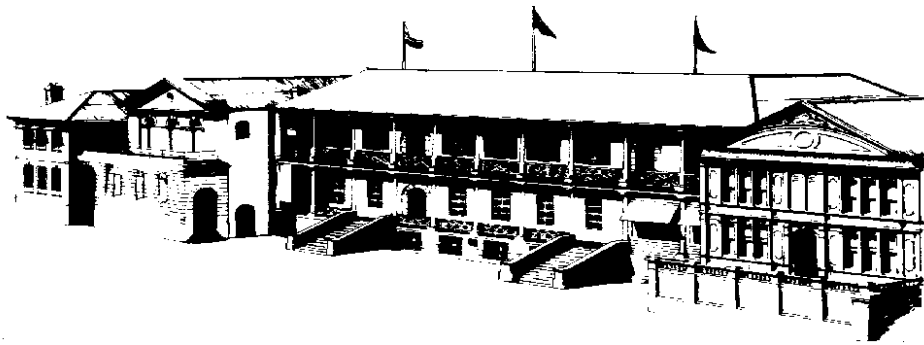




NEW SOUTH WALES



Legislative Council

**PARLIAMENTARY
DEBATES**

(HANSARD)

**FIFTY-FIRST PARLIAMENT
THIRD SESSION**

OFFICIAL HANSARD

Wednesday, 6 May 1998

LEGISLATIVE COUNCIL

Wednesday, 6 May 1998

The President (The Hon. Max Frederick Willis) took the chair at 11.00 a.m.

The President offered the Prayers.

COUNCIL OF THE UNIVERSITY OF NEW ENGLAND

Appointment of Representative

Motion by the Hon. M. R. Egan agreed to:

That under section 9 and schedule 1[3] of the University of New England Act 1993 Ms Tebbutt be elected as the representative of the Legislative Council on the Council of the University of New England, in place of Mrs Symonds, resigned.

LIBRARY COMMITTEE

Membership

Motion by the Hon. M. R. Egan agreed to:

That Ms Tebbutt be appointed as a member of the Library Committee in place of Mrs Symonds, resigned.

STANDING ORDERS COMMITTEE

Membership

Motion by the Hon. M. R. Egan agreed to:

That Ms Saffin be appointed as a member of the Standing Orders Committee in place of Mrs Symonds, resigned.

STANDING COMMITTEE ON SOCIAL ISSUES

Membership

Motion by the Hon. M. R. Egan agreed to:

That Ms Burnswoods be appointed as a member of the Standing Committee on Social Issues in place of Mrs Symonds, resigned.

Motion by the Hon. M. R. Egan agreed to:

That Mrs Isaksen be discharged from the Standing Committee on Social Issues and that Ms Tebbutt be appointed as a member of such committee.

The PRESIDENT: I inform the House that today the Leader of the Government has nominated

Ms Burnswoods as Chairman of the Standing Committee on Social Issues in place of Mrs Symonds, resigned.

TRUSTEE COMPANIES AMENDMENT (RESERVE LIABILITIES) BILL

Bill introduced and read a first time.

Second Reading

The Hon. J. W. SHAW (Attorney General, Minister for Industrial Relations, and Minister for Fair Trading) [11.08 a.m.]: I move:

That this bill be now read a second time.

As honourable members may be aware, schedule [2] to the Trustee Companies Act 1964 provides for named trustee companies to maintain certain capital structures. In most instances these structures include provisions for uncalled capital or a reserve liability. These provisions provide for only a proportion of each issued share in each company to be paid up. The unpaid amount can be called up for payment by a shareholder only in the event of and for the purposes of winding up of the company. These provisions were originally included to protect both the customers of trustee companies and the shareholders.

Though there may be a perception that these provisions provide some safeguard against the loss of investments and deposits by persons dealing with trustee companies, it is clear that that protection is illusory. For instance, the amount of uncalled capital required to be maintained by the named trustee companies only represents a very small proportion of the existing capital of each company. Therefore, it is unlikely that any such reserve liability would be adequate to satisfy creditors in the event of the company being wound up.

Moreover, in modern times the availability of professional indemnity insurance has obviated the need for there to be a requirement for trustee companies to maintain uncalled capital. For instance, in 1989 the Trustee Companies Act was amended to permit certain trustee companies to maintain professional indemnity insurance up to a prescribed

amount or a bank guarantee of a prescribed amount in lieu of maintaining uncalled capital. However, the operation of section 36A of the Act, which provides for this alternative arrangement, was limited to the Permanent Trustee Company Ltd, the Perpetual Trustee Company Ltd and Perpetual Trustees Australia Ltd.

Other named trustee companies were required to continue to maintain a reserve liability or other arrangements for uncalled capital. This bill extends the operation of section 36A of the Act to all trustee companies and provides that the capital reserve requirements for each company may be repealed by proclamation, subject to each company holding an appropriate level of professional indemnity insurance or a bank guarantee as determined by the Attorney General in consultation with the New South Wales Financial Institutions Commission.

The Financial Institutions Commission has advised that from a prudential point of view the abolition of the requirement for a capital reserve in favour of the maintenance of a minimum level of indemnity insurance would probably serve as a more appropriate and effective form of risk control, and is more in tune with current prudential standards. The proposed amendment has been made at the request of the Chief Executive Officer of the Trust Company of Australia Ltd. The amendment has been sought as a result of changes to the Corporations Law which are included in the Company Law Review Bill which is currently before the Federal Parliament.

The Commonwealth bill abolishes the par value of shares which will mean that dividends must be paid at the same rate for all shares by companies, whether or not the shares are fully paid up. As the reserve for some trustee companies contains shares which are not fully paid up, those shares have attracted a lower dividend in the past. Trustee companies are concerned that full shareholders will be aggrieved if full dividends are paid to holders of shares which are not fully paid. In short, the bill will extend the operation of section 36A of the Act to allow all trustee companies the opportunity to replace the requirement in schedule 2 to the Act for uncalled capital to be maintained with a requirement to maintain professional indemnity insurance or a bank guarantee. Honourable members are advised that the bill will not undermine the protection given to people dealing with trustee companies. I commend the bill to the House.

Debate adjourned on motion by the Hon. J. P. Hannaford.

DISABILITY DISCRIMINATION LEGISLATION AMENDMENT BILL

Bill introduced and read a first time.

Second Reading

The Hon. J. W. SHAW (Attorney General, Minister for Industrial Relations, and Minister for Fair Trading) [11.14 a.m.]: I move:

That this bill be now read a second time.

The main purpose of the Disability Discrimination Legislation Amendment Bill is to ensure that certain Acts do not, on their face, unfairly discriminate against people with a disability. This is not to say that these Acts have led decision makers to discriminate against people with a disability, but they may. This Government is being pro-active in attending to such legislation. The Government undertook a review of all New South Wales legislation, conscious of the fact that much of it was drafted at a time when the community was less aware of the rights and needs of people with disabilities. The Government was also conscious of the fact that the Commonwealth Disability Discrimination Act requires that State legislation must not unfairly discriminate against people with a disability.

The review of legislation found that a number of Acts could lead decision makers to unwittingly neglect the rights of people with a disability. The Government does not want that to occur. Hence, I am introducing this bill to make those rights abundantly clear to those who must make decisions under certain of our Acts. To be more specific, first, it is unlawful to discriminate against people who are accompanied by a guide dog which assists their sight or hearing impairment. Most people would know this but it was not clear on the face of the Community Land Development Act, which deals with community and neighbourhood schemes. So this bill amends that Act.

Second, it is unlawful to exclude people from gaining or losing professional qualifications just because they have a disability. That disability must have the consequence that a person cannot carry out the inherent requirements of the job. What do I mean by that? That seems to be tricky phrase, but it all comes down to an assessment of what are the essential and peripheral requirements of the individual job. For example, if a driving instructor is blind he or she obviously cannot perform the job, but if he or she has a skin disorder it would be a different matter. In the latter case a person could and should be allowed to be a driving instructor.

So this bill amends Acts which do not make this clear: the Driving Instructors Act, the Conveyancers Licensing Act, the Legal Profession Act, the Mines Inspection Act and the Veterinary Surgeons Act. Some of those Acts also require people to get a medical certificate to prove their fitness to do the job, so we have also directed doctors' minds to the inherent requirements of the job. We do not just want a certificate that says a person is generally fit or unfit; we want a certificate that is tailored to the specific question of whether a person can do a specific job.

Third, the bill amends the language of the Local Government Act to ensure that we focus on a person's ability to do the job, rather than defining the person by their disability. The bill also amends the Act to ensure that a general manager may be removed from office only if he or she cannot perform the inherent requirements of the job, even if he or she was given some reasonable assistance. In addition, the bill also amends the Act so as to reinforce that principles of equal opportunity are adhered to in relation to people with a disability.

Finally, the bill amends the Superannuation Act. At present a woman who has contributed to a pension which is payable on reaching the age of 55 is entitled to a full pension on retirement at or after that age. However, if she retires early, that is before 55, because of disability, under the current law she would have to wait until she was 60 years of age to get her superannuation pension. This bill amends that anomaly. This bill evinces the Government's continued concern about the fair treatment of people with disabilities and our intention to ensure that decisions made under State legislation are consistent with the requirements of the Commonwealth Disability Discrimination Act. I commend the Disability Discrimination Legislation Amendment Bill to the House.

Debate adjourned on motion by the Hon. J. P. Hannaford.

LIQUOR AND REGISTERED CLUBS LEGISLATION AMENDMENT (COMMUNITY PARTNERSHIP) BILL

Bill received and read a first time.

Suspension of standing orders agreed to.

CRIMES LEGISLATION AMENDMENT (POLICE AND PUBLIC SAFETY) BILL

Second Reading

Debate resumed from 5 May.

The Hon. R. S. L. JONES [11.20 a.m.]: Every citizen should be able to walk the streets of

this State without fear of attack by persons armed with knives or any other weapon. Many people voluntarily curb their behaviour when they become afraid. Recently I avoided walking through Hyde Park at night because the lights were off and I was worried that I might be attacked. We alter our behaviour to avoid placing ourselves in difficult situations. Something had to be done about the startling increase in the use of knives in crimes such as assault and robbery.

The nexus between geographical location and the chance of assault and property theft must be broken if crime hot spots are to be eliminated. Any ambition to reduce violent crime is an honourable one, and I support the Government in its attempt to tackle this difficult issue. Figures from the Bureau of Crime Statistics and Research show that robbery involving the use of a knife or dagger increased phenomenally by 73 per cent between 1996 and 1997. The likelihood that such crime will occur in a public place increased by 70 per cent over the same period of time.

Areas of Sydney have borne the brunt of these crime increases. In 1997 a person was twice as likely to be robbed in inner Sydney by someone using a weapon that is not a firearm—knives are most often used—than in 1996. Large increases in this type of crime have been registered also in the Fairfield-Liverpool, Canterbury-Bankstown and St George-Sutherland regions. Despite recognition of the seriousness of these figures, I am not happy with the potential impact of certain sections of the legislation.

Legislation widening police powers passes implicit judgment on the degree to which personal and community freedom is sacrificed for the relatively uncertain promise of a more peaceful and ordered society. John Marsden and the Redfern Legal Centre pointed out that this proposed legislation appears to duplicate some powers that the police already have available to them. I understand that the purpose of this legislation may be to ensure that police have a range of flexible powers at their fingertips when trying to prevent street crime.

A general concern is that widening discretionary police powers increases the chance of overuse and perhaps abuse of those powers, and enlarges the possibility that particular groups will be subject to unnecessary police attention. Young people, indigenous Australians and members of ethnic groups will be particularly vulnerable to discrimination through the use of these new powers.

The Hon. J. M. Samios: On a point of order. The amount of conversation in the House has resulted in honourable members not hearing clearly what the Hon. R. S. L. Jones is saying. I ask you to call the House to order.

The PRESIDENT: Order! The point taken by the Hon. J. M. Samios is valid. I ask members to bear in mind my previous remarks about the amount of chatter in my gallery.

The Hon. R. S. L. JONES: In Committee I shall move amendments to clarify the powers of the bill to limit the chance of such abuse. I am concerned at the effect this legislation will have on law-abiding citizens. The bill clearly states that it is an offence to carry any type of knife without reasonable excuse in a public place or a school. The Law Society submission notes the bill reverses the onus of proof in that the reasonable excuse is to be given not to the police officer but to the court.

Most honourable members would agree that Swiss army knives are useful items. I carry one often and I believe many other honourable members carry these knives in their bags or on their person. Most Swiss army knives have other attachments such as corkscrews, scissors and even toothpicks in addition to the knife blades. These implements are all-purpose knives or general tools. Many law-abiding citizens carry these knives with no intention of committing an offence, but the proposed legislation makes it an offence to carry such a knife in a public place even though there is no intention of committing an offence.

In Committee I shall move an amendment to the provision governing reasonable grounds on which a person may carry a knife. A number of groups have registered concern about proposed section 28A, which gives police the power to search people who are suspected on reasonable grounds of having a knife in their custody. The reasonable grounds test is a standard test that police officers must satisfy when exercising discretionary powers. Proposed section 28A(3) allows for an officer to take into account as a valid consideration when determining reasonable grounds to conduct a search if the person is in an area with a high incidence of violence.

The Council for Civil Liberties considers that the attempt to establish a standard for this principle is subverted by the proposed section. Further, there is ample evidence that the definition of hot spot areas could become a shifting concept. As soon as a street is defined as an area with high incidence of violent crime, the crime may shift from one street to the next, as occurred recently in Cabramatta when heroin dealers moved away from Cabramatta to other areas. Another issue is the stop and search powers being used against law-abiding citizens. The Law Society noted:

... mere presence in a location with a high incidence of violent crime (for example, the movie theatre precinct of George Street, Hyde Park or Kings Cross), which is also heavily frequented by law-abiding citizens and tourists should

not be a sufficient ground to initiate a "stop and search". It will exacerbate the current complaint that young people pursuing normal social activities are constantly under police surveillance, increase the alienation from mainstream community and lead to further erosion of confidence in the Police Service.

Section 28F gives police power to disperse people if their behaviour or presence is considered to be obstructing, harassing or intimidating another person or causing or likely to cause fear in another reasonable person. There is no need for the "reasonable person" to be present at the time of the relevant conduct. I am concerned that the wording in this section will mean that young people will be moved on when they are not engaging in wrongful behaviour.

Young people tend to congregate in public spaces as part of their normal social behaviour, in part because they do not have available to them the personal and private spaces that adults have. Unlike paragraphs (a) and (b) of subsection (1), which specify behaviour that can be linked to a possible offence, paragraph (c) does not require that a person may be about to or look as if they are about to engage in conduct that is potentially unlawful. The person has to be causing or likely to cause fear in another person.

The police decide whether a person of reasonable firmness will feel anxious because of another person's behaviour. This lack of clarity is far too open to interpretation and may work against certain groups of people. Some people may be considered intimidatory simply because of their age, dress or exuberant behaviour and not because they may be engaging in activity that may lead to unlawful behaviour. Further, the provision contains a socioeconomic element in that it is unlikely to affect people who can afford to be off the streets—those whose parents have loaned them a car for the evening or whose home is large enough to have a rumpus room.

I understand that this provision has been inserted to combat intimidation of people making transactions at automatic teller machines. If this is so, the legislation should reflect that an offence may be committed if the relevant person is not removed, rather than that a citizen will become afraid if the person is not removed. That provision encourages the idea that all young people hanging out on the streets are potential criminals. I shall move an amendment that will provide certainty of interpretation of this section by linking behaviour to the commission of a possible offence being committed.

The provisions of this legislation are likely to increase interaction between groups that have already strained relations with police. The chances are that charges such as resisting arrest, abusing an officer and assaulting an officer, unrelated to the bill, will be laid. Michael Antram from the National Children's and Youth Law Centre stated that this top-down approach to crime prevention is not an effective way to reduce the incidence of crime. He argues that stop and search powers may temporarily deter people from carrying guns in crime hot spots, but, as with drugs, people will continue to carry knives in areas that are less highly patrolled.

Mr Antram notes that the moving on provisions have arisen at a time when more public property is falling into private hands and young people are being moved on from shopping centres. It is not a crime for young people to express youthfulness. Young people have as much right as adults to freedom of expression and of association. On that latter issue, I should like to make a point about the tactics of the Opposition. The Opposition spokesperson on police matters in another place, rather than contribute to this debate in an informed and impassioned manner, sought to remove proposed section 28G from the bill, which excludes the operation of the direction power in relation to industrial disputes or organised assembly. This was a backdoor method of providing a legal basis for breaking up protests, even peaceful protests.

I turn now to the review of the legislation and to a consideration of whether its objectives will be valid 12 months after the date of the Minister's receipt of a copy of the report produced by the Ombudsman. I am pleased that this monitoring provision has been included in the legislation, although I believe there should be further thought about the way in which the Ombudsman will review the operation of these powers, and whether the report will provide demographic information about the people who are searched and given a direction. I believe also that it is important that the people likely to be affected by the new powers are consulted during the review. In Committee I will move an amendment to that effect.

I recognise that much beat police work is carried out on the spot and that there is little time for reflection. Police have to immediately assess the potentially dangerous outcomes of situations they encounter, and consider the best way to utilise their powers. This is especially true of the powers outlined in this legislation. For that reason I would like an assurance that the Government views seriously the impact that these powers will have on

the everyday work of police, and that it is committed to the police having adequate training programs on how to use these powers on the street. Exposure and education would surely reduce the amount of conflict that may occur. A more general issue in this discussion is policy consistency; and the Government still has not produced a policy on youth.

If the Government is serious about trying to fix crime problems that are apparently related to particular demographic data, rather than merely introduce a tough law and order package that overlays existing legislation it should produce a policy that can be seen to address the underlying issues. The provision of a youth policy could complement discussion on why young people carry knives. However, the legislation has been introduced and the other side of the argument is not open for discussion. For that matter it may be useful if the Government were to act on the notion of codifying police power that was floated last year in the street safety legislation. Codification of police powers into one Act would provide the transparency that the police and the community need to restore confidence in the law enforcement system. With those few remarks I support the legislation.

The Hon. A. G. CORBETT [11.31 a.m.]: This bill is a simplistic solution to myriad social problems, but its breadth foreshadows the possibility of overuse and abuse. Its emphasis on intensive and invasive policing poses risks to the public and police officers alike. Its reliance on a policing solution neglects or dismisses a range of social reforms necessary to address the causes of criminal behaviour and activity and to redress the fear of crime that has gripped our community. Its existence reflects a paucity of imagination and the desire of the major parties to tap into that supposedly rich seam of electoral popularity produced by tough stances on law and order.

I do not disagree that action is necessary to address knife crime, particularly in light of the fatal stabbing of Constable Peter Forsyth and the release last Thursday of the Bureau of Crime Statistics and Research report which identified an increasing prevalence of knife-related crime. I do not disagree that there is a widespread fear of crime which must be addressed. However, while the real extent of this crime may be disputed, there is no doubt that there is a widespread and deep-seated fear of crime that too often is created and fanned by sections of the media and the Parliament. This fear all too often produces the loudest and toughest response to crime and, regardless of whether it is appropriate and/or effective, wins support and acclaim.

I do, however, disagree and differ with the proposals that either ignore the real problem or have consequences far broader than is intended or desirable. There is much in this bill that has the potential to be either ineffective or, alternatively, excessive. Increased police powers by themselves cannot and will not achieve what the Government intends. Increased police powers that are ineffective, overused or abused would do much to diminish public confidence in the Police Service, which is only starting to recover from the abuse of power and authority exposed by the police royal commission. There is much talk of community policing but such initiatives are useless if from the outset we establish barriers between police officers and communities.

These powers have every potential to create these barriers and to further isolate police officers from the community, which would be a most undesirable consequence. The report in yesterday's *Sydney Morning Herald* about the apparently unfair and unjust treatment of young Aborigines and Pacific Islanders in New South Wales courts is just one example of the abuses that operate in our justice system. When our judicial officers cannot impartially and fairly administer justice, I have fears that there is a similar situation in our Police Service. A small minority of officers will use these powers to target particular groups and communities, and every attempt must be made to prevent that happening and to deal with it effectively if it does occur.

Every jurisdiction that has increased police powers or their enforcement has had to accompany these initiatives with broader crime prevention and social programs for them to succeed. An article in last Sunday's *Sun-Herald* reported that a team of five police officers was to visit New York to inspect zero-tolerance policing. I hope they return to tell the whole of the New York success story. Until now those in this State who have proclaimed the merits of zero-tolerance in New York have heard or told only part of the story. The New York miracle was not created by merely increasing powers or increasing policing. The Citizens Budget Commission report entitled "The State of Municipal Services in the 1990s: The New York Police Department", released in December last year, identified a range of factors introduced by the city government that contributed to the success of crime reduction in New York. They included an organisational revamping that entailed decentralisation of responsibility and accountability, co-ordination among the precincts and centralised units of the department, additional training, the use of technology, and intensive data analysis.

The department introduced or extended 10 programs aimed at preventing and reducing crime across a range of areas, not just on the streets and in the subways. That required a massive commitment of resources, both in policing and sentencing, and it was accompanied by a range of broader social initiatives and programs. In a speech to the Sydney Institute last September Commissioner Ryan noted that the success of zero-tolerance policing required a massive investment in personnel, technology and prisons. He also said that zero-tolerance produced a backlash whereby it began to have a negative impact on generally law-abiding members of the community, and that it resulted in a significant increase in the number of complaints against police.

