the nation have demonstrated their commitment to public education. It is time the Federal Government showed the same sort of commitment to our young people. The Federal Government deserves our condemnation for failing to provide adequate funding to our public schools. We must urge the Federal Government to alter school funding arrangements. In this Federal election year it is time the Federal Government said it supported public education and put appropriate funding to it.

Bail Law Reform

Mr JOHN BROGDEN (Pittwater—Leader of the Opposition) [3.30 p.m.]: My motion is urgent because it brings to the attention of the public and Parliament the outrageous failure of the Carr Government to fix bail laws in New South Wales. An example of what Premier Carr told the people of New South Wales is contained in a newsletter of the honourable member for Menai that says, under the Premier's signature, "No bail for repeat offenders". We are now aware that in the Supreme Court Justice Levine has granted bail to repeat offenders who have been accused of and charged with the brutal murder of Robert McPherson in January 1998.

The matter is urgent because the two accused, Danny Saad and Sam Kassas, have been granted bail despite the fact that they have serious criminal histories and despite the fact that they have been charged with a brutal and senseless murder. These men have been granted bail, despite the Government's promise that no repeat offenders will be granted bail. The Premier knew nothing about this matter when asked about it in the House today. This matter has received significant public attention. As the *Daily Telegraph* reported on 10 August 2002, Robert McPherson was murdered for walking along the wrong lane. On that same day the *Sydney Morning Herald* reported that Mr McPherson was killed after bumping into a car mirror. That report went on:

A man was murdered in a Redfern lane because he knocked the side mirror of a car as he walked past it, a court heard yesterday.

Two men, Danny Saad and Sam Kassas, were charged at Redfern Local Court with killing Robert Alan McPherson in Castlereagh Lane on January 27, 1998.

What stuns me the most is that the Premier knew nothing about this matter when on 5 January the *Daily Telegraph* reported that his Government had put up a \$100,000 reward to find the murderers. What is most hypocritical of the Government is the Premier's commitment that violent criminals such as this would not be given bail. Why are Danny Saad and Sam Kassas in the position where they are granted bail by the Supreme Court of New South Wales? The matter is urgent because the Premier told this House on 27 May 2003 that his changes to the Bail Act, "implement our decision to allow prosecutors in serious cases to temporarily stay bail decisions".

The matter is urgent because there is no requirement for the Supreme Court to provide reasons for granting bail. Justice Levine has provided the people of New South Wales with no reason or justification for his decision. There is no reported judgment on this matter. We do not know why Justice Levine granted bail to these alleged murderers, but he has given them bail. What we do know is that the Premier told the people of New South Wales before the last election that there would be no bail for repeat offenders and that those who commit violent crimes such as this would not be granted bail. On two separate occasions the Premier announced no bail for repeat offenders and his commitment that people charged with serious crime—and it does not get much more serious than a callous murder such as this—would not be given bail, but Saad and Kassas have been granted bail.

On 27 January 1998 Robert McPherson was walking home from the local pub bottle shop. On the way home he walked down the wrong lane and was attacked. According to reports, it was a completely unprovoked crime. The attack was so brutal that Mr McPherson died at the scene. NSW Police allege that Mr McPherson was attacked by two of the defendants while others whipped him with a chain, hit him with a baseball bat and finally stabbed him in the chest. And they were granted bail! Mr McPherson was murdered in a Redfern lane because he did not ask permission from one of the accused to walk down that lane. On 20 August 2002 the *Daily Telegraph* reported Mr Danny Saad, one of the men granted bail by the Supreme Court, as saying:

They've got no right to walk up my lane. Everyone knows not to walk up my lane. I own it. I run it.

This matter is urgent because it goes to the heart of our legal system and processes in New South Wales. Where is the Premier when it comes to following through on his promises? After nine years in government his words are worthless and his commitment is worthless. He is not willing to see these matters through to the end and to see that people charged with murder are not granted bail.

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

The House divided.

Ayes, 50

Ms Allan	Ms Hay	Mrs Paluzzano
Mr Amery	Mr Hickey	Mr Pearce
Ms Andrews	Mr Hunter	Mrs Perry
Ms Beamer	Mr Iemma	Mr Price
Mr Black	Ms Judge	Dr Refshauge
Mr Brown	Ms Keneally	Mr Sartor
Ms Burney	Mr Knowles	Mr Scully
Miss Burton	Mr Lynch	Mr Shearan
Mr Campbell	Mr McBride	Mr Stewart
Mr Collier	Mr McLeay	Mr Tripodi
Mr Corrigan	Ms Meagher	Mr Watkins
Mr Crittenden	Ms Megarrity	Mr West
Ms D'Amore	Mr Mills	Mr Whan
Ms Gadiel	Mr Morris	Mr Yeadon
Mr Gaudry	Mr Newell	<i>Tellers,</i>
Mr Gibson	Ms Nori	Mr Ashton
Mr Greene	Mr Orkopoulos	Mr Martin

Noes, 35

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

Pairs

Mr Bartlett	Mr Hartcher
Ms Saliba	Mr R.W. Turner

Question resolved in the affirmative.

FEDERAL GOVERNMENT PUBLIC SCHOOLS FUNDING**Urgent Motion**

Dr ANDREW REFSHAUGE (Marrickville—Deputy Premier, Minister for Education and Training, and Minister for Aboriginal Affairs) [3.44 p.m.]: I move:

That this House:

- (1) condemns the Federal Government for its failure to provide adequate funding to public schools; and
- (2) urges the Federal Government to alter its school funding arrangements.

Families and students across New South Wales are deeply concerned by the Howard Government's announcement last week on school funding. Yet again, John Howard is turning his back on government school students. Under the Commonwealth funding arrangement for the next four years, there are funding increases for the non-government sector but no increases for the government sector. Nor are there any new ideas in this supposed Liberal blueprint for education. The paltry level of detail is bad enough, but the lack of vision or imagination is alarming. Brendan Nelson boasts that he is providing \$31 billion nationally for all schools over four years. That is less than this Government will be spending in New South Wales on our schools over the same period.

This year our Government is providing record funding for education and training—\$8.7 billion, an increase of 7 per cent on last year's budget and an increase of more than 50 per cent compared to the funding when we came to government. When we sift through the rhetoric, the fudging and the bluster from the Federal Government, the reality is that its package does not provide one extra dollar to public schools. It is obvious, on any analysis of the funding, that more and more Federal education funding is going to non-government schools. This morning in an article in the *Sydney Morning Herald* well-respected commentator Ross Gittens said:

What Howard did last week was simply to increase the taxpayer subsidies going to private schools.

That is all he did. The figures reveal the truth of his comment. In 1995 for every dollar that the Federal Government provided to a government school student, it provided \$3.25 to a non-government school student. In 2002 for every dollar it provided to a government school student, the Commonwealth provided \$4.10 to a non-government school student. In other words, the funding to non-government school students increased from \$3.25 to \$4.10. Today's editorial in the *Sydney Morning Herald* describes the funding formula for non-government schools as flawed. The article quotes one analyst as saying:

There are many private schools where the rich kids are getting the benefit from the poorer kids who happen to live in the same area and go to the local public school.

Simply put, John Howard is ensuring some of the State's wealthiest families are benefiting from other people's disadvantage. The Federal Government's formula takes no account of school income or school assets, and many schools are exempt from the formula with at least half of the non-government schools in New South Wales being maintained on their previous funding arrangements. Even based on the Commonwealth Government's own index, at least half, if not more, of non-government schools are funded above their level of need.

The Commonwealth Government's funding plan for the next four years pays no regard to the needs of schools, public or private. It ignores the fundamental principle that funding for schools should be targeted on the basis of need so that all students are given the best possible opportunities to succeed. Some of the non-government schools that will receive an increase will deserve it, but many will not. The Commonwealth Government's formula does not care, nor does it try to compare the needs of a student in a non-government school relative to the needs of a student in a government school. While fairness and equity should be central to any funding of the education system, John Howard and Brendan Nelson are deliberately fostering injustice and inequality.

Instead of valuing public education John Howard is undermining it. The Commonwealth is failing the 70 per cent of students who attend government schools. Giving three-quarters of \$31 billion to only 30 per cent of students in non-government schools is not fair. However, the bigger crime is that public schools—schools that educate 70 per cent of students—are left to divide one-quarter of the pool of money on offer. It is not enough money. All our students deserve more so that we can develop and deliver the right sort of teaching and learning. No-one could argue that they do not deserve it. John Howard wants to punish and penalise schools he thinks do not measure up when he should realise that extra help for students and schools can produce extraordinary results. I recently spoke in this House about the amazing turnaround in results over the past three years at 49 Mount Druitt schools. Under John Howard's plan, those schools would be punished because they were not measuring up. This Government gave them extra support to help them do better. They were given more money and more resources, and the entire school area renewed its focus on learning. As a result, schools in the region have recorded their greatest academic improvements ever.

The Commonwealth Government's offer does not even pretend to deliver a better education for students who need extra support, whether they be public or private students. New South Wales schools are already delivering some of the best literacy and numeracy results—not only in this country but also around the world. The Organisation for Economic Co-operation and Development [OECD] has acknowledged that and the Productivity Commission has confirmed it. This year the commission found that New South Wales year 5 students were the best in Australia when it came to writing skills. The commission also found that New South Wales year 3 students were above the Australian average when it came to achieving a writing benchmark. However, John Howard's plan does not provide any incentive for our schools to do even better. He would rather they conform to the lowest common denominator. He threatens the loss of even more money if all schools do not comply with blanket national standards.

Those standards, such as easier to read report cards, common literacy and numeracy standards, common reporting of results, and a standard age for starting school, trumpeted by Brendan Nelson as a revolution in education, are already being worked on at the State level. It is laughable for the Commonwealth Government to be claiming them as new ideas. Each State jurisdiction has been working on these concepts and implementing them while Brendan Nelson has been asleep at the wheel. New South Wales schools already report to parents on literacy and numeracy achievements and provide detailed information about what students know, understand and can do. The Government recently changed the legislation to ensure that private schools do the same. The Commonwealth Minister would benefit from having a closer look at what the States and Territories are already doing in reporting to parents. In addition, following Queensland's decision late last year, all States are essentially in agreement on a common school starting age. The Commonwealth Government's bullyboy threats should be seen for what they are—a smokescreen highlighting a tired looking Federal Government without any ideas. It simply wants to bully the States to conform to a pathetic level of national consistency. Our students and their parents deserve better.

In a media release dated 29 July 2002, the honourable member for North Shore claimed that she was "a strong supporter of public education". Here is her chance to back up that claim. She should join with me in calling on John Howard to deliver more funding for public schools. If the honourable member supported public education she would join the Government in requesting more funding for public schools. If she does not support it, she will walk away claiming that she said it for the media because it seemed like a good idea at the time. I ask the House to condemn the Federal Government for its failure to provide adequate funding for public schools and urge it to alter its school funding arrangements. I urge all honourable members, in the interests of the future education of our students, to support this motion.

Mrs JILLIAN SKINNER (North Shore) [3.54 p.m.]: The Minister for Education and Training has thrown down a challenge for me to prove my credentials in relation to support for public education. I do so proudly: nine years as a member of the parents and citizens association at Neutral Bay Public School, our association's track record in achieving our aims for the school, and work in the Ministry for Education, Training and Youth Affairs. The honourable member for Canterbury knows that I strenuously supported public education, particularly for young people who were finding life very hard. The Minister should be careful before he casts any doubt on my support for public education. Where is the Minister? He has left the Chamber. I move:

That the motion be amended by leaving out all words after "That" with a view to inserting instead "this House condemns the State Government for its failure to provide adequate funding to public schools".

The reason for this amendment is simple. If honourable members opposite are honest they will understand why I have moved it. Under the Constitution, government schools are the responsibility of the States and Territories. Every parent knows that.

Miss Cherie Burton: Do you support the funding cuts?

Mrs JILLIAN SKINNER: Perhaps the Parliamentary Secretary is too young to understand what happens in a school. Perhaps she does not have children who attend a public school, so she does not understand. State Governments fund State schools.

Miss Cherie Burton: That is outrageous!

Mrs JILLIAN SKINNER: The Parliamentary Secretary does not understand the funding arrangements for State schools. I find it absolutely extraordinary.

Miss Cherie Burton: Point of order: I ask the honourable member to resume her seat while I detail my point of order. It is an outrageous claim.

Mrs JILLIAN SKINNER: I will respond to you, Madam Acting-Speaker, not the Parliamentary Secretary. She has no right to tell me to sit down.

Madam ACTING-SPEAKER (Ms Marie Andrews): Order! That is so, but only one member has the call.

Miss Cherie Burton: It is outrageous for the honourable member for North Shore to say that because I do not have children I do not understand the public school system, support for the public school system or the funding formula. That is a disgrace and she should withdraw her comments.

Madam ACTING-SPEAKER (Ms Marie Andrews): Order! The point of order is upheld.

Mrs JILLIAN SKINNER: I did not imply that because she has no children—

Miss Cherie Burton: You did!

Mrs JILLIAN SKINNER: I said that perhaps because she does not go to school and does not have any involvement with a parents and citizens association she does not understand the relationship.

Miss Cherie Burton: I do.

Mrs JILLIAN SKINNER: The honourable member is lying to the House. Last year's State budget reduced education funding from 25.9 per cent of the total budget outlay in 1996-97 to 23.6 per cent. The education budget was increased by 1.1 per cent in last year's revised budget. There has been an increase of just 0.08 per cent in government school funding and 4.5 per cent in non-government school funding. These are figures from the State Government's 2003-04 budget. After allowing for a consumer price index increase of 2.25 per cent and wages growth of 3.5 per cent, that is a real reduction in funding for government schools and a moderate increase for non-government schools. Of course, those figures relate to the period before the Industrial Relations Commission granted a 2 per cent increase in teachers' salaries.

I am pleased that the Government changed its mind and provided some—I emphasise the word "some"—Treasury funding to cover the teachers' salary increase. Sadly, the Premier, the Minister and the

Treasurer lied when they said that the increase would be covered by supplementary funding. In fact, TAFE colleges have not received an extra cent from Treasury. They are having to battle to find the money from existing budgets. Perhaps honourable members opposite would like to make inquiries at their own TAFE colleges. The Government should be condemned for failing to increase the budget sufficiently to provide adequate, first-class public education in this State. The Government announced very few new initiatives and very little supplementary or additional funding in this year's budget. The only new initiative was \$6 million to reduce class sizes.

As the House heard through a motion I moved, the Government's spin doctoring on this issue is breathtaking. Government members have been issuing press releases claiming that the Government's reduction in kindergarten class sizes has brought fabulous results to children in kindergarten. However, it was revealed that some of the schools that the Government included in its success rate had only one or two kindergarten students. It is sloppy media work and public relations, and spin doctoring on the part of the Government, which is more interested in getting a good news headline than it is in doing something better for students. Given the extent of the education budget, the Government's initiative of \$6 million to reduce class sizes is absolutely pathetic.

When the Government went through its flawed and protracted restructuring process, the Teachers Federation and others identified that one of the reasons why the Government had to cut so many jobs from the education department was that its election promise to reduce class sizes was effectively unfunded. Government members will have been subjected to pressure from the Teachers Federation and others in relation to its unfunded promises to reduce class sizes. The Government said it would also provide in this year's budget an additional \$6 million to support professional development for teachers.

The Minister raised this matter in the House yesterday. I therefore found it interesting to find a newspaper clipping from the *Sydney Morning Herald* of 3 March 2003, just before the State election, in which the Premier and the then Minister for Education and Training, John Watkins, were quoted as saying that from this year \$11 million a year would be provided for this purpose. It is yet another broken promise. Why has the Government broken its promise? Because there is simply not enough money: the State Government has cut funding to State schools.

Under the Constitution government schools are the responsibility of the States and Territories, and the Commonwealth Government is responsible for funding non-government schools. I wish to refer to comments by Mr Duncan McInnes, the Executive Officer of the New South Wales Parents Council, who pointed out, as he does on a regular basis, that funding from both government sources, State and Commonwealth, amounted to less than 20 per cent of what it cost to educate a student in the non-government sector. The misinformation campaign being conducted—and boosted along shamelessly by the New South Wales education Minister and members opposite—is designed to deliberately mislead people. As has been pointed out in the press by many people, including those in the non-government sector, non-government schools receive money from both the States and the Commonwealth, as do government schools. Government schools are largely the responsibility of the State Government, which this year has increased the budget for government schools by only 0.8 per cent.

[*Interruption*]

For the benefit of members opposite who do not believe me, I refer to an article written by Paul Kelly, editor at large, in the *Australian* of 13 March. The article reads:

The Howard Government has increased funds to public schools by 5.7 per cent compared with the Labor states—0.8 per cent from NSW ...

It continues—

Mr Barry Collier: An increase of 50 per cent since 1995.

Mrs JILLIAN SKINNER: The Government's budget papers are there for all to see. Paul Kelly is an independent arbiter on this matter; he has the last word. [*Time expired.*]

Mr PAUL McLEAY (Heathcote) [4.04 p.m.]: I support the Government's motion. The Howard Government has an appalling record on education, which has been further entrenched by its four-year funding offer announced via a press release this week. We have a Federal Government that supports wealthy private schools at the expense of our public school system. John Howard and Brendan Nelson have an agenda to

devalue and marginalise the public education system. Only two people in this country do not care about public education: John Howard and Brendan Nelson. If they had any commitment to public education they would have a plan to provide fair Federal funding to our public school students and teachers.

The Howard Government has insulted Australia's students, families and teachers by failing to provide one extra dollar in new funding. The apparent funding increases Brendan Nelson talks about can be solely attributed to indexation. Instead, they are providing the 30 per cent of Australian students attending non-government schools with 70 per cent of Federal funds, which represents an outrageous imbalance. Private schools already receive \$4 for every \$1 going to our public schools, and this inequity will be further exacerbated as a result of the Federal Government's offer. The Howard Government has a rigid ideological agenda. It has turned the clock back on industrial relations, it is hell-bent on destroying Medicare, it is making university education the preserve of students with wealthy families, it is undermining our training system, and it is now refusing to provide fair funding to our public schools.

We are already seeing the impact of the Howard Government's unfair policies in the higher education sector. Students who are lucky enough to secure a university place will be left with mortgage-size debts to pay for their degrees, while those with rich parents can simply pay full fees and get into university with a lower mark. It is a totally inequitable situation. In the TAFE sector, the Federal Government has cut \$30 million in funding, which will fuel shortages in areas such as the automotive and construction industries, and health and community care workers. The Howard Government is failing our young people in universities, TAFE and now our public schools. We have a Federal Government that lacks vision and imagination. It is led by a Prime Minister who has passed his use-by date and is totally out of touch with the needs and aspirations of our people.

Brendan Nelson is now making a habit of being heavy-handed and punitive. He failed to provide growth funds for the new Australian National Training Authority agreement and then, because the States and Territories could not accept such a bad offer, he retaliated by cutting \$30 million from TAFE. He has yet to write to the Minister for Education and Training outlining details of the Commonwealth's funding offer, but via a press release he is threatening the States and Territories with cuts if they do not sign up. This punitive and intimidatory approach will not work. The Federal Government has to accept its responsibility to provide a fair level of funding to our public schools. The Labor States and Territories are the champions of public education, and they will fight for students, families and teachers to get their fair share of funds. The Opposition has a chance to redeem itself by joining us in our fight, and in defending and supporting public education. The Howard Government is providing huge increases in funding to the private sector at the expense of our public schools. The Howard Government is a failure.

The Carr Government's record of achievement after nine years stands in stark contrast to Howard and Nelson's abysmal record. Its spending on education and training now stands at a record \$8.7 billion. This represents a 50 per cent increase on what was spent when Labor came to office in 1995. Last year we increased funding to schools by 7 per cent, and over our third term of government we will be spending more than \$1.2 billion on capital works. The Government has committed \$341 million to the class size reduction program, including \$107 million to build and install additional classrooms. By 2007 this will reduce class sizes to an average of 20 in kindergarten, an average of 22 in year 1, and an average of 24 in year 2, which will enable us to give our youngest students the best possible start to their school careers. We are also spending \$368 million on major school upgrades and minor capital works in 2003-04.

New South Wales has a world-class education system, and the Opposition should get behind us and support our public schools. The Government has completely overhauled the syllabus since 1995, and we are in the process of introducing a new year 7 to year 10 curriculum. This new curriculum includes 39 new syllabuses, which focus on such things as the Anzac tradition, IT studies, the great classics and civics. As they progress through school, our students learn about what it means to be Australian. I call on the Opposition to work with us so that we can lobby the Federal Government for fair Federal funding for our public school students, teachers and families. [*Time expired.*]

Mr ANTHONY ROBERTS (Lane Cove) [4.09 p.m.]: I commend the Opposition's spokesperson on education, Jillian Skinner, for working so hard to attempt to keep the Government honest and open about education. I commend her for her efforts and for the hard work she does for both the public and private sectors. I speak on behalf of my colleagues here, the honourable member for Willoughby and the honourable member for Wagga Wagga, when I say that we support public education and that it must always be the first choice for any family when it comes to putting their child into a school. We proudly support the public schools within our electorates. We work hard and we are totally committed to assisting them. Many schools in my electorate of

Lane Cove still require large amounts of assistance. They need security fences and new toilets. For half of them just getting a plumber in would be nice; they would be more than happy if they could do so. Let us pay tribute now to the hard-working principals and staff who work under difficult circumstances because the Government has abandoned them. It is a disgrace. I will come to that later.

I also pay tribute to those in the parents and citizens associations who do so much to support the principals and staff. This motion is nothing more than a disgruntled political manoeuvre by the State Government. Is there a Federal election in the air? Here is the Government's chance to come out. There is more spin in this Government than the latest Whirlpool washing machine. The Minister said previously in the House that John Howard was asleep on this matter. The honourable member for Wagga Wagga said that is rubbish. He also said that if the Federal Government was asleep, the State Government has been comatose for the past eight years. In the *Australian* on 13 March Paul Kelly said:

So what is the Howard-Nelson strategy? In short, to fund government schools at a higher rate than the states ...

He went on:

... most of their funding increases are so modest that state education ministers are on such fragile turf.

Do not take my word for it, take his word for it. He continued:

In this week's announcement, Howard and Nelson said that for the coming quadrennium Canberra will provide \$31.3 billion for public schools, a rise of \$8 billion (in real terms much above the average level of federal spending).

He went on:

It is time the states were held to account for what is happening in the public schools that they own, fund and control. They will be under intense pressure this federal election year.

There was an article in the *Sydney Morning Herald* by Kelly Burke, the education reporter.

Miss Cherie Burton: What have you got to say about it?

Mr ANTHONY ROBERTS: Quiet darling, you might learn something.

Miss Cherie Burton: Point of order: My title is the State member for Kogarah, duly elected twice by the people of Kogarah with an overwhelming majority. I have since been appointed the Parliamentary Secretary to the Premier and to the Minister for Health, and I resent being called "darling" in this Parliament, particularly by someone from that side of the House who has just arrived. I would ask him to withdraw his comment and to refer to me by my proper title.

Mr ANTHONY ROBERTS: I withdraw that, but I would ask that we have a look at the Premier during the next question time.

Madam ACTING-SPEAKER (Ms Marie Andrews): Order! Has the member withdrawn the comment?

Mr ANTHONY ROBERTS: I have withdrawn it. The facts are the Australian Government will provide a record \$10.4 billion in funding to schools in New South Wales over the next four years. This is an increase of \$2.6 billion over the current quadrennium and is the largest ever commitment by an Australian government to schooling in New South Wales. Every child in a Catholic or independent school receives less public funding than they would in a State government school, which their parents' State and Commonwealth taxes have already paid for. More important, the New South Wales Government has not increased its funding to its own State schools at the same rate as the Australian Government. Last year, the budget increase by New South Wales was only 0.8 per cent. The Federal Minister, Brendan Nelson, a fantastic fellow, will seek a commitment from the States and Territories to increase their funding for State schools in their budgets this year by at least the rate of inflation. The Government should support us. We are not condemning the Federal Government; the blame lies directly with the State Government. [*Time expired.*]

Mr BARRY COLLIER (Miranda) [4.14 p.m.]: The Howard Government has clearly demonstrated that it has no respect for public schools. At the beginning of this year John Howard attacked our public schools claiming they were values neutral. Every member of this House—whether they attended a public school,

whether they send their kids to a public school, whether they visit schools in their electorate—knows that the Howard statement is just plain wrong. To his peril our Prime Minister has managed to insult millions of teachers, parents and students involved in the public education of children right across Australia.

The honourable member for North Shore talked about her credentials. I will tell you mine: 17 years in the public system; 17 years as a high school teacher. I am disgusted by the claims by the honourable member's boss, the Prime Minister, that values are not taught in our high schools. In the space of just over a month, after rubbishing public education, the Federal Government poured salt into the wound with its latest education funding offer. Brendan Nelson's \$31 billion four-year funding offer for all schools in Australia amounts to less than what we will spend on our schools in New South Wales alone over the same period. The reality is that the latest offer does not provide one single extra dollar for our public schools. This is an absolute disgrace.

John Howard has a responsibility to protect and advance our public schools. Instead, he has shown a total disregard for the future of public education in Australia. This is a bloke who said time and again during the Centenary of Federation that the things that unite us are more important than the things that divide us. And what has he done? This poll-driven, scared Prime Minister has resorted to divisive wedge politics. John Howard is underfunding universities, underfunding TAFE, underfunding public schools: he is underfunding public education. When it comes to education the Prime Minister has appalling values.

This Prime Minister has made a statement about values that will hang like an albatross around his neck beyond the next Federal election. It is time the Federal Government faced up to its responsibilities and provided Australian families with a funding offer that is fair for all students in both public and private schools. The current funding provides nothing extra for the 70 per cent of Australian families who send their children to public schools. John Howard is not only out of touch with the Australian community, he is out of touch with his own government and his side of politics. Even his own backbenchers have privately attacked the Prime Minister's stance on school values, to their credit. In a rare act of defiance they have come out of the woodwork to defend public schools.

Defending public schools in the *Australian*, Liberal frontbencher Trish Worth said, "You can't categorise them altogether." She said she has had experience in some schools in South Australia where good values are taught. The Federal National Party member for Riverina, Kay Hull, was also quoted recently in the *Daily Advertiser* distancing herself from the comments made by the Prime Minister. She has written to a number of principals saying that there is no greater advocate for public schools than herself, and that she is very proud of the public education system and public schools in the Riverina. She said she does not concur with the sentiments of the Prime Minister and she has no idea why he raised the issue. Here in the New South Wales Parliament, on the Opposition benches, sits The Nationals leader, Andrew Stoner. He has also sought to distance himself from John Howard's comments. On Sydney radio in January Mr Stoner said there are some excellent public schools in our public education system. He went on to say that he—

Mrs Jillian Skinner: Point of order—

Mr BARRY COLLIER: Come on! I sat there and listened to crap from you, in silence!

Mrs Jillian Skinner: There are two points of order: The first is the language that the member just used. A colleague of mine was suspended from this House for using language that was far less objectionable than that. I would ask you to rule in that regard.

Madam ACTING-SPEAKER (Ms Marie Andrews): Order! Will the honourable member for Miranda agree to withdraw the word?

Mr BARRY COLLIER: No, I will not. Earlier the honourable member for North Shore called the honourable member for Kogarah a liar. That was very unparliamentary conduct. I will withdraw the comment and say "rubbish". How's that? Will the honourable member accept "rubbish"?

Mrs Jillian Skinner: I do.

Mr BARRY COLLIER: All right. It was not crap, it was rubbish.

Mrs Jillian Skinner: Point of order—

Mr BARRY COLLIER: I have withdrawn it and said it is rubbish, that what you said is absolute rubbish.

Mrs Jillian Skinner: Madam Acting-Speaker, I thank you for upholding the Parliament in that way. The other point of order I wish to take is that what the member is talking about absolutely has nothing to do with the motion. This motion is not about what the Leader of The Nationals said; it is about Federal Government funding.

Madam ACTING-SPEAKER (Ms Marie Andrews): Order! There is no point of order.

Mr BARRY COLLIER: I am talking about the Leader of The Nationals. The divisive Prime Minister should listen more closely to those on his own side, including the Leader of The Nationals, and he should have greater faith in our public education. The Commonwealth's education funding formula is grossly unfair. The gap between public and private schools continues to expand, and I could go on to give example after example. The House, including the Opposition, should support the motion and call on the Federal Government to revise its funding to provide more money for public schools.

Dr ANDREW REFSHAUGE (Marrickville—Deputy Premier, Minister for Education and Training, and Minister for Aboriginal Affairs) [4.19 p.m.], in reply: I thank all honourable members for their contributions. I am bitterly disappointed that the Opposition has missed this opportunity to stand up for the school students of New South Wales. The motion provides an opportunity for the Opposition to fight for New South Wales at a time when the Grants Commission is ripping money out of the State, but the Opposition has walked away from that opportunity. We thought the motion provided an opportunity for the Opposition to say we need a better way forward and that the Federal Government should provide something better, something more imaginative: better funding. We thought this motion would provide an opportunity for the Opposition to show its independence and its commitment to the students and people of New South Wales, but it has walked away from that opportunity. To set the record straight, I will read from the New South Wales budget papers of 2002-03 and 2003-04. The budget for schools in 2002-03 was \$6.128 billion and in 2003-04 the budget was \$6.618 billion, an increase of 8 per cent.

Mrs Jillian Skinner: What was the revised budget?

Dr ANDREW REFSHAUGE: If the honourable member for North Shore wants to talk about the revised budget, why does she not look at the revised budget for this year? She does not even know how to read the budget papers. It would be nice if she would compare like with like, but obviously she cannot even do that. Not only is she illiterate and innumerate, she is now ratting on the people of New South Wales.

Miss Cherie Burton: And she admits she talks rubbish!

Dr ANDREW REFSHAUGE: And she admits she talks rubbish. Opposition members are laughable. They have the chance to resurrect themselves by showing independence and saying, "John Howard, you have got it wrong this time. Let's go for a better deal for New South Wales." But they have walked away from that. The amendment is rejected. The motion should be supported.

Question—That the words stand—put.

The House divided.

Ayes, 53

Ms Allan	Ms Hay	Mrs Paluzzano
Mr Amery	Mr Hickey	Mr Pearce
Ms Andrews	Mr Hunter	Mrs Perry
Ms Beamer	Mr Iemma	Mr Price
Mr Black	Ms Judge	Dr Refshauge
Mr Brown	Ms Keneally	Mr Sartor
Ms Burney	Mr Lynch	Mr Scully
Miss Burton	Mr McBride	Mr Shearan
Mr Campbell	Mr McGrane	Mr Stewart
Mr Collier	Mr McLeay	Mr Torbay
Mr Corrigan	Ms Meagher	Mr Tripodi
Mr Crittenden	Ms Megarrity	Mr Watkins
Ms D'Amore	Mr Mills	Mr West
Mr Draper	Ms Moore	Mr Whan
Ms Gadiel	Mr Morris	Mr Yeadon
Mr Gaudry	Mr Newell	<i>Tellers,</i>
Mr Gibson	Ms Nori	Mr Ashton
Mr Greene	Mr Orkopoulos	Mr Martin

Noes, 31

Mr Aplin	Mr Humpherson	Mrs Skinner
Mr Armstrong	Mr Kerr	Mr Slack-Smith
Ms Berejiklian	Mr Merton	Mr Souris
Mr Cansdell	Mr Oakeshott	Mr Stoner
Mr Constance	Mr O'Farrell	Mr Tink
Mr Debnam	Mr Page	Mr J. H. Turner
Mrs Hancock	Mr Piccoli	Mr R.W. Turner
Mr Hartcher	Mr Pringle	
Mr Hazzard	Mr Richardson	<i>Tellers,</i>
Ms Hodgkinson	Mr Roberts	Mr George
Mrs Hopwood	Ms Seaton	Mr Maguire

Pairs

Mr Bartlett	Mr Brogden
Ms Saliba	Mr Fraser

Question resolved in the affirmative.

Amendment negatived.

Question—That the motion be agreed to—put.

The House divided.

Ayes, 54

Ms Allan	Mr Hickey	Mr Pearce
Mr Amery	Mr Hunter	Mrs Perry
Ms Andrews	Mr Iemma	Mr Price
Ms Beamer	Ms Judge	Dr Refshauge
Mr Black	Ms Keneally	Mr Sartor
Mr Brown	Mr Lynch	Mr Scully
Ms Burney	Mr McBride	Mr Shearan
Miss Burton	Mr McGrane	Mr Stewart
Mr Campbell	Mr McLeay	Mr Torbay
Mr Collier	Ms Meagher	Mr Tripodi
Mr Corrigan	Ms Megarrity	Mr Watkins
Mr Crittenden	Mr Mills	Mr West
Ms D'Amore	Ms Moore	Mr Whan
Mr Draper	Mr Morris	Mr Yeadon
Ms Gadiel	Mr Newell	
Mr Gaudry	Ms Nori	
Mr Gibson	Mr Oakeshott	<i>Tellers,</i>
Mr Greene	Mr Orkopoulos	Mr Ashton
Ms Hay	Mrs Paluzzano	Mr Martin

Noes, 30

Mr Aplin	Mr Humpherson	Mr Slack-Smith
Mr Armstrong	Mr Kerr	Mr Souris
Ms Berejiklian	Mr Merton	Mr Stoner
Mr Cansdell	Mr O'Farrell	Mr Tink
Mr Constance	Mr Page	Mr J. H. Turner
Mr Debnam	Mr Piccoli	Mr R.W. Turner
Mrs Hancock	Mr Pringle	
Mr Hartcher	Mr Richardson	
Mr Hazzard	Mr Roberts	<i>Tellers,</i>
Ms Hodgkinson	Ms Seaton	Mr George
Mrs Hopwood	Mrs Skinner	Mr Maguire

Pairs

Mr Bartlett
Ms Saliba

Mr Brogden
Mr Fraser

Question resolved in the affirmative.

Motion agreed to.

REGIONAL TAXATION INCENTIVES**Matter of Public Importance**

Mr RICHARD TORBAY (Northern Tablelands) [4.36 p.m.]: I ask the House to note as a matter of public importance taxation incentives for country New South Wales. Honourable members would be aware that many organisations have studied the problems of regional Australia and the trend of decline that has continued, as the most recent report on social disadvantage compiled by Tony Vinson and commissioned by the Jesuits has highlighted. It is the second report commissioned by the Jesuits that I have read. The rhetoric on finding solutions for disadvantaged communities has not been matched by action, despite all the research and information that is available.

In 1999 the National Farmers Federation [NFF], the Local Government and Shires Associations and the Institute of Chartered Accountants made a submission on the potential of enterprise zones. As the then National Farmers Federation president, Ian Donges, pointed out, both Commonwealth and State governments have responded to the problems of regional Australia with a range of measures designed to alleviate the most acute difficulties. Unfortunately, this piecemeal approach runs the risk of missing important underlying causes of problems, raising expectations unduly and ultimately proving ineffective. The proposal put forward by the NFF and the Institute of Chartered Accountants proposed a new personal income and company tax zone rebate scheme for people and businesses residing and operating in country Australia. I quote their discussion paper to bring the main points they raised to the attention of honourable members.

The essential justification of the tax zone rebate scheme is to redress longstanding distortions and biases against country living, and to do so in a more neutral, across-the-board, transparent, efficient and, ultimately, effective manner than the current piecemeal approach to regional Australia. The scheme would replace the current zone A-zone B tax rebate scheme for individuals that has existed for more than 50 years. It may also replace some other forms of regional assistance. Arguments in favour of the proposal are that it would be simpler than the present scheme in that there would be fewer zones—two instead of the present four. It would remove the distortion or penalty on size and success in the present tax zone rebate scheme because in the proposed scheme eligible taxpayers would be able to claim back a given percentage of their taxable income, regardless of how big that income is.

The rebate zones would cover more people—possibly 3.4 million people in the case of zone 1 and 250,000 people in the case of the remote zone 2. The rest of Australia—mostly metropolitan centres—would obviously not be covered. It would remove a distortion in the present scheme by widening it to include companies and allow zone boundaries to adjust, say every five years, in line with the remoteness indicators used to define eligible districts. This scheme is aimed at reversing the drift of population from inland Australia, which has led to areas of extreme disadvantage. I highlight communities such as Tingha and Ashford in my electorate that were outlined in Tony Vinson's recent report that I alluded to earlier. There are many other such areas throughout country New South Wales and Australia.

Given the results from similar schemes used overseas a zonal taxation system would promote strong population growth in country areas. There can be little doubt that economics is the primary reason that people migrate from country Australia to the cities. Australian Bureau of Statistics figures confirm that per capita incomes are on average lower in country Australia than in the cities. While the picture on the net asset holding of Australians is more mixed and the data less reliable, it seems that the personal wealth of city dwellers is now higher on average and rising much more quickly than that of country Australians.

Loss of population from the country—particularly inland country—to the city has serious effects on those who remain. The loss of critical mass required to keep some services going, and sometimes to maintain existing and basic services, is faced by many communities. Losing services and increasing charges for existing

services in a bid to keep them is an increasing issue. Progressive income taxation penalises relatively more volatile incomes more harshly than stable ones. Tax averaging and farm management bonds are available to farmers to mitigate this penalty at least to some degree, but the same facility is not available to commercial input suppliers or suppliers of household goods and services in the regions where these volatile industries are located.

The previously mentioned report by the Institute of Chartered Accountants and other bodies in Australia states that "private sector job creation is the priority for regional Australia and whether it is encouraged by budgetary expenditures or tax expenditures the commitment must be made". To create jobs on this basis the report advocates designating enterprise zones along the lines of those in the United States and Europe to encourage the introduction of new industry and the expansion of existing industry in underperforming regions. The report envisages defining such zones around local government areas and using high unemployment as the prime criteria for enterprise zone assistance. I would like to see population drift included in that criteria.

Both the National Farmers Federation discussion paper and the other bodies' report advocate the use of taxation-based incentives to facilitate regional development. The report by the institute and the Local Government Association proposes to give tax benefits to companies investing in administratively selected enterprise zones. It favours this as the best way to ensure that companies take advantage of the benefit to create jobs in high unemployment areas. The NFF discussion paper argues that the use of the Commonwealth's tax powers should be confined to setting the broad parameters of business rather than seeking to determine what activities are worthwhile, or precise recipes of how they should be organised.

A related concern with any highly prescriptive approach to the use of taxation incentives is the propensity for Australian States to compete artificially with each other for footloose investment. This frequently involves bidding with financial or infrastructure inducements or reducing environmental constraints. As the Productivity Commission has reported, such competition may be economically inefficient or environmentally damaging from a national perspective and frequently yield only short-term gains even for the winning State. The concern is that in their quest to host enterprise zones of an ad hoc type States might be drawn into any number of short-sighted inducements. The implementation of the tax zone rebate scheme proposed by the NFF and other organisations would entail an initial budgetary impact arising from budget revenue forgone. However, properly implemented, it would increase both the gross domestic product and the broader notion of national welfare, as well as benefiting country regions. Clearly that is an objective we are all striving to achieve.

The key efficiency dividend of their proposed scheme would come from offsetting the various artificial imposts currently in place that discriminate in favour of city living and against country life. It is important to recognise that redressing the various biases would not result in gains for country Australia alone. Efficiency improvements would also occur in many areas of metropolitan Australia. The impact would compare to that of an initiative that removes trade barriers between two countries. That is to say, the national welfare improvement effect from offsetting the country-city distortions will be generated from both sides of the divide. The country's problems are the metropolitan areas' solutions.

In the 10 years to 1996, the population of metropolitan Australia grew by over 15 per cent and that of non-metropolitan coastal Australia by 23 per cent. By contrast the population of inland Australia grew by 6.5 per cent and that of remote Australia by 7.5 per cent. Trends in employment growth are broadly similar. However, these aggregate figures mask some important trends in domestic migration patterns. For example, in the period 1991 to 1996 the inland regions lost some 70,500 people and remote Australia lost some 37,000 people. The broad picture is a relative draining of population from inland Australia. Moreover, the population profile of inland Australia is ageing quickly. The tax scheme being proposed by the NFF and other organisations would reverse this trend and promote growth calculated at one to two percentage points per year, due both to a net movement of city people to the country and to an increase in the share of overseas migrants choosing to settle in Australia.

A lot can be done to reverse this trend. There have been a lot of reports and a lot of information. The New South Wales Government can do a great deal. I know it offers incentives, but a great deal more needs to be done, and there needs to be more co-ordination at State and Federal level. When the scheme was put up I was disappointed to hear the Prime Minister say that a proposal like this would be too difficult and complex to implement. That is a blow for many in country regions. I hope the New South Wales Government and the Commonwealth can work together to produce a solution to this problem that has been around for decades.

Mr DAVID CAMPBELL (Keira—Minister for Regional Development, Minister for the Illawarra, and Minister for Small Business) [4.46 p.m.]: The New South Wales Government actively supports regional

communities. We want to ensure their continued economic growth, and we encourage the creation of regional jobs to support families in these communities. Earlier today I spoke about a Coffs Harbour business that is expanding with New South Wales Government financial support, creating new jobs in that region. The New South Wales Government is supporting investment and growth across our State. I congratulate the honourable member for Northern Tablelands on working with the Carr Government to encourage growth in the New England and north-west region of the State. It is no secret that some communities face challenges from time to time, and the Carr Government is committed to helping these communities find effective local solutions to local problems. We want local communities to have the ability to help themselves with New South Wales Government support.

This Government acknowledges Tony Vinson's Community Adversity and Resilience Report, released last week. The report provided information on areas facing significant challenges of social disadvantage. Professor Vinson recognised that job opportunities are an important part of the solution to social disadvantage. If we can provide people with jobs, we give struggling families the ability to attain a better life for their children. This is why the New South Wales Government works hard to encourage regional investment and employment. We have a range of programs and services aimed specifically at attracting investment and jobs to regional New South Wales. This is because the Carr Government believes that everyone in New South Wales should share our economic growth. As the honourable member for Northern Tablelands is aware, this includes providing assistance for a number of projects in the electorate he represents.

The Government recognises that major changes to regional businesses can lead to economic and social advantage rather than the disadvantage that would seem to be evident from the Vinson report. That is why a Labor government introduced the regional economic transition scheme. To date, funding from this scheme has benefited more than 20 regional communities. It has helped these communities recover from major changes in their traditional industries. Our regional business development scheme is a major catalyst for employment opportunities. It encourages companies to relocate in regional New South Wales and helps regional companies to grow. Last year the Carr Government also provided assistance to the New England, north-west winemaker Macintyre Valley Wines. This Inverell-based company's expansion plans will create up to five full-time jobs and 20 casual jobs over the next four years.

I would like to refer to some of the community programs the Government has supported in the region. Over the past two financial years the Government, through the Children Services Program, has allocated more than \$26,000 a year to the Ashford Preschool Kindergarten. In addition, we provided a further \$20,000 in 2003 for the construction of shade areas and the painting of school premises. In Tingha the Government has also provided more than \$63,000 per year to the Tingha Preschool and has allocated approximately \$20,000 per year for the Aboriginal Supported Playgroup. In other community service activities across the New England region we have provided nearly \$100,000 over three years under the Government's Family First Initiative to link trained volunteers to support families in the Glen Innes, Inverell, Tenterfield and Guyra areas who do not have any family networks to help them.

In my portfolio the Government has made a huge commitment to the region, and I would like to refer to some of the social programs the Government has funded in other portfolios. In the Education portfolio, the Ashford Central School and Tingha Public School have received additional funding from the Government. We recognise the special status of these communities through the Priorities Schools Funding Program. The Government has also given \$2,000 to help with Aboriginal literacy and numeracy programs in Tingha. They are just some examples of the social programs assisted by the Government. In the past year the New England and north-west region has benefited from funding from the Government's New Market Expansion Program. We have assisted the Armidale-based company Fleet Helicopters to grow and expand. As I recall, I made the grant in the company of the honourable member for Northern Tablelands. With this financial assistance from the Government, the company has diversified its marketing to target helicopter flight training and tourism.

The Government has also assisted another New England company, Wright Robertson, a certified organic vineyard, to target new markets. Our financial support is helping this company to grow and develop. As well as targeting domestic markets, the company is looking to increase its overseas sales. I am sure all honourable members would see export growth as a means of improving the local economy and encouraging job growth in regional and country New South Wales. I am pleased to see that recently this regional winery successfully targeted sales in Thailand.

The New England and north-west region of the State has many unusual industries that provide local jobs. For example, Orpheus Music, which publishes and sells sheet music and promotes the music industry, has

been operating for more than 10 years. Earlier this year the Government provided financial support to the company to develop a multilingual web site. The company is now targeting new markets in Germany and other European countries with the Government's support. This is yet another example of how services can be exported successfully, thereby creating employment opportunities in regional communities.

We should encourage the export into new markets of not only commodities and rural and agricultural products but also services such those provided by Orpheus Music. Two ecotourism-based projects in this region have also attracted financial support from the Government. They are helping to create new jobs and they are encouraging local tourism. I have referred to projects in the New England and north-west region of the State. I note that the honourable member for Dubbo is present in the Chamber, and I am sure that he would acknowledge that the Government has supported similar projects in his electorate, most notably the Dish Café at the radio telescope site at Parkes.