This legislation has all the hallmarks of yet another step along the zero-tolerance path but the Government has not committed the resources and personnel that are necessary to produce anything like the results that have been achieved in other jurisdictions. Decentralisation, co-ordination, increased resources, improved technology and training have been just as important as, or more important than, increased powers or increased policing in reducing crime in New York. The Hon. M. J. Gallacher referred to the amount and nature of equipment that has been or will be provided for police officers. Presumably this will all require training, and training will also be required for police to implement the procedures in the bill. Insufficient or inadequate training would compromise any merit or benefit contained in the bill. It would result in inappropriate and invasive policing, and in officers messing up the search procedures.

If reports of existing police equipment, education and training are any guide, massive investment needs to be made to ensure that police are suitably equipped and trained to exercise their powers. I ask the Minister: Where is the money? Where is the technology? Where is the training? Where is the co-ordination? Where are the social programs? Other responses in New York included greater attention to urban planning, and business investment in run-down areas. The Times Square precinct was redeveloped and business improvement precincts were established across the city, creating a business and investment environment that did much to rejuvenate New York. Similar attention needs to be paid to similar locations in Sydney and elsewhere in New South Wales. The George Street cinema strip is indicative of the failure to sensibly plan the urban environment. It was ludicrous to locate in a single block on Sydney's busiest thoroughfare so many cinemas, restaurants, entertainment venues and

fast food facilities. Yet when it comes to dealing with problems created by this planning mess the Government turns solely to a policing solution.

An obvious impact and benefit of this legislation is the encouragement of behavioural and social change. The Opposition emphasises the penalties for breaches of the legislation, but the emphasis should be on ensuring that breaches do not occur. Knives are being carried in greater numbers and are being used in crimes more often. There is a real problem. The question is how does the Government best deal with that phenomenon? Solutions may be more readily apparent if the causes are accurately identified.

Evidence suggests that the increase in the carrying of knives is partly attributable to the growing number of people carrying them for self defence. It is ironic that this response can be partly sheeted home to the exaggerated and sensationalised portrayal of crime, so that people fearing crime are contributing to that same fear. If the Government is serious about reducing the number of people carrying knives, it will give consideration to an amnesty under which people can surrender knives that are no longer of use to them or are no longer legal. If the Government is serious about reducing the number of knives owned and carried by young people it will give serious consideration to a scheme that encourages young people to surrender their knives, perhaps for the incentive of exchanging them for compact disks, clothing or entertainment vouchers. Let us try a range of solutions instead of just relying on intrusive and invasive policing.

Police powers need to be codified into a single piece of legislation so that everyone, including—and perhaps especially—police officers, is clear about the nature and extent of the powers. Queensland has a single piece of legislation covering police powers—the Police Powers and Responsibilities Act. Action must be taken to duplicate that legislation in New South Wales. Given that the Queensland legislation took several years to develop, the task must be commenced as soon as possible and, given its desirability, completed with some speed.

I continue to be amazed that with so much research and analysis about crime and the causes of crime, and when appropriate policy solutions are at hand, the law and order debate continues. There will be a time when this law and order lemon will be squeezed dry. There will come a day when one cannot get any tougher on law and order. The party in government at that time will have to confront years of policy neglect if it is to have any chance of addressing these social problems. I find it regrettable

that much of this legislation reflects and underlines a social dislocation and dysfunction. It reflects a massive gap between young people and the rest of the community. It reflects problems on the streets, where homeless people and others who spend much of their time in public places are increasingly and regrettably seen as nuisances, and worse. It reflects a loss of confidence in communities to maintain a sense of public order. I do not doubt that problems exist but I am still not convinced that this bill is the solution.

Probably all representatives from community groups or organisations would support any genuine initiative that guarantees that our streets are made safer. The difficulty that some of these organisations have with this legislation is that it seems at the same time to be an over-the-top and insufficient response to the prevalence of crime and to the community's fear about crime. Honourable members will be aware that the Law Society has voiced a number of specific concerns about provisions of the legislation. It takes the general view that whatever the desirability and merits of the bill's objectives, the bill itself is ill-advised, represents an erosion of longstanding rights of citizens, and should be withdrawn.

The Youth Action and Policy Association—the peak youth organisation in New South Wales—welcomes the move to remove knives from public places but believes that this legislation will only address this serious community problem in a limited capacity. YAPA argues that a broad social response, including but not confined to an appropriate policing strategy, needs to be developed and implemented. Greater attention needs to be paid to family support and education, training and employment. Greater attention needs to be paid to the provision of adequate sporting, cultural and recreational facilities. Greater attention needs to be paid to health services, particularly treatment for drug and alcohol addiction. This approach is reinforced by available research. Although comprehensive literature relating to these issues is not available in Australia, a report by the United States Department of Justice entitled "Kids, Cops and Communities", released last month, stated:

Approaches that criminologists have found to be most promising for preventing violence and delinquency are relatively long-term, continuous, comprehensive approaches that involve adults as tutors and mentors who teach children and teenagers cognitive and social skills, and provide them an opportunity to cooperatively practise these skills.

As well as the failure to deal more broadly with issues facing young people, there is a strong sense that this bill will unfairly target young people. It is one of the unfortunate contradictions of

contemporary policing practice that many young people simultaneously feel overpoliced and underprotected. A campaign to increase awareness by young people of the functions of the Ombudsman's Office during 1996-97 has seen an increase in complaints from young people. The 1996-97 annual report of the Ombudsman clearly identified that "police complaints made up the largest proportion of complaints received from young people". The Ombudsman stated further:

Young people are in a vulnerable position in their dealings with police. Uncertainty about their rights, compounded by a reluctance to complain, can leave serious and systematic abuses unchecked. Their reticence often stems from a fear of reprisals or scepticism about the willingness of authorities to take their concerns seriously.

An Ombudsman analysis of complaints to identify allegations, trends and locations found that the "vast majority of young people allege assault" by police. These are serious issues that go to the heart of an often fragile and tense relationship between young people and police. Care and caution must be taken to ensure that the provisions of the bill do not exacerbate the problem. Young people's perceptions of being overpoliced are unlikely to be reduced by this bill. In all likelihood the perception will increase and intensify. Their belief about reduced protection and arbitrary treatment is also likely to be intensified by the bill. On the other hand, statistics show that the victims of violence are often young people. It is instructive that a report in the *Los Angeles Times* on 21 April argued that one of the more obvious results of initiatives to deal with gang-related violence in the United States was to save the lives of gang members.

The Hon. C. J. S. Lynn: Did you see the photo in today's paper of the 89-year-old woman who was bashed up?

The Hon. A. G. CORBETT: Yes.

The Hon. C. J. S. Lynn: She was not very young.

The Hon. A. G. CORBETT: No. If we found out who did that and examined his or her background we would probably find a lot of dysfunction in his or her family life and upbringing.

The Hon. C. J. S. Lynn: Is that any excuse for bashing up an 89-year-old woman?

The Hon. A. G. CORBETT: Of course it is no excuse, but unless the Government starts to address the causes, a solution will never be found. Homicides among gang members in Chicago fell by

26 per cent in 1995 when anti-gang strategies were introduced. Therefore, in many respects the young people should welcome, or at least recognise, the benefits of increased police powers aimed at ensuring greater safety and security in public places and schools. After all, this is where young people spend much of their time. Many of the so-called hot spots that have been identified as likely to have a high incidence of violence are frequented by large numbers of young people.

The George Street cinema strip is a classic example of where young people are likely to be at risk from the criminal behaviour of other young people. There is no denying that benefits will accrue from vigorous, targeted policing, but these benefits will not be retained unless broader strategies are in place to determine and prevent the causes of crime. The benefits will not be realised if these powers are seen as new ways to overpolice young people, leaving them at risk of arbitrarily and inappropriately applied powers. It would be unfortunate if a range of recent positive initiatives involving the Police Service and young people were to be undermined and negated by inappropriate and excessive policing.

The Young Offenders Act, the police youth liaison officers and the review of the police citizens youths clubs all have the potential to improve communications and relations between police and young people. Young people are more likely to come into contact with police. It is the nature of being young to be seen and heard in public places, to be visible, to be noisy—to behave like a young person. Accordingly, they often come to the attention of the police. Such contact need not result in conflict if it is handled sensibly and sensitively, and this applies as much to young people as it does to police. Respect and tolerance need to cut both ways.

It is important, therefore, that all general duties police officers—not just police youth liaison officers—receive training that enables them to deal more effectively and sensitively with young people. Needless conflict between police and young people can be avoided if greater attention is paid to the education and training of police officers. To a large extent we unreasonably expect police to respond to situations for which they are not equipped and for which they should not be responsible. We need to address these broader social questions and reduce the demand for inappropriate and unnecessary policing. Young people will feel that they are unfairly targeted by this bill and by this Government. There have been few positive initiatives from the Government in relation to young people.

Given that the Government has had three years in office, its lack of a comprehensive youth policy is seen by many as indicative of the low priority it has given to young people and their interests. The Government could have avoided some of the criticism it has received on this bill if it had been part of a broader legislative strategy to recognise and reflect the needs and interests of young people, and particularly their use of public and community places. The Government has had a copy of the report entitled "No Standing: Young People and Community Space Project Research Report", which was prepared by the Youth Action and Policy Association, since its release in October last year. Despite a commitment from the Minister for Education and Training at its launch that an "action plan based on the recommendations in the report" would be prepared by the Office of Children and Young People, we have yet to see any substantial commitment or any significant initiative from the Government with respect to the findings and recommendations in the report.

It is not too late to start to redress this neglect; there is certainly time to release the youth policy. There is also time to review planning processes for public and community places. There is time for the Government to get serious about addressing the lack of education, training and employment opportunities for young people. There is time to make young people a priority, and to begin to treat issues involving young people as a challenge rather than a problem. It is obvious that the detail of this bill must be subjected to the most exacting scrutiny. I want to ensure uppermost that the powers given to the police will achieve their objectives—that is, providing a greater degree of community safety and greater confidence in that safety—without exposing the community to the overuse or abuse of the powers and without placing police officers at risk.

The reality is that the bill will pass substantially unaltered. If so, it is essential that its operations be monitored, that any excesses in its practice be curbed, and that any abuses of the powers be prevented or punished. The Government argues that the exercise of the powers will be safeguarded by the ongoing scrutiny of the Ombudsman and by the review provisions. What will the Ombudsman monitor? The Ombudsman should in part monitor whether particular communities or groups of people are being overpoliced and whether the powers are being overused. But there is no reasonable way in which that information can be obtained and recorded. The powers are intended to allow a swift, decisive strike: conduct a search; confiscate a dangerous item; give a direction. There is no reason for identifying particulars to be recorded, and therefore it is likely

that there will be little or no data for the Ombudsman to monitor and evaluate.

The role of the Ombudsman will be critical in maintaining the community's confidence that the powers will be used fairly and reasonably. It is important that the Ombudsman be given the necessary resources to deal with complaints promptly and effectively. The powers will create tension and they will result in complaints, and it will be in everyone's interest, particularly the police officers about whom complaints will be made, to have complaints resolved as soon as possible. It would be manifestly unreasonable to expect police officers to risk being targeted for complaints about their exercising these powers if such complaints were not to be dealt with in a fair and efficient manner. I shall deal with some of my other concerns about the specifics of the bill by way of amendments in Committee. It is sufficient to say at this point that I believe that much of the bill will be either ineffective or excessive, and that the bill will need to be subject to the closest scrutiny to ensure that it is not overused or abused.

The Hon. A. B. KELLY [11.54 a.m.]: I support the Crimes Legislation Amendment (Police and Public Safety) Bill. Between December 1995 and December 1997 the number of knife-point robberies increased by 77 per cent. In 1996 there were about 1,700 robberies involving knives, and that figure increased to 3,000 in 1997. The Director of the New South Wales Bureau of Crimes Statistics and Research, Don Weatherburn, has said that while the incidence of knife attacks has increased, the risk of being attacked by someone with a knife is still low. I remind honourable members that last Friday night two parliamentary staff were attacked in Martin Place by a person or persons who had a stick. I have long held concerns that the news media promote hysteria in issues relating to youth and Aboriginals in rural areas. They always report crimes, bashings and knife attacks but they rarely report the action taken by the police and the courts or the penalties handed down.

A cursory reading of newspapers leaves one with the view that very little is being done and there is open slather on the streets. This legislation is needed because of the impression in the community that it is acceptable to carry knives. I note the comments by the Hon. I. Cohen, the Hon. R. S. L. Jones and the Hon. A. G. Corbett that this bill is a test for our police officers. Police are being entrusted with legislation that will be a good tool for them if they use it properly and carefully, but certainly will not if they abuse it. The package released by the Premier on 31 March prohibits the carrying of a knife in a public place or school. It is

my understanding that "school" is specifically provided for because a school is not necessarily a public place. The police will be given a statewide power to search for knives or other dangerous weapons if they have reason to suspect that a person is carrying such an implement. Being in a knife-crime hot spot may constitute grounds for reasonable suspicion.

The offence of possessing a prohibited weapon—a knife or other implement—in a public place or a school will carry a two-year gaol term. The offence of possessing knives not designated as prohibited weapons will carry a fine of \$550. Searches are to be carried out by frisking or the use of a metal detector. Refusal to allow a search will constitute an offence, which will also carry a \$550 fine. Police will be able to confiscate knives. For the purpose of breaking up gangs in public places, the bill gives police the power to give a reasonable direction to any person who is obstructing, harassing, intimidating or causing fear to others. If that behaviour continues and a direction is ignored, that will constitute an offence and attract a fine of \$220. It has been suggested that that fine is not sufficient.

The police will also have the power to require a person to give his or her name and address if they have reasonable grounds to believe that the person may have information regarding a crime. Most of the community would find it astonishing that police officers have not had that power all along. This legislation is needed because increasingly the police cannot get away with some of the things they did in the past. When I was 20 or 21 a group of us would congregate on the main street of my home town opposite the banks—in those days banks had branches in country towns and the bank managers used to sleep above the banks. At about 11.30 p.m. the local police sergeant would come down and suggest to us that it was time to go home, and four or five carloads of us would dutifully do just that. We knew that the sergeant had no power to order us to go home, but that if we did not do as we were told, the next day the sergeant would find some reason to take us to task.

The Hon. J. R. Johnson: Dad would find out too.

The Hon. A. B. KELLY: That is right, no doubt my father would be visited and told. Those avenues are no longer available to the police. The Government has to resort to legislation so that not only youths but all members of the community realise that the police have powers. This bill will assist police if it is taken as part of a broader reform program including smart policing or problem

orientated policing. In other words, it is hoped that crime mapping, the hot-spot approach, youth conferencing and community-based approaches will assist to attack the real underlying issue of drug law reform.

The recent Dubbo initiative is an example of positive community-based police reforms. In the Orana area police are engaging in radical reform in which crime prevention tactics and priorities are driven by community senior officers. Under this plan, which is still at the pilot stage but looks promising, the community will help steer anti-crime techniques. I understand that similar trials have been completed in Walgett and are about to be carried out in Wellington. Every resident in the town will be surveyed as to their needs in relation to law and order. A recent report in the Dubbo *Daily Liberal* in March stated that Ron Bender, the officer in charge of the Orana region, said that the survey will seek to rate performance, identify priority offences, gauge public perceptions and design tactics from a grassroots viewpoint. Superintendent Bender said that for two hundred years the New South Wales Police Service tended to believe that it knew what was best for the public, but Commissioner Ryan has said that it is time to ask the community what it wants.

In short, the strategy is realistic in an effort to tailor policing to community needs, combined with the priorities of the police. In this light the bill sends a message that it is responding to fears about knife-related crimes. I wish to refer to the recent attack in Wellington following a successful Wellington Boot race meeting. When I returned home I noticed a number of police wagons approximately 200 yards from my house. Police were trying to catch a man who had attacked a passerby in the main street at about 6.00 p.m. The community demands that the police be given powers to search people and take knives from them in such circumstances.

When I first heard of this legislation I was concerned about rural people and farm knives. I do not believe there would be a farmer in the State who would not carry a knife on their person or in their vehicle, for a variety of reasons. The Hon. R. S. L. Jones referred to a Swiss army knife containing a toothpick. I do not believe it is a toothpick but that it is an implement for removing stones from horses' hooves.

The Hon. C. J. S. Lynn: The one I have is the ultimate toothpick.

The Hon. A. B. KELLY: It is a rather large toothpick. Farmers need those implements for a

variety of reasons and they use them probably 20 to 30 times a day. I am pleased that the legislation covers that. I conclude my comments by warning the New South Wales Police Service that this legislation should be treated as a test and should not be abused. I am sure many members of the community will be watching their actions. I support the legislation.

The Hon. ELISABETH KIRKBY [12.04 p.m.]: On behalf of the Australian Democrats I oppose the Crimes Legislation Amendment (Police and Public Safety) Bill. Before any members of the Opposition say anything about the Australian Democrats being soft on crime, I make it perfectly clear that the Australian Democrats, as with the majority of people in the community, are increasingly concerned about the level of violent crime and vandalism and the fear in which people live because they believe that the next time that they go out they will be held up. However, I do not believe that the bill or the Opposition's proposed amendments will solve the problem.

At the moment in this State—and regrettably perhaps in other States—the Government and the Opposition have decided that their paramount concern is law and order. Therefore, if the Government of the day introduces legislation designed to get tough then the Opposition of the day immediately decides that it will get tougher. They are like a group of boys in a schoolyard: one group says it is tougher than the other; the second group says, "No, you are not; I am tougher than you"; and a third group says it is really, really tough. That sort of childish interchange does not get to the roots of the problem, and that is what society demands.

I regret that the Hon. Dr Marlene Goldsmith has left the Chamber, because I commend to all honourable members the latest edition of the *AQ Journal of Contemporary Analysis*, the journal of the Australian Institute of Political Science. In a special report on politics and the media circus, the publication contains several valuable articles. On page 24, under the heading "Behaving Dangerously", an article headed "Crime and the Media—A vicious circle?" states:

In the book, *Crime and the Media: The Post-Modern Spectacle*, Kid-Hewitt notes how the criminological focus has primarily featured four main areas of questioning. These are:

- whether the mass media, particularly television, through depictions of crime violence, death and aggression, can be proven to be a major cause or important contributory factor of criminal or deviant behaviour;

- whether the mass media, particularly the press, construct and present our social world in ways that distort reality, and unjustly stereotype particular groups or individuals, labelling them as "outsiders", eliminating their credibility, and in the process exploiting and furthering their own privileged access to powerful state institutions;
- whether the mass media engender "moral panics" and cause people to be fearful by over-reporting criminal and violent events and looking primarily for sensation above accuracy;
- whether "real" crime and fictional crime impact on the viewer in the same manner, particularly in the electronic media.

It is accepted, but regrettable, that crimes of violence in New South Wales are increasing. What frightens me about the legislation is that it will give police the power to possibly unjustly penalise members of our community who are already receiving much tougher sentences in New South Wales courts than white juveniles. The Hon. A. G. Corbett referred to an article in yesterday's *Sydney Morning Herald* which states:

Young Aborigines and Pacific Islanders receive much tougher sentences in NSW courts than white juveniles, with islanders twice as likely to be sentenced to time in a detention centre . . .

Young Aborigines were more likely to get the next harshest penalty of community service orders while whites were more likely to be let off with fines, the study by the State's watchdog on judges, the Judicial Commission found.

Middle Eastern and, to a lesser extent, Asian juvenile offenders were also being treated differently from Anglo-Australian juveniles.

The report finds that "unexplained sentencing disparity" along racial lines is occurring in NSW courts.

In my opinion the Summary Offences Act distinctly gives police the right to pick up people who are carrying offensive weapons, including knives, razor blades and syringes. As those offences are covered by that Act, why do we need this extra legislation except, perhaps, to get some headlines in the popular press? I am concerned also that the legislation can be enforced on anybody in the community who is found by police to be carrying an offensive weapon. At this moment I am carrying an offensive weapon. I have in my pocket something that I carry all the time when I am on my property.

The Hon. C. J. S. Lynn: But what is your intent?

The Hon. ELISABETH KIRKBY: I routinely carry a Leatherman, a strong pair of stainless steel pliers, with a saw and a knife in the

handles. I am certain that the Deputy Leader of the Opposition and the Hon. D. J. Gay carry one on their belts when they are not in Sydney; and I am sure that all the farmers who protested outside Parliament House last week had one on their belts. This is a most useful tool when working around a country property. I find it particularly useful, because with the pliers I can change the hubs on my four-wheel-drive vehicle from the locked to the open position, which I am not strong enough to do with my finger and thumb, as most men can.

If the legislation is passed—as it no doubt will be—and I continue to wear this implement, police will have every right to stop me and ask me why I am carrying it; and they will have every right to confiscate it. The Hon. C. J. S. Lynn asked me what was my intent in carrying this implement. I would explain my intent to the court, not to the police. That means I would have been arrested and charged. Many people may carry a weapon without any nefarious intent whatsoever.