Our Main Street Small Towns Program helps regional communities take a proactive and strategic approach to their future. We have provided \$19,000 to the Uralla community to encourage the development of a local strategic economic development plan. This funding is provided by the Government to help this small community to plan for its own future. We have also provided funding to help the Glen Innes and Severn communities to plan for future growth. They are using the funds to develop a marketing strategy, which will assist their communities to better address issues such as population growth, job creation and, most importantly, as the honourable member for Northern Tablelands noted in his speech, encouraging young people to stay in the region.

While the New South Wales Government is working hard to bring job opportunities to rural and regional New South Wales, the Federal Government needs to make a more meaningful contribution. We will continue to support regional communities and businesses so they can share in the strong economic performance of our State's economy. The Federal Government is hindering development in regional New South Wales. To date, it has chosen to ignore the recommendations of its own inquiry into regional development. The Federal Government finally released the long-awaited Regional Business Action Plan last September, but promptly threw it into the too-hard basket. The Commonwealth has turned its back on regional New South Wales and continues to ignore the action plan.

The Commonwealth's failure to act on its own plan was to be discussed by the regional development Ministers at the Regional Development Council meeting on 12 March. But, as all honourable members know, or should know, the meeting had to be postponed because its chair, Deputy Prime Minister John Anderson, refused to attend. The chair of the Regional Development Ministerial Council refused to attend the meeting! What sort of commitment is that to regional communities in New South Wales, indeed in Australia? The Federal Government Minister will not turn up at a meeting of the nation's peak body that makes decisions about the future of regional Australia. The Federal Government's failure to act on its own action plan has been criticised by the Australian Chamber of Commerce and Industry. The Chamber warned that the gap between regional and city businesses will continue to widen unless the Federal Government takes "comprehensive and effective action".

I have again written to Mr Anderson to inform him that New South Wales is ready and able to host a Regional Development Ministers' Council meeting in Wollongong as soon as he is willing to turn up. I urge him to respond swiftly to my request. Our regional communities need to know that the Federal Government is working co-operatively with the States on regional development issues. There is little co-operation when the Federal Minister refuses to attend a meeting that has been convened, agreed to, and organised. The main focus of my contribution today is to point out that the New South Wales Government is committed to regional communities in New South Wales.

Mr ANDREW STONER (Oxley—Leader of The Nationals) [4.54 p.m.]: The Opposition is pleased that this issue has been raised as a matter of public importance today. Taxation incentives for country New South Wales and economic activity in rural and regional New South Wales are extremely important topics. The recent report by Professor Tony Vinson entitled "Community Adversity and Resilience" identified the gap between the prosperity experienced in metropolitan areas and in non-metropolitan areas of the State. This debate should be specifically about incentives for private enterprise development, jobs, and economic development in regional areas that are achievable by this Parliament. By all means let us make representations to the Federal Government, but in this Chamber let us be constructive about what this Parliament can achieve. In that respect, I refer to State taxes.

Payroll tax, stamp duty, land tax, vehicle and transport taxes such as weight tax, vehicle registration and transfer fees, fuel taxes—all of these taxes are an impost on businesses in country New South Wales. These areas need to be addressed if we are going to achieve a turnaround in the prosperity, economic development, and employment opportunities in disadvantaged regional areas. Further, we should look at workers compensation rates in country New South Wales. The Barwon Darling Alliance is a group of organisations, councils—Bourke, Brewarrina, Central Darling, Coonamble and Walgett shire councils—and the Murdi Paaki Regional Council of Aboriginal and Torres Strait Islander Commission [ATSIC] that have combined their resources with the aim of supporting and maintaining sustainable economic growth and employment in their region and positively developing the social capital, lifestyle and culture of their people. That is a very noble aim.

One of the strategies they have identified for their region, which is a disadvantaged region socially and economically, is the enterprise zone model, which has been applied overseas. The Barwon Darling Alliance has done its research into the overseas experience, particularly in Canada, and found that it works. These zones enable enterprise to flourish. All the disincentives preventing businesses in country areas from creating jobs and developing enterprises are removed by good government policy. I applaud the alliance because the bush needs incentives.

During the debate on the matter of public importance motion moved by The Nationals I mentioned the Community Adversity and Resilience report produced by Professor Vinson. Brewarrina, Walgett, Werris Creek, Tingha—which the honourable member for Northern Tablelands mentioned—and many other communities in western New South Wales were identified as being socially and economically disadvantaged. With that comes poverty, unemployment, child neglect, family breakdown, drug and alcohol abuse, and imprisonment. They are the issues faced by those disadvantaged communities and the Government must do something about them.

The only solution is sustainable jobs that give people pride, a future, and hope. This is not about government or bureaucratically imposed solutions or more welfare. I wish the Government would listen to people like Noel Pearson, an Aboriginal representative in Far North Queensland who refers to welfare as poison for his people. It is poison because it does not break them out of the welfare cycle or give them hope and pride and the ability to aspire to property ownership, which breaks down the social disadvantages to which I referred.

The only things that will work are private sector input and community-based solutions. The Moree Aboriginal Employment Strategy is proof of what can work. It is a community-based solution supported by the different tiers of government. Clearly, this Government's responses are not working. Sadly, the Minister talked about what routine government programs have achieved. It is time he stopped attacking the Federal Government, thought outside the square, and got behind groups such as the Barwon-Darling Alliance.

Mr TONY McGRANE (Dubbo) [5.01 p.m.], by leave: I support this motion moved by the honourable member for Northern Tablelands relating to taxation incentives for country New South Wales. This issue has had as many runs as Phar Lap. The economic zones scheme was introduced in 1945 by the Federal Government, but the passage of time has created many anomalies. Port Douglas and Goondiwindi are in the same economic zone. Of course, over the past 60 years Port Douglas has grown incredibly and Goondiwindi is still a community serving a rural area. The zones need major amendment.

Providing taxation incentives is the only way to develop new businesses in country areas. Everything is governed by the hip-pocket nerve. The population of Sydney increases by 50,000 a year and 91 per cent of Australians live on the coastal strip from Adelaide to Cairns. Therefore, only 9 per cent of people live in the rest of Australia. That makes it difficult for honourable members who represent that 9 per cent to convince State and Federal governments to listen to what we need to do to develop our electorates. As the Leader of The Nationals said, it all gets back to jobs. That is what taxation incentives are all about. They provide relief to people who will develop established regional businesses and incentives for new businesses to move to regional areas.

As I said, taxation incentives must be provided. The Leader of The Nationals listed the many forms of taxation, including payroll tax, stamp duty, fuel tax, and so on. Transportation plays a major part in the development of regional New South Wales and we must have the appropriate infrastructure. Even with that, transport is still a major cost component for developing regional industries. We must work as a team. Although the Commonwealth Government, the State governments, and local governments have a role to play, private enterprise must also be involved. Private enterprise creates new jobs. Fletchers International came to Dubbo 15 years ago and it now employs more than 700 people. Every city and regional centre would envy that rate of growth. We are fortunate that we have that business in Dubbo. It is all happening as a result of value adding. Regional industries must focus on what we produce in the country. The mining industry has much to offer and much more value adding can be done.

However, we must provide incentives for industries to move to the regions. That is why we should have this debate regularly. We must remind people that not everyone can live by the coast and in cities; we must consider the entire country. Regional New South Wales is the engine room for our exports. However, it is provided with very few incentives by both State and Federal governments. We are not asking for anything unreasonable; we are asking for a fair go. The infrastructure costs associated with Sydney's population increase of 50,000 a year could be reduced if those people were relocated throughout New South Wales, and the only way to achieve that is to create jobs in regional areas.

Mr RICHARD TORBAY (Northern Tablelands) [5.06 p.m.], in reply. I thank honourable members who have contributed to this debate—the Minister for Regional Development, the honourable member for Oxley, and the honourable member for Dubbo. I raised this matter to encourage honourable members to move away from the politics of blame and to debate taxation incentives and structure. I was disappointed to hear from the Minister about the State Government's relationship with the Federal Government and, in particular, with the Deputy Prime Minister, who apparently refused to attend a pre-arranged meeting about regional development. That does not instil confidence in me about dealing with the major concerns I raised in this motion.

I am pleased that the Leader of The Nationals made a contribution. However, he confused me by saying he hoped we would debate only issues over which the State has some control. It appears that he did not listen to me. I was not trying to apportion blame. We must look at structures. The figures I mentioned indicate that the trend is occurring throughout the country. We should not spar about regional development in this Chamber. The report to which honourable members alluded, which was commissioned by the Jesuits and commented on by Tony Vinson, detailed the same concerns. This is not new news. If detailed research has been undertaken, reports have been produced, and a very good model has been developed—zone-based taxation is a well-researched and good model—the Commonwealth should admit that what it has been doing for decades is not working, and the States should ask how they can plug into the structure and invigorate regional communities.

I am tired of reading in the newspapers and hearing on the radio that metropolitan areas are choking on overdevelopment, and that regional communities are struggling with a population drift and the ability to maintain basic services. However, it is a fact. It is a fact not only in this State but in every State and Territory in this country. There must be a model that unashamedly looks at that issue. It would come out cost neutral; it would benefit the country. The metropolitan problems will be the regional solutions. Why can we not see that? Why do we fail to acknowledge it?

Even in debate today we wanted to focus on specific matters to defend our positions, rather than address the fact that regional prosperity is still on the agenda. Regional decline, population drift and the challenges that face many communities with regard to maintenance of basic services are getting worse. That is what everyone acknowledged today, and that is what every report that has been commissioned on this issue has continued to say for decades. Simply saying, "Let's not blame them", "We defend them", "You are not doing this", and "He is not turning up for meetings" does not instil confidence in regional communities. It does not instil confidence in people who say, as the honourable member for Dubbo so eloquently put it, "We need jobs and opportunities in regional New South Wales."

People are concerned about massive overdevelopment in metropolitan areas and the need to maintain basic services as an entitlement to regional communities. I hope that when people read today's debate in the sober light of day they will say we could have taken a far more destination-based approach to this issue, rather than defending a record that every single report that has been commissioned at a political level, a private sector level, or a social and community level, has indicated a failure to address the issues. Good information is available on zonal taxation. I do not profess to know all the answers; these are simply reports that have been put to me and have not been adequately addressed. It does not assist the people of regional areas for the Commonwealth, through the Prime Minister, to say that zonal taxation is too complex and difficult. We must work together and do better.

Discussion concluded.

DEPARTMENT OF SPORT AND RECREATION CORRUPTION ALLEGATION

Privilege

Mr SPEAKER: Order! I refer to the claim of privilege made today by the Deputy Leader of the Opposition in relation to *Hansard*. I have had the opportunity to review the tapes, the *Hansard* proof and the

verbatim report. Following discussions with the member, I can understand that the proof may convey a different impression to the verbatim report. In the circumstances I have directed that on this occasion the report should reflect the words spoken. With regard to privilege, I rule that no matter of privilege is involved. No member has been prevented from exercising his or her rights or carrying out his or her duties.

Pursuant to sessional orders business interrupted.

PRIVATE MEMBERS' STATEMENTS

LANE COVE COMMUNITY MEN'S SHED PROJECT

Mr ANTHONY ROBERTS (Lane Cove) [5.15 p.m.]: The Lane Cove community men's shed project, which is situated on the car park level of St Columba's Retirement Centre at Lane Cove, is a groundbreaking enterprise fostered by a collaboration between the UnitingCare Sydney North Ageing and Disability Service [UCSNADS], Lane Cove Municipal Council and Northern Sydney Area Health Services at the Royal North Shore Hospital. The men's shed project was instigated to promote the health and wellbeing of older men in the community, and to provide a place for men to meet each other, network and make friends. It is particularly aimed at men in the community who are aged 55 years, and men who are retired, outplaced or job redundant, those who have downsized living arrangements and those who feel isolated.

The project's aim extends to helping members foster self-esteem and feelings of being worthwhile through their contributions to the community. It was also to be seen as a "shed substitute" for men who had lost their backyard shed for a variety of reasons. The shed offers a fully equipped workshop with hand, electric and bench-mounted tools, materials and interesting projects to do. Membership and use of tools and materials are free to those who join the men's shed, which comfortably accommodates about 10 working members at any one time. The shed has been financially supported by the UCSNADS, sales of some of the goods from the shed and, over the past three years, through a grant from Lane Cove council for vital occupational health and safety update projects.

The Lane Cove community men's shed was established with a Commonwealth grant from the Department of Health and Aged Services under the Health Seniors Grants Program. It opened as a shed just before Christmas 1998 but became truly operational and attracted members from early 1999 onwards. In October 1999 a shed manager and co-ordinator was employed, initially funded by the Wesley Mission and now funded by the UCSNADS, to ensure the smooth day-to-day running of the shed and help with promotion and publicity of the facility to the wider community. Ruth van Herk continues to hold the position to this day. She does an incredible job working with the men in the community. The co-ordinator's role also included recruiting and welcoming new members, maintaining financial records, assessing and accepting requests for jobs to be done by members, increasing the time and ways in which the men's shed facilities could be used by the community, and promoting and maintaining the pleasant and productive atmosphere at the shed for the benefit of members. The Lane Cove men's shed has also been integral, and it appears to be a model in the initial, exploratory assessments for Ashfield, Blue Mountains and Botany Bay councils, and the men's shed project about to begin in Nambucca Heads.

I pay tribute to the visionaries and early foundation members of the Lane Cove community men's shed: Councillor Ian Longbottom and Mr Martin Butcher of Lane Cove Municipal Council; Ms Kerry Edgecombe; Mr Ivan Armstrong, the REO of UnitingCare Sydney North Ageing and Disability Service; Mr Keith Spence; Mr Ted Donnelly; Mr John Assheton; Mr Ray Dawkins; Mr Paul Winterton; and Mr Bob Chappel of the UnitingCare Sydney North board and steering committee member. Current supporters of members of the men's shed include the UnitingCare Sydney North Ageing and Disability Service; Mr Ivan Armstrong, the REO of UnitingCare Sydney North Ageing and Disability Service; Lane Cove Councillors Ian Longbottom, Eric Poulos and Phil Gilmour; Mr Ted Donnelly; Mr John Assheton; Mr John Martin, who is tutor for special needs for the Wednesday group; Mr Murray Allan; Mr Albert Newhouse; Mr Keith McAlpine; Mr Fred Hyde; Mr Anthony Meggitt; Mr Barry Mendicott; Mr Malcolm Ireland; Mr David Alcock; Mr Arthur Reed; Mr Ian McLeod; Mr William Burton; Mr David Meggitt; Mr William Larkin; Mr John van Goldcrane; Mr Tony Giblin; Mr Jack Dean; Mr Dick Dawes; Mr Paul Boghossian; Mr Morris Richmond; Mr Frank Newman; Mr Gordon Farquhar; and Mr Michelo Maciuw.

I visited Lane Cove community men's shed about a week ago and observed the wonderful work its members do for the community in repairing items for local community groups, while at the same time

promoting the health and wellbeing of older men in the community who, for one reason or another, require the use of the men's shed. Some of the toys the members produce for the community include everything from rocking horses to ironing boards for young children. I wish Lane Cove community men's shed continuing success. I pay tribute to its founding members and all those who continue to keep the shed running. In particular, I pay tribute, and would like to express my continuing commitment, to the members of the Lane Cove community men's shed.

TRIBUTE TO MR HARRY MOORE

Mr PAUL CRITTENDEN (Wyang) [5.20 p.m.]: I am pleased to inform the House that a testimonial dinner for my predecessor as member for Wyong, Harry Moore, will take place at Toukley RSL Club on Friday, 19 March. It is deemed appropriate that the dinner take place also because Harry will very soon become an octogenarian, and it is good for the community to reflect on his indivisible contribution over many years, both as a councillor on Wyong Shire Council and also as the member for Tuggerah and, when the redistribution occurred in 1987, the member for Wyong. Perhaps the greatest accolade I could pay Harry Moore is that he was the last councillor on either Gosford or Wyong councils to be elected to the State or Federal Parliament. Harry was first elected to this place in September 1981 and he left here in May 1991. He had a distinguished role and service on Wyong Shire Council prior to his election to this place. I am sure that the honourable member for Mount Druitt, who is in the Chamber, would corroborate the fact that Harry made a distinguished contribution in this place as a tireless advocate for the people of the Wyong electorate.

Harry was a tireless advocate in relation to a myriad of issues that affect the Central Coast. The Central Coast is a rapidly growing area and Harry referred to that growth in his last speech in this place on 13 March 1991. He made sure that the infrastructure was in place. He was tireless in his support of Wyong Hospital—in fact, many people in my electorate believe, and rightly so, that Wyong Hospital would have been closed under the Greiner Government had Harry Moore not had the political will and skill he obviously possessed. In relation to health, education, police and TAFE services Harry was at the forefront of both capital works and recurrent expenditure to ensure that the people of the Central Coast and the upper Central Coast in the Wyong Shire Council area got the very best of services. I commend him for that.

Harry was educated in the school of hard knocks and the university of life. He was self-educated. I admire his ability to ensure that he equipped himself more than adequately—in a great way. His contributions in this place were certainly a great testament to his self-education. As I mentioned previously, Harry Moore was on Wyong Shire Council. He was certainly at the forefront in the great debates that affected Wyong council. The provision of sewerage infrastructure occurred a lot quicker than it otherwise would have on the Central Coast because of Harry's intervention. The Wyong electorate now includes part of the Hunter Valley at Wyee. One of the issues I am struggling with on behalf of the people of Wyee is that they are outside the joint water supply area of the Central Coast and they are not on the sewerage system.

The last person who was elected to this place who had served on Gosford and Wyong councils was Harry Moore some 23 years ago. A cavalcade of members from the Central Coast have since come into this place, including me, Marie Andrews, Chris Hartcher, Grant McBride, and into the Federal Parliament, including Michael Lee, Jim Lloyd and Ken Ticehurst. The amazing thing is that Harry Moore was the last person to jump the divide from local government into a State or Federal Parliament. I think there is a message in that for every political party in this place. I wish Harry a very happy eightieth birthday. It is no secret that he has been in ill health for some time. He is certainly involved in a lot of community groups. He still organises Legacy Day every August, and he does a great job with the many other community functions he is involved with.

CLOUD SEEDING TRIAL

Mr RUSSELL TURNER (Orange) [5.25 p.m.]: Today I speak about cloud seeding. I acknowledge the recently announced State Government program for the Snowy Mountains Authority. An amount of \$20 million has been approved over five years, with an option to extend. Principally, I understand that the program is designed to try to increase the amount of snow during the snow season for commercial reasons. Whilst acknowledging the benefits that may ensue from that program, the Government is also saying that there will be some benefits in extra hydroelectricity capacity and some extra benefits for irrigators. One wonders how much benefit it will be to the Snowy River—time will tell. Whilst I applaud the program, I call on the State Government to carry out a similar trial somewhere in the central west. I suggest that there be a trial over the water catchment areas of Wyangala and Burrendong dams.

This is a reasonably controversial issue. It does not matter how bad the drought is or what the situation might be, rain comes on the wrong day for someone—whether they are stripping fruit or cutting lucerne. For

someone, rain will always be better the next day. I have mentioned those water catchment areas because, principally, they are within a mountain range. Whilst there might be grazing and farming in the lower sections of the mountain range, a lot of it is State forest, national park or, in the case of the mountains, world heritage areas. Therefore, it does not really matter what date the rainfall occurs in those areas. If we can virtually drought-proof Wyangala and Burrendong dams—if that proves successful—we could carry out the program elsewhere in the State. I am suggesting that the program take place in that area because it would benefit my electorate.

There are known benefits to cloud seeding. The Tasmanian Hydroelectricity Authority acknowledges that for the \$2 million it spends each year on cloud seeding it gets a net benefit of something like \$6 million in extra rainfall and extra capacity within its hydroelectricity scheme. Cloud seeding is carried on in many areas overseas with acknowledged success. It has known benefits. I understand that the program was carried out quite successfully in the New England area by the former Government, but it was cancelled by the Carr Labor Government when it came to power. However, that was back in 1995. Since that time better knowledge of the program has come from overseas, there are better judgments on when the clouds might be right, and there are better systems within the weather bureau to forecast when the right clouds would be coming in. Therefore, the contractors could be put on alert and we would get the maximum benefit.

If we could get clouds to, ideally, drop their rain over the ocean or the water catchment areas it would help to not only drought-proof the dams as far as irrigators are concerned but also provide extra markets for tourism. There was a dramatic drop in the number of tourists who went into the Burrendong and Wyangala recreation areas over Christmas. A lot of the businesses that normally rely on tourists visiting those areas are really suffering. There are benefits other than extra water for irrigators. Extra water to our irrigators would mean that they would have to pay extra license fees, which would help cover the cost of this program. More importantly, it would help to guarantee their markets. At the moment farmers in the Lachlan Valley irrigation scheme and all down the Lachlan Valley have virtually a nil allocation for their crops this year and last year. They have export markets they cannot fulfil. Cloud seeding would help to guarantee drought-proof dams and drought-proof farmers.

DEPARTMENT OF HOUSING AND MR AND MRS PADDISON

Mr JOHN PRICE (Maitland) [5.30 p.m.]: Today I draw the attention of the House to the plight of Mr and Mrs Neville Paddison, who reside in a Department of Housing cottage in East Maitland. Mr Paddison negotiates most things for his wife, although his wife is the signatory for the cottage. His wife suffers from Huntington's disease and her condition is deteriorating badly. Huntington's disease is a disease from which there is no way back. I understand that it is a hereditary disease and one for which no cure exists. Mr Paddison went to the Consumer, Trader and Tenancy Tribunal as a result of refusing to pay his last increase in rent because he felt that he was being unfairly treated. During that debate I think he did agree to restore his rent to its proper level, but one of the asides with the tribunal members brought about a conversation in which Mr Paddison was advised that under certain circumstances people suffering from HIV-AIDS could obtain special assistance from the Department of Housing.

Mr Paddison was advised at the meeting that he should pursue the matter. I have spoken briefly with the Minister and with a member of his staff today. I have obtained a copy of Department of Housing policy No. SAS0100A, special assistance subsidy. That policy outlined in some detail assistance that can be afforded to people suffering from HIV-AIDS. Mr Paddison is anxious to prevail upon the Government to consider expanding that special assistance to people suffering from terminal diseases generally, such as Huntington's disease, multiple sclerosis and similar conditions. This is a sensitive issue for Mr Paddison. The matter should be considered to see whether there is any prospect of the conditions of policy SAS0100A being expanded to cover people in demonstrably similar conditions who are being cared for in Department of Housing cottages by carers—not necessarily partners, although in this case it is a partner.

There is an urgent need for traditional public housing in Maitland, given the Federal Government's attitude towards public and private housing, and the attempts of the State to cover maintenance and extend housing within the resources available to it. The waiting list for public housing in Maitland is considerable. On a per capita basis Maitland is probably significantly worse off than other areas, particularly for people who require emergency housing. Some motel proprietors in the area have advised me that they are no longer prepared to take emergency housing clients into their premises. Only one caravan park will now take emergency housing tenants until proper housing can be provided. This is a very dismal prospect for people who are already in difficult circumstances, such as Neville and Thelma Paddison. Their problem is acute. The Government should give some consideration to this issue in light of the examples I have outlined today.