Under the Summary Offences Act police must have the belief that a person is carrying a weapon with intent to use it. Under this legislation it is sufficient for police to discover that an individual is carrying an offensive weapon. Of course, there are many offensive weapons. Boy scouts or girl guides going on a camping expedition would probably have a mess kit which includes a knife, fork and spoon. Many bushwalkers would carry similar implements. People carry a variety of implements which could be used as offensive weapons. For example, the type of knife that is used by school students for making balsawood models could equally be used as an offensive weapon. Under the legislation razor blades are offensive weapons.

The problem with the legislation is that it goes too far and will not solve problems. It has been well documented by Dr Don Weatherburn, Director of the Bureau of Crime Statistics and Research, and by the Commissioner of Police that the increase in violent crime in Sydney is linked to the increase in drug trafficking. It is also linked to the increase in drug addiction. Many people who are addicted to drugs will do anything to get money to buy the next fix. That is the problem that this House should address. It should not introduce similar legislation to make the community believe that because legislation has become tougher, Parliament is now on top of this crime wave.

According to the Government, the legislation as introduced has one purpose: to amend the

Summary Offences Act 1988, to which I have referred, and the Crimes Act 1900 to give police powers to stop and search, to move people on, to demand names and addresses, and to seize knives and other dangerous instruments. Of course, this Leatherman that I carry is, no doubt, a dangerous implement. The main impetus for the bill has been the recent tragic stabbings of Constable David Carty and Constable Peter Forsyth. Many media reports have sensationalised the increase in knife attacks.

Dr Weatherburn has acknowledged that knife attacks increased 25 per cent between January 1995 and December 1996. He said also that the risk of being attacked was still low; unfortunately, that is not how the media report it. Statistics gathered from court records may indicate that police have been better able to bring more offenders to justice, rather than that there has been a genuine increase in the incidence of attacks. However, as I said, there is a public perception that the carrying of knives has become more prevalent. If that is true, obviously it is a matter of concern. The same argument that was successfully used for gun control is now being applied to knives.

The bill deals also with police having power to disperse. Once again that power targets people in gangs that tend to congregate in shopping centres and main city streets such as George Street. I do not know how one identifies a gang; it has been suggested in other legislation that a gang should be two or more people—certainly not what I would describe as a gang. The rationale is that the bill will allow police to disperse a crowd before any trouble starts. That may be described as preventive policing, but the danger is that this power may be used to harass groups of young people not only in the city but also in country towns.

The object of the bill is to amend the Summary Offences Act by inserting in division 2, Dangerous behaviour, proposed section 11C, which creates a new offence of having custody of a knife in a public place or a school without a reasonable excuse. Section 3(1) defines "knife" as a knife blade, razor blade, or any other blade. Obviously a screwdriver or chisel that a student might take to a woodworking class could be defined as a knife. "Reasonable excuse" is elaborated on in new section 11C(2) to include carrying knives in the lawful pursuit of a person's occupation, the preparation or consumption of food, recreation or sport. However, new section 11C(3) specifically states that "reasonable excuse" does not include self-defence or defence of another person. New section 11C

provides for a penalty of five penalty units, which is \$550 at present.

New section 28A increases already existing police search powers to include the search of a person who a police officer suspects on reasonable grounds has a dangerous implement in his or her possession. This includes not only a knife as defined in the new section but also a firearm, a prohibited weapon or prohibited article as defined in the Prohibited Weapons Act, and an offensive implement as defined in section 10 of the Summary Offences Act, which will be renumbered section 11B. An offensive implement is anything made or adapted for causing injury to a person or anything intended by the person having custody of the thing to be used to menace or injure a person or to damage property. The Government said that this will include such things as sharpened screwdrivers and blood-filled syringes.

This section of the bill will enable police to search by running hands over outer garments or by electronic metal detectors, and to search any bag or any other personal effect. It is important to note that new section 28H provides that evidence of a thing found during a search under new section 28A is not inadmissible in proceedings merely because it is a different type of thing to that for which the search was conducted, and that as the statement is not inadmissible whatever police may find on the individual will be admissible in any court proceedings. Effectively, this will mean that a person carrying possibly one marijuana joint who is detained because police have decided that he or she may have a dangerous implement could then be charged with possession of a small quantity of marijuana.

This section gives police far greater powers. The danger is that these powers could be used to search not for a dangerous weapon but for other items such as stolen goods or drugs. New sections 28B and 28E provide for confiscation of knives or other dangerous implements if a police officer suspects on reasonable grounds that they are unlawfully in the person's custody. New section 28F enables the police to give reasonable directions to a person in a public place whose behaviour or presence is obstructing another person or traffic, constitutes harassment or intimidation of another person, or frightens another person. A new test is imposed on this section in that the behaviour or presence of a person must be seen as likely to frighten a person of reasonable firmness. The courts will take a great deal of delight in defining "a person of reasonable firmness".

I shall hypothesise on what might have happened last week and, indeed, what may still

happen when this bill is passed. Will police now go in and attempt to move the pickets from the docks because they are obstructing another person or traffic? As the behaviour of the pickets is extremely vociferous—and judging by what one saw on television the behaviour of the Maritime Union of Australia was both menacing and extremely angry—will the police now move on the pickets? Last week and the week before, not only in New South Wales but in every State across Australia, whether under a Liberal government or a Labor government, the government of the day exercised extreme caution about the police moving in against the pickets. Undoubtedly, new section 28F will enable police in New South Wales to move any person in a public place simply because his or her behaviour or presence is obstructing another person or traffic and could be described as intimidation of another person.

Certainly the behaviour of the pickets intimidated the truck drivers attempting to get through onto the docks and frightened other persons. Indeed, it was not difficult for the pickets to frighten some of the children who accompanied their relatives and became part of the picket. New section 28G provides a number of important exclusions to the power to give reasonable directions. It provides that reasonable directions cannot be used in relation to industrial disputes, organised assemblies, protests or processions. The Opposition intends to move an amendment in Committee to remove new section 28G because there should not be a discrimination. The Opposition is of the view that a group of people which is being obstructed by an industrial dispute or organised assembly should be protected by the police to the extent that it should be able to carry out what it believes is its lawful business, in the same way that those who make up the protest or the organised assembly may equally believe that it is their public duty to protest and to block access to any building or, in the case of the MUA, the docks.

The bill makes amendments to the Crimes Act 1900. Schedule 2 inserts a new section 563 in the Crimes Act to provide police officers with the power to request a person's name and address if they believe on reasonable grounds that the person may be able to assist in the investigation of an alleged indictable offence. Apparently this provision is essentially the same as the equivalent provision in the Commonwealth Crimes Act. The Government contends that the rationale for this power is that people who may have witnessed serious crimes are not required to give contact details at present.

Perhaps the Minister could comment on my impression that police officers already have the power to ask for a person's name and address, that that is all the information required to be given; that a person cannot reasonably withhold that

information; and that questioning cannot proceed beyond a person simply giving his or her name and address. Clause 6 of the bill requires the Ombudsman to monitor the Act's operation for 12 months and to keep under scrutiny the exercise of the powers provided in the Act. After 12 months the Ombudsman is to prepare a report and provide the Minister for Police and the Commissioner of Police with that report. Clause 7 states:

The Minister for Police is to review this Act to determine whether the policy objectives of this Act remain valid and whether the amendments made by this Act remain appropriate for securing those objectives.

The report is to be tabled in each House of Parliament within 12 months of the expiration of the first 12-month period. Effectively that means that this piece of legislation will be active for two years. Even if the Ombudsman finds the Act is draconian and does not fit with the intentions of the government of the day, there is no guarantee that the Act will be repealed. Other pieces of legislation, including the most recent, contain a sunset clause. However, in the most recent legislation the Act has not been repealed, even though the time indicated in the sunset clause has passed.

The Opposition says that the provisions do not go far enough and that the penalty for carrying a knife should be five years gaol with provision for the imposition of fines up to \$11,000. Clearly this is a ridiculous suggestion. Statistics show a steady upwards trend in the incidence of knife-related crime, though I do not believe it can be categorised yet as a knife-related crime wave. However, I do not agree that the possibility of five years gaol for carrying a knife without reasonable excuse will make any difference to someone addicted to heroin who is looking for money to buy the next fix, whose state of addiction is such that normal judgment is completely flawed. A drug addict who holds up somebody at an automatic teller machine in an attempt to get money by threatening the person with a knife will not be in any condition to think, "If I do this, I might get five years in gaol."

Legislators must examine the cause of increased drug addiction and not just threaten incarceration. I refer to the paper by the Bureau of Crime Statistics and Research entitled "The Limits of Incapacitation as a Crime Control Strategy" written by Janet Chan, Senior Lecturer at the School of Social Science and Policy, University of New South Wales. The paper includes valuable statistics and emphasises that imposition of longer sentences on offenders is not a cost-effective means of

reducing the crime rate. Dr Don Weatherburn, director of the bureau, has highlighted the important facets of the paper as follows:

Most studies find only modest reductions in crime result from significantly tougher sentencing policies.

... One US study ... found that the incapacitative effect of imposing a mandatory life sentence after any previous adult conviction for homicide, rape, robbery, aggravated assault, burglary or auto theft was only 24 per cent.

However, even a modest reduction in crime involves paying a heavy price in terms of increases in the prison population.

A ten per cent decrease in crime, for example, typically requires a doubling of the prison population.

In New South Wales, where each prisoner costs between \$34,000 and \$50,000 per prisoner per annum, a doubling of the imprisonment rate would result in additional operating costs of over \$200 million per year.

A far better use of \$200 million, rather than putting more people in gaol, would be to give it to the Department of Community Services to deal with the problems at first hand. The department's present budget is inappropriate to deal with the number of dysfunctional families, the number of children that are abandoned by their parents and other children under its care. Dr Weatherburn states:

The use of tougher penal policies to reduce crime rates ... has unexpected and undesirable consequences.

In Massachusetts ... a toughening of the penalties for offences involving firearms led to a substantial increase in persons acquitted of firearms offences as well as a substantial increase in appeal rates and rates of absconding on bail.

In New York ... the introduction of severe mandatory sentences for drug offences led to a dramatic increase in the number of defendants pleading not guilty, thereby greatly increasing trial court delay.

I cannot believe that the same result will not eventuate in New South Wales. The Law Society notes that the reasonable excuse for possessing a knife is not given to the police officer; it is given to the court. As I said earlier, this will mean that people can be arrested and charged and will then have to prove their innocence in court. The majority of young offenders, particularly those of Aboriginal or Islander descent, will need legal aid to be properly represented before the court. The legal aid budget is already grossly and totally inadequate.

The search power provision in this legislation creates potential for the harassment of minority and underprivileged groups, that is, young ethnic groups and Aborigines. Failure to submit to a search, which will invariably be conducted in a public place such as George Street, Sydney, or on the main street of a

country town, will lead to a criminal charge. This will make matters worse. Not only will the person be arrested on suspicion of carrying an offensive weapon, but he or she will possibly face a criminal charge for having refused the search in a public place.

It is no use the Government saying its police would never conduct body searches in public places, because what happened to ABC commentator Peter Thompson is on public record. He was pulled over by police on Military Road and because they believed he was carrying drugs they took him from his car, which had been stopped in a public place, spread-eagled him across the boot and conducted a body search. That search was conducted by Sydney police. If the police would do that to a public figure like Peter Thompson, I cannot believe it would not happen frequently to people who are not likely to have the ability to legally fight back to clear their name and show that the police behaviour was totally and absolutely reprehensible. The Law Society suggests that the effect of the reasonable directions power could have been achieved simply by amendment to section 6 of the present Act to include a prohibition against harassing and intimidating another person.

Power to demand a person's name and address has also caused the Law Society concern. The society said that the fact that people had been in the vicinity of the alleged offence does not mean that they could assist police, and demanding their name and address has the potential for harassment. It was also pointed out by the Law Society that police have a stop, search and detain power under section 357E of the Crimes Act and section 37 of the Drug Misuse and Trafficking Act 1985. What is evident in this debate is, as always, that serious consideration is not being given to the prevention of crime at source, not at the point at which young people feel the necessity to carry knives for protection. Dr Don Weatherburn, who has important figures at his fingertips, says that the biggest underlying cause of crime is drug addiction and particularly heroin addiction.

Until this Government and other governments have the guts to do something progressive about drug law reform, crime will increase and no number of extra laws will change that fact. Dr Peter Macdonald in another place offered solutions in relation to youth crime in shopping centres. He gave the example of Midland Gate shopping centre in Perth. That shopping centre had experienced considerable difficulties with large groups of youths, and there were reports of vandalism, graffiti, damage to personal property and evidence of drug use, such

as used syringes. Six security guards had been employed specifically to remove young people from the centre. In an inspired move the management of the centre employed a youth worker who assisted the young people by providing information on leisure, employment and accommodation, and there was a dramatic decrease in vandalism and violence.

I believe consideration should be given to similar placements of youth workers in shopping centres around the State and in trouble spots such as George Street. I emphatically refute any suggestion by the Opposition that this is just pie in the sky or an airy-fairy idea, the sort of idea that is held by dogooders. It is not an airy-fairy idea; it is an idea that has been tried, and it works. It has been tried in Australia, and it works. The theme of prevention is part of the recommendation of the report of the New South Wales Ministerial Inquiry into Police and Community Youth Clubs in New South Wales, which was published in February. The report was headed "Proactive Youth Policing: New South Wales PCYC Initiative".

The inquiry found that there are clubs within the network that are very effective in identifying young people who are at risk within the justice system. Recommendation 2 of the report says that the PCYC movement and the New South Wales Police Service should adopt a strategic approach to juvenile crime prevention, identifying community problems, formulating jointly agreed police-community strategies and setting indicators which could be used to assess the effectiveness of local strategies and the impact of the PCYC program as a whole. I take the point of the Opposition that a fine of \$550 is not of itself a deterrent to the carrying of a knife. However, coupled with the clauses in the bill that allow police to stop and search and to confiscate dangerous implements, that adds up to a very significant increase in police powers.

The bill has the potential to be used inappropriately and concerns have been expressed that the excesses of the Police Service, as exposed by the Wood royal commission, will resurface. I sincerely hope that that will not be the case, but we shall certainly discover if it is the case. It also remains to be seen whether the measures put in place by the legislation will have the effect envisaged by the Government. Obviously it is good that a review procedure is in place in respect of this legislation and I shall read the Ombudsman's report with great interest, because I hope that my fears will not be realised. If they are, I hope that the Government of the day—because we should not forget it will be nearly two years before we see that report—has the courage to repeal this most

draconian legislation. I also hope that in the meantime the Government will act on some of the recommendations in the ministerial inquiry, and not merely leave it to gather dust on a shelf. I consider that some of the recommendations are of the greatest importance.

The Hon. Dr B. P. V. Pezzutti: Did you say "amendments to this bill"? Do you have amendments?

The Hon. ELISABETH KIRKBY: No, I do not have amendments. I am sorry, I misunderstood. I understand that other crossbench members have amendments to the legislation, but I certainly do not have any amendments. Frankly, I do not think that amending it is going to improve it. As I said at the commencement of my remarks, I oppose the bill because I believe that the Summary Offences Act and the Crimes Act already give police sufficient powers, but I am perfectly aware that my personal opposition to the bill is a waste of time because it is to be supported by both the Government and the Opposition. Therefore, there is absolutely no point in attempting to change anyone's mind about it. Members' minds are already made up. I do not believe that it is going to achieve the effect that the Government wants. It may in fact make life very, very much worse for a lot of young Aborigines in country towns. It may make life very much harder for many islanders.

Dr Weatherburn's report and the New South Wales Crime Commission report have made it clear that already the sentencing in our courts is along racial lines, and it certainly should not be. I believe that honourable members should be aware that the sentences our courts are handing down are biased and that this needs to be addressed. The head of the Judicial Commission, Mr Ernie Schmatt, said last night the findings would lead the commission to bolster training for the New South Wales judiciary, because the researchers have so evenly matched the offenders that the juveniles should not have differed in the severity of the penalties they received.

I am delighted that Mr Ernie Schmatt believes that the judiciary should be trained in these matters, but I believe that if the sentences are to be reduced for juveniles of middle-eastern origin or Aboriginal juveniles or Pacific Islander juveniles, there will be another outcry from the far right of society that our judges are imposing sentences that are too lenient and are not subjecting offenders to the full force of the law. Although I am not in favour of the Opposition's amendment, I suppose the one thing that could be said about the suggestion that carrying a knife should mean a sentence of five years in gaol

is that no judge is ever going to impose that sentence. It is so draconian that no judicial officer could, in good conscience, see his or her way clear to imposing it. I oppose the legislation.

The Hon. C. J. S. LYNN [12.50 p.m.]: I support the Crimes Legislation Amendment (Police and Public Safety) Bill. I was greatly disturbed this morning to see on page 2 of the *Sydney Morning Herald* an horrific photo and an article about Irene Webber, an 89-year-old woman who was bashed. She is now lying in hospital with a broken jaw and a shattered body. She is lucky to be alive. Her attacker took \$30 from her. The article reports:

Mrs Webber, her eyes bloodshot and ringed by bruises, her nose swollen and neck and chest reddened and blue from bruising, is the latest victim of a predator targeting elderly women living alone in the city.

The article later states:

The victims described the assailant as Caucasian with light brown, floppy hair, about 170cms tall and wearing neat casual attire. Their estimates of his age range from 22 to 28.

The article gives details of a range of attacks. On 14 April an 82-year-old woman was attacked in a Surry Hills home, and on 23 April an 85-year-old was assaulted in a Waterloo residential block. On 22 March an 85-year-old was attacked in a Surry Hills unit; on 31 March a 77-year-old was assaulted in a Surry Hills unit; on 6 April a 77-year-old was attacked in Woolloomooloo; and on 10 April an attack occurred on an 80-year-old woman in Redfern. All those elderly people were pioneers of our community. They helped build our society and they should feel safe to live in it. It is an indictment on all of us that elderly people do not feel safe going about their daily lives.

According to an article in yesterday's *Daily Telegraph* knives have become the weapon of choice for Sydney criminals and their use has surged by 78 per cent in the past two years. Criminologist Don Weatherburn is reported to have said that the chance of being attacked by somebody wielding a knife is still low. Only a criminologist who delves into statistics would come up with a comment like that. His comments remind me of the report of a person who drowned in a river that had an average depth of only one metre. Such use of statistics has absolutely no significance to the severity of the crimes considered in the bill.

The object of this bill is, firstly, to create an offence of having custody of a knife in a public place or a school without a reasonable excuse. The Hon. Elisabeth Kirkby has displayed her Leatherman

all-purpose tool—most people have one—and she could well be committing a criminal offence by carrying it. I have a number of knives that I use for different purposes, but I do not carry them with me when I come into Sydney. I have no reason to carry a machete around the urban areas of Sydney, although I have been told by police that there are people in the Westfield shopping centres who carry machetes strapped to their thighs inside their baggy pants. There is no need for anyone to carry a machete.

Many people have Swiss army knives and catering knives. If the owners of such knives intend to use them for their personal use, well and good. However, on any Friday night a member of a group might be carrying a knife with a 10-centimetre or 20-centimetre blade or a dagger—weapons that are available in George Street disposal stores. If police think that members of such a group might cause trouble, the police are quite entitled, if they have reasonable suspicion, to check whether those group members have knives and to take action against those who do have one. This bill should send out a strong message that it is an offence to carry a knife in such circumstances, unless one has a good excuse. The bill also enables a police officer to conduct a search of a person in a public place or a school if the police officer suspects on reasonable grounds that the person has unlawful custody of a dangerous implement. Paragraphs (c) and (d) of the explanatory notes outline other objects of the bill:

to enable a police officer to confiscate a dangerous implement found in a person's custody in a public place or a school if the police officer suspects on reasonable grounds that it is unlawfully in the person's custody, and

to enable a police officer to give reasonable directions to a person in a public place if the police officer has reasonable grounds to believe that the person's behaviour or presence is obstructing another person or traffic, constitutes harassment or intimidation of another person or is likely to frighten another person.

The bill also amends the Crimes Act to enable a police officer to demand a person's name and residential address if the officer believes on reasonable grounds that the person will be able to assist in the investigation of an alleged indictable offence. Honourable members in their contributions to this debate have described police as being classist, racist and anti-society. This description is not true of police these days. Police training in values and in the upholding of law and order is in tune with the expectations of modern society. Many checks and balances exist in our society to ensure that police stay within the bounds of community expectations. Police are subject to Ombudsman's reports, royal commissions, ministerial letters and so forth. They

have to be cautious in any action they take. Many safeguards are built into any police action.

This bill seems to suggest that police are robots, without discretion or sense. One cannot legislate human behaviour. The Government must give police credit for their commonsense and allow them discretionary powers to maintain law and order on our streets. Lately the police have suffered tremendously, with constables David Carty and Peter Forsythe paying the ultimate price. There is no doubt that crime by young people is on the increase.

Anyone who watched *A Current Affair* the other night when hidden cameras were set up in Woolloomooloo would have been greatly disturbed by the lack of respect shown by well-dressed young kids on their way to or from school. Young people watched the police go past and, when they were ready, broke into cars and took what they needed. They did this brazenly, boldly and without any sense of shame for their actions. The police were absolutely powerless to do anything about it. They caught one young bloke—he would not have been older than nine or 10—but released him within a couple of minutes because they could not do anything about what had happened.