COMMONWEALTH AGRICULTURAL CONFERENCE

Mr GREG APLIN (Albury) [5.35 p.m.]: Next Wednesday the Royal Agricultural Society of the Commonwealth will open its twenty-first Commonwealth Agricultural Conference in Albury. It is 41 years since the biennial conference was last held in New South Wales. In fact, it was a group of enthusiasts from the Australian agricultural show societies—the royal societies of New South Wales, South Australia and Tasmania—who were really responsible for the creation of the Royal Agricultural Show Society. This group saw a need for a small organisation in which the Royal Agricultural Societies of the Commonwealth of Nations could be members. Therefore, 47 years ago, whilst visiting the 1956 Royal Show in England, they gathered members from the English, Scottish, Southern Rhodesian, Ulster and Welsh societies for an informal meeting. The society formed the next year with the Duke of Edinburgh as president, and he has remained its president to this day.

A biennial conference was agreed upon, with one society acting as host. Apart from the discussions and work of societies during the conferences, the varied venues allowed for different farming systems and rural structures to be investigated. The Royal Agricultural Society of New South Wales hosted the first conference in 1963 and will once again be host in 2004 of what has now become the Commonwealth Agricultural Conference. The Federal Government and the New South Wales Government have embraced the opportunity to promote Australia and this State. The theme of this year's conference is "The Power of Water". Organisers have assembled a wide range of impressive speakers on this most vital of topics. We all recognise the social and economic importance of efficient water usage. In the words of the Prime Minister:

Our National Water Initiative aims to increase the productivity and efficiency of water use while ensuring that the health of our water dependent ecosystem is maintained.

These are vital issues for our continued prosperity and for all member nations of the Commonwealth attending this conference. There will be the opportunity to share experiences and expertise and, importantly, particular emphasis is being placed on encouraging future decision makers and managers to attend, as this group will influence emerging generations in forming water-sharing policies. Among the group are students from Great Britain who will join with local schools in a three-day environment youth forum to be held in conjunction with the Commonwealth Agricultural Conference. Students from Hagbourne Primary School in Oxfordshire, one of England's top environmental schools, will join with 60 border students to study wetland and natural resource management at the Aquatic Environment Education Centre at Wonga Wetlands near Albury and at Wirraminna Environment Centre at Burrumbuttock. The Governor-General, Major General Michael Jeffrey, will officially open the forum directly after his opening address at the twenty-first Commonwealth Agricultural Conference.

The student forum has been titled "Biodiversity Buzz" and has been developed by Wonga Wetlands, the Murray-Darling Association and Burrumbuttock Public School to run in conjunction with the international conference. The Commonwealth Agricultural Conference has endorsed the program as part of its conference. The youth forum will engage students in catchment and natural resource management issues through presentations, workshops, environmental problem solving and exchanging views on problems, challenges and opportunities for natural resource management in the catchment. All students will attend the closing session of the conference to participate in a youth presentation, no doubt demonstrating the vision, enthusiasm and initiative of the region's young people and their school communities. As honourable members can imagine, invitations to local primary and secondary schools resulted in an overwhelming response. Owen Dunlop, from Burrumbuttock Public School, and Mike Copland, the co-ordinator from Wonga Wetlands, have planned a most exciting program for the year 5 to year 8 students over the three days.

The conference involves regional and local show societies—both in the event itself and during pre-conference and post-conference tours. In his foreword to the conference prospectus, Lord Vestey, the Chairman of the Royal Agricultural Society of the Commonwealth, stated that delegates would be seeking to find solutions to the worldwide issue of water. He said:

Increasingly those concerned for the future are concerned for water. This concern is not just global or indeed Australian but it is personal, affecting every one of us.

Indeed, in the words of Professor David Mitchell, from the School of Environmental and Information Sciences of Charles Sturt University, "Water is life". That will be the subject of his address at the twenty-first Commonwealth Agricultural Conference.

WARRAWONG PUBLIC SCHOOL AND SCHOOLS CLEAN UP DAY

Ms NOREEN HAY (Wollongong) [5.40 p.m.]: Recently I visited an assembly of Warrawong Public School in my electorate of Wollongong. To say that I was impressed by the staff, students and support of parents at that school would be an understatement. I had the honour of presenting a number of merit awards and was treated to an array of songs by the students. In particular, a song that impressed me was the *Warrawong Public School Rap*. The young people who performed that rap—Jasmine DeBarros, Abdulsamiu Lawal, Stacey Dalli, Daniella Pandevska, Patrick Correia and Osamah Morsi—of varying ages and in different years, got up on stage in front of the school and performed the rap.

I congratulate the principal of Warrawong Public School, Mr Sash Manojsovic. He is open and interacts with the children. It was a delight to watch the performance of the rap song, which was unusual and had all the children moving in their seats. This feat alone was impressive enough, but what really struck me was the topic on which they based the rap song: Clean Up Australia Schools' Clean Up Day. The song was designed to lift the spirit for Clean Up Australia. Each child wore a large garden glove as rap equipment. They sang and jumped, and encouraged everybody to become active.

Since 1992 children around Australia have turned out in their hundreds of thousands to help clean up Australia. Schools Clean Up Day is specifically designed to allow students to participate in Clean Up Australia as part of a school activity. It is a great way for students of all ages to learn how to reduce the impact of waste on our environment and to make a real difference to their local community. For the first time this year a kids clean-up kit was launched and sent to all schools that registered to participate in the clean-up. This 60-page educational resource for teachers is designed to extend environmental learning in the classroom to year-round lessons and activities.

This year 2,601 schools were registered nationally for Schools Clean Up day—a 19 per cent increase on 2003. The location of the registered clean-up sites ranged from the school grounds—for younger children—to surrounding streets, nearby parks and shopping complexes. Warrawong Public School chose to clean up its own grounds, with a view to ensuring that rubbish did not find its way to Lake Illawarra via the stormwater drains located throughout the school. To encourage the interest and participation of students and their families on the day, the school organised a write your own rap competition. Thirty-four students entered the competition and had the opportunity to perform in front of the school at the following week's assembly.

This participation and enthusiasm is to be commended. Australia is the second highest producer of waste per person in the world. Some 6.9 billion plastic bags are used in Australia every year, and it is estimated that 50 million plastic bags are littered, killing countless marine animals and wildlife, as the honourable member for Strathfield and others pointed out in the House yesterday. The dedication of schools like Warrawong Public School to their environment will help ensure that their little piece of the world will be all that much cleaner and rubbish free. It sets an excellent example to the community. As long as rubbish is a problem in the environment, we must continue to educate people, starting with the youngest, about cleaning up Australia. I congratulate Warrawong Public School.

STAMP DUTY AND PEOPLE WITH DISABILITIES

Mr BARRY O'FARRELL (Ku-ring-gai—Deputy Leader of the Opposition) [5.45 p.m.]: The issue I raise this evening relates to stamp duty. Specifically, I raise the issue of the imposition of stamp duty on purchases made by those within our community living with disabilities. This week I saw an extraordinary interview by Andrew Denton of Matt Laffan. At one point Mr Laffan, who suffers from diastrophic dysplasia, said that one can judge the compassion of a society or community by the way in which it looks after those who are least able to help themselves. Last month I was contacted by a local family—I will not identify them because I do not want them to be embarrassed—that has a disabled child. They moved into my electorate recently after having tried for the previous three years to adapt their former home to the needs of their child. As the family wrote to me:

This old home proved to be too hard for anyone at the home modification team—
that is a Home and Community Care Program funded service—

to work with so we found a house with a better floor plan.

The family made no bones about the fact that the new house purchase stretched their finances to the limit. Earlier this year the family was forced to upgrade its car to one that had wheelchair access because both parents

were no longer able physically to transfer their child and the child's wheelchair in and out of their old car. In order to purchase the car, the family was forced to borrow from one of their grandparents. I do not claim that this is a one-off case. I know from within my own electorate, and from my contacts elsewhere, that the financial burden faced by families living with disabilities is significant.

What I had expected, and what I had hoped for, was that the State Government would recognise this cost and seek in a small way to help families facing this situation. One way in which that could be done would be to waive or reduce stamp duty for house or vehicle purchases which are necessitated because of disabilities within a family. At this stage I point out the financial windfall the State Government has reaped from the property boom. Last financial year the State Government received more than \$950 million extra in stamp duty receipts than it had budgeted for—that is, each and every week of 2001-02 the State Government received more than \$18 million from an unexpected windfall in stamp duty receipts on property.

For the first six months of this year the State Government received more than \$627 million extra in stamp duty on property purchases over and above what it had estimated—almost \$24 million a week in unexpected revenue due to Sydney's strong property market. Despite this windfall—a river of gold, as the Leader of the Opposition describes it—was any of that unexpected revenue returned to those bearing the burden of stamp duty, in particular, and in this case to those who face increased costs due to disability? The answer, regrettably, is no. I estimate that in the instance of the family that contacted me, we are talking about approximately \$25,000 in stamp duty on the house purchase and approximately \$2,000 on the vehicle purchases. I indicate again that I do not plead solely for this family; I recognise that many families across Sydney and the State are in the same situation. Despite the family's efforts, and despite my efforts on their behalf, the Office of State Revenue and its Hardship Review Board have declined to waive all or some of these payments. The Treasurer wrote me a letter stating:

The Chief Commissioner of State Revenue has advised that there are no exemptions from duty paid on the purchase of a new home or a motor vehicle for people with disabilities.

He continued:

Neither the Treasurer nor the Chief Commissioner has authority over the board—

that is the Hardship Review Board—

and cannot influence its decisions. Neither do they have the authority to waive the tax that is properly payable. It would be unfair to other taxpayers in similar situations to provide relief in this case.

Once again we have a demonstration of the claim that "the law is an ass". Once again we have evidence of the heartlessness of the Carr Government. Once again it is obvious just how out of touch the State Government is from those families living with disabilities in communities across Sydney and the State. I am appalled that, at a time of record stamp duty receipts and billions of dollars of stamp duty being received over and above budget estimates, the Government cannot provide relief to families in the situation I have outlined. I say to the Treasurer, who wrote to me, that what was a single case that I raised is representative of what families with disabilities suffer. Far from it being unfair to other taxpayers in similar situations, I seek his consideration of reviewing the stamp duty payable by all those who suffer the financial burdens imposed by having disabilities within their family.

To return to Matt Laffan's comments, regrettably it is clear that neither the State Government nor our society is compassionate or caring about those least able to help themselves. I am genuinely ashamed. I sincerely regret that I was unable to help these people. I genuinely regret that similar relief is unavailable to families in similar circumstances. I can only pray that the Treasurer reconsiders the stamp duty situation faced by families with disabilities and seeks to offer some genuine relief so that people in this situation do not have to suffer the financial burdens that this family has suffered and that other families suffer on an ongoing basis.

WENTWORTHVILLE ELECTORATE COMMUNITY ACTION GROUPS

Ms PAM ALLAN (Wentworthville) [5.50 p.m.]: I am delighted to speak this evening about some triumphs for community action in my electorate of Wentworthville. Recently, two groups in the electorate were successful in gaining outcomes as a result, in some cases, of a decade of activity on a specific issue. First is the decision of the Lower Prospect Canal Group, convened by Steve Norton of Greystanes, to wind up after nearly a decade of activity to create a permanent public open space on land formerly held by Sydney Water at Prospect canal. In 1994 and 1995, during the election campaign in the heady days when the then Leader of the Opposition

defeated Nick Greiner, the then housing Minister, Robert Webster, together with his political colleague Nick Greiner, the then Premier, was attempting to develop housing on land adjacent to Prospect canal. The canal feeds into Prospect Reservoir, which, despite its heritage importance, is still Sydney's second and emergency water supply.

The land along this canal had been reserved by Sydney Water; the Greiner-Webster Government planned to develop the land for housing. In those years that caused outrage in my electorate, and in 1994 it gave rise to what was, until recently, the largest public meeting ever held in my electorate. As the local member and as the shadow Minister responsible for Sydney Water at the time, I undertook that if the Carr Labor Government was elected in 1995 we would make sure that the land was protected. That is exactly what occurred. Over a 10-year period the Lower Prospect Canal Group, headed by Steve Norton, has worked closely with both the National Parks and Wildlife Service and Holroyd City Council to make sure that this objective is achieved. In the past few months the land was finally handed over, with management money, to Holroyd City Council. I congratulate Steve, his team, all the relevant agencies, and successive Carr Labor governments for making sure the promises were implemented.

The other great community action outcome occurred in the past 24 hours. I am delighted that the Minister Assisting the Minister for Infrastructure, Planning and Natural Resources is at the table. I refer, of course, to the Minister's decision last night to agree to a recommendation from her department to dezone an area within the Parramatta local government area around Constitution Hill in Wentworthville. Again, that has been the cause of amazing action, organisation and concern within my electorate. I said the Greystanes meeting was the largest meeting that had taken place up until the early 1990s, but the community meeting that took place in February last year, during the lead-up to last State election, surpassed that Greystanes meeting. I have spoken about this in the House before. Last February nearly 1,000 people were in the auditorium of the Pendle Hill High School to protest about a decision by the Parramatta City Council to upzone a particular residential area—and I am not talking about three-storey walk-up flats!

The community was outraged. They met at the high school. They were led by a residents action group. I mention particularly Alex Balanda, Lorna Porter and Dave Webb, who organised the residents and who have communicated directly with me almost daily over the past four months to ensure that the council decision was reversed. Eventually, the council reversed its decision and decided after all that it was not such a great idea to have more medium-density housing in that area. These people successfully lobbied both the department and the relevant Ministers to make sure that the decision was reversed. I congratulate Minister Beamer and Minister Knowles and their staff for being so helpful to the action group, to the councillors and their own agency in ensuring that the decision was reversed, thus enabling us to get back to a community that is much more in keeping with the local environment.

Ms DIANE BEAMER (Mulgoa—Minister for Juvenile Justice, Minister for Western Sydney, and Minister Assisting the Minister for Infrastructure and Planning (Planning Administration)) [5.55 p.m.]: Although I accept the congratulations, I want to talk about the co-operation between the department, Parramatta council, local members and the action group. Parramatta council was able to show the department that it had within its residential strategy a way in which the growth of Sydney, with 50,000 new people needing to be housed in the Sydney basin every year, could be accommodated. Parramatta council was able to demonstrate successfully that it more than adequately looked at ways of making the central business district more vibrant by revitalising, rebuilding and making the city as cosmopolitan as it has the potential to be.

Parramatta council worked hard on this. The residents were able to prove to the local member, who has been vigilant in talking to me and to Minister Knowles, that this was a sensible thing to do. It is a shame the Deputy Leader of the Opposition is not present to talk about Ku-ring-gai council and the way it has not been able to come up with a residential strategy that makes sense and will allow that area to grow in an appropriate manner, as Sydney is growing. I congratulate the local member for her hard work on this issue, which has been resolved positively for the people in Toongabbie.

THORA RURAL FIRE BRIGADE

Mr ANDREW FRASER (Coffs Harbour) [5.57 p.m.]: Tonight I not only congratulate the members of the Thora Rural Fire Brigade but make a plea on their behalf. All the brigades do a wonderful job, but this community brigade is one of the tightest-knit in my electorate. It has the problem of being located at the base of Dorrigo Mountain, on a piece of road which, during the heavy rains a couple of years ago, was washed out and partially closed for 12 months or more. The Thora Rural Fire Brigade attends all the accidents on the mountain.

Its members are Hazmat accredited and they do an absolutely fantastic job in all weather conditions and in all types of hazards. It saddens me that for the past 10 years or more they have been trying to get a new station, or at least some toilet and hand basin facilities. It has reached the stage now where the women in the brigade are leaving because there is nowhere for them to shower after a bushfire or an accident, and they do not have separate change rooms. Throughout this period the Rural Fire Service has promised them a new shed or facilities. I am somewhat disgusted by correspondence received by them from the Bellingen District Manager in June 2003. In part that correspondence stated:

I suppose one could argue that a nice station or toilet may be more important than a petrol driven tanker ... but [I] make no apologies for prioritising the district tanker fleet over station enhancements.

This letter, which was sent to Mr Bob Murcott, the President of the Thora Rural Fire Brigade, ignores the directions from Bob Plume, the inspector of the district, in memorandum AB/ADM/0002/05. The memorandum talks about having in place the proper hazard reduction appliances required by WorkCover New South Wales, which states that one must identify hazards to health and safety, including the risk of people being hurt by chemicals and other materials used in the workplace. As I said, these people are out on a dangerous mountain road, often attending motor vehicle accidents involving heavy vehicles and not knowing what those vehicles are carrying. Even in a normal accident, petrol or diesel may be spilled, and these volunteers are charged with cleaning it up. When they get back to the station they do not even have a tap to wash their hands. They do not have a shower to get rid of any hazardous or chemical materials they may have come in contact with. That breaches all WorkCover conditions.

These people are volunteers; they are the salt of the earth. They deserve the support of the Government. I appeal to the Minister for Juvenile Justice to take this matter to the Minister for Emergency Services and ensure that money is made available in this year's budget, as has been promised by the Government for the past nine years, to add to the station and give these community volunteers what I suggest are nothing more than basic facilities to ensure their safety. I know the budget-setting process is going on at the moment. In the lift today I saw the Minister for Transport Services with his folder under his arm going off to be interviewed by the Treasurer. During budget discussions I asked the Treasurer and the Minister for Emergency Services to put some money aside for the people of Thora. These people are there to protect life and property in times of bushfire, flood and accidents on the Bellingen Road or on the Dorriggo Mountain. They deserve a new station and shower and toilet facilities at Thora, and I demand that they get them.

YOUNG LABOR MENTAL HEALTH FORUM

Mr PAUL McLEAY (Heathcote) [6.02 p.m.]: Last Monday night I attended and participated in the New South Wales Young Labor Mental Health Forum, which was held by the Health, Community Services and Social Justice Policy Committee of Young Labor. I thank the convenor, Mike Meurer, for giving me the opportunity to speak at the forum. I was also pleased to attend because Adam Wallace, who is a hard-working member of the local branch of Young Labor in my electorate, takes a particular interest in this issue, as he does in all activist issues within the Young Labor movement. The topic of the forum was suggested by Salim Barber. Salim has personally had experience with mental illness, as a member of his family suffers from bipolar disorder. It was the most interesting and well-attended Young Labor forum I have attended. Before becoming a member of Parliament, I was involved with Young Labor for a few years and I hosted some forums as a convenor of one of Young Labor's committees. I did not have as good a roll-out at my forums. Obviously, I did not pick topics that many people were interested in.

The forum asked the questions about mental health: What is it, who has it and how did they get it? Young people have a great many unanswered questions about mental health and many do not know what mental illness is. I spoke about the Government's initiatives through New South Wales Health. Susan Goldie was an interesting speaker. She is a mental health first aid officer from Mental Illness Education Australia who speaks to groups and workplaces about mental health first aid. She explained that mental health first aid is the initial help that is given to someone who is experiencing mental health problems before professional help is sought. She pointed out that every workplace needs to reduce the costs of unaddressed common mental illness by learning how to identify the problems and minimise the impact. She was informative and gave some good tips. She also offered an insight into how workplaces can be adjusted to address the issues.

Another speaker was Rhoda Immerman from the Association of Relatives and Friends of the Mentally Ill [ARAFMI]. Rhoda spoke about the aims of ARAFMI, the support group meetings and the information provided by the organisation. ARAFMI fosters mutual support amongst its members by strengthening confidence and self-esteem through giving information and emotional support to families and carers. It involves

families and carers in a social network of people who understand the problem and helps to develop the carers' ability to enter into dialogue with professionals responsible for the treatment program of a family member.

The final speaker was Leanne Nichols, who suffers from mental illness and is an advocate for mental health services. She gave a personal insight into her illness and how it has affected her life. She made an informative and courageous speech. She also told the forum about a publication she is developing called "Mind Matters Magazine" in which she will endeavour to, among other things, broaden public discussion about mental health issues, provide readily accessible and affordable education on mental health issues and services, encourage early intervention and treatment to maximise mental wellbeing, break down barriers and reduce the stigma associated with mental illness, and play a part in reducing the economic and social cost to the health system, individuals and the general community. One of her important goals is to help reduce the incidence of suicide.

The audience of more than 100 people asked many questions and had a lively debate. Young Labor members are a very activist group and have a proud tradition of standing up for their beliefs and voicing their views and opinions. There are more than 30 Young Labor local associations across New South Wales. George Houssos, the New South Wales Young Labor president, thanked the participants at the forum. He is an extremely active young person who cares for his community and fights for what he believes in. He also has the experience of family members who suffer from mental illness, so he was able to learn a lot from the forum as well. I congratulate him and the stance that Young Labor has taken on this issue. I am sure the forum will assist them in making recommendations for consideration by the Australian Labor Party.

OPERA IN THE PADDOCK

Mr RICHARD TORBAY (Northern Tablelands) [6.07 p.m.]: Today I want to promote Opera in the Paddock, which was started two years ago by Bill and Peta Blyth on their property "Mimosa" at Delungra near Inverell. Peta is a professional singer who worked with the Australian Opera and now has engagements across the eastern seaboard. Both Bill and Peta had the dream of bringing fine opera music of metropolitan standard to country audiences who do not have the opportunity to attend the opera. The first year it was held they had an audience of about 600 people. Last year I had the great honour of attending this fantastic evening, which was attended by more than 1,000 people. This year already 1,500 people have booked, and it seems that more will do so. Accommodation in Inverell is booked out. I know that other honourable members will attend this year, including members from the other place. I look forward to seeing them there. I know that the honourable member for Tamworth and the Federal member for New England will attend. Perhaps we will do a three tenors' number.

Mr Richard Amery: It would be worth travelling to Inverell just to see that.

Mr RICHARD TORBAY: The honourable member for Mount Druitt said that he will come along just to hear that. I will be Pavarotti. Many letters of support and congratulations have come from around Australia and overseas. People have raved in their letters about the opera and have said that this magnificent event continue. Bill Blyth, who is a grazier, built a great stage last year and I am sure that he will do the same again this year. He attends to all the logistics and a former Sydney Opera House sound technician does the sound work. People bring picnic baskets, the concert starts at dusk and the gum trees are lit up, creating a wonderful atmosphere.

This year's concert, which is to be held next Saturday 20 March, has assembled a stellar cast, including soprano Peta Blyth, tenor David Hamilton and pianist David Miller. They will be joined by bass David Hibbard and Inverell-born mezzosoprano Elizabeth Campbell. The program is an exciting mix of popular opera, operetta and musicals. Opera in the Paddock has been most fortunate to secure the services of these singers, who all had busy national and international schedules. Elizabeth Campbell, who grew up in Inverell, will perform at the paddock this year. Campbell and Hibbard will be involved later this year in the international presentation of Wagner's Ring Cycle in Adelaide. Hamilton and Miller have been popular regulars since Opera in the Paddock began in 2002.

The program includes quartets, trios, duets and arias from Bizet's *Carmen*, Mozart's *The Magic Flute*, Beethoven's *Fidelio*, Verdi's *Rigoletto*, Mozart's *Così fan tutte*, Gounod's *Faust*, Donizetti's *Don Pasquale*, Puccini's *La Bohème* and Delibes's *Lakmé*. The cast will also perform works by Jerome Kern, Rodgers and Hammerstein, Johann Strauss and Leonard Bernstein. The support and enthusiasm of the community has been a major contributor to the success of the event. The local community is thrilled with the recent award for Opera in

the Paddock at the Australia Day presentations and also last year's Most Outstanding Achievement award at the Annual Business Awards. I was at the function to see that presentation.

I thank the Premier for the assistance provided by the Government to this event. Sponsors include the New England Credit Union, Allianz Insurance and Country Energy. Inverell Shire Council has also been a strong supporter. Many local businesses, too many to name, also have made sure that this event continues to be a success. This year Inverell has also attracted a Health Expo from Sydney and Newcastle universities where 50 academics and students, who are coming to attend Opera in the Paddock, will speak to high school students and their parents about career opportunities for country students in medicine and allied professional health occupations. Opera in the Paddock is a wonderful event and I look forward to informing the House about the outcome of year's event, which I am sure will be another outstanding success.

PACIFIC HIGHWAY UPGRADE

Mr ROBERT OAKESHOTT (Port Macquarie) [6.12 p.m.]: I was one of three people first at the scene of an horrific accident on Sunday on the Pacific Highway just south of Bulahdelah. That accident issue concentrates three key issues for the electorate of Port Macquarie and the Mid North Coast. I was on my bike and was almost involved in the accident. Anyone wanting to ride for more than 60 kilometres in our area will inevitably end up on the Pacific Highway, which is, without doubt, a danger zone that should not be used by cyclists. However, cyclists must train for specific events such as the Grafton to Inverell road race and triathlons, which are popular in the area.

Unfortunately, two well-known elite cyclists in New South Wales and Queensland have died this year after being hit by cars. Ken Baggs, the Ironman Australia race director, has raised this issue and is very concerned for the cycling community. I hope the Minister for Roads takes note of that concern when allocating future funding. I was in Western Australia last month and was very impressed by its cycle network, particularly in Busselton and Bunbury, which confront similar demographics and growth pressures to those experienced on the mid North Coast. Interestingly, one of the cycleways was funded using Roads to Recovery money. That is a positive and creative way to use that money.

The three victims of the accident last Sunday required helicopter transport, and that is another issue of concern on the mid North Coast, because it is a black hole for aeromedical retrieval. The Westpac Rescue Helicopter Service has bases at Newcastle, Tamworth and Lismore, but it often takes a long time for helicopters to get to the areas in between. The service does a fantastic job, but it would be tremendous to have a helicopter based on the mid North Coast. Having a service based in the local area would be a great help in building a safer community. People in the Coffs Harbour community, including the honourable member for Coffs Harbour, have been campaigning to have a helicopter based in their area. I encourage and support that campaign, and I am sure the residents of Port Macquarie would be happy to see a service based at Coffs Harbour. I do not care where it goes as long as we have one on the mid North Coast.

The sticking point for everyone living on the mid North Coast and the North Coast is the Pacific Highway. Sunday's accident occurred on a straight, two-lane stretch of road that will be bypassed by the Karuah road project, whose completion we are all eagerly awaiting. It highlights the importance of building the dual carriageway. The driver of the car lost control and it started to slide. Had there been a dual carriageway, the car would have hit the dividing wall and three people would not have needed to be transported by helicopter to hospital. I understand that one victim is still in hospital.

Once again, I highlight the point that I have been raising for some time. The agreement between the State and Federal governments expires in 2006 but only 43 per cent of the highway network between Hexham and the Queensland border will be a dual carriageway. It is a job half done. Both the State and Federal governments made a commitment in 1996 to have the dual carriageway completed. I understand that 84 per cent of the dual carriageway at Port Macquarie will be completed by 2006, but, again, that is not 100 per cent. I yet again call on the State Minister to fulfil his part of the bargain. The Federal Government should commit funds through any avenue it sees as appropriate to complete the job on the Pacific Highway.

Private members' statements noted.

[Mr Deputy-Speaker left the chair at 6.17 p.m. The House resumed at 7.30 p.m.]

MR PETER NOLAN USE OF TAXPAYERS FUNDS ALLEGATION

Ms SANDRA NORI (Port Jackson—Minister for Tourism and Sport and Recreation, and Minister for Women) [7.30 p.m.]: I seek leave to table reports entitled "Report of Preliminary Inquiry—Mr Peter Nolan, General Manager, Berry Sport and Recreation Centre" and "Fact Finding Investigation Part 1—Allegations of Corrupt Conduct—Berry Sport and Recreation Centre", together with a letter from the Independent Commission Against Corruption [ICAC] concerning these matters, and to make a short statement in relation to the reports.

Leave granted.

Reports tabled.

Ms SANDRA NORI: I have now had 24 hours to familiarise myself with the report and ensure that the names of unintended third parties are protected. I can inform the House that the report found implications by the Leader of the Opposition, Mr Brogden, that tens of thousands of taxpayers' dollars were spent on renovating a departmental employee's private home were unsubstantiated. More specifically, the summary of the report reads in part:

- There is no evidence to show that the employee misappropriated departmental funds to purchase roofing and guttering materials for his house.
- There appears to be no connection between work done on the employee's kitchen and work done at the centre.
- There is no evidence that the employee purchased timber through the centre to use at his own residence.
- There is insufficient evidence to show that other building related products were used on the employee's house.
- However, the report found that the employee had not declared a conflict of interest when he built his house at the same time, and with the same contractor, who was doing work at the Berry Sport and Recreation Centre.

The employee was disciplined about other matters—for example, orange juice, milk and bread taken for personal use, as well as using departmental equipment for personal use and preferential treatment given to family members. For these matters he was demoted from a management position, and the ICAC has determined not to proceed further with the matter. Legal advice confirmed that the charges were at the lower end of the misconduct scale and did not warrant dismissal, and that on appeal he would probably succeed. If any employee had such serious allegations as the Leader of the Opposition made yesterday proven against him or her, not only would it be a dismissal offence but it would be a criminal matter and, clearly, the Internal Audit Bureau and the ICAC would have taken the matter further.

EDUCATION AMENDMENT (NON-GOVERNMENT SCHOOLS REGISTRATION) BILL**In Committee****Consideration of the Legislative Council's amendment.**

Schedule of the amendment referred to in the message of 10 March

Page 7, Schedule 1 [9]. Insert after line 9:

47A Effect of section 47 on certain contracts

The operation of section 47 is not to be regarded as giving rise to any implication that it is a term of any contract (whether or not written) between the proprietor of a registered non-government school and a parent of any child enrolled at the school that the school comply with the requirements imposed by or under this Act for registration of non-government schools or that failure to comply with any such requirement in itself gives rise to any civil cause of action.

Note. Non-government schools are given protection from civil liability in tort for breach of a statutory duty (including liability for damages sought in an action for breach of contract or any other action) under Part 5 of the *Civil Liability Act 2002* by virtue of the *Civil Liability Regulation 2003*.

Legislative Council's amendment agreed to on motion by Mr Graham West.

Resolution reported from Committee and report adopted.

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

FOOD LEGISLATION AMENDMENT BILL**In Committee****Consideration of the Legislative Council's amendment.**

Schedule of the amendment referred to in message of 16 March

Page 14, Schedule 1, proposed section 108, line 19. Insert ", community education" after "information".

Legislative Council's amendment agreed to on motion by Mr Graham West.**Resolution reported from Committee and report adopted.****Message sent to the Legislative Council advising it of the resolution.****ROAD TRANSPORT (SAFETY AND TRAFFIC MANAGEMENT) AMENDMENT (ALCOHOL) BILL****In Committee****Consideration of the Legislative Council's amendment.**

Schedule of the amendment referred to in message of 16 March

Page 6, Schedule 1 [12]. Insert after line 26:

Review of amending Act

- (1) The Minister is to review the amending Act to determine whether the policy objectives of the amending Act remain valid and whether the terms of the amending Act remain appropriate for securing those objectives.
- (2) The review is to be undertaken as soon as possible after the period of 4 years from the date of assent to the amending Act.
- (3) A report on the outcome of the review is to be tabled in each House of Parliament within 12 months after the end of the period of 4 years.

Legislative Council's amendment agreed to on motion by Mr Graham West.**Resolution reported from Committee and report adopted.****Message sent to the Legislative Council advising it of the resolution.****NATIONAL COMPETITION POLICY AMENDMENTS (COMMONWEALTH FINANCIAL PENALTIES) BILL****Second Reading****Debate resumed from an earlier hour.**

Mr GERARD MARTIN (Bathurst) [7.37 p.m.]: I am delighted to speak to this bill, which was introduced into this House by the Premier in response to the decision by the National Competition Council relating to the deregulation of the liquor and poultry meat industries, dentists, optometrists, pharmacies, and farm debt mediation. A number of Opposition members have said they do not know what members on this side of the House are complaining about, because it was the Premier and Prime Minister Keating who signed the National Competition Policy Agreement in 1995. That is true. Like all meaningful changes of any consequence at the Federal level over the last two decades, all the policies have come from the Labor Party. Whilst some members on this side of the House have had philosophical differences of opinion about the emphasis and degree of some of those policies, there is no doubt that many of them have shaped the Australian economy and made it easy for Costello and Howard to proceed in an international environment. Of course, many of them are policies that John Howard did not have the intestinal fortitude to formulate when he was Treasurer, particularly under Michael Fraser.

Having said that, there is some degree of dissatisfaction with the literal interpretation by the National Competition Council of some of these matters of deregulation. One in particular that has been spoken about by members of The Nationals in this House—and you would have to be gobsmacked by the degree of hypocrisy—is the Farm Debt Mediation Act. I congratulate the Minister for Agriculture on making some meaningful changes to the Act, but it is interesting to go back and reflect on the history for just a moment.

The Farm Debt Mediation Act came about when my predecessor member for Bathurst, Mick Clough, then a member of the Opposition, introduced a private member's bill into the House in 1994. Interestingly enough, the legislation was strongly opposed by the other side of the House when it was in government. *Hansard* records that the venerable member for Lachlan, Ian Armstrong, who I think was Deputy Premier at the time, and the Minister for Agriculture, condemned Mick Clough for introducing the bill, saying, "This bill is anti-bank. We can't have it. The banks won't like it." The Deputy Leader of the Opposition in the other place, the Hon. Duncan Gay, who meanders around that House and makes the odd remark, began his contribution to the debate with "Members know I am opposing this legislation." Ian Causley and Wal Murray spoke vehemently in opposition to the bill and they ridiculed Mick Clough and the then Labor Opposition for introducing it.

Mick Clough introduced the bill because of many requests from farmers, particularly from the central west and northern New South Wales, who were getting nowhere with the National Party, which was part of the Coalition Government at the time. Their pleas for some help, some relief from the rapacious attitude of the banks on foreclosure for people who were struggling on the land, were being met with deaf ears. So it is the utmost hypocrisy for members of The Nationals to now say they brought salvation for farm debt mediation.

We have heard members such as the honourable member for Murrumbidgee speak on that issue in the past 24 hours—a very pithy contribution, I thought. I think it is important, particularly for my predecessor, that we put on record exactly where both sides of the Parliament stand on this issue. In relation to the Farm Debt Mediation Act there is only one side of this House that can hold its head up high. The banks, of course, are now accepting that the Farm Debt Mediation Act has not been a draconian piece of legislation. In actual fact, some 88 per cent of matters that went through since that Act in 2002 are satisfactorily resolved. That is a great result and a particularly good reason why the Act should stay and why it is certainly not in conflict with national competition policy.

The issue of retail liquor outlets has created quite a lot of heat in the community; there is no question that there is no need for a further proliferation of liquor outlets. It is completely unnecessary to have corner stores and service stations selling liquor. But of course the reason why we have to take action is that there is a little matter of \$51 million that the Federal Treasurer, Mr Costello, wants to penalise New South Wales. We know that this State, which of course is the engine room of the national economy, gets a poor financial deal from the Federal Government, and this is just a further sting. It is important that the House is reminded of these matters that have led to the introduction of this bill. In working through them I think we have to be realistic and say exactly what is going to be the cost to the people of New South Wales.

Another interesting issue is rice. The honourable member for Murrumbidgee claimed that the Opposition was happy with the legislation this Government put through on single-desk rice vesting, but what they do not say, of course, is that Peter Costello is still saying that the single-desk marketing arrangement for New South Wales has got to go. Despite the fact that New South Wales has been asking the Federal Government for several years to set up a national single-desk arrangement similar to the wheat board, Peter Costello has advised that he will not proceed with a national single-desk arrangement, and that if we do not move to deregulate the rice industry, New South Wales will face further financial penalties. This Government has already called his bluff on that. It is rather pithy for the people on the other side of the House to be critical of the stand we are taking.

The Australian rice market is completely open to foreign competition. It has no tariffs or subsidies, so consumers in this country will benefit. Some 30 per cent of the rice purchased in Australia is imported. Of course, the Australian rice industry adopts world best practice and, particularly in some of the niche markets and with boutique rice, it is doing great things on the world market. Australian consumers have benefited from falling rice prices over the past 2½ decades and that has only come about because of the competitive and efficient nature of the industry. The battle on rice is not over and we would expect the other side of the House, when the day comes in some months time, to be prepared to call Peter Costello's bluff—if he is still the Treasurer. It is an important issue and one that is not going to go away. It is something that we on this side of the House are not going to compromise on; we are going to stand by the rice industry. We have heard loud and clear what the industry wants.

The \$51 million that New South Wales has been penalised by the Federal Government on this matter is equivalent to over 500—probably 550—police officers, nearly 700 prison officers, 700 very important school teachers, or 700 extremely important nurses. That is the sort of impact this penalty would have. We know how tardy the Federal Government has been in relation to places for nurse training. Instead of talking about penalising this State, the Federal Government should be doing more to help us, particularly in training nurses. It should be spending more money from the massive take that it gets from the GST, where once again we see New South Wales being heavily penalised.

Liquor retailing is certainly a matter that has hit a nerve in the community, particularly after the Alcohol Summit in August last year in this place, yet the National Competition Council wants New South Wales to remove the needs test for the opening of new liquor outlets. Under the needs test, anyone who wants to open a new bottle shop or a pub has to prove that a suburb or town needs a new outlet. In Bathurst a new tavern has just been approved by the council to service a developing area. That is really testing the commercial market. The needs test is designed to stop communities being flooded with new liquor sales outlets, which could lead to increased alcoholism and harm to the community.

At the Alcohol Summit, medical professionals said they believed that, rather than more outlets, there should be fewer to guard against the harmful effects of alcohol abuse. New South Wales told the Federal Government that we need to assess the recommendations of the Alcohol Summit and consult with the industry and the community before any changes could be considered. But Peter Costello's response to that very responsible stance is to whack on a fine of \$12.7 million a year. I think it is very important that we expose what is going on in the background and the double standards from that side of the House.

The big players in the market—the chain stores—want to get involved in pharmacies. They will not provide the level of service that chemists in country towns do. Huey Dougherty operates Dougherty's Chemist in Main Street, Lithgow, which is open seven days a week until nine o'clock most nights dispensing what is needed. He is prepared to work long and hard and has been doing so for almost 50 years. Chemists work like that right through regional New South Wales. The big chain stores would force people like Huey Dougherty out of business and then collar the lucrative part of the market.

The bill contains numerous examples of the Federal Government's hypocrisy. The honourable member for Murrumbidgee has added the word "lazy" to his vocabulary and he uses it to describe Government members. His colleagues are embarrassed by his lack of input, so it is ironic that he would use that term. The honourable member for Murrumbidgee said that the New South Wales Government was lazy and did not argue the case sufficiently before the National Competition Council. In fact, the reverse is the case. The New South Wales Government has gone through the whole process, although in the beginning it did not appear that action was warranted in many cases, the Farm Debt Mediation Act being one case in point.

It was almost laughable to hear the claim that the Hon. Duncan Gay was the architect who saved farm debt mediation because he rushed down to talk to the executive director, Ms Craik. I remember that in December, in the lead-up to Christmas, the Minister for Agriculture and Fisheries and I worked through the issue with Country Labor. At the end of the day, the case was so compelling that we had a win with farm debt mediation legislation. Most of the measures introduced by my predecessor, Mick Clough, have been retained. I am proud of that legacy and I know that Mick Clough, in retirement, will look back with pride on his many achievements for the electorate. He was prepared to step into the void created by The Nationals, who would not respond to the dire needs of farming communities being bowled over by rapacious banks in the late 1980s.

Opposition members criticised Mick Clough, yet they have a talent for automatically running to the rescue of the big end of town, in particular, the banks. I hope that the words of the honourable member for Lachlan and the Hon. Duncan Gay come back to haunt them. Whatever the outcome, I am pleased to support the bill introduced by the Premier. I am also delighted to put on record the great contribution that Mick Clough made to this House when he was the member for Bathurst. I commend the bill to the House.

Mr DARYL MAGUIRE (Wagga Wagga) [7.52 p.m.]: The National Competition Policy Amendments (Commonwealth Financial Penalties) Bill seeks to amend the Liquor Act 1982, the Poultry Meat Industry Act 1986, the Dentists Act 1989, the Optometrists Act 2002, the Pharmacy Act 1964 and the Farm Debt Mediation Act 1994. The Premier stated in his second reading speech:

[the bill] is to enable New South Wales to avoid penalties being imposed by the Federal Government on the advice of the National Competition Council [NCC]. Every member of this House will be aware that the Government is compelling New South Wales to change the way we regulate these industries or forfeit \$51 million in competition payments because the National Competition Council has deemed us "non-compliant" under the National Competition Principles Agreement.

I state at the outset that there comes a time when people must stand up for their principles and their beliefs. I believe that the Premier, in supporting this bill, has abrogated his responsibility to communities in New South Wales, particularly with respect to alcohol. The Premier said that New South Wales will incur a liability of some \$51 million. Unfortunately, alcohol is a major social problem with which our communities are trying to grapple and this bill will assist in the proliferation of licensed premises. My point is that if one considers the long-term effects of the bill, a \$51 million liability is insignificant. The honourable member for Charlestown, who has not made an impression in this House, sniggers. I suggest that he listens to me; he will have an opportunity to make his contribution later.

At some point the Premier must take a stand because alcohol is the number one cause of social disintegration and parental concern about young people. I feel very strongly that we must do all we can to protect our communities. The Premier has said that the cost will be \$51 million, but that is small change, pocket money, to the Premier. Under the Premier's leadership over the past nine years the Government has wasted millions upon millions of dollars. Indeed, I can put my finger on \$3 billion that the Government has presided over, yet it continues to blame the Federal Government. The New South Wales Government is not accepting its responsibility and, in this instance, the Premier is abrogating his responsibility to the community. Compared to the waste and mismanagement that this Government has presided over, \$51 million is chicken feed. I shall give some examples: \$117 million was wasted on the Parramatta bus-only transitway; \$86 million was wasted on stages one and two of the Millennium trains—

Ms Tanya Gadiel: I represent the people of Parramatta. They use it and I use it. This is rubbish!

Mr DARYL MAGUIRE: If the honourable member for Parramatta listens she will be able to use some of these figures to demand in caucus that the Premier bring his Ministers under control and use some of the money to pay for these costs. I continue: \$2.6 million was wasted on the Millennium train maintenance bill for 2003; \$17.4 million was wasted on displaced public servants; \$32 million was wasted on the State Debt Recovery Office mismanagement; \$78 million was wasted on the blow-out of the Hunter and outer-suburban train carriages; \$51.9 million was wasted on the blow-out of the Treasury managed fund; \$96 million was wasted on the EnergyAustralia loss on PowerTel investment; \$600 million was wasted on the blow-out in costs for the Pacific Highway; \$166 million was wasted on the northside storage tunnel; \$780 million was spent on the blow-out of the Parramatta rail link—a blow-out that we all remember; and there was the water debacle. The Premier has said that New South Wales will be hard done by because of this \$51 million cost, yet in 2002-03 this Government spent \$99 million on consultants and \$43.2 million on media monitoring.

Ms Katrina Hodgkinson: Unbelievable!

Mr DARYL MAGUIRE: It is an unbelievable waste of money. An amount of \$82 million was spent on the blow-out of Sydney Water's upgrades and wastewater programs. The total figure is about \$3 billion. I take credit for being able to do mathematics. This Government has presided over waste like no other government before it. It has presided over taxation that has increased by \$1.5 billion per year. This is the highest taxing Government in this State's history, yet Government members have given the lame excuse that they will be saddling the community with a bill of \$51 million. It is a very poor excuse. I refer to an article I read in yesterday's *Australian Financial Review*, which members on this side of the House would be interested in. This fascinating article is headed "Bob Carr's state of chaos". I will provide copies to members of the Opposition, but they have probably already read it. I will post copies of the article to Government members. The article states:

The NSW government has no policies for dealing with the state's ailing hospitals, water supply and public transport system, writes **Tony Harris**.

Who knows when the decay of the NSW Carr Labor government really started? Dry rot can take years to become visible—

that is obvious—

And there are problems aplenty. One is the condition of NSW public hospitals. Avoidable patient deaths in several hospitals have led to severe criticism by the coroner and the establishment of a special commission of inquiry ... Some public hospitals had so few resources that they are unable to pay their debts or buy essential consumables ...

Over the past five years, the Carr government has removed more than 2000 hospital beds: nearly 10 per cent of the bed capacity of the state's public hospitals. One consequence is that the number waiting for elective surgery is at a new high ...

Water shortages are another problem, but do not only blame last year's drought. There has been no substantial addition to Sydney's water supply since 1960 (when Sydney had fewer than half its present population of 4 million) ...

The state's public transport system is also failing. Country and city trains are cancelled for the want of staff or carriages or both. There have been two major, fatal train accidents under the Carr government, with antiquated infrastructure and unreliable equipment—

I must say unreliable Ministers as well. The article further stated:

The state audit office recently reported that 48 per cent of the state's public buses inspected under a maintenance audit program had to be taken off the road ...

One group that is pampered is the police. The Carr government is conscious of the community's enthusiasm for law and order. Adjusted for population, NSW spends more on police than any other State, bar Western Australia. Yet NSW has more victims of crime relative to population, a record it has maintained for several years. Even with 6 per cent more police per head than Victoria, NSW records nearly three times the rate of victims of crime ...