If that young fellow had just come from school, I must ask what is being taught in school about what is right and what is wrong. In recent years there have been many calls for civic education in schools so that young people will understand more about government and society. Perhaps there is a need to look at ethics education, to talk about values, what society expects and what is right and wrong, so people will grow up in a law-abiding society and have respect for the laws of our land.

[Mr President left the chair at 1.00 p.m. The House resumed at 2.30 p.m.]

The Hon. C. J. S. LYNN [2.30 p.m.]: Other honourable members have spoken about attitudes, the causes of crime, what we need to do to prevent young people from committing crimes, and the scourge of the drug culture. Somewhere along the line people have to take responsibility for their actions. I have already referred to the need for values-based education. People need to realise that if they choose to get involved in drug crime, they have to be prepared to accept responsibility for the outcomes—and, sadly, they are invariably not good. A great deal of work in crime prevention, correction and rehabilitation is being done by good people, counsellors and organisations such as Youth Insearch. If we want to attack the causes of crime we need to examine the influence of videos and film

violence, to which young people are exposed every day.

If young people are not taught to respect the laws that are designed to ensure that we have safe streets, that people can park their cars in Sydney without them being vandalised, that we can walk through Sydney without being bashed or held up, and that old people can feel safe in their homes, they must know that the correction process comes into play. Recently I read of the introduction by the Attorney General of a system of restorative justice in which the victim and the criminal are brought together. I consider that to be a good system for young people in the early stages of the correction process. However, if people will not abide by such a system, it is obvious that there is a need for custodial sentencing. Young people need to know that there are no easy options in life. During the correction process young people may express a desire to be part of a rehabilitation process; and the Opposition supports the work being done in rehabilitation.

The PRESIDENT: Order! I repeat the admonition I gave this morning that members chattering in the President's gallery should go outside.

The Hon. C. J. S. LYNN: The Opposition supports work being done in education, attitudinal change, values and ethics education and teaching people to take responsibility for their actions. This bill is about creating a safer society. I support a system of zero tolerance, which has been criticised by other honourable members. I believe we have to take a stand somewhere. In the past couple of weeks I have been involved in a case concerning two young Aboriginal boys of about 15 or 16 years of age from Mount Isa. The system bent over backwards to help those boys. Assistance was sought from the Aboriginal and Torres Strait Islander Commission, but the commission was not prepared to provide one cent towards their rehabilitation. At its own expense, Youth Insearch flew the boys to one of its weekend camps at Newnes. I do not know what they were led to expect, but at first it was apparent that they thought everybody at the camp would be hostile and display racist attitudes towards them.

In general the young fellows and girls at the Newnes camp came from dysfunctional families and troubled backgrounds. The two Mount Isa youths were accepted unconditionally into the group and over the weekend they were made to feel very much part of the Youth Insearch family. Towards the end of the camp I came to the decision that it would be

appropriate for them to take part in the next phase of the program, which was to take them to Kokoda to participate in the leadership program we have developed. The boys were first flown back to Mount Isa. I point out that these two kids have already committed 35 offences. One of them is a gang leader and the other is his second-in-command. They have no qualms about robbing people's houses or bashing people up—that is the background they come from. But when it came to putting themselves to the test and taking part in the leadership program in Papua New Guinea, it was apparent that they lacked some courage, because they did not turn up.

Much work was put into convincing those two young fellows to change their mind at the last minute, but we were not able to do so. We then decided to take them halfway along the track so that they could at least join the kids with whom they had established some kind of a relationship. After a great deal of negotiation Youth Insearch flew the two boys from Mount Isa to Townsville, arranged a plane to take them to Cairns, arranged for people to look after them in Cairns, and arranged for them to be flown to Papua New Guinea. The boys flew from Mount Isa to Townsville but then had another change of mind and caught the next plane back to Mount Isa, taking with them the backpacks, sleeping-bags and other equipment donated to them. We received no apology, nothing. Only a custodial sentence will act as a form of correction for those young blokes. It would seem that is the only way it can be made clear to them that they just cannot continue their lifestyle of robbing and bashing. After they have served a custodial sentence we will have another go at rehabilitation.

I do not believe that anybody can be rehabilitated until he or she wants to be, and when people want to be rehabilitated many organisations and people work very hard and donate their time and resources to bring about that rehabilitation. This bill conveys the message that people carrying machetes, knives or other offensive implements in our society will simply not be tolerated. My only objection to the bill is that I do not believe it provides the legal system with sufficient discretion to impose sufficiently tough penalties. For someone operating in the drug culture who continually carries a knife or an offensive weapons, \$550 is petty cash. The legislation should provide the option of imposing a custodial sentence. For that reason the Opposition believes that this is another example of the Government saying it is going to be hard on crime and the causes of crime, but going soft when it has the opportunity to do something. That is the wrong message to send out. I support the bill with that proviso.

Reverend the Hon. F. J. NILE [2.41 p.m.]: The Christian Democratic Party supports the Crimes Legislation Amendment (Police and Public Safety) Bill in principle. As honourable members know, this bill is similar to the Police Authorities Bill. I introduced that bill last week and delivered my second reading speech. I believe that my bill is better than this bill, and that if the Government had supported it, it would have had greater support within its own party. The objects of the Government's bill are:

- (a) to create an offence of having custody of a knife in a public place or a school without a reasonable excuse, and
- (b) to enable a police officer to conduct a search of a person in a public place or a school if the police officer suspects on reasonable grounds that the person has unlawful custody of a dangerous implement, and
- (c) to enable a police officer to confiscate a dangerous implement found in a person's custody in a public place or a school if the police officer suspects on reasonable grounds that it is unlawfully in the person's custody, and
- (d) to enable a police officer to give reasonable directions to a person in a public place if the police officer has reasonable grounds to believe that the person's behaviour or presence is obstructing another person or traffic, constitutes harassment or intimidation of another person or is likely to frighten another person.

The bill also amends the Crimes Act 1900 to enable a police officer to demand a person's name and residential address if the officer believes on reasonable grounds that the person will be able to assist in the investigation of an alleged indictable offence. A main concern of the legislation is the nominal penalty of \$550 for carrying a concealed weapon or knife. Even though this bill is a reasonable response to the knife culture, I was surprised that almost all the Government speakers attacked it. At the end of their speeches they said that, technically, they support the bill, but they demonstrated no great enthusiasm. It is disappointing that the Government is so divided on what is not really draconian legislation.

It is easy for Government members to criticise the bill and for crossbencher members to say that they do not need the bill and that society has to be changed. Members know that behaviours have to be changed and that more should be done for young people, but this is an emergency situation. For some reason society has developed a knife culture, to which the Labor Government is responding. Even if the coalition were in government it would respond in a similar manner, because of the great concern of the community. The community, not just John Laws, Alan Jones and company, is genuinely concerned and this bill is a response to that concern. Hopefully

it will prove effective and in the long-term there will be fewer media reports of young people at school or on their way home from school being stabbed or, worse still, police officers being stabbed or murdered while carrying out their duties.

Both the Government's bill and the Christian Democratic Party bill deal with the knife culture. The Government's bill has revealed a philosophy of which Government members may not be aware, because sometimes legislation is drafted by the Parliamentary Counsel. The Government's bill places a lot of emphasis on the term "police powers", whereas the Christian Democratic Party bill deliberately avoided the use of the word "power". Power is defined as "control or dominion". The Government's bill in some ways grants the police control and dominion to search individuals in public places, to move them on and to demand their name and address. Those words are powerful with powerful concepts.

Rather than use the word "power", after consultation with the New South Wales Police Association and other advisers we used the word "authority"—hence the name the Police Authorities Bill. Authority is different to power. Authority is a delegated responsibility to control or prohibit the actions of others. It is more of a community-based word and does not carry with it the modern-day understanding that the community associates with the word "power". A fine line may be drawn between those two words: "power" connotes the intention of control or dominion over others, like master and servant, but "authority" does not.

The Police Authorities Bill delegates authority to police to protect our community. "Delegated authority" conveys to police the expectation that they will act responsibly in the performance of their duties to protect our community. That means that we must also have confidence in the Police Service. With many improvements in recent times, and the inclusion in the academy training of more instruction on ethics and other similar issues, better informed police officers will graduate. Perhaps I have greater faith than other members, but I have faith that police officers who graduate from the Police Academy will carry out their duties in a responsible manner.

Abuses of the past that were revealed in the police royal commission, such as corruption and even intimidation, will not occur in the future. We certainly do not want our officers to follow some of the behaviour that has been observed overseas. I instance the Rodney King incident in which, to their great surprise, police in Los Angeles were caught on video beating a negro motorist. That caused a great

reaction and led to riots in that city. The police were caught carrying out an illegal activity. They thought they had the power to do whatever they pleased in the performance of their duties.

Our community wants good strong laws but it certainly does not want a police state, as occurred under the nazis in World War II or with the Stalinists under communism in the Soviet Union. Our community does not want the police to abuse their power. They do not want a Rodney King incident on the streets of Sydney. Our community—especially senior citizens, young women and children—want and expect the freedom to walk down the streets without incident. It was disgraceful to witness the recent attacks by criminals upon senior ladies, who obviously can do very little to protect themselves. Those criminals not only robbed their victims but apparently got some satisfaction from bashing them and inflicting severe injuries to their face and body.

One would have to be inhuman to derive satisfaction from beating up an old lady just for a few dollars. Ladies aged 70 or 80 should be able to live without fear of attack. People expect police officers to protect them from the growing epidemic of violence on the streets, especially crime involving knives. Police officers have the authority to act on behalf of the community to prevent violent behaviour before it occurs. The left-wing members of the Australian Labor Party are frightened, as are some crossbench members, about the denigration of civil rights and the rights of individuals, but that has to be offset against the security of the community. A person travelling through an airport could stand up for his civil liberties, but he will not get anywhere near a plane unless he goes through the metal detectors and other security arrangements. Security screening has become necessary in courts and people exiting a local shop may be required to submit to a bag search.

Metal detectors have been installed in Parliament House. Random breath testing to detect whether motorists are under the influence of alcohol could be said to be an invasion of civil liberties. Parliament will shortly consider legislation dealing with persons under the influence of drugs. Again that will be something to which people will have to submit. All of those restrictions have been imposed in order to protect the community. They have each in some way reduced the individual's rights but they were justified. Members of Parliament must always keep an open mind and not go overboard in a blind approach towards law and order. We must not simply make penalties as extreme as we can. We must carefully examine every bill and every penalty

and ensure that we do not overrespond to any offence.

This is a moderate response bill; it is not extreme. In some ways the low penalties undermine it and perhaps decriminalise knife carrying. There is no doubt that the development of a knife culture is a serious phenomenon. It may be that because of the crackdown on guns some criminals have thought it safer to switch from using pistols or cut-down shotguns to using knives. Undoubtedly, there has been a dramatic increase in assaults involving knives and I will quote the percentages later. Everyone is shocked if a civilian is attacked and we are particularly shocked if a police officer is attacked or murdered, as occurred when Constable David Carty met a violent death in the car park at the Cambridge Tavern at Fairfield. The community was shocked in early March this year when Constable Peter Forsyth was stabbed to death by young people at Ultimo.

Teenagers have been seriously wounded in knife attacks. While walking down George Street outside a prominent picture theatre, Eron Broughton was stabbed nine times. Knife crime is growing in unprecedented and epidemic proportions. The knife culture is not only bad, it is also unAustralian and we should do all we can to stop it, by this legislation and by any other means. In a submission to the Minister for Police the Police Association said:

... the situation with anti social behaviour, the proliferation of "gangs", the rising incidences of assaults and stabbings and the carrying of knives and other weapons has now reached the same level of concern in the minds of individuals and the community.

Knives have become the accepted weapon of choice. The Parliamentary Library Research Service Briefing Paper No. 9/98 entitled "Street Offences and Crime Prevention" documents the dramatic increase in crime rates. Some people say that the increase in crime is only a perception, that it is not based on fact, that it is not really occurring. The community should be concerned about these figures. The briefing paper stated:

According to the NSW Bureau of Crime Statistics and Research, in the period from January 1995 to December 1996, there were statistically upward trends in the monthly numbers of recorded criminal incidents for the following offences:

- assault (up by 22.5%)
- sexual assault (up by 23.3%)
- robbery without a weapon (up by 8.4%)
- breaking and entering—dwelling (up by 20.9%)
- breaking and entering—non-dwelling (up by 7%)
- motor vehicle theft (up by 4.1%)
- stealing from a motor vehicle (up by 13.6%)
- stealing from a dwelling (up by 11.3%)

- fraud (up by 17.2%)
- malicious damage to property (up by 9%)

More specifically, 23.6 per cent increase in assaults with a knife, and a 25.1 per cent increase in robberies with a knife between 1995 and 1996 has been reported.

Obviously there is a real social problem; this is not merely something in the minds of the community or a beat-up by the media. A document issued by the Bureau of Crime Statistics and Research headed "Recorded Crime Statistics Jan 1995—Dec 1996" showed assaults involving a weapon—knife or dagger—had increased from 78 incidents in January 1995 to 89 incidents in December 1995, and had further increased to 122 incidents in December 1996. Robberies involving a weapon—knife or dagger—rose from 61 incidents in November 1995 to 97 incidents in November 1996. Obviously this legislation is necessary and the Government is acting responsibly by introducing it.

The Government could probably introduce harsher penalties for certain offences that seem to be low. Some people object to increasing penalties, which are always stated as "maximum"; they are never mandatory, never compulsory. Judges can take into account all the evidence and order that no offence be recorded. The penalty can range from no offence recorded to the maximum prescribed. People who are prepared to risk carrying a knife might reconsider their actions if the penalties were increased. A fine of \$550 is not enough to deter a person from taking that risk.

The legislation I introduced, the Police Authorities Bill, gave police the authority to demand names and addresses, and the penalty for non-compliance after two warnings was five penalty units. It provided a penalty of 20 units for non-compliance with a police search. This bill provides a penalty of two penalty units for non-compliance with a direction; my bill provided a penalty of four penalty units or a fine of \$440. According to my advice, this bill does not provide a penalty for failing to provide name and address. It is reasonable for police to have the authority to demand a person's name and address. If a person does not co-operate and provide the information a maximum penalty of \$550 is provided.

We discussed this bill with the New South Wales Police Association, which often conveys to us the concerns of members of the police force and proposals for responding to those concerns. The association's submission to the Minister for Police, of which we have a copy, set out its concerns. It

considers that a restriction should be imposed on the carrying and availability of certain weapons, including knives; and that police should be given the authority to search, to demand a person's name and place of abode and to disperse or move individuals on.

The Police Association felt that the police powers should be codified in one piece of legislation. We attempted to do that in our bill, and it may be the way to go in the future. We trust that this bill will meet some of the concerns expressed by the Police Service and the Police Association. We do not believe that the legislation goes far enough. But at least the Government has agreed to do something. It could have said that it would do nothing and it could have been influenced by its noisy left wing, but it has shown the courage to persevere with legislation. We do not wish to do anything that will delay the implementation of this bill, so we will support its passage through the House.

The Hon. M. R. EGAN (Treasurer, Minister for State Development, and Vice-President of the Executive Council) [3.01 p.m.], in reply: On behalf of my colleague the Attorney General I thank honourable members for their contributions to this important debate. Several honourable members have foreshadowed amendments and the Government proposes that the issues raised by those proposed amendments should be addressed in Committee. However, it is appropriate now to respond to a number of questions raised by honourable members during this debate. The Hon. I. Cohen expressed concern that the power to give a direction in division 4 of the bill may be used to direct a person never to return to a location. Any such direction would not be lawful under the division because it would not be reasonable in the terms of new section 28F(3).

Furthermore, no person given such a direction would commit an offence by returning to the site on another occasion because new section 28F(7) provides that a person has not committed an offence unless he or she persists with the relevant conduct, even if he or she does not comply with the particular direction. The Hon. P. T. Primrose queried how a single person could be given a direction to disperse under new section 28F. In fact, the bill does not use the term "disperse". It will enable a police officer to give a direction that is reasonable in the circumstances and is for the purpose of reducing or eliminating fear, intimidation, harassment or obstruction. In other words, the direction must

address the harm. This is not specifically a move-on or dispersal provision.

The Hon. J. S. Tingle expressed concern about the possibility that police may use the search powers in the bill to search for items other than knives. The provisions in new section 28M are included simply to ensure that a search commenced in the course of a suspicion that a person was carrying a knife was not later deemed invalid because some other dangerous item as defined was found instead. The Hon. Elisabeth Kirkby expressed concern that a police officer could arrest and charge her for carrying a utility knife and that she would not have the opportunity to demonstrate to the police officer her reason for carrying it; rather, she suggested that she would have to wait until she appeared in court. I assure the honourable member that that is not correct. A person will be able to explain his or her reasons for having a knife to any police officer who approaches the person about the knife. If the officer is satisfied that the person has an excuse which is reasonable in all the circumstances, no action will follow.

To assist this consideration, the bill lists a range of matters which may constitute a reasonable excuse. It is only if a police officer takes action against a person for having custody of an implement that it may lead to court. In that case the court can consider whether the person has a reasonable excuse. I note that arrest and charge are not necessarily required when action is taken under this section. The bill provides for an infringement notice to be issued for an alleged offence under this section. The honourable member sought clarification about current provisions enabling police to require that a person provide his or her name and address. In fact, there is no general power in New South Wales for police to demand a person's name and address, but there is a power in specific circumstances, such as when a person is the driver of a motor vehicle. No doubt honourable members are absolutely staggered at my detailed knowledge of the bill's provisions; I am, too. I commend the bill to the House.

Motion agreed to.

Bill read a second time.

PUBLIC AUTHORITIES (FINANCIAL ARRANGEMENTS) AMENDMENT BILL

Bill received and read a first time.

Suspension of standing orders agreed to.

BILLS RETURNED

The following bill was returned from the Legislative Assembly with amendments:

Parliamentary Contributory Superannuation Legislation Amendment Bill

The following bills were returned from the Legislative Assembly without amendment:

Judicial Officers Amendment Bill
Professional Standards Amendment Bill

OFFICE OF THE OMBUDSMAN

Report

The President tabled, pursuant to section 31AA(1) of the Ombudsman Act 1974, the special report of the Ombudsman entitled "Police Adversely Mentioned at the Police Royal Commission", dated May 1998, received out of session.

The President announced that pursuant to section 31AA(2) of the Act he had authorised that the report be made public.

LIQUOR AND REGISTERED CLUBS LEGISLATION AMENDMENT (COMMUNITY PARTNERSHIP) BILL

Second Reading

The Hon. M. R. EGAN (Treasurer, Minister for State Development, and Vice-President of the Executive Council), on behalf of the Hon. R. D. Dyer [3.09 p.m.]: I move:

That this bill be now read a second time.

I seek leave to have the second reading speech incorporated in *Hansard*.

Leave granted.

This bill contains amendments to the Registered Clubs Act 1976 and the Liquor Act 1982. The amendments will give effect to the community partnership enhancement package of reforms announced by the Treasurer and me on 20 February this year. The package is the product of an extensive and exhaustive consultative process undertaken by the Government with representatives from both the club and hotel industries over the past several months. The package of reforms will deliver significant tax relief for clubs; greater certainty for both clubs and hotels with the freezing of rates for club and hotel gaming machine duty until 1 February 2001; a co-ordinated and systematic approach to dealing with problem gambling to be developed and funded by the registered clubs themselves—a further major step in the right direction for this State—and potential benefits for the soon to be privatised TAB Ltd and smaller hotels, with the granting of an exclusive

licence to enable the TAB, either alone or in joint venture with the hotels peak industry body in this State, to take a proprietary role in both stand-alone and linked gaming machines in hotels, should those individual hotels so choose.

This is a good package for all those concerned—clubs, hotels, TAB Ltd—and in particular for the taxpayers of this State. The amendments will provide gaming machine venues with greater flexibility and certainty. They will also ensure that the single largest operator of commercial gambling activities in this State—the club industry—puts concrete measures in place to directly and effectively deal with the harmful effects of gambling and promote the responsible service of gambling. As part of the community partnership enhancement package this bill provides for a number of important benefits for clubs, hotels and TAB Ltd. For clubs it will provide tax relief in the form of a reduction in the top rate of tax applicable to profits in excess of \$1 million, from the current 30 per cent to 26.25 per cent, with the tax on club gaming machine profits of between \$200,000 and \$1 million to be reduced from 22.5 per cent to 20 per cent. These changes will be backdated to 1 February 1998. This will provide a significant tax break for the hundreds of medium to large clubs in New South Wales.

The tax-free threshold of \$100,000 introduced by this Government in 1997 remains, with the tax rate applicable to gaming machine profits over \$100,000 but under \$200,000 also to remain unchanged at 1 per cent. This will be of significant benefit for smaller clubs, namely, bowling and golf clubs and smaller ethnic clubs. For the larger clubs, this community partnership bill also provides for an additional allowance of up to 1.5 per cent of the profit, which exceeds \$1 million for amounts spent on approved community support measures. The bill provides that the guidelines for what is to constitute community support expenditure are to be as approved by the Minister in consultation with the Registered Clubs Association. This specifically recognises the valuable role played by registered clubs in their local communities and provides the Government with a more effective method of rewarding clubs for the support they provide to those communities, something I have long advocated. These arrangements will replace the existing welfare expenditure scheme under the Registered Clubs Act. Appropriate transitional measures will also be put in place to facilitate the continuation of that scheme until the commencement, from 1 February 1998, of the new community support expenditure arrangements.

In addition, and in response to concerns expressed by the club movement, the bill also contains amendments allowing clubs which operate from more than one separate and distinct location to treat each premises as a separate entity for duty purposes. This means that clubs operating from more than one site, such as clubs which have amalgamated or intend doing so, will be able to optimise the benefits provided by the tax-free threshold. Once again, this is a measure that has been of some concern to New South Wales clubs for some time. As I have mentioned, this bill provides clubs with greater commercial certainty by entrenching these duty rates until at least 1 February 2001, with a report on club gaming machine duty rates to be prepared in consultation with the club industry and finalised by 31 January 2001. However, this fixed time frame is conditional upon the publication of an appropriately funded and enforceable problem gambling policy by the Registered Clubs Association. Under an agreement reached with the industry the association will finalise and publish this policy by 31 May this year. The Government considers this to be a vital component of the community partnership package and is determined to ensure that the clubs formulate and introduce the policy on time.

Once again that is something that has been proposed by me for some time, and it is also part of the harm minimisation legislation that will be introduced during this session. Accordingly, the Government has also decided to include penalties for any delay in the finalisation by the clubs of their problem gambling policy. If the Registered Clubs Association delays the finalisation of the policy, every month's delay, or part thereof, will result in the moving forward by two months of the Government's review of applicable duty rates for clubs. For hotels, very significantly, this bill provides greater flexibility, with the abolition of the requirements preventing hotels from holding more poker machines than approved amusement devices or card machines. This is in response to concerns from hoteliers that card machines are unprofitable and unattractive to their customers in comparison with poker machines. The amendments provide hotels with maximum flexibility to install any mix of poker or card machines within the current ceiling of 30 gaming machines overall per hotel. There are no changes to the ceiling of 30 machines contemplated by these amendments to the legislation.

However, for those hotels which wish to operate more than 15 poker machines, the Government will conduct a competitive sale process for the right to hold more than 15 poker machines—with 2,300 poker machine permits being made available this year. No further permits will be sold for three years. Hotels also stand to benefit from a freezing of current rates of duty to at least 1 February 2001, with a report on hotel gaming machine duty rates to be prepared in consultation with the hotel industry and finalised by 31 January 2001. Hotels will therefore benefit from the increased certainty and greater flexibility provided for in the amendments contained in this bill. The TAB privatisation legislation passed last year enables TAB Ltd, for the first time, to expand its business beyond wagering and into the dynamic gaming industry in this State. Members will be aware that the legislation passed last year provides for the granting of licences to TAB Ltd to conduct statewide linked jackpots within registered clubs and hotels, together with a central monitoring system, which will significantly enhance regulatory capabilities over gaming machines in this State.

As part of the statewide linked jackpots arrangements, linked jackpot pools in clubs will be authorised under a separate licence from linked jackpot pools in hotels. This bill extends the potential scope of TAB Ltd's gaming business by abolishing the regulatory impediments which currently prevent it from taking on a proprietary role in relation to stand-alone gaming machines in hotels. The effect of the bill will be to allow TAB Ltd to enter into agreements with individual hotels—either alone or in joint venture with the New South Wales Australian Hotels Association, and at the complete discretion of those individual venues—to purchase stand-alone or statewide links machines, or to place machines in those premises and share in profits derived from those machines. In the case of clubs, the Government respects the wish of that industry's representatives at this time that the TAB's role in relation to stand-alone machines not be extended to clubs. However, TAB Ltd is authorised to own, supply, and finance, either alone or in joint venture with the Registered Clubs Association, gaming machines which are connected to the clubs statewide linked system.

This is expected to promote the viability of the statewide links in clubs and also to assist smaller clubs. TAB Ltd will, of course, be subject to the same regulatory requirements applying to existing gaming licence holders and operators as provided for in the Registered Clubs Act and the Liquor Act. Also, any involvement by TAB Ltd in gaming machines in hotels will be subject to the amendments contained in this bill

concerning the maximum number of machines and the competitive sale of licences for poker machines in excess of 15 in any one premises. In addition to the benefits for clubs, hotels and TAB Ltd to which I have referred, the bill provides for a number of other amendments raised by clubs and hotels during the consultative process. I will briefly outline some of the most significant changes. The bill creates specific offences for gaming machine players in clubs and hotels who dishonestly claim prizes or otherwise cheat when playing on the machines. This will supplement existing offences in this area by bringing the provisions into line with those already in place under the Casino Control Act.

Further, at the request of clubs and to overcome building constraints existing in some clubs, amendments will be incorporated to allow minors to pass through—but, I emphasise, not stop in—gaming machine areas of clubs. It will in no way compromise the strict prohibition on people under the age of 18 playing gaming machines. When a minor passes through the gaming area he or she will have to be accompanied by an adult. I wish to make that point plain. This is a practical amendment of assistance to smaller clubs which allows minors, only when in the company of a responsible adult, to walk through areas in which gaming machines may be operating on their way to other parts of the club. This is a provision that clubs have been seeking for some time. It is not to be construed that the situation will be as for Queensland or Victoria, where minors can remain in the gaming area. The bill also creates a specific regulation-making power in the Registered Clubs Act authorising regulations to prescribe matters associated with minimum levels of payments to directors of registered clubs.

Regulations under this new power will be developed in close consultation with the club industry and will also balance the needs and expectations of club members. This is an amendment which will work to ensure that registered clubs are able to attract directors with the necessary experience and ability, and is recognition of the increasingly complex and sophisticated operations of the very large clubs in this State. The bill provides for all the necessary and appropriate ancillary, transitional and consequential amendments to put in place the elements of the Government's community partnership enhancement package to which I have referred. As part of this, the clubs' accrued entitlements to credits for duty in respect of duty instalments before 30 November 1997 are not affected. This bill provides for an important and balanced package of reforms for registered clubs, hotels and TAB Ltd. The package contains a number of commonsense reforms which deliver tax relief for clubs, and increased flexibility and greater certainty for all gaming machine venues. Overall, this partnership is achieved while preserving government revenue derived from gaming machine operations.

Finally, this bill also signals a more rigorous approach for the industry to confront the harmful effects of problem gambling in this State and to embrace the responsible service and promotion of gambling activities. In this regard, I foreshadow that I will shortly, as I indicated earlier, bring forward to this Parliament an innovative and comprehensive legislative package which will set the scene for upgrading and streamlining regulatory controls over a range of matters relevant to the responsible conduct of gaming and wagering in this State. So much is the interest in this situation that even a commercial television station in Britain recently screened part of what the Government is doing. This package will build upon an array of measures already in place in more recent gaming and wagering control legislation in New South Wales and will supplement important harm minimisation and patron care measures adopted by a number of individual operators

and outlets to date, including many of the clubs which have already, despite the fact that there has been no overall policy, done their best to try to address the problem, accepting the moral responsibility that goes with it.

In addition, the package will include balanced and sensible measures relating to the advertising and promotion of gambling activities, problem gambling counselling signage, training in the responsible service of gambling, involvement by minors, access to cash and other important reforms. Much of the detail of the substantive parts of these new measures will be the subject of full community consultation during the period. I look forward to speaking further about them soon. I commend the bill to the House.

The Hon. R. T. M. BULL (Deputy Leader of the Opposition) [3.09 p.m.]: I am sure all honourable members hope that the Liquor and Registered Clubs Legislation Amendment (Community Partnership) Bill will finally put the TAB privatisation to bed. This is but one of a number of pieces of legislation to deal with TAB privatisation. Honourable members will recall that this House dealt with legislation relating to the privatisation of the TAB in June and November last year. Although the proposed TAB float is not dependent on the passage of this legislation, the bill certainly deals with matters which relate to the privatisation of the TAB. Honourable members are aware of my enthusiasm for privatisation of the TAB and its importance to the racing industry.

I am pleased that the racing industry will receive a considerable tax advantage over the existing tax regime. The bill will result in the TAB tax rate being reduced from 52 per cent to 28.2 per cent, representing a great achievement for the industry through privatisation. The Treasurer has already announced that he expects to pay off a debt of about \$1 billion. Of course, that retirement of debt will save interest, which in turn will allow the Government to provide taxation relief to the racing industry. The TAB privatisation is very important to the racing industry. Last night I met some country racing secretaries who were in Sydney for the country racing conference. Enthusiasm and hope are running high throughout the industry with regard to post-privatisation support and extra finances. At last there is light at the end of the tunnel—certainly for country clubs, which face difficult times surviving under the current taxation regime and TAB funding.

Ostensibly this bill is not about the TAB, but I wanted to make a few remarks on that issue. Important to the TAB privatisation is the gaming product that will be included in the privatisation and which will be available for the TAB in its ongoing financial performance. This legislation will have an impact on that gaming product. The investment licence is one critical issue that is dealt with in the

legislation. In the past the House has debated the ability of the TAB to administer the central monitoring system through all licensed venues on behalf of the Government and to operate statewide links. They are both fairly important to the ongoing revenue streams of the TAB gaming product.

The investment licence has the ability to generate reasonable future income for the TAB. Anyone who follows racing would know that the wagering side of the TAB has not increased at the rate of other gaming products. Although wagering is not in decline, the racing industry is concerned that wagering has not experienced the same growth as other gaming products. In Victoria, 80 per cent of TABCORP revenue comes from gaming and only 20 per cent from wagering. Obviously New South Wales will never achieve that. But if it achieves the reverse—that is, in a few years receiving 80 per cent from wagering and 20 per cent from gaming—the future of racing in this State will be secure.

It is important to acknowledge that part of that ongoing success is likely to lie in the investment licence being available to the TAB. It is almost 12 months to the day since this House discussed taxation on registered clubs in New South Wales. Around 16 June last year this House debated for many hours the importance of not increasing taxation on clubs because they are community venues that derive tremendous advantages for their local communities. It was indicated that the money must go to local communities and could not be distributed to members.

The Opposition implored the House not to increase taxes on registered clubs. Unfortunately, that plea fell on deaf ears. Today I expect the Independent members, of whom only one is present in the Chamber, to support the tax reduction for registered clubs. If only they had seen the light 10 months ago, many people would have been saved a lot of heartache, and many people—including a number of charities and organisations that have benefited from registered clubs—would not have lost the support they enjoyed from the clubs.

This bill could be described as tax-flip legislation, because on 20 February the Government announced a tax reduction for smaller clubs from 22.5 per cent to 20 per cent, a rate lower than it was previously. No-one had expected that from our miserly Treasurer. The clubs are very happy and appreciate the additional 2.5 per cent tax break.

The Hon. M. R. Egan: It was the day before my fiftieth birthday and I was feeling very generous.

The Hon. R. T. M. Bull: I am pleased to hear that. We must turn on a few more birthday parties for the Treasurer. Perhaps at his fifty-first birthday party, which is only about a month before the next State election, we might turn on a party and get some more concessions! Who knows, it could be the bed tax or anything that will go in 12 months time!

The Hon. Jennifer Gardiner: Too late.

The Hon. R. T. M. Bull: Of course, it will be too late to save this Government. The Opposition is grateful that the Government has seen the light. It is a pity the crossbench members had not seen the light 10 months ago. I trust those members have changed their position on taxation rates, as they do on other issues from time to time, and will support this reduction in taxation rates for registered clubs.

The bill deals also with a change to the number of machines that will be available in hotels. Honourable members would know that the number of gaming machines permitted in New South Wales hotels is capped at 30. However, under the initial legislation one poker machine had to be coupled with one card machine, or AAD as they are known in the industry. That was not a popular move, given that by 1 January 2001 all hotels and clubs, and even the casino, will have to have X-series machines. That would have placed an unnecessary burden on those venues because card machines are not as popular as poker machines. It would have been a totally unnecessary obstacle, for hotels in particular, to upgrade old card machines by 2001 to conform with new requirements of the Liquor Administration Board. Something had to give; the Government has seen the light. For a long time the Opposition pointed out that coupling machines would not work.

Basically this legislation provides the uncoupling, as it were, so that hotels can have up to 15 poker machines. In addition, hotels that require more than 15 poker machines must apply to the Treasurer under an acquisition program, about which the Treasurer will undoubtedly provide more information. Although an auction system was envisaged, that will now not be the case. I suspect there will be a new licensing arrangement whereby hotels will have to pay a licence fee for their acquisition of extra machines from a total of 2,300.

The Opposition believes that this is a very messy way to broaden the scope of operation of gaming machines in hotels. Our preferred position would have been to deregulate machines within the

hotel system and within the cap of 30. The Government will not restrict the number of machines in hotels by limiting the total number to 2,300. The total number of hotels in the State is 2,200, but only 288 have a full complement of 30 gaming machines. The reason is that most of them do not have the gaming patronage to command more than 10 machines. Only the very large hotels have concentrated on this gaming product. They probably do not have much competition in their respective areas and have successfully increased to 30 the number of gaming machines they operate.

I do not believe the majority of hotels will ever perceive the need to progress to that extent. During the course of my visits to numerous country areas over the past 12 months I have spoken to hoteliers and my view is that most of the hotels have fewer than 10 machines and have no intention of going beyond that number. They are of the opinion that their patrons would not play the machines and that it would be a very poor commercial decision to outfit the hotels with numerous machines that are not going to be played. I do not know who advised the Treasurer in respect of this new scheme, but he has come up with this idea. It is not one that appeals to me and I am not sure how the idea was conceptualised. However, that is what the Government has decided and that is what it is going to have to live with.

The Hon. M. R. Egan: Which idea is that?

The Hon. R. T. M. BULL: The access to 2,300 machines. The Government will have to live with its decision but a future government will undoubtedly see the obvious way to handle this issue and will allow any mix of machines within the cap, as is the case in clubs. I want to put to bed an accusation that was levelled by the Treasurer on 20 February when he was answering a question, under pressure probably, about deregulating machines. If the Opposition wins government next year it has no plans to extend the cap beyond 30. I believe there are any number of machines that a hotel would need, without changing the whole concept of hotels. A hotel that has its act together and is providing good bar service, lounges, restaurants and accommodation does not have to rely on gaming machines.

Gaming should and will be part of the operation of hotels, but any extension beyond 30 machines would undoubtedly change the tenet and fabric of hotels in Australia and New South Wales. I do not believe anyone wants that and I do not believe the hotels need it. The Opposition will not entertain any increase in the cap. I want to put that

on the public record just in case the Treasurer feels the need to quote some totally fictional figure that has been floated by some people in the Australian Hotels Association. I want to refer now to the investment licence, which has turned out to be probably the most contentious part of the bill. The investment licence is a concept that I have been promoting for approximately two years as an avenue for the TAB to gain a slice of gaming activity in New South Wales.

I have always been of the belief that an investment licence to operate stand-alone machines in hotels or clubs in New South Wales would be a good way for the TAB to acquire a gaming product and create a niche market for itself, provided that it was only ever going to be on a voluntary basis. In other words, if a hotel or club wished to enter into a commercial arrangement that suited both the club and the hotel, that should be available. I put this suggestion forward to the racing industry as probably the best gaming product it could achieve, when that industry was engaged in discussions with the Government. I was disappointed in April last year when the Government announced that there was no sign of an investment licence but that the TAB would be allowed to run the central monitoring system and statewide links.

I did not believe at any stage—and my belief has been supported by quite a few analysts in the field since that time—that there was going to be any great pot of gold for the TAB and the racing industry out of central monitoring services and the statewide links. The main reason is that statewide links, although it was aspired to by the clubs approximately 10 to 15 years ago, has been basically overtaken by other products in the gaming industry, in particular in-house links. When one looks at the jackpots that are available in house at most clubs in New South Wales, and at the huge jackpots available in the bigger clubs, one can see why the registered clubs have some aversion to this concept that was not present 15 years ago.

The Government may have pulled the wrong rein on this aspect of gaming. I would have preferred an investment licence. I believe it would have been clean cut and more appropriate if the Department of Gaming and Racing had conducted the central monitoring system, as happens in Victoria. However, the Government could have allowed the TAB, or any other commercial entity, to provide the hardware. I hope that the Minister in his reply, or at some time during the Committee stage of the bill, will indicate to the House exactly how the TAB will be required to secure the information that it has and will be obtaining from all licensed

venues across the State, so that that part of the TAB that will be involved in the operation of the investment licence and/or publink, or whatever develops in the future, will not have access to that critical information on the performance of its competitors in the gaming industry.

That really needs to be put on the record so that we can ensure that secure measures are in place to prevent that from happening; that proper penalties are in place to ensure that it does not happen; and to put minds, especially those in the AHA, at rest about this conflict of interest that may occur. I refer honourable members to a letter I received this morning from the Australian Hotels Association regarding this issue. The least I can do is put on the public record that organisation's concerns about the TAB holding both the monitoring licence and the investment licence. The letter stated:

The privatisation of the NSW TAB has triggered a media fanfare focused on a billion dollar sale and the public scramble to buy shares. But what has received very little attention is the TAB's conflict of interest that will be entrenched by the State Government in legislation currently before the Parliament.

The legislation allows TAB Ltd to be an active competitor in the gaming industry, whilst at the same time holding a monitoring licence to monitor and collect all commercial sensitive data from its competitors.

A public company holding a probity licence (the monitoring licence) on behalf of the State Government should not at the same time be allowed to compete in the marketplace.

An excellent example in the corporate world would be if Ansett were given all the business plans and commercial-in-confidence data from all its competitors, including its chief rival Qantas.

Indeed, the legislation tabled last week in effect legalises insider trading to the advantage of TAB Ltd against every other competitor in the gaming industry.

Those quotes are from a letter from the Australian Hotels Association expressing its concerns about perceived TAB conflicts of interest in holding both the monitoring licence and the investment licence. It is up to the Government to put the AHA's mind at rest and to assure all parties in the industry that provisions are in place to ensure that such conflict of interest cannot occur. The Minister announced on 20 February an investment licence package for clubs. However, that provision was recently withdrawn, and I am disappointed that happened. Good luck to the clubs if they did not want such a provision and were able to convince the Government it should come out of the bill, but its removal has probably denied the racing industry income which would have been available over the next few years

had investment licences been available to registered clubs.

The investment licence opportunity would not have been commercially attractive to many larger clubs, which already provide machines, generate large incomes and allow for machine replacement. But hundreds of smaller clubs in New South Wales, particularly bowling and golf clubs, have low machine revenue and little or negligible profit. Such clubs would be attracted to the option of entering a commercial profit-sharing arrangement with the TAB for that body to install machines on club premises. Perhaps clubs will realise what they have been done out of after the investment licence has been in operation in the hotels for a few years, and they may be able to reintroduce it. An opportunity has been lost.

The larger clubs held greater sway in the decision of the Registered Clubs Association to pull out of the arrangement. That will be unfortunate for some smaller clubs but the provision has been taken out of the proposed legislation. That announcement was made on 20 February, and I do not accept that the investment licence issue arose only during the past few weeks. That issue has been on the public record for the past few months. Anyone with his or her eyes open would have realised this was going to happen, as part of the community partnership package, and that the racing industry and the TAB will be denied a source of income over the next few years.

A quick analysis shows that if the TAB had been able to place 1,000 machines in registered clubs—in addition to the 60,000-odd already in clubs—that would have generated, with one-third profit from estimated takings of \$15,000 per machine, about \$5 million in the first year. That revenue would have grown and would have been multiplied in the larger clubs which have more poker machine activity. Given that average profit is \$47,500, the \$15,000 figure is a very conservative one to pick out of the air. From \$5 million to \$20 million could have been available to the TAB and the racing industry, but that revenue will not flow, given that the investment licence provision for clubs has been removed.

In many ways I am pleased the investment licence for hotels remains in the legislation. I can understand the nervousness of the AHA and the hotels about this issue. I remind them that the arrangement is voluntary and that provisions will be in place to ensure there will not be, in their words, insider trading to enable the TAB to compete with its competitors. They also need to know from the

Government that the TAB will not be allowed to use its wagering muscle—in other words TAB racing outlets—as a lever to get machines into hotels.

It is important to place on the record that this legislation or some other legislation or regulation will ensure that that cannot happen and everything will be above board. The opportunity could exist for the TAB to say to a hotelier, "Bad luck about your TAB outlet, but if you are not going to have one of our machines you will not have one of our wagering outlets." Concerns about that issue must be laid to rest. The investment licence is going to benefit the racing industry and the smaller hotels. I hope that in time the TAB will develop a niche market that all parties, including the racing industry, are happy about and receive benefit from. The TAB can look forward to revenue growth, and that growth will be very important to the racing industry in the future.

The Opposition intends to propose an amendment to the bill. On 18 November 1996 the Minister for Gaming and Racing gave me an assurance that following the passage of legislation allowing gaming machines into hotels the Government would initiate a special commission of inquiry into the gaming industry in this State. Unfortunately, nothing has been done. Maybe I was sucked in but I did believe that the Government would do it. I thought that the Minister would have delivered on his assurance. This is a matter of integrity. A Minister of the Crown signed a letter—and the Opposition's support was contingent upon that letter—stating that a gaming inquiry would be set up, but he did nothing.