The Carr ministry cannot be bored with these problems. But making substantial inroads seems to be beyond its capacity.

That article reflects that the Government cannot come to grips with the reality that it is responsible for the State's finances. In some instances that I have recorded, clearly the money that the Premier is referring to could be better spent on first protecting the youth of this State from alcohol. This bill could increase the availability of alcohol in all sorts of outlets. I have received correspondence from the Police Association of New South Wales, the Combined Dispensaries Friendly Society Ltd and other organisations that are concerned that the Government is performing a conjuring trick. Basically, the Government is saying, "It's not our fault. It is the Federal Government." How many times have we heard that in this place? Every day we hear that it is the Federal Government's fault. Every day for the five years that I have been here a Government member has said, "It's all the Federal Government's fault." When will the Government take responsibility for its management of this State? The answer is never. Members opposite carp and whinge; instead, they should explain what is happening. Members opposite should explain the figures. They should ask Ministers who have presided over this waste and mismanagement the reason the Government is crying poor.

The New South Wales Government is about to deliver a budget that is in deficit. And I predict that the next budget will be in deficit as well. Government backbenchers will be crying in their soup because the Treasurer cannot deliver on promises relating to capital works and other works in their electorates that will not happen. Why? Because members opposite have let Ministers and the Government run riot. They have let the Government waste and mismanage this State to the point that the Treasurer is about to deliver a negative budget. The Treasurer in the other place is in tears. He is crying in his beer because he must deliver a negative budget. Who is he trying to blame? The Federal Government!

The State Labor Government has had nine years of economic sunshine, thanks to good management by the Federal Government. In those nine years the State Labor Government has not invested wisely; it has wasted its cash and its opportunities. As the Premier's speech clearly showed, the Government is simply using any opportunity to blame someone else. It is the old Sergeant Schultz saying, "I know nothing. I am not responsible. I see nothing." It is the same old response, which Ministers and, unfortunately, Government members, including the honourable member for Parramatta and the honourable member for Charlestown, have now adopted. Members opposite should raise some of these issues in their party room.

Ms Peta Seaton: Like Gibbo!

Mr DARYL MAGUIRE: Like Gibbo does. He raises the issues; he is a great fighter for the local people. He gets in there and tells the Premier how it is. He stands up for what he believes in. When will the honourable member for Parramatta and the honourable member for Charlestown do the same?

Mr JOHN MILLS (Wallsend) [8.04 p.m.]: The Premier introduced the National Competition Policy Amendments (Commonwealth Financial Penalties) Bill, which amends a range of Acts so as to enable compliance with National Competition Council requirements and, therefore, ensure that New South Wales does not incur financial penalties for deemed breaches of the competition principles agreement. The honourable member for Wagga Wagga spent some time talking about conjuring matters. If ever there is a conjuring trick going on in Australian State-Federal relations, it has to be the concept of deemed breaches of the competition principles agreement. Under the competition principles agreement [CPA]—whenever I see the initials CPA I think ideology; the initials seem to imply that—all governments, including the Commonwealth Government, are obliged to review and reform potentially anti-competitive legislation.

The Commonwealth's National Competition Council recently assessed New South Wales as non-compliant in meeting CPA obligations in relation to the reform undertaken. Therefore, New South Wales is subject to a permanent reduction in funding from the Commonwealth—it started this year and will continue annually—of \$50.9 million per annum unless we carry out the directions of the council or, rather, its recommendations. The Federal Treasurer, Peter Costello, is the person who turns the recommendation into a

direction. The bill provides for the minimum reforms that will enable New South Wales to comply with the Commonwealth's demands and so avoid that \$50.9 million financial penalty. One of the biggest surprises I have had in recent years in political life was to see the news on 26 February and the article in my paper which stated, "Coalition goes all out to sink liquor bill". It is not just a liquor bill, but that seems to have been the preoccupation of the journalist and, I think, the Opposition spokesman on this issue, the honourable member for Upper Hunter.

Ms Tanya Gadiel: I think John Howard imposed the penalty.

Mr JOHN MILLS: I thank the honourable member for Parramatta for her interjection. The New South Wales Coalition—this is why I was surprised about that headline—which has been in Opposition for nine years, never manages to stick up for the rights of the people of New South Wales. When I read that "the New South Wales Opposition will not support legislation to deregulate the liquor industry and is expected to harness enough support from the Independents to scuttle the bill", the journalist described it as an unexpected move and went on to say that it resurrects the threat of further multimillion dollar fines if New South Wales is unable to satisfy National Competition Council requirements for deregulation. It is not unexpected; it should not be a surprise. One would think members opposite were trying to hurt the State Government, but they are hurting the people of New South Wales with the loss of \$50.9 million. What examples do I have? The New South Wales Coalition wants the State Government to have \$50.9 million less each year in the budget to service the needs of the people of New South Wales, to service our constitutional responsibilities in health, police, education, law and order, and so on.

I turn now to the Commonwealth Grants Commission. Members opposite will not stick up for the people of New South Wales over this outrageous new formula for the Commonwealth Grants Commission of dudding New South Wales of \$376 million in the coming year. During question time today the Premier managed to tease out a bit more of the Coalition attitude. The Coalition admits that Carr is right, and we heard that phrase ringing around during question time today. On radio today the Leader of the Opposition, when pushed, said that Carr is right, but there is no intention to support New South Wales through this argument. The Coalition's sympathy with Howard and Costello is total.

Recently there were health funding cuts of \$105 million, and the Coalition attacked the Carr Government in relation to that also. I am sick of the Coalition never sticking up for the rights of the people of New South Wales, especially when it comes to a fair share of taxation money. The Coalition does not even support what the Federal Coalition Government wants New South Wales to do. It is really putting up a deplorable example of responsible opposition. On 26 February the Premier spelled out what the loss of that \$50.9 million would cost the people of New South Wales. The Premier advised the House that it was the equivalent of 700 nurses, or 560 police officers, or 700 school teachers, or 90 intensive care beds, or 500 new ambulances or eight new primary schools. That is what would be lost.

New South Wales has led the way in implementing Federal Government policies and competition policy in big industries such as ports, rail freight and electricity. For example, in December last year New South Wales signed up to one of the biggest rail freight reforms in Australian history, leasing New South Wales interstate track to the Federal Government for 60 years. That is yet another massive boost to competition by the New South Wales Government. We have delivered reforms that the Federal Government and the National Competition Council expected New South Wales to deliver on all these big items, in line with Federal Government requirements, so that consumers of big business services now pay less and get a better product. Any Opposition member who thinks I am wrong should speak to their Federal colleagues. The National Competition Council has reached the end of the Federal Government's reform agenda. The Federal Government needs to realise that we are no longer dealing with big industry. We are dealing with small firms, family-owned businesses. What might be good for big corporations is not good for small, community-minded businesses.

The National Competition Policy Amendments (Commonwealth Financial Penalties) Bill amends a number of Acts—the Liquor Act, the Poultry Meat Industry Act, the Dental Practice Act, the Dentists Act, the Optometrists Act, the Pharmacy Act and the Farm Debt Mediation Act. I want to look first at the health-related Acts. I received a press release dated 17 February from the National Competition Council based in Melbourne. It is headed "New South Wales and NCP—the facts" and it deals with all the issues I have mentioned, except it does not defend the changes demanded in the health-related practitioners controls. Nevertheless, it has gone into the bill. The "Legislation Review Digest" of 24 February states that the Dentists Act and the Dental Practice Act will be amended by the bill to remove restrictions on the persons or bodies who may employ dentists or in association with whom dentists may practice, and to prohibit employers of dentists from directing or inciting

them to engage in misconduct. The digest goes on to say that the Optometrists Act similarly is amended to remove restrictions on the persons or bodies who may carry on the business of optometry, and to prohibit employers of optometrists from directing or inciting them to engage in misconduct.

The provision amending the Pharmacy Act has potentially wider impact. This Act is to be amended to remove restrictions on the number of pharmacy businesses that pharmacists may carry on or in which they may have a pecuniary interest, and on the ability of friendly societies to carry on pharmacy businesses. Like other honourable members, I have received representations from pharmacy associations. The Federal Government and the NCC want New South Wales to remove ownership and operation restrictions on pharmacies, dental surgeries and optometrists. We believe consumers want the peace of mind of knowing that properly trained and qualified medical professionals own, supervise and operate these medical services. Removing restrictions would mean that big corporate players would be able to push local pharmacists, dentists and optometrists out of business. The personal care of properly trained professionals would be lost and replaced with companies which, principally, care about business and not the provision of health services and the wellness of the community. Because New South Wales has not made the changes the Federal Treasurer has suspended payments to New South Wales of up to \$12.7 million a year, this year and into the future. The Australian Friendly Societies Pharmacies Association lobbied me with a press release in which it said:

The Council of Australian Governments ... established a Working Group to ensure national consistency in pharmacy regulation.

It went continued:

It did not recommend that supermarket or other corporate interests be allowed to own or operate pharmacies.

It went on further to say:

If the legislation is carried it will mean that not-for-profit mutual friendly societies will be able to freely operate pharmacies in NSW, as they do in Victoria. The legislation does not permit supermarkets or other corporate interests to own or operate pharmacies.

Last year I was lobbied by the friendly societies through my union, the Professional Engineers and Scientists Association. I understand their point of view and I understand where they are coming from. I have talked to pharmacists in my electorate, and they are concerned about the possibility that this legislation, giving effect to the demands of the NCC, could lead to pharmacy outlets in places such as big supermarket chains that might not have a pharmacist in attendance, as is usually required under State regulation. Usually pharmacists will counsel customers about the impact of various drugs, their side-effects, their complications and the mixture of drugs being taken—in other words, the community health care side of operating pharmacies. Qualified pharmacists accept responsibility for guarding public health. If adverse outcomes eventuate—and I am not sure whether they will eventuate—it will be a sorry outcome for competition ideology.

The NCC wants New South Wales to remove the needs test for the opening of new liquor outlets. Currently, the needs test means that anyone who wants to open a bottle shop or a pub has to prove that a suburb or town needs a new outlet. That test was designed to stop local communities being flooded with new liquor sales outlets that could lead to increased alcoholism and harm to the community. Now the needs test has to go. The National Competition Council media release on this issue says:

New South Wales can remove any-competitive restrictions but ensure strong harm minimisation provisions are included.

It goes on to say:

Liquor legislation in NSW contains a "needs test" that allows one competitor to object if another competitor tries to join the market—this protects commercial interests and not the public interest ...

That is what the Federal Government is saying, yet the Coalition in New South Wales is throwing that out and saying it wants to reject the bill. Members of the Coalition are crazy. They want to maintain the existing when that cannot be done. The National Competition Council quoted the specific section of the Act in Victoria and pointed out how Victoria was able to amend its Act. That suited the National Competition Council, and Victoria can still get away without liquor shops spreading into drive-in cinemas, petrol stations, milk bars, convenience stores or mixed businesses, and that is what this bill does. The Opposition should be agreeing with the bill. On 18 February the *Sydney Morning Herald* discussed this issue. It said:

Where it is reasonable, citizens should be entitled to easy access to alcohol at a reasonable price, free from red tape. Yet it is not simply wowerish to be concerned at the ill effects of an open-slasher approach. Those concerns have to be met by appropriate rules for all outlets, not restricting competition by limiting the categories of outlets. Mr Carr has a difficult balancing act.

The Premier has outlined the social impact assessment process that is required instead of the needs test. As that is the approach that has been taken by Victoria and, to a lesser extent, Queensland, and bearing in mind the community's interest in ensuring that there is not a proliferation of liquor outlets, it is hoped that the bill will be approved by the National Competition Council and that New South Wales is no longer penalised. I ask the Opposition to stick up for New South Wales on this occasion.

Ms KATRINA HODGKINSON (Burrinjuck) [8.19 p.m.]: At the outset I note that the Opposition will oppose the National Competition Policy Amendments (Commonwealth Financial Penalties) Bill. The bill amends various legislation, including the Liquor Act 1982, the Poultry Meat Industry Act 1986, the Dentists Act 1989, the Dental Practice Act 2001, the Optometrists Act 2002, the Pharmacy Act 1964 and the Farm Debt Mediation Act 1994. The Opposition has real concerns about this complicated legislation. I will outline some of our concerns, as other Coalition members have done in previous speeches. It is important that I put into *Hansard* the aspects of the bill that affect my local community.

Last night a Government member made an accusation about the national competition policy and the penalties imposed on the State Government. I would like to spend a brief amount of time explaining to that member what the national competition policy is and what it does. The national competition policy was agreed to in 1995 under then Prime Minister Paul Keating. All the Premiers signed the document, the first signatory being the Premier, Bob Carr. The original 2000 deadline for this program was extended first to June 2002 and then again to 2003. Since 1995, 1,765 pieces of legislation have been reviewed nationally, with almost 70 per cent being reformed. The National Competition Council [NCC] said that New South Wales had made good progress, having reviewed and reformed 73 per cent of the 216 pieces of legislation slated for reform but had yet to meet its obligations in a number of key areas. A month seldom goes by without a national competition policy review of a piece of fair trading legislation.

In 2003 the NCC recommended the suspension of \$50.8 million in competition payments pending the finalisation of the program. It did so because of its frustration with the length of time that New South Wales had taken to meet its obligations under the commitment made by Premier seven years ago. The NCC is being forced to do so because it knows that New South Wales will not meet its commitments unless penalties are imposed on it. Under the national competition policy the Federal Government makes payments to the States and Territories as a means of sharing the gains from regulatory and other microeconomic reforms and to provide financial incentives for the States and Territories to implement their agreed national competition policy commitments.

I have been provided with tables, which I am sure many other members of this place have also been provided with. A table of the maximum annual competition payments from 1997-98 to 2005-06 shows the total payment to Australian States and Territories in 2003-04 is approximately \$765 million. It shows that the payment to New South Wales for that year is \$257.2 million. It is wrong of the Government to say that it has to pay money. It has failed to reform the legislation in a proper way or to put forward proper submissions. If proper submissions had been tendered the State would not be subject to penalties. It is wrong for the Government to claim that the money is coming out of the salaries of teachers and nurses. It is a withdrawal of the payment from the national competition policy to the Government. The Government has not said that the 2003-04 national competition policy payments will be \$257.2 million minus \$50 million. That is what it is all about. It is not about the Government having to fork out the money. That is a totally wrong assertion that has been made by many Government members.

As to the penalties that apply in each jurisdiction, it seems that all States will suffer some penalty. An NCC table shows for New South Wales a penalty of 5 per cent or \$12.86 million for "Chicken meat industry negotiations: Failure to demonstrate restrictions are in the public interest", and a penalty of 5 per cent or \$12.86 million for "Liquor licensing: Failure to address anticompetitive restrictions". That is a total of \$25.72 million. The national competition policy process is a flexible one. It places an obligation on governments to review legislation that restricts competition and remove restrictions that cannot be properly justified. Governments are not obliged to remove restrictions that benefit the public, but they need to objectively and independently establish that the benefits are real and can not be achieved by less anticompetitive approaches to regulation.

Time and again we have heard that the Government failed to put forward comprehensive submissions. The submissions tendered to the NCC, half a page to one-page in length, have no regard to the requirements. It is outrageous for the State Government to blame the Federal Government, when it has failed to tender comprehensive submissions and give good reasons why the penalties should not be imposed. The national competition policy requires that governments review their legislation and remove barriers to competition unless

they can show that retaining the restrictions would be in the public interest and the objective cannot be met by other means. The Government knows that. The farming community and other community sectors across New South Wales are frustrated because they know the Government is using its spin doctors on this issue.

I would like to refer briefly to the amendments that will affect the Poultry Meat Industry Act. On 3 February I met with several poultry farmers from the Marulan and Goulburn areas of my electorate. In the north of my electorate there are seven turkey growers and four chicken growers. They need regulation. They have little in the way of bargaining power with the larger organisations such as Inghams. Recently they received their first pay increase from the Poultry Meat Industry Council in three years. They get only about 50¢ per size 20 bird, which is about one twenty-third of the cost of a bird. With deregulation they stand to lose up to one-quarter of their income.

The poultry farmers informed me that they were told by their industry that the submission put forward by the State Government was only one page long and was poorly worded. What do the amendments in this bill seek to do? The bill replaces the existing requirement for batch poultry supply agreements between poultry growers and poultry processors to be approved by the Poultry Meat Industry Committee with a requirement that they merely be registered with the committee. Further, it abolishes the existing power of the Poultry Meat Industry Committee to set base rates for batch poultry supplied by poultry growers to poultry processors.

The poultry farmers have told me that the Poultry Meat Industry Act is necessary because the poultry meat industry is unlike other agricultural industries. The growers never own the commodity but they are paid for growing the birds to a weight suitable for processing. The growers' bargaining power is weak and is likely to remain so beyond the five-year terms of the Australian Competition and Consumer Commission [ACCC] authorisations. The Poultry Meat Industry Act was implemented to provide growers with countervailing market power when negotiating growing fees and contracts. Without such legislated mechanisms the majority of farmers, and certainly those that I have met in my electorate, believe that the market will fail. I thank the New South Wales Farmers Association for its work on the poultry meat industry and in providing us with briefings about its concerns. It has stated:

The National Competition Policy (NCP) Bill is equivalent to deregulation as it offers nothing to protect growers from the market power abuse of processors. It will result in a 24% reduction in NSW poultry growers' income, a crippling of rural communities and a jeopardising of on-farm biosecurity arrangements which protect consumers from diseases such as avian influenza.

That is of grave concern to all poultry farmers and the entire rural community. The New South Wales Farmers Association stated:

A moratorium on the progression of the NCP Bill needs to occur until a thorough review of the industry and Poultry Meat Industry Act is undertaken.

The New South Wales poultry meat industry in 2000-01 contributed \$425 mill to the economy and consists of 6 processors and approximately 350 contracted growers. The industry is characterised by a significant market power imbalance between contracted growers and processors. Evidence of this imbalance is that growers are paid only 6% of the retail price yet contribute 40% of the investment in the industry while 4 of the 6 processors in NSW are among the BRW top 500 private companies in Australia.

It was for these reasons that the Poultry Meat Industry Act was put in place. Unfortunately the State Government wants to replace this Act with the NCP Bill due to a Federal Government NCP related penalty of \$12.86 mill. While the NCP Bill will result a 1% decrease in the retail price it will lead to a 24% reduction in growers incomes and a \$60 mill overall impact on growers and their communities. Not one NSW grower supported the Bill at a recent meeting.

That is certainly the information provided to me by growers who have visited me specifically because they are so concerned about the impact of the bill on them as small businesspeople, growers and farmers and on their families. I have received several letters from poultry growers. I also have a petition signed by many people throughout the area urging the Opposition to oppose this legislation. D. and T. Woodgate of 3104 Windellama Road, Windellama stated:

It is apparent that if the NCP Bill is approved, it will have a catastrophic effect on poultry growers as the Bill is equivalent to deregulation. This has huge ramifications as NSW is the largest poultry producing state in Australia, generating \$425 million in 2001/2 ...

On behalf of my family and regional community, I strongly urge you to implement a moratorium on the progression of the National Competition Policy (NCP) Bill to protect of livelihoods of many regional areas of NSW.

These people are concerned about this legislation being passed. I received an email from Peer Lehwess of Picton. I know that the honourable member for Southern Highlands has been very active on behalf of her constituents. The email was detailed and towards the end it stated:

I rarely ask for help. . but this time its URGENT. . your assistance is needed to save the Poultry industry.

These are highly emotive times, but we must represent the people who will be affected by this bill. Their businesses, livelihoods and families will be jeopardised by this legislation. It is astounding that the Premier has comprehensively failed to present any compelling reasons why the industry should not be deregulated. I have heard that comment time and again. In New South Wales poultry meat farmers are few and far between and they have little clout in negotiating a decent price for their product. Price regulation is essential to their continuing existence. If any rural industry deserves protection from deregulation it is certainly the poultry meat industry.

I wanted to spend more time discussing the provisions dealing with liquor and their ramifications for our community. Like many honourable members, I contributed to last year's Alcohol Summit. Abuse of alcohol causes huge social problems and it is an extremely serious and concerning issue. Many instances of domestic violence occur in my electorate and I am sure it is a concern in all electorates. Allowing the large players—supermarket chains and large retail businesses—to sell alcohol more cheaply and more readily will have a deleterious effect on our communities. I am concerned about that. Lack of time prevents my dwelling on that issue and I will leave it to other honourable members to concentrate on it.

The pharmacy industry is also being challenged by large retailers and supermarket chains that are trying to claim chemist lines. Pseudoephedrine, a codeine-based product, has recently been sold in bulk by chemists. However, the industry has reconsidered and ceased that activity. I would be concerned if those products were to end up in large retail outlets that do not employ qualified chemists who have the time to devote to their customers to ensure those products are not abused. I urge honourable members to oppose this legislation.

Mr TONY STEWART (Bankstown—Parliamentary Secretary) [8.34 p.m.]: I am astounded by the comments of the honourable member for Burrinjuck. I have always considered her to be fairly sensible, but tonight she has displayed a lack of compassion for farmers, small business and our social needs. Welcome to the brave new world. What a surprise! Most honourable members opposite have demonstrated a lack of compassion for small business, and farmers in particular. They support the Howard-Costello Government's policy of rampant competition. That is the reason for this bill.

Mr Andrew Constance: Labor signed the agreement.

Mr SPEAKER: Order! The honourable member for Bega will come to order.

Mr TONY STEWART: We signed it when a sensible approach was being taken to deregulation. This is deregulation and competition gone mad. John Howard is discrediting this country and he is prepared to run over small business in the process. I urge honourable members to think about where deregulation has worked. It has probably worked in telecommunications to a degree. The honourable member for Burrinjuck has just said that we must cop this sweet: we should not worry about losing \$51 million a year and more as time goes by. The loss of that money will mean that we will not be able to build dozens of schools, employ hundreds of police officers and additional nurses or provide additional important and much-needed infrastructure in this great State.

The Government has introduced this legislation because the Prime Minister has this State in a headlock. He is refusing to budge or to be flexible. He is refusing to apply a commonsense approach to the steps that the States have had to take to implement his mad competition-based deregulation policy. The bill acknowledges the potential negative impact the Commonwealth Government's policy is having on our community. We are trying to rein it in a little. There is no doubt that Canberra has gone competition mad. The Government is telling the Prime Minister that it does not want deregulation at any price. We can have it, but it must be introduced sensibly. We should work together to establish the industries in which it will work, and we should draw a line in the sand to indicate where it will not work and where a different approach should be taken. Clearly, some of the industries mentioned in this debate would be badly affected by the abolition of regulations that the Prime Minister wants to implement.

As the Premier said, the bill will enable New South Wales to avoid penalties being imposed on it by the Federal Government. The Carr Government has recognised community concerns about the deregulation of a range of small and family businesses. Such businesses would not survive; they would die off. Dairy farming, that once-great industry in New South Wales and Victoria, was deregulated against our better judgment. The end result was that deregulation simply monstered the small dairy farmer. Part of the Australian ethos, part of our poetry, has now gone forever. Who took over? Corporatised, multinational dairy farmers took over. Who owns a dairy farm these days? The effect of deregulation on farming communities has been abysmal. The bill attempts to address these concerns and, where still possible, urge the Federal Government, in a conciliatory way, to do something positive about the matter. The Commonwealth's approach would monster small business and farms in this country.

Mr Thomas George: Who signed the agreement?

Mr TONY STEWART: I have explained that. Obviously, the honourable member for Lismore has made a guest appearance in the House. For his benefit I will put the matter in context. When we signed the agreement it was under a great Prime Minister, a bloke called Paul Keating. The bloke who took the jockeys cap after him has left Australia for dead. That is a great shame and tragedy. Under Paul Keating we would never have had this brave new world approach to deregulation that is now occurring under the Federal Government.

What members opposite should be doing about this is clear. They should be telling the Prime Minister that this is hurting New South Wales small business, farmers and industry, and that small businesses will collapse unless we take a sensible approach to deregulation. To avoid a proliferation of these problems the Government has taken a stand. We have said that we must draw a line in the sand, and we want to do that in an easily understood and sensible way. Let us take the liquor industry as an example. The honourable member for Burrinjuck referred to the liquor industry, and she did so, as the Greeks would say, with little pathos. I could hardly understand the garble that she put forward because she read it almost as though she was reading a racing form. However, I grasped from what she said that the financial penalty is deserved because the liquor industry did not pick up its game and put in, as she put it, a comprehensive submission to the National Competition Council. Unlike the honourable member for Lismore, I was listening to the honourable member for Burrinjuck.

Mr Thomas George: You said you couldn't understand it.

Mr TONY STEWART: I have explained the little I grasped of what the honourable member for Burrinjuck said. What could be more comprehensive than the bipartisan Alcohol Summit that was conducted in this Parliament in August last year? Hundreds of submissions were made to that community-spirited forum and, as a result of it, we are still looking at what needs to be done with the liquor industry to suit business, clientele, stakeholders and the community. Yet the Federal Government has said, "We don't care about that. We don't want to recognise that you have had a bipartisan Summit; we don't want to recognise the outcomes of it."

We must control the proliferation of alcohol in our community, which is one of the biggest tragedies we face. Almost every family can tell a story about the effects of alcoholism and the community problems it causes in terms of crime and young people losing their way. We have tried to do something about it in a commonsense way, in collaboration with industry, and we are now being penalised to the tune of \$51 million. Imagine what we could do for this great State if we had that \$51 million in our pocket! We urge John Howard to give us back the money so we can take a sensible approach to this.

Most important, the bill will prohibit service stations, convenience stores and milk bars from holding liquor licences. If John Howard had his way you could pull into the service station, fill up your car, then go in and buy your grog. Imagine the social consequences of that! Or you could go to Coles, Woolworths, Flemings, Aldi, or whatever supermarket you like, take a packet of cornflakes off the shelf and a bottle of scotch next to it. What a ridiculous policy! That is the end result of competition gone mad. That is what members opposite are supporting. It is a disgrace, and it does not show any commonsense. I cannot believe that The Nationals, in particular, would take this approach after the hurt that deregulation has caused to dairy farmers. Members opposite want to walk away from that and say it is all right for the National Competition Council to fine this great State \$51 million every budgetary year.

Mr Thomas George: Point of order: My point of order relates to relevance. I ask you to direct the honourable member for Bankstown to stop misleading the House and to state the facts regarding the bill.

Mr ACTING-SPEAKER (Mr Paul Lynch): Order! That is the most unmeritorious point of order I have heard in a long time. The honourable member for Bankstown has the call.

Mr TONY STEWART: The bill comes in the wake of the Federal Government's competition madness, particularly its refusal to accept the New South Wales Government's arguments that deregulating small family-based businesses is simply not in the public interest. As I said, the competition madness of the Federal Government has now cost this great State \$51 million, and that will go up each year. That is \$51 million that this State cannot afford. We want to spend that money on improving the State's infrastructure, which the people deserve. If left unchecked, this fine of \$51 million will continue to hit our State budget each year. The Government has been forced to introduce this legislation because of the Federal Government's competition madness. Fortunately, there is still time for this competition madness to disappear. Hopefully, in the interests of proper reconciliation, the Federal Government will tune in to community expectations about the way in which

deregulation should occur. I hope John Howard will show real leadership and reason, instead of milking the people of New South Wales, as he has successfully done time and again.

I have already raised the concerns of the liquor industry, and I note that concerns have also been expressed by the poultry industry. The bill seeks to protect the 330 poultry growers who need protection in a tough marketplace, particularly against the processors. It is not designed to hurt industry but to strengthen industry's opportunity. The 330 poultry growers have suffered the brunt of the Federal Government's competition madness. The processors hold the trump card, unless the Government intervenes through this bill, and that is what we are doing. We want to support the rights of poultry growers. The Government is doing everything to stop poultry growers from being squeezed out by the major processors. Coalition members, particularly members of The Nationals, said they have received letters from poultry growers expressing their concerns. The Government has received similar letters. We are concerned, as Coalition members are, about the future of the poultry industry.

I can assure members opposite that there will be no real future for that industry if they let John Howard's competition madness go unchecked. The bill is a checking mechanism. It seeks to draw a line in the sand and to acknowledge that businesses in the liquor and poultry industries, dentists, optometrists, pharmacies, and farm debt mediation need to be treated equitably. They also need to be afforded a commonsense approach that says, "We want you to stay in business. We recognise the importance of your contribution to the New South Wales economy and the Australian economy at large. You deserve to be in business; you do not deserve to be squeezed out by competition madness." I wholeheartedly support the bill.

Ms PETA SEATON (Southern Highlands) [8.49 p.m.]: I speak on the National Competition Policy Amendments (Commonwealth Financial Penalties) Bill. It is important that we all remember that it was the Labor Premier, Bob Carr, who signed up to this competition agreement in 1995. It is true to say that Australia has benefited enormously from many reforms that have increased competition and competitiveness in our country over recent years. I do not think anyone in this place would resile from that. We have all enjoyed the benefits in export and in our internal economy. But there is no point undertaking any reforms in government unless they are to produce beneficial outcomes. That means looking at individual cases on a case-by-case basis. This is not just about an ideologically driven theory; it is about making sure that the reforms initiated in any Parliament are well considered in terms of the benefits and negatives, both short-term and long-term, for the particular stakeholder groups and those that surround them.

Remembering that the Premier signed this agreement, it would be extraordinary, with the enormous breadth and scope of the national competition policy's range of issues that it has dealt with, if in an exercise of that size we produced outcomes that everyone agreed were supportable and beneficial. It would be impossible to contemplate. That is why the Opposition has singled out a number of issues in this bill that it is not prepared to support. We have looked at these issues on a case-by-case basis and within the broader framework of national competition policy. We identify sufficient concerns in a number of these areas to warrant us opposing various aspects of this bill.

Our concerns are in a number of areas. The first is the proliferation of the sale of alcohol. We stand for the continuation of the needs test and we reject the Premier's trickery on this issue. He has tried to blame everybody but himself and he has tried to come up with ways to obfuscate his own position on this. He is going to come unstuck on it. But I think we all remember the Alcohol Summit and everything the Premier and various other stakeholders and experts said at the summit. Many members in this place raised concerns about experiences in their own electorates of the proliferation of alcohol outlets. They spoke about how difficult it is to regulate outlets and how important it is to make sure that we stick with the needs test and with the regulations that are in the framework of the responsible service of alcohol, and all the other important regulations and standards that go with that.

Another important issue that we have expressed concern about is the farm debt mediation aspects of this bill. One of the very first issues that was brought to me as a local member when I was first elected in 1996 was the very distressing situation of a family in the Goulburn area. For various reasons, not the least of which was because of years of crippling interest rates under the previous Labor government—and I think we all remember 18 per cent and 19 per cent interest rates in those days—the members of this family had come to the end of their tether: they were loaded up with debt, and they were about to have to sell all their assets, or at least the few assets they had left that were unsold. The bank they had been dealing with for a long time was taking a very by-the-book approach to resolving the issue with them. If the bank had continued to take that approach the family would have completely lost all of their assets unnecessarily, because they were in a position where they

could have traded out of their situation when the economy turned around—as it did under the Howard Government—and when interest rates reduced.

I was able to help this family. As a result of mediation the family was able to remain on the property, trade out of their difficulties and reach a more sustainable situation. I would be very concerned if anything we legislated removed that commonsense, practical capacity for people to sit around a table together and try to come up with a practical solution that benefits families and individuals. I have grave concerns about the Government's plans to legislate to remove those options.

We also have grave concerns about the pharmacy provisions of the bill. Country electorates have major town centres—I have Moss Vale, Bowral, Mittagong and Picton in my electorate—and also a number of remote and small villages where there are groups of maybe three or four shops. Typically, there might be a newsagency and a milk bar, and in some of those small villages we are lucky enough to have pharmacies. I mention in particular Appin, Bargo, Thirlmere and Tahmoor—although they are slightly larger towns—the Oaks, which is a small town, and Bundanoon. The pharmacies in those areas do more than just sell the sorts of products that pharmacies normally sell. They are a source of advice on a range of medical issues; they provide a range of other services that are very necessary, particularly for elderly people; and mental health patients can have a regular point of contact with someone who knows them and can help them. They are more than just another shop in a village shopping centre.

If, as a result of this bill being passed, broader competition in that very important area were to eventuate, I would be very surprised to see a major chain such as a large supermarket or some other retailer take the place of a pharmacy in a small village like Bundanoon, the Oaks, Appin, Bargo, Thirlmere or Tahmoor. These pharmacies provide a unique and very worthwhile service, and I do not think any member of this place—at least on this side of the Chamber—would want to see them forced to disappear.

Finally, I would like to speak about the poultry meat industry, which provides a very important example of making sure that any policy we come up with does not result in the baby being thrown out with the bathwater. That is essentially what we are lining up to do to the poultry meat legislation if the Government's bill is successful. It is a special case in many ways because growers are not in a normal competitive situation. The structure of their industry is such that there is a very prescriptive relationship between the grower and the processor. In fact, it is a very uneven relationship in relation to the power held by the processor. The processor fixes the price, determines almost every input along the way, determines the production cycle, stipulates very stringently a number of conditions, and stipulates the type of building and many other things that the grower simply has to do as part of the contract.

So there is very little margin on which the growers can compete, except perhaps for extremely hard work and the experience and abilities that they have gathered along the way and bring to the business. There is very little scope for them to make more money other than to try to do things better, smarter or faster. But in a very restrictive contractual arrangement there are very few variables that growers can alter in order to succeed and compete at a greater level.

I first met my local poultry meat producers—most of whom are in the Wollondilly area—about four years ago in a meeting room at the Buxton primary school, courtesy of the school, and I was able to hear their concerns. At the time the New South Wales Farmers Association was working closely with poultry meat producers and had identified some of the early warning signs about what might happen. We discussed those concerns. I commend the Deputy Leader of the Opposition in the other place, the Hon. Duncan Gay, and other colleagues who took those concerns on board at a very early point and were able to help me work with my local growers on some solutions. The concerns of growers include their fear that under these proposed reforms they could lose up to 24 per cent of their income, which is between \$17,000 and \$20,000 per year. Many say that will lead to bankruptcy.

I have already mentioned the very uneven power arrangement in processor and producer relationships. Many growers spoke about their fear of speaking out against the company with whom they had a contract or about certain aspects in case they lost the contract, could not move on to another client, or could not do anything else with their property. They are in a very uneven power relationship. As they say: Take it or leave it. I do not have many poultry growers in my area—depending on how one draws the boundaries there about 20 or 30 growers, who are significant contributors to the community. They are fine people who take the time to be involved in the Rural Fire Service, the local church, and community fundraising projects. They are responsible, community-minded people. We are not talking about radical, greedy people; we are talking about people who are the salt of the earth, people trying to find a way to make a good, decent, sustainable living within the boundaries.

For those reasons we are extremely concerned about the effect of this bill on these people and the industries. Members of the Labor Party have referred to \$50 million and the opportunities that will be lost. I find that extremely hypocritical, because only a couple of years ago, without blinking an eye, they wasted \$60 million on a failed billing system for Sydney Water, a loss for which no Minister, board member, chairman, or chief executive officer of Sydney Water would take responsibility. That heads the list of countless other examples of wastage by this Government, including \$114 million for the Millennium train, up to \$3 million for the Millennium train maintenance contract, displaced public servants who basically do nothing but collectively are being paid hundreds of thousands of dollars, \$33 million worth of fines that have not been recovered by the Government, and, of course, the scandalous amount of money this Government spent on the Austeel project for absolutely nothing.

It is ludicrous for this Government to talk about lost opportunities to the value of \$50 million. The Government has created a crisis in this State through waste and appalling mismanagement of what must be the most fantastic revenue stream any government could hope to have had during its nine years in office. However, we have very little to show for it: infrastructure that is falling apart, schools that do not have airconditioning, patients being operated on in hospitals by torchlight, and trains that do not run on time or do not run at all. The whole State is in crisis, yet the Premier tries to make an issue out of this matter. Any responsible member of this House would look very closely at each individual case to make sure that decisions about national competition policy and relevant legislation are in the interests of not just the stakeholder group to which it applies but also to the broader community. For those reasons, our concerns about a number of provisions in the bill are real and genuinely held, and I am proud to defend them on behalf of my constituents.

Mr GRANT McBRIDE (The Entrance—Minister for Gaming and Racing) [9.03 p.m.]: The National Competition Policy Amendments (Commonwealth Financial Penalties) Bill has been introduced following the imposition of substantial financial penalties on the State of New South Wales by the Federal Treasurer, Peter Costello. First, I will deal with the myth that the Council of Australian Governments can overturn national competition policy. The National Competition Council is convened under section 29A of the Commonwealth Trade Practices Act and is vested with powers to make recommendations to the Federal Government with respect to competition policy compliance. There is no way that State governments can overturn a Federal Act of Parliament. Only the Federal Government can overturn it, by amending the Federal Act in the Federal Parliament. Most of the Opposition members who have spoken thus far have peddled that myth. The Federal Act cannot be overturned unless the Opposition takes the issue up with its Federal counterparts. Opposition members could try to make a contribution to this State by doing that.

Mr Brad Hazzard: Why don't you take it up with Beattie?

Mr GRANT McBRIDE: You missed the important part, Brad. It is part of your life. The National Competition Council is here to stay until the Federal Government repeals that section of the Trade Practices Act. The Council of Australian Governments cannot disband the National Competition Council. I will now turn to the current situation. On a number of occasions the Carr Government informed the National Competition Council and the Federal Government that it would defer any decision with respect to liquor industry amendments until after consideration of the outcomes of the New South Wales Summit on Alcohol Abuse. This is a clear commitment by the Carr Government to ensure that community interest on alcohol policy is maintained. The outcomes of the Summit on Alcohol Abuse are fundamentally important to determining any changes to liquor laws and for shaping alcohol policy generally.

Mr Brad Hazzard: Did you go to the Summit?

Mr GRANT McBRIDE: I was the Chair of group 10. On this basis, the bill has been developed to tighten controls on liquor and to make sure that applications for liquor licences for bottle shops and hotels are subject to scrutiny by the community and local stakeholder groups. When imposing these penalties the Federal Government did not take into consideration any of the public interest concerns encapsulated in the New South Wales submission. The Federal Government fails to acknowledge that alcohol is not like any other commodity; it is a drug that is legalised in this State and it should not be treated like breakfast cereal or soft drink.

The Federal Government also has not taken into consideration the ongoing impact these penalties will have on the provision of State Government-funded hospitals, schools, transport and other services. The legislation introduced into this Parliament is the most responsible way for New South Wales to deal with a situation imposed on it by the Federal Government. The Government has introduced this bill to ensure that New South Wales is complying with national competition policy; it seeks to regain \$50 million for our hospitals and

schools; it recognises that alcohol is a legalised drug and, therefore, strengthens the current provisions that protect the community from liquor outlet proliferation; and it acknowledges that the legislation has strong industry support.

The aim of the bill is to ensure that New South Wales does not have a repetition of the situation that occurred in Victoria and New Zealand under conservative governments. The Victorian example represents the worst possible case scenario for the community. It certainly did not produce any kind of outstanding outcome for the consumer. In the two years following the liquor law deregulation changes in Victoria hundreds of liquor store licences were relinquished. This was unprecedented in Victoria. Every one of those hundreds of relinquished licences represents a small business operator going out of business.

Initially there was a proliferation of licensed premises, which contracted in number as small operators were pushed out of the industry. This resulted in a negligible price benefit to the consumer. There is a 2 per cent average price differential on comparable products between Victoria, which has been deregulated, and New South Wales. What happened in Victoria represented a loss, loss, loss situation—a loss for small business, a loss for the community and a loss for the consumer. In New Zealand the liquor industry deregulation resulted in the number of licensed premises more than doubling in the years immediately following deregulation. A vast body of research indicates that liquor outlet density has a direct correlation with an increase in liquor-related harm and antisocial behaviour.

In New Zealand the negative impacts of proliferation were stark, particularly on under-age drinking patterns. There was a two-and-a-half-fold increase in the consumption of alcohol by young males aged 16 to 17 years. There was also a threefold increase in disorderly behaviour convictions for 18 to 19-year-olds during the same period. These are the negative social effects that we are seeking to prevent in New South Wales through the introduction of this bill. The question then remains: How does this bill seek to prevent the adverse social consequences of alcohol abuse—which are of some concern to the Opposition—that have resulted from deregulation in other jurisdictions?

A number of features of this bill seek to enhance protection for the community, for example, the introduction of a prohibition on liquor licences for service stations. This is an important feature of the bill. It strengthens the Government's commitment to harm minimisation and ensuring that the principles of responsible service of alcohol are preserved. Service stations are inappropriate places to be licensed to serve alcohol because of their specific link with cars and driving. Service stations also have a substandard level of compliance when trading in the other legalised drug in this State: tobacco. In my electorate Central Coast Health Promotions, headed by Mr Douglas Tutt, has run compliance testing on premises that sell tobacco. This testing has been an important factor in deterring young people from smoking by ensuring a higher level of compliance at the point of sale. The compliance testing undertaken on the Central Coast found that service stations have the worst compliance record in the sale of tobacco to under-age people. In the words of Mr. Tutt:

These types of retail venues who now may want liquor licences remain comparatively poor at preventing underage purchases of a drug product [namely tobacco].

Over the past 10 years 17 per cent of service stations that were compliance tested have been found to have sold tobacco to under-age people with no questions asked. We simply cannot afford to have the same statistics with alcohol.

[Interruption]

Members opposite simply do not understand the Act. Either that or they are just plain dumb. In areas of New South Wales where under-age drinking is a serious concern, like in my electorate, greater focus needs to be given to protecting our young people from alcohol-related harm. The American Medical Association produced a report into the harmful physiological affects of alcohol on under-age drinkers. The effects on teenage drinkers are more pronounced because they are at a significant stage of brain development.

Alcohol abuse during adolescence can have permanent and irreversible effects, and young people who consume alcohol are shown, amongst other things, to score worse than non-drinkers on vocabulary and general information tests and have a 10 per cent performance decrease in memory retrieval tests, compared with non-drinkers. Adolescent drinkers perform worse in school; are more likely to fall behind; and have an increased risk of social problems, depression, suicidal thoughts and violence. Alcohol affects the sleep cycle, resulting in impaired learning and memory as well as disrupted release of hormones necessary for growth and maturation. Alcohol use increases the risk of stroke among young drinkers.

The Director of the National Drug Research Institute, Professor Tim Stockwell, has said that there is a direct relationship between the price of alcohol and the level of alcohol abuse, particularly by young people. These are the very people who require greater protection through government regulation. This is exactly why the Carr Government has sought to introduce a prohibition on the sale of alcohol at service stations. In simple terms, there is no way people will be able to buy a cool beer in a servo in New South Wales. This bill also maintains tight controls on convenience stores and other small shops being able to sell alcohol.

I understand that there has been considerable confusion about the operation of this section of the Act. I make it crystal clear that convenience stores and similar premises will only be licensed to sell packaged alcohol when there is no other facility selling packaged alcohol in the area. This is currently the situation in some of our most remote communities, such as Broulee on the South Coast, Hannam Vale and Hat Head on the mid North Coast, and Rowena in north-western New South Wales. Future applications for licences of this nature will need to meet a test of remoteness and demonstrate that no other facility is providing the local community with packaged liquor.

In addition to this feature, the bill also maintains the restrictions on large supermarkets selling alcohol. This has been done to ensure that alcohol is sold only from appropriately licensed outlets by staff who are trained in the responsible service of alcohol. There has been a lot of conjecture about controls on supermarkets selling alcohol. The current provisions of the Act provide restrictions on the ability of supermarkets and any shop whose primary purpose is not the sale of liquor. They are encapsulated in section 49C of the Liquor Act, which requires the sale of liquor to be made from a totally separate area of the business. It must be sold from a primary purpose liquor store separated from the supermarket. This means that when a supermarket wants to sell alcohol it cannot be sold from the shelves next to the cornflakes and scotch finger biscuits. The cornerstone of this bill is a replacement of the current needs test with a social impact assessment process. This process addresses the community concern about alcohol abuse raised during the New South Wales Summit on Alcohol Abuse. [*Extension of time agreed to.*]

The social impact assessment process will also take into account matters such as the proximity of premises to schools and places frequented by young people; the number of young people in the most at-risk demographic in the area; and trends in alcohol-related crimes and hospital admissions. This is only part of the list. This process is to ensure that licences are not granted when an increase in liquor outlets is not in the public interest. The social impact assessments will be more comprehensive than what members opposite are calling for. As I said, the process is to ensure that licences are not granted when an increase in liquor outlets is not in the public interest. In August the Carr Government held the New South Wales Summit on Alcohol Abuse in order to address the problems associated with alcohol abuse in our community. The New South Wales Government listened to the community, the industry, and the health experts at the Summit, and we have delivered socially responsible legislation that continues the program of harm minimisation in this State.

The social impact assessment process is based upon the principle of no detriment to the local community, and there will be stringent requirements for application, and consultation to ensure that the community interest is upheld. Outlet density is a serious factor in relation to increased alcohol-related harm, youth drinking and alcohol-related crime. For these reasons the social impact assessment process will consider the social, health, economic, and crime impacts of a new licence in a neighbourhood. A principle of precaution will be used in determining a licence application under the social impact assessment. If there is an identified detriment to the community of a new licence, it must not be approved. That is the guiding principle of this bill: no detriment to the community.

Mr ACTING-SPEAKER (Mr Paul Lynch): Order! I call the honourable member for Wakehurst to order. I have given members a degree of latitude so far in this debate.