From time to time the Minister's adviser is reported in the newspaper as saying it is not a high priority of the Government. It is time the Legislative Council told the Government it has had enough. The Opposition will propose an amendment to initiate an inquiry, to report back at the end of the year, to address concerns that have been expressed to the Opposition by many members of the community about the future of gaming in this State. Such an inquiry will not benefit the Opposition any more than it will benefit the Government. Obviously, the Government has the opportunity to initiate the inquiry. In his letter the Minister said:

I am happy to discuss with you as spokesperson for the Opposition the parameters of the review in the coming months.

That was on 18 November 1996; it is now May 1998. There have been no discussions about

parameters, let alone any signs that the Government will introduce a special commission of inquiry into gaming. The Minister for Gaming and Racing has had plenty of time to establish such an inquiry. The Opposition now intends to impose that inquiry upon the Government by including provision for it in the bill. That is not the way I would have preferred to have done business with the Government, but it is not my fault. My door has always been open to discuss the inquiry. The Minister has not delivered. The letter has been on the public record for a long time and now the Minister's time is up. The Opposition is still waiting on Parliamentary Counsel to finalise the amendment, and I will be happy to provide it to the House as soon as it is available.

The Government proposes to move another amendment regarding an agreement that has been struck between the Registered Clubs Association and NCOSS about the 1.5 per cent community support levy. This is the tax deduction that clubs can achieve from their 26.25 per cent tax, if they can comply with the Government parameters on community welfare and other community projects. The Government has advised that the Registered Clubs Association has signed off on that proposal, although I have not seen such advice from the RCA. Provided the RCA has signed off on the proposal and provided this is a genuine agreement between the Government and the Council of Social Service of New South Wales, NCOSS, the Opposition will support the amendment. I understand that crossbenchers intend to move amendments dealing with the same issue. It is my belief that the agreement subsumes the amendments relating to the NCOSS involvement. With those remarks, the Opposition has much pleasure in supporting the bill.

The Hon. A. B. MANSON [3.40 p.m.]: The Government and the club industry should be congratulated on their hard work in the past six to eight months in bringing together the Liquor and Registered Clubs Legislation (Community Partnership) Bill. This bill is a partnership developed through goodwill and hard work by all concerned. When I spoke on this issue last year I stated that any business that made more than \$1 million in profit should pay a fair percentage of tax. The extra 7.5 per cent tax proposed was not accepted by the club industry, it was going to create a problem for the industry. However, under the leadership of the Registered Clubs Association, the Government was convinced to re-examine its position. The Government has come up with the new proposals contained in the bill. The bill amends the Registered Clubs Act 1976 and the Liquor Act 1992.

Amendments reflect the Government's continued commitment to the club industry, hotels, TAB Ltd and the taxpayer.

The bill delivers tax relief for clubs, greater certainty for clubs and hotels by freezing gaming machine duty until 1 February 2001, and a co-ordinated and systematic approach to dealing with problem gambling. Anyone who makes a profit of more than \$1 million should be expected to pay fair tax. The bill delivers tax relief for clubs in the top rate of tax payable for profits exceeding \$1 million, reducing from the current 30 per cent to 26.25 per cent, with the tax on clubs' gaming machine profits of between \$200,000 and \$1 million reducing from 22.5 per cent to 20 per cent. The changes will be backdated to 1 February 1998. The bill will provide a significant tax break for hundreds of medium to large clubs in this State. In addition, clubs will have greater certainty through the freezing of gaming machine duty until 1 February 2001.

Furthermore, the bill provides for an additional allowance of up to 1.5 per cent of the profit exceeding \$1 million for amounts spent on approved community support measures. The bill provides that the guidelines relating to what is to constitute community support expenditure are to be approved by the Minister in consultation with the RCA. The valuable role of the club movement in the local community is well understood by the Government. Accordingly, the bill provides the Government with a more effective method of rewarding clubs for their community support. The arrangements in the bill replace the existing welfare expenditure scheme under the Registered Clubs Act. The timetable for freezing the tax rate is conditional on the publication of a properly funded and enforced problem gambling policy by the RCA by 31 May this year.

The Federal Government's newly discovered social conscience in pursuit of another income raid on New South Wales taxpayers' money is matched by the State coalition's opportunistic approach in this area. The State Opposition promises to remove the tax on clubs, but where does the Opposition propose to get its revenue? What essential service will be cut if the coalition forgoes \$70 million revenue each year? We all know that the Opposition will attempt to claim credit for this community partnership. To be fair, Opposition members did make a contribution. However, an examination of the history of the club movement in New South Wales over the past 40 years shows that successive Labor governments have provided much more to the club industry than has any coalition government. I cannot think of any action taken by the coalition that supports clubs. On the contrary, the coalition has

over the years imposed high tax rates on clubs. I doubt whether, if given a chance in the future, the coalition would change its historic anti-club attitude.

Clubs and their members have gained enormous benefits from previous Labor governments. Registered clubs would not be in the position they are today if Labor governments had not allowed them to come into existence. The clubs would not have prospered had successive Labor governments not supported the club movement for many years. Under the amendments contained in this bill most if not all clubs will be able to maintain profit rates while providing necessary service for their members. Larger clubs will be able to adopt smaller clubs, to ensure the survival of smaller clubs. This measure will, of course, be of great assistance to smaller clubs in country and regional areas. I have no doubt that members of the National Party will support that Labor Government initiative. I commend the Government for this bill.

The Hon. ELISABETH KIRKBY [3.46 p.m.]: I oppose the Liquor and Registered Clubs Legislation Amendment (Community Partnership) Bill. I make it clear that I do not intend to support the amendments just circulated by the Government, either. The second reading speech of the Minister for Gaming and Racing shows clearly that, whatever the Government may wish to believe, this bill will not deliver what the Minister calls a package of reforms. According to the Minister, the package of reforms comprises significant tax relief for clubs, a greater certainty for both clubs and hotels with the freezing of rates for club and hotel gaming machine duty until 1 February 2001, and a co-ordinated and systematic approach to dealing with problem gambling, which is to be developed and funded by registered clubs themselves.

A recent Keys Young report about the Casino Community Benefit Fund shows clearly that, whatever the Government's original intentions were, many organisations are not getting the benefit of the Casino Community Benefit Fund yet more and more people are becoming addicted to gambling. This afternoon while I was waiting to speak to the bill I received a letter of today's date from the Australian Hotels Association. The letter deals in part with the privatisation of the New South Wales Totalizator Agency Board and states that the legislation allows TAB Ltd to be an active competitor in the gaming industry while at the same time holding a licence to monitor and collect all commercially sensitive data from its competitors. A public company holding a probity licence, the monitoring licence, on behalf of the State Government should not at the same time be allowed to compete in the marketplace. An

excellent example in the corporate world would be if Ansett were given all the business plans and commercial in confidence data from all its competitors, including its chief rival, Qantas. The association stated:

Indeed, the legislation tabled last week in effect legalises insider trading to the advantage of TAB Ltd against every other competitor in the gaming industry.

The Minister ought to address those concerns. Why does the Government intend to allow insider trading? The legislation inserts section 221, relating to trade practices exemption, into the Liquor Act 1982. That section states:

The following conduct is specifically authorised by this Act for the purposes of the *Trade Practices Act 1974* of the Commonwealth and the *Competition Code of New South Wales*:

- (a) the grant of the exclusive licence, and
- (b) conduct authorised or required by or under the terms or conditions of that licence.

It is improper that the Government should exempt an organisation from the Trade Practices Act when it sees fit, to increase revenue. The National Competition Council in Melbourne is currently conducting a background investigation into monopoly licence agreements for casinos and Totalizator Agency Boards. The council is responsible for advising State and Federal governments on competition policy implementation. Honourable members may be interested in its findings.

Can the Treasurer advise the House whether he has had any advice from the National Competition Council regarding monopoly claims by the Australian Hotels Association and advice about how the proposed legislation complies with part 3A of the Trade Practices Act 1974? On Wednesday, 15 April, an article by Megan Saunders and Christopher Dore appeared in *The Australian* under the headline "Leaders regret pokie scourge but no inquiry". The article states:

Political leaders [from South Australia, Queensland and Victoria] expressed regret yesterday at allowing poker machines into pubs and licensed clubs as the Federal Government refused to back a national inquiry into the impact caused by \$5 billion into losses last year.

That situation has now been reversed because the Federal productivity commission, under instruction of the Prime Minister, will investigate gambling. The article continues:

South Australian Premier John Olsen has conceded State Parliament had made a mistake with its "ill-conceived and ill-considered" Gaming Machines Bill passed by conscience vote five years ago [in 1993].

We made a mistake with poker machines . . . and I think it is time we admitted it . . .

The former Labor Queensland minister responsible for introducing gaming machines into pubs and licensed clubs said yesterday it should not have happened . . .

Queensland Opposition Leader Peter Beattie also promised a State review of poker machines out of concern for their social impact.

An investigation by *The Australian* this week revealed that Australians lost about \$5 billion on poker machines last financial year.

An amazing statistic is that gambling in New South Wales has increased by 20 per cent per annum since 1992. We are feeding that habit by increasing opportunities for people to gamble on poker machines. Poker machine gambling is one of the most addictive forms of gambling and cuts right across all sections of the community. Poker machine gambling is totally different to people gambling on the dogs, harness racing or horse racing, or going to a casino in a capital city for a night out. Poker machines have been in New South Wales clubs for a long time, and will now be installed in pubs.

Every club has a room with wall-to-ceiling poker machines at which people of my generation sit from 10 o'clock in the morning until 11 o'clock at night, hour after hour, totally focused on trying to get a return from the machine, and into those machines they pour their pensions and money given to them by their relatives. It is disgraceful that poker machines seem to be their primary source of relaxation. I am appalled that poker machine expansion is being considered so that people will not have to go to the local RSL or bowling club but will be able to go into the corner pub and be presented with the same opportunities.

A gambling expenditure table shows that in 1996-97 nearly \$4 billion was spent on gambling. That money could have satisfied many socially useful purposes. Such figures make one's hair stand on end. Yesterday I received a letter which was probably sent to all honourable members. The letter is headed, "Urgent, urgent, urgent, urgent, urgent, urgent, urgent, urgent, urgent", and is addressed to me from Sans Souci. The writer did not identify himself or herself by name but the letter states:

I am writing on behalf of my family to appeal for your help in initiating new laws which can help to protect families from the excesses of compulsive gambling. We believe this law must

give the families of compulsive gamblers the opportunity to take out an injunction through a magistrate's court to limit moneys available to a gambler until they undertake a recognised treatment program and refrain from gambling for some two years. The injunction could again be invoked if they return to uncontrolled gambling . . .

As the situation now stands, families of compulsive gamblers shuffle from Gamblers Anonymous to the Wesley Mission to the Health Department to a solicitor then back to GA and so on, with no course of action available which actually stems the flow of assets into gambling. The only philosophy applied to gambling problems is the GA philosophy, i.e. it is up to the gambler to get help. This leaves spouse and children totally dependent on the good-nature of a compulsive gambler, who seldom get help until they have lost everything: job, family, house and assets. Rather a high risk strategy, in my family's opinion.

The writer further commented:

By now, the full ramifications of living in the State providing more gambling options than any other in the western world have totally destroyed faith in social business ethics, and you wonder why you ever bothered working to try to establish some financial independence.

Please accept that this is no exaggeration. My family is more than happy to provide you with any further information you may require. In our case, it is my mother with a major gambling addiction, putting some \$800 a week into poker machines as soon as she has access to lump sums of cash.

As you are probably aware, all clubs have EFTPOS machines and poker machines can accept \$20 and \$50 notes. I understand there are plans to set up pontoon gambling on the Internet in the near future, with players providing credit card details to finance their games. How many families will this move destroy? How many homes will fall to mortgagee in possession sales? How many spouses will be unable to access future loans because of unwittingly defaulting on current loans because their partner gambled the repayments?

. . . please, please can you help?

This is an extremely important letter. I do not believe that the Government is suggesting the legislation will provide a community benefit fund that will assist—

Pursuant to sessional orders business interrupted.

CONDUCT OF MEMBERS AND VISITORS IN THE PARLIAMENTARY PRECINCTS

The PRESIDENT: Order! Following an incident that occurred last night I wish to draw the attention of members to a serious concern that I have about the behaviour of some members and their guests within the parliamentary precincts. Members should be aware that they are responsible for the behaviour and decorum of all guests they invite to the Parliament.

Last night a number of people, who I am informed had been invited by members of this House to attend a function in the Parliament, gathered in the Legislative Council vestibule, and there in the presence of members of this House proceeded to chant protests on a matter that is currently of some controversy within our society. I am told that this protest was triggered by the presence of a Federal Minister, the Hon. Peter Reith, at another function in the Parliament.

I remind members that this Parliament, via its members, frequently hosts people who, for whatever reason, are the subject of some controversy or even distaste to other members of this Parliament. It would be a sorry day when any member is deterred from inviting guests to the Parliament because of a concern that that may give rise to a protest or demonstration by other members or their supporters. I remind honourable members also that the place for proper and free democratic protest is not within the precincts of the Parliament but in the public areas outside its precincts. For it to be otherwise would be to place in jeopardy the capacity of this Parliament to function properly.

I trust that in future all members will give their attention to the matters I have raised, so that the rights, privileges, and unfettered functioning of this Parliament are protected. I further remind members that the Parliamentary Precincts Act, which was enacted last year, vests in the Presiding Officers the duty and responsibility for the control, management and security of the parliamentary precincts. It would be a sad day if in order to fulfill those responsibilities at law the Presiding Officers were constrained to exercise the significant powers conferred on them under the Act.

QUESTIONS WITHOUT NOTICE

HONOURABLE MEMBER FOR KOGARAH

The Hon. J. P. HANNAFORD: My question without notice is addressed to the Attorney General. Has approval been given for the provision of legal assistance to Brian Langton for his legal challenge to the report of the Independent Commission against Corruption into allegations against him? If so, upon what basis was such an approval granted?

The Hon. J. W. SHAW: The answer to the first question is no; the second question therefore does not arise.

COFFS HARBOUR JETTY

The Hon. JAN BURNSWOODS: My question is addressed to the Minister for Public Works and Services. Would the Minister please advise the House the current status of the handover of Coffs Harbour jetty to Coffs Harbour City Council?

The Hon. R. D. DYER: I begin my response to the important question asked by the Hon. Jan Burnswoods by informing the House that the restored Coffs Harbour jetty received a well-deserved major award at this year's National Trust heritage awards in Sydney. I note that the jetty was completed at a cost of \$3.8 million, a cost borne entirely by the New South Wales Government. The community of Coffs Harbour should rightly also share in the congratulations, along with officers of the Department of Public Works and Services. While the efforts of all involved have been acknowledged through the popularity of the jetty since it was opened last year, the recognition bestowed on it by the National Trust is most appropriate.

It should be borne in mind that the immense enthusiasm and support for the project evidenced by the widespread use of the jetty by a considerable number of local people and visiting tourists reflects an economic benefit to local business and a social and cultural benefit to the city of Coffs Harbour. Regrettably, the long-term benefits to the community are being marred by the actions of some sections of the local council. These events go back to 30 October 1990 when Coffs Harbour City Council resolved to accept the ongoing responsibility for the jetty provided that the jetty was brought up to a full state of maintenance. The State has now fulfilled its obligation and it is time for the council to meet its part of the bargain. However, to formally accept the handover of the jetty, council must sign a legal agreement, but this has not yet occurred.

At a meeting on 13 November 1997 the council decided not to take over responsibility for the jetty until certain conditions imposed by council on the Department of Public Works and Services had been considered by the department. Formal presentation of the finalised conditions has awaited resolution of ongoing maintenance costs. On 30 March council's general manager wrote to me in the following terms:

Council at its meeting of 19 March, 1998 resolved that it would accept the care and control of the Coffs Harbour jetty subject to the Minister for Public Works and Services agreeing to a partnership arrangement for future funding on a 1:1 basis.

This dollar-for-dollar funding arrangement proposed by council would result in the Government providing \$875,325 for the first 10 years and \$108,790 per year thereafter. I have advised Coffs Harbour City Council that the Government does not have the funds available to assist council with ongoing maintenance costs. These costs are the responsibility of council following its resolution in 1990.

The Hon. Jennifer Gardiner: Just like the Coffs Harbour hospital: nothing happened.

The Hon. R. D. DYER: I remind the Hon. Jennifer Gardiner, in case she has forgotten, that the jetty has been restored at a cost of \$3.8 million, thanks to the Government. Coffs Harbour City Council should now adhere to its part of the bargain and pay the ongoing maintenance costs, as it indicated in 1990. I understand that the council and the Department of Land and Water Conservation are considering the establishment of a trust to manage caravan parks and jetty foreshore land, and that council might consider the inclusion of the jetty as part of this trust.

The whole-of-government approach would be of considerable interest to the Department of Public Works and Services. I would encourage the council to continue with these discussions and to involve the department in order to explore the matter further. Since the reopening of the jetty, the earlier practice of jetty jumping has again become a popular local attraction. This practice is dangerous and potentially life threatening. At least one death and numerous injuries have been recorded as resulting from such activity over the past 20 years. Pending the handover of the jetty to Coffs Harbour City Council the department is still responsible for the jetty. The council has indicated that the prohibition of jetty jumping will be a condition of accepting the handover of the jetty.

I understand that the council has already erected a sign at the jetty entrance advising of prohibited activities, including jetty jumping. It is for the council to determine the jetty jumping issue as it will assume responsibility and liability for the jetty after the handover. From the Government's point of view, there is no reasonable impediment to council honouring its October 1990 commitment and accepting responsibility for the jetty as soon as possible. The jetty is an excellent example of adaptive reuse, but this valuable community asset is being thwarted by the machinations of the local National Party, which refuses to adapt to the present. Therefore, it is important to find a workable solution for the community. If a workable solution is not

found, Coffs Harbour will face the same problem of ensuring the structural integrity of its wharf in the decades to come.

TOTALIZATOR AGENCY BOARD PRIVATISATION

The Hon. R. T. M. BULL: My question is addressed to the Treasurer. Yesterday I asked a question about the Government taking a special dividend from the New South Wales Totalizator Agency Board prior to the float, and the Treasurer said that he would seek advice in relation to that question. As a result of the advice he has received can the Treasurer say whether the Government is preparing to take a \$200 million special dividend from the TAB? If so, will this reduction in the value of the TAB mean that mums and dads or small investors will receive a reduced allocation of shares? Exactly what size dividend will the Government take, and can the Treasurer guarantee that it will not be used for recurrent purposes?

The Hon. M. R. EGAN: The Deputy Leader of the Opposition is wrong on all counts.

DIRECT MARKETING

The Hon. J. KALDIS: My question is directed to the Attorney General, Minister for Industrial Relations, and Minister for Fair Trading. Does the Minister have any advice to give to consumers in their dealings with direct marketing companies, given that shopping from home is becoming increasingly popular?

The Hon. J. W. SHAW: Shopping from home has become popular, and with expansion of the Internet it is destined to become even more so. While each marketing method differs, common problems emerge. Sometimes the goods supplied bear little relationship to the item advertised. Long delivery times, delays in dealing with complaints and the slow or outright refusal of traders to refund money are also sources of consumer irritation. In the worst-case scenario, suppliers fail to deliver the goods, leaving consumers out of pocket.

Most direct marketing companies trade in an honest manner but experience has taught us that it pays to be wary. My advice to consumers is to think twice about paying for goods before they receive them. There are many reputable mail-order companies that do not demand advance payment or debit a credit card until the goods are delivered. Over recent months the Department of Fair Trading has had cause to publicly name a number of direct marketing companies. Among these were Trilogy

Home Shopping and Arrow Television Marketing, trading as Shopsure. The behaviour of these two companies seriously undermines the industry's efforts to raise its standards.

The department has received more than 450 complaints against Shopsure. Numerous customers reported delays of several months for their goods to be delivered. Other complaints concerned poor customer services and delays in processing refunds. Despite assurances from the director of Shopsure in November last year that all outstanding complaints would be resolved, the department is of the opinion the company is still taking too long to settle outstanding consumer problems. Obviously, there is an element of risk for anyone who chooses to deal with this particular firm, but unfortunately for consumers Shopsure is not the only problem trader in this industry.

Recently, the director of Adele Australia, a direct marketing firm based at Wetherill Park, was prosecuted by the department under the Fair Trading Act for obstructing one of its officers in the performance of his duties and for failing to provide reasonable assistance. When consumers feel that they have been misled or badly treated by direct marketers they should contact the trader directly; if they receive no satisfaction they should lodge a complaint with the Department of Fair Trading. The department provides advice to consumers in a free pamphlet called "Shopping from Home", which is available from fair trading centres.

The message for consumers is clear: be cautious in your dealings with direct marketing companies and be wary of paying for goods that you have not seen. The message for unscrupulous telemarketing traders is even more clear: the department will not have any compunction in publicly naming companies with a record of unresolved consumer complaints. The Carr Government does not tolerate exploitative marketing tactics and is determined to protect consumers who become the unwilling victims of such dishonest trading.

CHAMBER MAGISTRATES

The Hon. Dr MEREDITH BURGMANN: My question without notice is addressed to the Attorney General. What measures is the Government taking to ensure the continued effectiveness of services provided by chamber magistrates?

The Hon. J. W. SHAW: Chamber magistrates in New South Wales have long played a valuable role in terms of advising citizens on legal rights and

assisting them in their passage through the courts. The Government is undertaking an extensive review of the roles and functions of the chamber magistrate service connected with the Local Court structure. The review is being conducted by the chamber magistrates review working party established by the Attorney General's Department. The working party includes representatives from the Local Court, the legislation and policy division of my department, clerks of the Local Court and chamber magistrates from metropolitan and rural areas.

I am advised that the first stage of the review has been completed. These first steps have involved extensive consultations with and receipt of written submissions from staff, and direct surveying of clients of the chamber magistrate service and consultation and focus groups to obtain the views of interested or affected parties. These stakeholder surveys have been conducted at a number of Local Court locations. The information obtained has been collated and an options paper is currently being finalised. The paper will present a number of options for ongoing reform of the office of chamber magistrate and is to be widely distributed amongst clerks of the court, chamber magistrates, community legal centres, community justice centres, legal professional bodies and other key participants in the court system.

One issue discussed is whether the title of chamber magistrate is still appropriate and relevant to the community. There is a degree of awareness of the traditional title, but the name may be less relevant to younger people or those born outside Australia. Apart from matters involving the title of the office, the working party has been considering more substantive issues relating to clarification of the roles and responsibilities of the office of chamber magistrate. As honourable members should be aware, chamber magistrates play an important role in providing assistance to members of the public with legal or legally based problems by providing information on court procedures and processes, and on the options available for resolving disputes. Chamber magistrates also assist clients with the preparation of documents required to initiate matters in the Local Court.

As well as contributing to the provision of high-quality client services, chamber magistrates assist in the efficient running of the court by assessing and determining whether options other than legal action are more appropriate for their clients. Accordingly, the advice and assistance given by chamber magistrates often help to divert matters away from the courts when they can be better

handled elsewhere, to the benefit of both the interests of their clients and the efficient operation of the court system. Chamber magistrates are also available to refer clients to appropriate community support agencies.

The working party has researched how equivalent services are provided in other States and jurisdictions and is to consider the legislative interpretation of some of the functions and responsibilities of chamber magistrates. I expect that working party report to be completed in the next few months, and I look forward to the implementation of appropriate aspects of it towards the end of this year. Chamber magistrates perform an invaluable service for the community and the court system, and I am very supportive of them. I am confident that the review currently being undertaken will ensure that the office of chamber magistrate, if that title endures or under whatever name the office continues, will remain effective and relevant well into the next century.

STANDING COMMITTEE ON PARLIAMENTARY PRIVILEGE AND ETHICS BIPARTISANSHIP

The Hon. FRANCA ARENA: I ask the Treasurer, representing the Premier, whether the Premier has seen the recent press release of the Hon. Dr Meredith Burgmann, chairperson of the Standing Committee on Parliamentary Privilege and Ethics, in which she states that the appointment of an ethics adviser is what the Government needs to do to ensure equity and fairness for all members. Does the honourable member also state in her press release that one major problem for the Standing Committee on Parliamentary Privilege and Ethics is that in coming to its decision it would divide on party political lines? Will the Premier ensure that the chairperson and members of the Standing Committee on Parliamentary Privilege and Ethics, who will bring down findings on my speech to the Legislative Council last September, will not be influenced by party political bias, but will, as the Hon. Dr Meredith Burgmann states, "give an independent, non-partisan finding"?

The Hon. M. R. EGAN: In relation to the first part of the question, I do not know whether the Premier has seen a press release from any particular member of this House. In relation to the second part of the question, I am sure that all honourable members of the Standing Committee on Parliamentary Privilege and Ethics will perform their functions in an entirely appropriate and non-partisan way.

STANDING COMMITTEE ON PARLIAMENTARY PRIVILEGE AND ETHICS BIPARTISANSHIP

The Hon. C. J. S. LYNN: My question is to the Hon. Dr Meredith Burgmann, the Chairman of the Legislative Council's Standing Committee on Parliamentary Privilege and Ethics. Was the honourable member one of the members associated with a demonstration held last night in the Legislative Council foyer to which the President made reference earlier today? In view of the obvious disregard for appropriate standards of parliamentary behaviour and privilege of the Parliament, how can the public have confidence in the Hon. Dr Meredith Burgmann as Chairman of the Standing Committee on Parliamentary Privilege and Ethics—

The PRESIDENT: Order! The question is out of order. A question may be addressed to a chairman of a committee only in relation to a matter that is before the committee or in relation to the administration of the committee. The honourable member's question relates to a matter that he alleges of the chairman that does not relate to the functioning of the committee. I suggest that the member either desist from asking the question or rephrase it to comply with the standing order.

WORKPLACE SAFETY

The Hon. DOROTHY ISAKSEN: I direct my question without notice to the Attorney General, Minister for Industrial Relations, and Minister for Fair Trading. Did the Industrial Court recently fine Jewel Food Stores Pty Ltd for failing to have a safe system of work at one of its stores? Could the Minister explain to the House the circumstances that led to the decision?

The Hon. J. W. SHAW: The Hon. Dorothy Isaksen obviously keeps up to date with developments in occupational health and safety law. It is true that the case involving the Jewel food store at Lindfield on Sydney's north shore ought to be considered by honourable members. WorkCover prosecuted Jewel Food Stores Pty Ltd after two visiting sales representatives were injured in similar incidents two months apart at the same store. WorkCover's investigations discovered that the accidents involved work being undertaken on high shelves at the store which led to two men being struck by unguarded rotating ceiling fans.

The first injury occurred on 15 September 1995 when a sales representative employed by Arnott's Biscuits Ltd, Mr Matthew Brown, was setting up a product display. The WorkCover

inspector assigned to the case found that Mr Brown used a trolley supplied by the defendant to perform the work. The trolley had a platform level on which both employees and non-employees would stand to reach the stock stored at the top of the shelves. While descending from that platform Mr Brown was struck by a rotating ceiling fan. The injury to his forehead required six stitches, and he was off work for two days. Mr Brown had visited the store previously and could not recall being warned about the ceiling fans.

The second incident occurred at the same store on 10 November 1995 and involved an employee of Smith's Snackfood Company Ltd, Mr Matthew Vella, who used the same trolley to gain access to the top shelves. He too was struck by an unguarded rotating ceiling fan. Mr Vella received treatment for a laceration and a fractured skull. He required surgery and spent eight days recovering in hospital. Since the accident he suffers short-term memory loss and has resumed only light duties at work. A week prior to the accident Mr Vella had attended the premises for the same purpose and had received no warning or instruction from the defendant about the hazard of managing stock near the unguarded ceiling fan or when using the trolley.

No signs advising persons of the risk were placed near the fans. Justice Peterson said in his judgment, which was handed down on 1 May, that he regarded the second breach of the Act as significantly more serious than the first. His Honour stated that he thought the occurrence of the second accident showed a relatively serious failure in the defendant to respond with immediacy and appropriateness to an accident which illustrated that the system of work in operation at the Lindfield store was inherently unsafe.

The defendant pleaded guilty and co-operated with WorkCover to take remedial action to make sure such accidents do not occur in future. The company deserves full credit for that action, albeit action that was taken ex post facto. The court imposed a single \$15,000 fine for both breaches plus costs. In accordance with customary practice, half of the fine will be paid to WorkCover.

PRODUCTIVITY COMMISSION

Reverend the Hon. F. J. NILE: I direct my question without notice to the Treasurer, representing the Premier. Is it true that the Premier has raised no objection to the Productivity Commission's inquiry into the economic and social impact of gambling in Australia? Is it true that Mr Carr has made an offer to the Prime Minister to

reduce the New South Wales Government's budget reliance on the gambling dollar as part of a negotiated compensation to all States to make up the estimated \$500 million cut by Mr Howard from the annual New South Wales budget? If Mr Howard meets Mr Carr's offer and restores the \$500 million to New South Wales, will the State Government promise to immediately reduce the total number of poker machines in New South Wales so that revenue from poker machines will be reduced by an amount equivalent to the negotiated compensation of \$500 million?

The Hon. M. R. EGAN: I am not aware of the Premier indicating any opposition to the Productivity Commission.

Reverend the Hon. F. J. Nile: He has made it public.

The Hon. M. R. EGAN: I did not know that. I would raise no objection. In fact, I thought it was a good idea. I am concerned, however, about the suggestion of the Victorian Premier that the Commonwealth Government might have some revenue purpose in mind—that would be hypocritical. It was hypocritical of the Prime Minister earlier this year to attack the States for relying on gaming and gambling revenue, given the atrocious financial treatment the Federal Government has meted out to the States. The Prime Minister can hardly berate the States about their reliance on gaming revenue when Prime Minister Howard has cut many billions of dollars from State finances. I would be very surprised if the Commonwealth Government were to compensate New South Wales or any other State for forgoing gaming revenue.

BUSINESS REGIONAL HEADQUARTERS ESTABLISHMENT

The Hon. E. M. OBEID: My question without notice is directed to the Treasurer, and Minister for State Development. What success has the Government had in securing for New South Wales the Asia-Pacific headquarters of North American firms?

The Hon. M. R. EGAN: As the honourable member and I am sure other honourable members are aware, international companies are continuing to flock to New South Wales to set up their Asian and South Pacific regional headquarters. The reasons are quite straightforward.

The Hon. Dr B. P. V. Pezzutti: Why aren't you going overseas?

The Hon. M. R. EGAN: The head of my department is going but on 2 June I have to deliver my budget.

The Hon. Dr B. P. V. Pezzutti: And it is late.

The Hon. M. R. EGAN: It is not really late. It will be delivered about five months earlier than your government ever brought down its budgets. We used to get September and October budgets from the Greiner and Fahey governments. Honourable members will see that this year's budget has been produced on a general government basis and is the most comprehensive ever delivered. The fact that the Government is moving to a general government basis presentation of the budget means that a lot more work is involved, certainly in the first year.

[Interruption]

No, a lot more work is involved. Last year you criticised the Government for not producing the budget on a general government basis, because that was the commitment I gave when the Government introduced the General Government Debt Elimination Bill in 1995. I wanted to use that basis last year, but it was simply not possible. I will be in Sydney next week and the week after because I have a lot of work to do. I have to write my budget speech and I assure honourable members that it will be a budget every bit as good as the other three budgets I have presented to this Parliament.

The reason that international companies are continuing to flock to New South Wales is straightforward: New South Wales has a multilingual and highly educated work force and a strong information-technology literate population, which is very important. The Government has spent an absolute fortune putting computers into New South Wales schools so that all schoolchildren will have a head start in life. During the most recent presidential election in the United States of America, Bill Clinton promised that, if re-elected, he would make sure that every school in the United States was connected to the Internet by 2000. New South Wales beat him to it by about three years; in 1997 every school in New South Wales was connected to the Internet.

Not only do we already have a strong information-technology literate population, we are making sure that children in New South Wales schools get the best start they possibly can and are streets ahead of children not only in the United States but all around the world. New South Wales also has a sophisticated telecommunications network

and a quality of life that is the envy of the rest of the world; and New South Wales and Australia are increasingly being regarded by international firms as a safe haven for foreign investment. That is particularly important given recent events in our region. In April the Premier announced that yet another internationally renowned information technology firm will establish a regional headquarters in New South Wales. Newbridge Networks, Canada's fastest growing communications company, has expanded its Australian operations and will establish its South Pacific headquarters in Sydney.

Newbridge Networks was founded in 1986, has operations in more than 100 countries, and employs more than 6,200 staff. The expansion of the company's Sydney office will bring its investment in New South Wales to a total of \$40 million and will increase its Australiawide work force to more than 110. Its expansion will include three centres of excellence for the Asia-Pacific region, focusing on network management expertise for the South Pacific; switched routing technologies, to assist the company's business development and technical support team strategies; and broadband access development in business and technical services for the Asian region.

[Interruption]

The Opposition Whip is wise to quieten down members of the Opposition because they should be listening to this; it is very important. They do not like good news about the New South Wales economy. Newbridge Networks joins a long line of recent expansions, relocations or investments by information technology companies in New South Wales. Recently the United States company Oracle decided to invest \$48 million and create 370 jobs in this State. Last year the United Kingdom company Wireless Data Services announced its intention to invest \$4 million and create 200 jobs.

During the past three years American Telephone & Telecommunications, CISCO, Digital, NTT and others have all established regional headquarters in New South Wales. The fact is that New South Wales is securing investments from companies such as Newbridge Networks not on a monthly basis but indeed on a weekly basis. The Government will continue to strategically target these investments and thereby create even more quality jobs in New South Wales. I congratulate Newbridge Networks on its decision to choose Sydney ahead of Melbourne and Canberra and I wish the company well in its expansion plans.

BYRON SHIRE COUNCIL FINANCES

The Hon. D. J. GAY: My question is to the Attorney General, and Minister for Industrial Relations, representing the Minister for Local Government. Is he aware that the Minister for Local Government, Ernie Page, announced four weeks ago that he would receive the first report of the inquiry into the finances of Byron Shire Council in three weeks? The report is now a week overdue, so where is it? Given that the Minister also stated that the inquiry would provide more immediate results and assistance to the council and the community, and given that it has taken the Minister so long to call for an inquiry, when will the Minister release the details of that report? Is the Minister aware that last year the Byron Bay Chamber of Commerce called on the Minister for Local Government to resign for not taking action over the council's financial position?

The Hon. J. W. SHAW: I must say that I regard the Hon. Ernie Page as a very active and competent Minister for Local Government. I do not know whether he has received a report on Byron Shire Council, but I shall certainly inquire and report back to the honourable member about the matters he has raised.

UNFAIR DISMISSAL CLAIMS

The Hon. A. B. MANSON: My question without notice is directed to the Attorney General, Minister for Industrial Relations, and Minister for Fair Trading. Will the Minister inform the House about the trend in the number of unfair dismissal claims being processed in the New South Wales jurisdiction?

The Hon. J. W. SHAW: The system relating to unfair dismissals in New South Wales is working well. The number of commissioners dealing with unfair dismissal claims has increased, and in fact the number of claims during 1997 was reduced by approximately 14 per cent—although it must be said that as a result of changes in Federal industrial laws there has been a spillover of unfair dismissal claims from the Federal industrial jurisdiction into the New South Wales jurisdiction. Notwithstanding recent publicity highlighting business concerns about unfair dismissal claims generally, whether Federal or State, the total of 5,711 unfair dismissal claims lodged in New South Wales in 1997 represents a mere 0.2 per cent of the estimated 2.33 million employees in New South Wales.

Last year the New South Wales Industrial Relations Commission dealt with 81 per cent of

unfair dismissal claims lodged in New South Wales, compared with only 34 per cent in 1996. This resulted in the number of unfair dismissal claims lodged in the New South Wales commission more than doubling to 4,606 in 1997. In a development negotiated with business and employer organisations in New South Wales the Government introduced exclusionary unfair dismissal regulations to operate from 1 October 1997. The effect of those regulations was to limit the class of employees entitled to apply to the New South Wales commission on the basis of unfair dismissal in accordance with Federal prescriptions. So there was a parity of exclusion between the Federal and the New South Wales jurisdictions.

Figures from the New South Wales industrial registry show that the majority of applications are made by individual employees. Unions initiated action on behalf of employees in 13 per cent of cases. Around 68 per cent of all applications were made by employees who were unrepresented either by a union or any other representative. According to the Australian workplace industrial relations survey of 1995, only 6 per cent of small businesses indicated they wanted changes to the unfair dismissal laws. Unfair dismissal was ranked fifth on a list of barriers to efficiency that small businesses would like to change. To my knowledge, every liberal democracy has unfair dismissal laws and I do not understand the Federal Government to be disputing the need for such laws. There is a consensus, not only in Australia but in any country with which we compare ourselves, that employees need protection against unfair dismissal. The question is how tough should the test be and what system should be adopted. I believe that the New South Wales system is working fairly. I do not detect any significant level of complaint or discontent about it and I can report to the House that there does not seem to be any case for significant change to the unfair dismissal system in this jurisdiction.

TOTALIZATOR AGENCY BOARD PRIVATISATION

The Hon. J. M. SAMIOS: I ask the Treasurer, Minister for State Development, and Vice-President of the Executive Council whether it is a fact that he expects the privatisation of the TAB to be oversubscribed. Is it also a fact that he expects the small investors that he convinced to subscribe to receive a smaller parcel of shares than that for which they have sent money? Is it also a fact that the TAB prospectus says that no interest will be paid on any application moneys refunded? What will the Treasurer do with the millions of dollars in

interest that will have been earned on the funds oversubscribed and which he will have to refund? Will it be used to pay off State debt or will it simply disappear into the recurrent budget?

The Hon. M. R. EGAN: This question really is nearing the bottom of the barrel. I do not know whether the TAB float will be oversubscribed. Obviously it will be good for the vendor if that is the case, but if people are not able to purchase the number of shares they bid for, they will get a refund, as happened with the Telstra float. I am sure Telstra shareholders opposite who subscribed at the time of the public float—and I am sure most of them applied for more shares than they were eventually allocated—received a refund. No interest will be paid on the amount of the refund that will be held for a short time by the Government, as again was the case with the Telstra float.

LIDDELL POWER STATION

The Hon. I. COHEN: I ask the Attorney General and Minister for Industrial Relations, representing the Minister for the Environment: is the Liddell power station, as currently operated by Macquarie Generation, actually an incinerator? Is the 1960s power station designed to burn noxious fuels such as oils, demineralised fuels, coal tar and contaminated soils? What are the results of the specific emission test and residue tests of the fly ash? Will the Environment Protection Authority immediately implement a community monitoring program that will involve local residents and ensure there are no adverse health effects?

The Hon. J. W. SHAW: I thank the honourable member for his question and undertake to refer it to the Minister for the Environment and obtain a reply.

GOVERNMENT ELECTRONIC ONLINE PROCUREMENT

The Hon P. T. PRIMROSE: I address my question without notice to the Minister for Public Works and Services. With the increasing emphasis on the use of electronic communication systems in the government and private sectors, what electronic commerce milestones has the Government achieved in procurement?

The Hon. R. D. DYER: I am very grateful to the Hon. P. T. Primrose for his question. Moving purchasing progressively on line will create strong incentives and opportunities for suppliers, particularly small and medium enterprises. The new procurement policy—which my colleague the

Minister for Regional Development and Rural Affairs and I released in March for consultation until the end of May this year—supports a re-engineering of the procurement process and the ongoing development and use of electronic commerce in the New South Wales public sector.

A key feature of the procurement strategy is the contracts administration and management system, or CAMS. CAMS is an electronic tender development, evaluation and tendering package developed by the Department of Public Works and Services. It is readily accepted in industry and has already attracted interstate and international interest from diverse parties such as the Malaysian Government. Another key component of electronic procurement in New South Wales is the Supplyline database and purchasing system developed by the Department of Public Works and Services, and its catalogue of goods now available on New South Wales State Contracts Control Board contracts. Supplyline improves the efficiency of government procurement by reducing paperwork and simplifying communication between trading partners. In February this year a new complementary CD-ROM product was launched.

Schooline, which the Department of Public Works and Services derived from Supplyline especially for schools, has reduced transaction costs from approximately \$90 to \$15 per transaction. Together these databases serve more than 3,000 customers. The Department of Public Works and Services is also extending the information technology framework to electronic procurement by linking existing systems to the Internet and to ordering and accounting systems. The strategy for extending New South Wales electronic commerce capability will be developed in consultation with agencies and industry to improve the benefits for all participants in the procurement process over the next two years. The use of the Internet as a procurement tool will expand with the implementation of a more strategic procurement policy. Already, most New South Wales whole-of-government tenders are advertised on the Internet.

New South Wales will shortly be in a position to provide suppliers with three months prior notice of upcoming tenders. In addition, the Department of Public Works and Services is participating with the Australian Procurement Construction Council to develop a consistent national policy on electronic commerce in procurement. The department is playing a leadership role in developing a national policy for tender management systems and is contributing to the development of an overall strategy for electronic commerce, the specification

of a supplier registry, the development of authentication processes, and the education and training of small to medium-size enterprises in the use and understanding of electronic commerce.

The New South Wales Government has also developed a proposed strategy for the use of information technology in the construction industry. This will result in a better understanding of design documents by clients and construction workers, improved co-ordination between services and structure, less discrepancies within contract documents, and greater recognition of the practical aspects of building construction. This improved communication will lead to increased matching of client needs to the end product, reduced rework, and greater cost efficiencies within agencies and the industry. The increased use of information technology in construction in the long term will achieve significant cost savings in the procurement and operation of New South Wales capital infrastructure.

CONSUMER CLAIMS TRIBUNAL

The Hon. Dr B. P. V. PEZZUTTI: I ask the Attorney General, Minister for Industrial Relations, and Minister for Fair Trading whether it is true that the usual wait for a hearing is about three to four months after a complaint is made in writing to the Department of Fair Trading. Is it true that a complaint from Grafton would take even longer? During the waiting period is it often the case that the trader complained of disappears or goes bankrupt? What is the Minister going to do to correct the situation?