Mr GRANT McBRIDE: No detriment to the community is more—

[*Interruption*]

The more the honourable member for Wakehurst says, the bigger the fool he makes of himself. This is a strong principle based upon protecting communities from increased harm. With specific reference to the social impact assessment process, the Government has received advice from Bruce Bulford, a director of the Bruce and Stewart commercial practice. Mr Bulford is one of the most prominent lawyers specialising in the area of liquor licensing, and authors "Liquor Licensing Law & Practice NSW", which is a loose-leaf publication by the Law Book Company. The advice from Mr Bulford states:

Rather than a wholesale deregulation of the New South Wales liquor industry, if anything, the bill imposes more regulation and raises the barrier to entry to the New South Wales liquor industry.

This is legal advice which states that it will become more difficult to get a liquor licence when one takes into account the impact on the community of a new licence, rather than simply the needs of the community. I have great respect for the legal profession, as does the honourable member for Wakehurst. The industry has indicated its support for the bill. Why does it support the bill? Because it can see that it is in the community's best interest. In many regional areas the local pub is the main community social venue and meeting place. The pub is part of the social fabric of those communities and the publican has a considerable social responsibility. The Australian Hotels Association has supported the introduction of this bill, as it recognises the Government has acted to ensure there will not be a proliferation of licensed premises in this State. The peak body that represents liquor retailers in this State, the Liquor Stores Association, has also endorsed the bill, describing it as a commonsense approach to liquor law changes. I conclude by quoting the general manager of the Liquor Stores Association, Mr Jayson Westbury, who said in reference to this bill:

The Carr Government has used common sense to balance the competing demands of national competition policy with the need to protect decades-long efforts by government and existing liquor stores to reduce the social harm of excessive alcohol consumption.

Mr ANDREW CONSTANCE (Bega) [9.21 p.m.]: The Coalition will oppose the National Competition Policy Amendments (Commonwealth Financial Penalties) Bill. I remain committed to the principles of national competition. However, in adhering to the principle of public interest I believe the State must strike a balance between the social impact of the regulation and the need to address the barriers to competition. The Carr Government is failing. In the case of the industries subject to the National Competition Policy Amendments (Commonwealth Financial Penalties) Bill, the Coalition believes that the necessary balance is not being struck by the Carr Government. In layman's terms, we are talking about the proliferation of supply outlets for drugs—drugs that are legal, such as alcohol and pharmaceutical products. This is something that must be handled with the utmost care in order to manage the public interest. That is why we are taking a strong stand on alcohol and the need for a public interest test to be applied.

In the electorate of Bega alcohol is a significant factor behind the increasing level of domestic violence—a hidden and most destructive crime that is on the rise. Whether the bill results in more accessibility of alcohol to the perpetrators of this crime in country New South Wales is a very serious question and one I will turn to later. Over recent months we have again seen the political duplicity of the Premier. The Premier has worked the spin cycle with no regard to the critical facts that underpin the situation that New South Wales has faced as a result of his inactions and incompetence in regard to competition policy. For the benefit of Government members and Ministers who have busily read departmental prepared speeches on this bill, a number of key facts need to be pointed out. First, the National Competition Council [NCC] was established by the New South Wales Government along with other State and Territory governments and the Commonwealth in November 1995 to act as a policy advisory body to oversee the implementation of national competition policy [NCP]. Whilst the council is funded by the Commonwealth Government, the National Competition Council is accountable to the Council of Australian Governments [COAG], of which New South Wales is a part. As a statutory organisation the council remains independent of all executive arms of government throughout Australia.

In April 1995 there were nine signatories to the competition principles agreement. The sole surviving signatory still in office is the current Premier of New South Wales. The other signatories to the agreement included infamous Labor identities Prime Minister Paul Keating and the Premier of Queensland, the Hon. Wayne Goss. So Premier Carr signs up nine years ago under the Keating Labor Government, waits nine years to deliver what he has signed away and then blames someone else for the difficulties that arise. When other States have worked through competition policy reform, it is a bit rich for the sole surviving signatory, the Carr Government, to arrogantly disregard commitments it has given to COAG. According to the NCC the history is clear:

National competition policy has greatly strengthened the Australian economy and the completion of the legislation review and reform program will consolidate gains and create further benefits for consumers.

In 1995 all States and Territories agreed to reform anti-competitive legislation unless it could be shown that restraining competition was in the public interest. The original 2000 deadline for this program was extended first to June 2002 and then to 2003. New South Wales has made progress, having reviewed and reformed 73 per cent of the 216 pieces of legislation slated for reform, but has yet to meet its obligations in a number of key areas—the areas being debated in relation to this bill. In 2003 the National Competition Council recommended the

suspension of \$50.8 million in competition payments pending finalisation of this program. To avoid future penalties, New South Wales will need to meet the obligations it committed to seven years ago. The Premier is out to blame the Federal Government for his own inadequacies and inaction. I refer to alcohol deregulation and the Premier's myths—myths being peddled by Labor backbenchers such as the honourable member for East Hills. This year the NCC advised Commonwealth Treasury to withhold competition payments to the tune of \$12 million as a result of no reform to liquor.

Mr Milton Orkopoulos: What are you telling Costello to do?

Mr ANDREW CONSTANCE: The honourable member for Swansea should listen to this point. It is not understood that the withholding of payments is a result of the New South Wales Government urging only a commercial case for a retention of the needs test instead of the public good in relation to liquor licensing. The criticism should be levelled at Carr, not Canberra. Like other States, New South Wales has to legislate to remove anti-competitive restrictions on the licensing of liquor. However, in the removal of the needs-based test a public interest test could be applied—something the Government is failing to do with this bill. New South Wales has had plenty of time. It has had nine years to introduce a public interest test. What we now have is a social impact assessment [SIA]. Under the proposed SIA of the Carr Government, more liquor outlets will proliferate through applications from supermarkets. Anyone wanting to go into liquor sales will be put through an appraisal regime, which will mean that applications will be determined by the Liquor Administration Board and a public interest test will not be applied. This is weak-kneed policy from a weak-kneed leader.

Victoria is a case in point, where the softening of regulations has resulted in more outlets. There are 15,900 liquor outlets in Victoria today compared to 12,600 in New South Wales. Liquor reforms in Victoria last year resulted in more than 100 convenience stores gaining approval to sell alcohol. In Victoria there is one liquor outlet for every 320 people, compared to New South Wales with one outlet for every 500 people. Under the Carr Labor Government reforms we will see significant increases in New South Wales. Tasmania and the Australian Capital Territory have removed needs tests but moved to harm minimisation provisions. Queensland has also removed its needs test. Western Australia has agreed to remove its needs test. South Australia and the Northern Territory have various anti-competitive restrictions in place. It is important to note what Wendy Craik, the Chair of the NCC, stated in relation to this. She said:

A test for licences that focuses on the social, community and health implications of a liquor licence application is consistent with competition policy.

The nonsense we heard earlier from the honourable member for Bankstown about competition policy gone mad is untrue. Wendy Craik went on to say:

A test that focuses merely on the competitive interests of existing licensees is not.

Why has this been so hard for the Government? Why has a public interest test not been adopted when we are all concerned about the level of alcoholism in the community, when we are concerned about the level of domestic violence and alcohol in the community? If the Premier is fair dinkum about under-age drinking issues and the proliferation of outlets, he should give consideration to a public interest test, not an SIA. When we are concerned about under-age drinking, when we are concerned about drink-driving, when we are concerned about vandalism resulting from drunken behaviour, the Premier has failed again. The New South Wales Police Association made its views very clear. President Ian Ball stated in the association's press release:

Any deregulation that would make alcohol more available will have enormous social costs.

He went on to say:

For the Premier to argue that he is compelled to pass a law he doesn't support because of competition policy is really an abrogation of responsibility.

The Coalition does not want to abrogate responsibility.

Mr Milton Orkopoulos: So you are opposing the bill?

Mr ANDREW CONSTANCE: Exactly, we are opposing the bill. I am concerned about under-age drinking, drink-driving and domestic violence. I do not want to see an increase of these crimes in regional areas corresponding to the proliferation of alcohol outlets. The crime of domestic violence on the South Coast is growing at an unacceptable level, and a significant majority of domestic violence incidents are committed by

perpetrators who are affected by alcohol. I am particularly concerned, given the nature of this bill, about the way in which the social impact assessments will be applied by the Liquor Licensing Board. That should be of concern to all country members.

In the March 2003 State election the Opposition adopted a firm commitment, which was matched by the Australian Labor Party, that it would remain opposed to the deregulation of liquor stores and, in particular, the abolition of the needs test in respect of applications for new liquor stores. The Opposition holds firm on its commitment; the Carr Labor Government does not. This bill encompasses not only alcohol but also myriad individual industries. Optometry, dentistry and pharmacy industries, farm debt mediation and the poultry industry will also be affected by this legislation. The bill removes the restriction on ownership of dental and optometry practices, removes the cap on the number of pharmacies a pharmacist may own, and removes restrictions on the entry of a new friendly society pharmacy.

Such measures will result in the dilution of existing effective and ethical measures that control outlets in each of these sectors. Big business, including, potentially, overseas interests, will buy up the market share. Communities run the risk of losing the important local knowledge and expertise of their local pharmacists should this area succumb to market dominance from supermarkets. In regional areas where doctors are under pressure, pharmacists play an important role in the health and wellbeing of communities. If the Premier is serious about the impact of competition policy on the sectors that are affected by this bill, he should seek a meeting of the Council of Australian Governments [COAG] to have the principles changed, rather than claim he is politically impotent. As I said, I am concerned about the situation we face, particularly with alcohol deregulation. It is very important in terms of the national competition policy that we adhere to the principle of public interest. That means striking a balance between the social impact of deregulation and the need to address the barriers to competition.

Mr MATTHEW MORRIS (Charlestown) [9.32 p.m.]: It is a shame the honourable member for Wagga Wagga is not present in the Chamber because I could make some comments that I am sure he would find entertaining. I will refer to one point he made in his speech. I am concerned to hear Opposition members endorse a \$50.8 million fine on this very good State of New South Wales. I am totally amazed at the inhumanity on that side of the Chamber. They have no common decency and no interest in the communities they represent.

Mr DEPUTY-SPEAKER: Order! Opposition members should remember that one of their number will have an opportunity to speak every 15 minutes.

Mr MATTHEW MORRIS: Members of the Opposition endorse a \$50.8 million fine. Do they understand what could be done with that money in this State? Obviously not, because they are happy to preach in this Chamber about the wonderful process and endorse the fine. I sincerely hope that their communities read *Hansard* and become aware of the position they have taken. They should be embarrassed to go back to their communities and try to defend the Federal Government's actions. On this side of the House we pursue this issue on moral grounds. We represent our communities. That is why, having been forced into this situation by the Federal Government, we have constructed the legislation in a way that will ensure there are still some appropriate controls in place. The legislation has been developed specifically to meet the satisfaction of the National Competition Council.

I wonder about the agenda of the National Competition Council. Perhaps it wants a free-for-all in a whole range of industries. The impacts of this forced fine—because of the Federal Government putting a gun to the head of the State—are ludicrous. This legislation will ensure that we still have some control. The last thing I want to see is a range of industries and small businesses, which are generally family-based, losing their income and livelihood. I want to ensure that the Government has appropriate controls in place so we can play a role in regulation. If we do not, there is a real risk of the markets being driven by large corporations.

I wish to inform the House of my discussions with some pharmacists in my electorate over the past couple of months. They approached me about the announcement by the Federal Government of its intention to actively pursue the State for this funding as a penalty. Last night we heard Opposition members say in the Chamber that it was not a penalty. Of course it is a penalty. The pharmacists are concerned about the level of service and support to the communities in which they live and work. To highlight their concerns I will share with the House some information they provided to me. It relates to one of the pain relief products on the market that has recently been allowed for sale in supermarket chains. They brought to me a packet of Nurofen and showed me that the back of the package—which displays critical information about appropriate dosage for various age groups and warnings about the product—was covered by a large security tag. All of that important information was unable to be read.

The opening up of pharmaceuticals, in particular, to an open slather market poses real risks. When we consider the market share of large retail chains such as Coles Myer, they will consume local pharmacists, put them out of business and, even worse, put our community members at risk. Millions of people in this nation use pharmacists as their first port of call for minor injuries and to seek medical advice. If members spend a couple of hours in a pharmacy and listen to the customers and staff, they will understand the many issues that are dealt with by local pharmacists.

There is an issue of public interest in this debate. Unfortunately, the Federal Government does not seem to have any interest in the public. If it did, we would not be in this position. The easy fix is to withdraw the fines. The Federal Government was provided with a recommendation from the National Competition Council. It had to make a decision; it had a choice. Peter Costello and his cronies decided they would not take any interest in consumer rights and would force the New South Wales Government to introduce this legislation. In defence of the legislation, it has been well constructed. I know the Premier has been active in ensuring that we get the right balance and introduce legislation and controls to protect our community in a real attempt to satisfy the National Competition Council. A \$50.8 million fine should not be taken lightly. Honourable members opposite can rave about this Government's history and make outrageous claims about wasting money, but if the shoe were on the other foot they would be doing the same thing.

Much has been said about liquor, and rightly so. It is a very important issue. Alcohol is a real concern in my electorate. We have experienced an increase in late-night parties involving enormous crowds of young people in public places causing trouble for local residents, vandalising property, and so on. The very successful Alcohol Summit generated good, healthy debate. It also produced a range of important recommendations. I do not want to see our communities subjected to any further risk. I cannot believe that honourable members opposite can claim there is nothing wrong with this \$50.8 million fine. The honourable member for Wagga Wagga said it was chicken feed. Where is he? Perhaps one of his colleagues will get him. Honourable members opposite should consider the services that money could deliver.

Mrs Shelley Hancock: We have heard all about that.

Mr MATTHEW MORRIS: Honourable members opposite can continue to interject, but they endorsed this penalty. I welcome the honourable member for Wagga Wagga to the Chamber.

Mr DEPUTY-SPEAKER: Order! I call the honourable member for South Coast to order. I call the honourable member for Lismore to order. They are unusually noisy: I suggest they remain silent.

Mr MATTHEW MORRIS: Do honourable members opposite realise how many nurses, teachers and police officers \$50.8 million could employ?

Mr Daryl Maguire: Point of order: Will the honourable member explain how \$51 million divided—

Mr DEPUTY-SPEAKER: Order! That is not a point of order. The honourable member for Wagga Wagga will resume his seat.

Mr MATTHEW MORRIS: I will spell it out.

Mr DEPUTY-SPEAKER: Order! Government members will restrain themselves.

Mr MATTHEW MORRIS: That money could employ 680 teachers, 760 nurses, and 560 police officers. Honourable members opposite continue to challenge the Government about those issues, but they are happy to throw away \$50.8 million that could be used to provide community resources. From now on they should never complain about a lack of teachers, nurses or police officers.

Mr DEPUTY-SPEAKER: Order! The House will remain silent. Hansard is having some difficulty hearing the speech of the honourable member for Charlestown.

Mr MATTHEW MORRIS: Opposition members have no right to criticise the Government, given that they have endorsed this fine. It is absolutely amazing. It is frustrating that Opposition members are not genuinely representing their constituents.

Mrs Shelley Hancock: Oh, please!

Mr MATTHEW MORRIS: They can scoff. They should look at the records, read the comments that have been made and admit that they support this \$50.8 million penalty. I am waiting for one of them to do that. They dodge around the issue and they are happy for this State to lose that funding. The Federal Government had a choice. It has the authority to change this situation. I will make the point again because honourable members opposite do not appear to understand it. The National Competition Council made a recommendation—I emphasise the word "recommendation". It was not a directive; it was the Federal Government's choice. It could have displayed decency and recognised that this move was not necessarily good for our community.

Thankfully the Federal election is imminent, and I hope we see the back of John Howard and his crew. It was a choice, and honourable members opposite cannot ignore that. The Federal Government made a poor choice, demonstrating total disregard for our community, common decency, and appropriate legislative goals. Honourable members opposite want an open-slatheer approach. Do they want to see alcohol being sold on every street corner? They have no regard for the dollars, so clearly they have no regard for social justice.

I am disappointed that we have come to this point and that this legislation is necessary. It has been forced on us, and the Opposition cannot deny that. It was clearly a Federal Government decision and this State will now lose \$50.8 million that could have been used to employ nurses, teachers and police officers. If I hear honourable members opposite preach about this Government's mismanagement of hospitals, police and education again I think I will be sick. The reality is that under the circumstances this Government has introduced legislation that will provide some protection for our community. I sincerely hope it satisfies the National Competition Council. I do not agree with its conclusion or with Peter Costello and his cronies.

Mr DONALD PAGE (Ballina—Deputy Leader of The Nationals) [9.47 p.m.]: I will make a brief contribution to the debate on the National Competition Policy Amendments (Commonwealth Financial Penalties) Bill. Like most honourable members on this side of the House, I have listened with great interest to the arguments put by Government members. I am sure we all remain totally unconvinced by their arguments about public interest, which is not being served by this legislation. That is the key point. Honourable members on this side of the House are taking a principled stand in support of our communities. I am also unconvinced by the Premier's argument that these changes are being foisted on the people of New South Wales by a supposedly belligerent Federal Government. Nothing could be further from the truth. The competition payments are overseen by the National Competition Council, which was established by the Council of Australian Governments in April 1995. They were signed off by Prime Minister Paul Keating and representatives of the States and Territories, including Premier Bob Carr. In fact, he is the only signatory to that agreement still holding public office.

The Premier knows all about what the agreement was supposed to achieve. The Premier had the responsibility of arguing a case on behalf of the industries covered by this bill but once again he failed. As a fully fledged member of COAG he had the opportunity to argue the case but he did not do so, and on my understanding he only had a two-page submission in relation to these issues. It ill behoves the Premier to argue in this place that this issue has been foisted upon him by the Federal Government and not the National Competition Council. It is not the Federal Government that is dealing with national competition policy. The Premier is in it up to his eyeballs. He had an opportunity to deal with the issue earlier but he did not do so.

I turn to the industries most affected by this legislation, and first to the liquor retailing industry. The legislation proposes abolishing the needs test under the Liquor Act and substituting it with a social impact assessment. Like most members of this Parliament I took part in the New South Wales Summit on Alcohol Abuse last year. The summit provided an opportunity for informed debate on alcohol abuse in New South Wales. One of the keynote speakers at the summit was Professor Sally Caswell, of the Centre for Social and Health Outcomes Research and Evaluation at the Massey University of New Zealand. She spoke of evidence of a direct link between the density of outlets and hours and days of sale of alcohol, and increased alcohol use.

Her key message was that research backs the case that the more available alcohol is, the higher the consumption level. That is a very important point in relation to protecting the needs test, but this legislation abolishes the needs test. If we are serious about protecting people, particularly young people, in our community from alcohol consumption, this legislation will not help. Yet here we are discussing legislation that will allow for a proliferation of alcohol outlets across New South Wales. Has this Government seriously considered the social implications of increased access to alcohol outlets? We should not be opening up the liquor retail industry carte blanche. In the interests of community welfare there must be sensible restrictions on access to alcohol in New South Wales.

The Premier cannot simply blame the Federal Government for this legislation. He is the Premier of the State, as he likes to be. As I said before, he had an opportunity to make a submission on these issues but he

failed to do so in any substantive way. Similarly, the Premier must take responsibility for the quality of health care in this State. We have seen him duck and weave on public hospitals and now he is overseeing the degradation of good community health services such as pharmacy, dentistry and optometry.

Ms Angela D'Amore: Have you met with them?

Mr DONALD PAGE: I have. Many of my friends are pharmacists and I can tell the honourable member for Drummoyne that they are very angry with this Government. Pharmacies are more than a retail front for drug industry products. They provide access to good community health service and advice. It is the pharmacist who provides invaluable counsel to members of the community. They are trained in health care and should retain control of their industry. We do not need to give an open invitation to large supermarket chains to take over the pharmacy industry in New South Wales. A company with a greater interest in bottom line profits rather than quality health standards is not in the public interest. I keep coming back to the point of what is in the public interest. Similarly, allied health services like dentistry and optometry should remain in the hands of trained health care professionals who have the interests of the patient at heart. Those trained in health care have a profound understanding of the importance of quality health services.

I turn now to the amendments relating to the poultry industry. I also have strong reservations about the effect the legislation will have on consumers. It would be too easy for poultry producers to become uneconomic if this legislation is passed. They are already price takers and will become even more so. Poultry growers rely on the Poultry Meat Industry Act to give them some power when negotiating fees and contracts. It is the industry's belief, and I have no reason to doubt it, that removing this power will lead to the closure of local businesses, with a subsequent impact on local employment and economies. The honourable member for Lismore referred in detail to a letter sent to him on behalf of 14 poultry growers who supply the processing industry on the North Coast. I received the same letter. I have to say that their argument is very convincing.

The poultry industry amendments, and those relating to the liquor and allied health care industries, are potentially devastating for the industries and counterproductive to consumer interest. Clearly, competitive practices should generally be supported. Price fixing and other anticompetitive practices should not be tolerated in the modern market. That does not mean that all industry regulation, particularly those aspects of it designed to protect the public interest, should be arbitrarily dismantled. It is not in the public interest to reduce the level of health care available from pharmacists, dentists and optometrists. It is not in the public interest to decimate sections of the New South Wales poultry industry, and it is not in the public interest to allow the proliferation of liquor outlets across the State.

I call on all honourable members who are serious about these issues to think about what we are doing with this legislation. It is an important piece of legislation, arguably one of the most important pieces of legislation that will go through this Parliament. I urge members of the Government to think about what it actually means. I am privately confident that the legislation will be defeated in the upper House. If members of the Government think for some reason that the Coalition is being opportunistic in this debate, I ask them to understand that if we did not take a stand on principle with this legislation we would not oppose it. The fact is that we are concerned about the implications of a proliferation of alcohol outlets in New South Wales.

We are concerned about the impact on the pharmacy industry and the other industries I referred to. I urge all honourable members to seriously think about voting against this legislation because I believe it is not in the public interest. Honourable members should bear in mind that the national competition policy says that we should encourage competition but only when it is in the public interest. And if we can prove that the public interest is not being served, we should not support the legislation. That is what this debate boils down to. We are not supporting public interest by supporting this piece of legislation.

Debate adjourned on motion by Ms Angela D'Amore.

PREVENTION OF CRUELTY TO ANIMALS AMENDMENT (TAIL DOCKING) BILL

Bill received and read a first time.

Second reading ordered to stand as an order of the day.

SPECIAL ADJOURNMENT

Motion by Ms Reba Meagher agreed to:

That the House at its rising this day do adjourn until Thursday 18 March 2004 at 10.00 a.m.

The House adjourned at 10.00 p.m. until Thursday 18 March 2004 at 10.00 a.m.