The Hon. J. W. SHAW: I shall take the matter of the waiting period up with my department. My understanding is that the waiting period between lodgment and clearing of Consumer Claims Tribunal matters is generally six to eight weeks and that this is achieved in most areas. I am told that there has been a significant increase in the number of claims in Liverpool and certain other growth areas, due in part to the increasing popularity of the tribunal as a cheap, accessible and speedy forum for dispute resolution. On 1 September 1995 the Government replaced the set application fee of \$40 with a sliding scale of fees for lodging claims with tribunals. That means that the fees for lodging claims with a value of up to \$6,000 have been reduced to \$30 and to \$2 for pensioners. This is good news.

The improvement allows for greater access to tribunals. Registries currently experiencing longer waiting periods include Liverpool, Hurstville, Wollongong and Gosford. Those registries are being

carefully monitored. I am advised that efforts are being made to reduce the waiting period by allocating more hearing days to those areas and by transferring appropriate matters to other registries with shorter waiting periods. One senior referee and one full-time referee have responded, as far as time permits, by taking on an increased workload to deal with outstanding matters. Arrangements are under way to appoint more part-time referees to service particularly the Liverpool, Hurstville, Wollongong and Gosford registries, which are currently handling an increased volume of claims.

The Hon. Dr B. P. V. PEZZUTTI: I wish to ask a supplementary question. Does the practice of the Department of Fair Trading of bundling up complaints for country appearances explain why it takes longer for a complaint to get before the tribunal in the country than it does in the city?

The Hon. J. W. SHAW: I do not accept the premise of the question, and therefore the residue of it does not apply.

FODDER FACTORY

The Hon. A. B. KELLY: I address my question to the Treasurer, and Minister for State Development. Could the Minister give the House further examples of the innovative New South Wales companies that are involved with the Australian technological showcase?

The Hon. M. R. EGAN: As I told the House last week, last month I launched the Australian technology showcase at the Australian Technology Park. As honourable members would recall, the showcase is an initiative of the Olympic Business Roundtable designed to promote New South Wales and Australian business expertise to the world on the back of the Olympic Games. I have mentioned several companies that have shown the initiative, imagination and determination to develop new technologies and products to take to the world. Another of those companies is the Fodder Factory, which, I am sure, will be of particular interest to members who come from country areas. The Fodder Factory is a family business based in Wingham, just west of Taree.

Mr Peter Ryan has designed a hydroponic unit that can produce up to a tonne of fodder a day, all year round, in any location. I am sure that all honourable members will recognise the significance of this development. All a farmer needs to supply is a concrete slab, power and 960 litres of water—about as much as is in two bathtubs—and he or she

would be able to produce enough feed to fatten 800 lambs. The fodder factory is essentially a galvanised iron frame with two skins of opaque plastic over it, similar to a glasshouse. The two skins create a cavity, which, along with solar heating, helps to keep the temperature at a constant 26 degrees. The shed goes together rather like a big meccano set—there is no welding, grinding or cutting. Inside the shed is a watering system, and there are galvanised sheds for storing the trays of grain that grow into feed.

A computer system controls the watering of the grain, the temperature, air movement, humidity and carbon dioxide levels. It takes about eight days for the grain to shoot and produce a thick mat of green feed about a foot high. I am told that the feed looks a bit like the punnets of alfalfa sprouts we all see at the supermarket, although much bigger. The feed is then turned out of the tray and fed to the stock. One kilogram of grain can produce up to 10 kilograms of green feed and in drought-affected areas the unit can be run on salty bore water. The fodder factory has been described as the drought buster. It has been put on drought-stricken farms with dying animals, and within weeks the stock have not only survived but have gained weight.

I am told that the fodder factory can be adapted to produce food for human consumption—a development that would have profound implications around the world. Peter Ryan and his family have been working on the fodder factory for more than nine years and are now starting to see the benefits. Without any sort of promotion, 23 units have already been sold in Australia and, interestingly, in Malaysia. The Fodder Factory is one of the first 36 companies that are part of the Australian technological showcase. As the House is aware, these companies will be promoted to business leaders visiting Australia in the lead-up to the Games and at expos and trade fairs that will be held around the world.

The Hon. R. T. M. Bull: Do you have any information or brochures on the system?

The Hon. M. R. EGAN: Yes, I have. I would be able to provide the honourable member with information quickly, but I am also having a booklet produced about all the 36 companies. As more companies are designated as part of the showcase, promotional material on them will also be provided. On behalf of the House I wish Peter Ryan and his family all the best and every success for the future with his Fodder Factory.

WORKCOVER PRIVATISATION

The Hon. J. H. JOBLING: My question is addressed to the Attorney General, Minister for Industrial Relations, and Minister for Fair Trading. Is it a fact that on the privatisation of WorkCover, insurers will have to write premiums on a full indemnity basis? What guarantee will the Minister provide that premiums will not exceed the average of 2.8 per cent of salaries, which, on 28 April, he stated would be the case?

The Hon. J. W. SHAW: The legislative package will come before the House in due course. The honourable member can be assured, however, that the notion of preserving premiums at their current level is part and parcel of the proposal and will be dealt with in the legislation.

SUNNYHOLT ROAD

The Hon. ELISABETH KIRKBY: I address my question without notice to the Treasurer, representing the Minister for Roads. Is the Minister aware that the section of Sunnyholt Road from James Cook Drive to Lalor Road is in a dilapidated and dangerous condition? Is it a fact that funding to make the road safe has been delayed due to an impasse between the Federal and State governments over an interchange? If this is indeed a case of Federal Government indecision, will the Minister take any necessary steps to obtain a decision from the Federal Government in order to prevent any further unnecessary injury or loss of life?

The Hon. M. R. EGAN: I shall refer this question to my colleague the Minister for Roads for a detailed reply as soon as possible.

MINISTERIAL CODE OF CONDUCT

The Hon. JENNIFER GARDINER: I direct my question to the Treasurer, representing the Premier. Is the Treasurer aware that section 9(1)(d) of the Independent Commission Against Corruption Act defines corrupt conduct to mean, in the case of conduct of a Minister of the Crown or a member of a House of Parliament, a substantial breach of an applicable code of conduct? Is he aware also that section 9 states that an applicable code of conduct means, in relation to a Minister of the Crown, a ministerial code of conduct prescribed or adopted for the purposes of this section by the regulations? When does the Government propose to introduce regulations setting out a ministerial code of conduct, and will such regulations be available for a period of public discussion before gazettal?

The Hon. M. R. EGAN: I shall refer this question to my colleague the Premier.

NEWCREST CADIA GOLDMINING

The Hon. R. S. L. JONES: I ask the Attorney General, representing the Minister for Land and Water Conservation, whether Newcrest Mining agreed to release all incoming flow from Galong Creek at Cadia if the flow was less than 3.4 megalitres per day. Has Newcrest stuck by that promise? If so, why is the water below the dam orange effluent? Why have farmers had to remove all stock from areas below the mining site?

The Hon. J. W. SHAW: I will refer the question to the relevant Minister and obtain a response.

ENERGYAUSTRALIA EMERGENCY RESPONSE

The Hon. M. J. GALLACHER: My question without notice is to the Attorney General, representing the Minister for Energy. At 2.00 a.m. today a tree fell across Woy Woy Bay Road, Phegans Bay, taking out power and telephone lines servicing the area. Is the Attorney General aware that Woy Woy Bay Road is the only vehicle access for residents of Phegans Bay and that the blocking of this road left up to 400 residents unable to get to work or school until the tree was removed, and unable to contact their place of work to explain why they were going to be late? Can the Attorney General explain why EnergyAustralia took six hours to respond to this emergency, which meant Gosford City Council crews were unable to remove the tree until after 9.00 a.m.? What guarantee can the Government give the people of Phegans Bay and New South Wales that under a privatised electricity industry this situation would not be repeated?

The Hon. J. W. SHAW: Despite the fact that on one view this question should more appropriately be placed on notice, I will refer it to the Minister for Energy and obtain a response.

COMMISSIONED POLICE OFFICER PAY CLAIM

The Hon. ELAINE NILE: I direct my question without notice to the Attorney General, Minister for Industrial Relations, and Minister for Fair Trading, representing the Minister for Police. Is it true that the Commissioned Police Officers Association lodged a claim for salary increases in August 1997 and that no formal offer has yet been

made? Does the success of the reform process of the New South Wales Police Service fall heavily on the shoulders of members of that association, given their positions as managers of the service? Could it be that the Government is under the misapprehension that all police received the benefit of the 22 per cent pay rise granted in late 1997 when in fact that rise applied only to the other police union, which covers non-commissioned officers?

The Hon. J. W. SHAW: The honourable member has raised the question of salary increases and salary claims with respect to commissioned police officers. I am generally acquainted with the issue, but rather than answer the question without notice I prefer to refer this matter to the Minister for Police. If there is some delay or some problem about salary negotiations with commissioned police I will be happy to discuss it with the Minister, and I undertake to report back to the Hon. Elaine Nile.

The Hon. R. D. DYER: If honourable members have further questions, I suggest they put them on notice.

CHILD DEATH REVIEW TEAM ANNUAL REPORT

The Hon. J. W. SHAW: On 31 March the Hon. J. F. Ryan asked a question concerning the annual report of the child death review team. I have now been supplied with the following answer:

- (1) Yes.
- (2) This report was tabled on 3 April.
- (3) Not applicable.

Questions without notice concluded.

STANDING COMMITTEE ON STATE DEVELOPMENT

Report on the Fisheries Management Amendment (Advisory Bodies) Act 1996

Debate resumed from 29 April.

The Hon. I. COHEN [5.04 p.m.]: Last week I was concluding my comments about the Minister's response to the inquiry of the State Development Committees into the Fisheries Management Amendment (Advisory Bodies) Act 1996. New South Wales Fisheries said it would ignore the recommendation which relates to the Fishing Industry Research Advisory Council—FIRAC. I am pleased that the Minister is ignoring this recommendation. The Government's response is

quite unusual, if not misleading, in claiming that "The Advisory Council of Fisheries Research is the only legitimate body to act as the Fisheries Research Advisory Body—FRAB—in New South Wales".

That was not what the committee experienced; rather, that the Fisheries Research and Development Corporation—FRDC—has continued to recognise and encourage both the Advisory Council on Fisheries Research and FIRAC to submit their priority lists for funding. The Federal Government certainly continues to recognise two legitimate representative bodies from New South Wales, and even if the Minister and the department wish that FIRAC would go away, they may outlast the current administration.

To illustrate this point I have a series of letters between the Director of New South Wales Fisheries, Dr John Glaister, and Peter Dundas Smith, the Executive Director of the Fisheries Research and Development Corporation, which receives advice of the Fisheries Research Advisory Bodies. In January 1998 Dr Glaister asked the FRDC to advise him "on their current position with respect to the unofficial Fisheries Advisory Board established by the New South Wales Seafood Industry Council and whether it is still operating with the support of FRDC". On 23 January 1998 Peter Dundas Smith replied:

As I have previously advised you, the FRDC's preferred choice is for there to be only one FRAB within NSW. However, until there can be agreement within NSW on this matter, the FRDC is quite comfortable with there being two FRAB and it is willing to support both.

That correspondence had clearly taken place some three months before the Government's response to the inquiry report was tabled in the Legislative Assembly. The Government responded to that recommendation of the committee:

The Advisory Council of Fisheries Research is the only legitimate body to act as the Fisheries Research Advisory Body (FRAB) in NSW.

That response was clearly misleading and the director of New South Wales Fisheries had received advice to that effect in January this year. Peter Dundas Smith told the director:

Receiving comments on applications from NSW ACFR and NSW FIRAC actually enhances the information which we obtain.

At best the Government's response was misleading. As a result of my experience with the committee, I have other ideas about why the Minister and his department continually act to distort reality. I am not going to waste any more time on this inquiry. I feel

sick about the time, energy and resources which have been wasted, and the efforts of my colleagues on the committee who have worked hard to find better solutions for the State, and have been completely ignored by this Government. It is an unsatisfactory relationship, and I condemn the Government for its actions on this matter.

The Hon. J. R. JOHNSON [5.08 p.m.]: I am pleased to provide the Government's views on the report of the Standing Committee on State Development on the Fisheries Management Amendment (Advisory Bodies) Act 1996 and on the Government's subsequent response to the report, which was recently tabled in the House. The Government has thoroughly considered the recommendations of the standing committee and agrees with the majority of the recommendations. Some recommendations have not been fully supported and the Government has been open and transparent in providing the reasons for not wishing to proceed with the actions suggested.

The Opposition will make scurrilous claims that the Government is not committed to consultation, but I can assure honourable members that the Government is totally committed to consultation. That has been demonstrated by the efforts expended both in running ministerial advisory councils on an interim basis until the standing committee handed down its report and the forming of management advisory committees—MACs—for each defined, restricted and share managed fishery through formal elections conducted by the State Electoral Office. The Government strongly supports the view of the standing committee that it is essential for the Minister to have access to unbiased expert advice upon which the Government's fisheries management decisions can be based. It is also essential that all stakeholders be involved in the management planning process. I take this opportunity to reiterate the reasons why the Government has not supported some of the recommendations of the standing committee.

Whilst the Government strongly supports the establishment of additional advisory councils, such as the Advisory Council on Fisheries Conservation, it would hesitate to require all advisory councils to be established forthwith, as suggested in recommendation 1 of the report. I will use as an example the proposed Advisory Council on Aquaculture. The present consultative structure for the aquaculture industry involves separate management and research advisory committees for oysters and land-based aquaculture. They are quite distinct industries: one is characterised as a mature industry and the other as highly developmental.

Merging the two into a single council will require a significant level of consultation with the current committees to ensure that the structure will operate both effectively and efficiently. In saying this, I confirm that the Government is still committed to having advisory bodies in place.

The Government does not support the first two subpoints in recommendation 2 because they limit the requirement to consult. For example, if the recommendation was accepted in full, there would be no requirement for the Minister to consult with a MAC over whether a fishery should become, or cease to be, a share managed fishery. I am sure the Opposition would agree that it is vital to consult with MACs on such matters. The Government supports the remainder of the recommendation. The Government supports the intent of recommendation 3, but believes that a 60-day period, rather than the 30 days recommended by the committee, would provide a more reasonable time for advisory bodies to nominate a member to an advisory council.

The Government will make appointments to the Advisory Council on Commercial Fishing transparent, and gain the confidence of the fishing industry, by drawing nominations from each of the elected MACs. The Government has not supported recommendation 4 as non-industry members on the Advisory Council for Commercial Fishing should be selected, as suggested by the standing committee, to provide unbiased expert advice to the Minister. It is crucial that the persons appointed are the best people for the job and the appointments should be made on the basis of their expertise, which is not necessarily limited to the bodies recommended.

The Government does not support recommendation 5 because the Minister will still appoint people on the basis of expertise, which will avoid the debate on who should recognise the candidates. It rejects recommendation 18 for the same reason—that candidates must be appointed on the basis of expertise. The Government supports the intent of recommendation 6, but believes an amendment is not necessary as the requirement to advertise for expressions of interest carries an implicit requirement to consider all expressions of interest lodged. The Government also supports an amendment to ensure advisory council members are paid allowances in accordance with government guidelines, and to provide councils with a reasonable period of time following a request by the Minister for a council to consider the removal of a member from office.

The Government agrees with recommendation 9 and will amend the regulation to specify that a

chairperson of an advisory council must not have a direct or indirect pecuniary interest. The Government does not, however, accept recommendation 10, as it is important to maintain some consistency within the advisory council structure and ensure that each council operates effectively. Of course, the advisory councils will have the opportunity to provide advice to the Minister on the procedures and operational guidelines of the council. The Government will amend the advisory council regulation to change the wording of the clause as suggested in recommendation 11.

The Government rejects recommendation 12. There may be instances in which establishment of a MAC for a developmental or other restricted fishery is unnecessary or not cost effective. I can quote examples such as the scallop fishery in Jervis Bay or the recently developed jellyfish fishery off the coast, where a fully operational MAC is clearly not justified. The Government is committed to establishing MACs for the established restricted fisheries and has already done so. I cannot foresee why this would be a matter of concern for the standing committee, unless it was sceptical of the Opposition's commitment to the MAC process and wished to embed it in legislation. Perhaps the concerns of the standing committee are justified.

The Government accepts the standing committee's concern regarding the election of MAC members, but believes that it was important to hold elections to ensure that the fishing industry has confidence in the consultative process. The Government will keep the matter under review, as recommended in the report. The Government is hesitant to accept recommendations 14 and 15 to establish zonal advisory committees in New South Wales based on the experiences of other States. Before action proceeds to introduce zonal advisory committees, the Government will consult the existing consultative network for their views on the most appropriate structure for New South Wales.

The Government strongly supports recommendation 16 and advocates the removal of the Fishing Industry Research Advisory Committee, which has made no useful contribution to research priority setting or review process. The Advisory Council on Fisheries Research is clearly the body that should advise the Fisheries Research and Development Corporation on research priorities. Also, given the differences in chairmanship of the fisheries research advisory committees in other States, the Government will consult with the relevant stakeholders before accepting the recommendation.

The Hon. Dr B. P. V. PEZZUTTI [5.18 p.m.], in reply: The Government's response to this report was consistent with the written response by Mr Martin in a way that basically told the committee to go jump—and that is telling the industry to go jump! The Hon. J. R. Johnson said the Minister thought that recommendation 18 was pretty good, except that it left out an important group: the post-harvest sector for the Advisory Council on Fisheries Research. The big problem, as the Hon. J. R. Johnson would know, is that during our inquiry we discovered that aquaculture had produced a wonderful fish called silver perch. However, nobody bothered to find out whether housewives would buy it. Therefore, silver perch was produced at a cost of \$16 a kilo and sold for \$9 a kilo at the markets.

The Hon. D. J. Gay: Was that Macquarie perch?

The Hon. Dr B. P. V. PEZZUTTI: No, silver perch. This is a serious matter because many people were led up the garden path by experts in the business. No-one looked at the post-harvest sector to see whether there was a market, what that market was and what it could consume. The idea of involving the Seafood Industry Council in fisheries research is sensible, and the committee gave good reasons for that in its report.

I do not understand how the Hon. J. R. Johnson, who sat through all the evidence, can be proud of the Government's consultation on these matters. The committee found it difficult to consult when it did not know what the regulations would be. No-one had been consulted about the advisory body regulations being examined by the committee. The chairman of the Commercial Fishing Advisory Council was not consulted about the regulations. No recreational fisherman had seen the regulations and the committee did not see the regulations until a week before the report was tabled. At that stage the regulations were three months late; the Minister promised them in February but did not deliver them until May or June.

Anyone wishing to understand the depth of the committee's concern should read the words of the Hon. Patricia Staunton, resigned, previous chairman of this committee relating to frustrations with the Director of New South Wales Fisheries and the Minister. One has only to read the letters sent by the Hon. Patricia Staunton on behalf of all fishermen in New South Wales, who had no idea what the organisation would be, to understand the depth of

the committee's concerns. As a postscript to this report and the Minister's clear lack of concern for fishermen and fishing stocks in this State, we now have clear evidence that the Minister failed to consult the MACs at every stage.

Yesterday I had an interesting and illuminating conversation with Mr John Connor of the Nature Conservation Council. He seems to have jumped ship, to have wiped out all the evidence he gave to the committee. He and Mr Angel now seem to be cuddling up to the Minister—I can smell an election in the wind. Mr Connor and Mr Angel are members of the FRIC. I will not tell the House what FRIC stands for, but that committee was established by the Premier's Department. Before the Minister for Fisheries makes a decision he must consult the Premier's Department, through the FRIC, to see whether it is suitable as a whole-of-government response.

The Hon. B. H. Vaughan: What do the letters mean?

The Hon. Dr B. P. V. PEZZUTTI: I would love to know; I have forgotten. In the past couple of weeks our good friends at the Nature Conservation Council have produced a report which contains recommendations. That report is signed off by none other than Mr Connor. The press release accompanying the Nature Conservation Council report contained a statement to the effect that FRIC supported the proposal that no further share managed fisheries be created—in order words, the Nature Conservation Council has walked away from its original position—until flaws in the community contribution management planning and sustainability indicators are fixed and that the MAC draft plans would be released for public comment before the end of 1998. That means that the Government cannot create any further share managed fisheries until it fixes the non-existent flaws in the legislation.

More importantly, the press release stated that if no further share managed fisheries are created the Government must release draft plans of management. That means that the Government can create only restricted fisheries. I asked the Nature Conservation Council whether that statement abrogated the whole principle of the Act, which the council so strongly supported. I pointed out that the council had total access to a former Minister for Fisheries, Ian Causley, to discuss the legislation and amendments to it. The council said that that was not the case because the draft plans of management were only an interim measure and once the legislation was fixed the Government would proceed with a share managed fishery.

The Nature Conservation Council told me that the MACs had voted for restricted fisheries. I said that that was interesting because the process of determining who could vote for members of the MACs had still not been determined. Committee members know that the big flaw in what is happening now is that we have been unable to find out who is eligible to vote for members of the MACs because the department has not yet dealt with appeals for licences and appeals against catch histories. A motion will be moved in another place to disallow the appeal mechanism, which the Minister has amended once again. The MACs have been established without all the constituents being present.

Representatives are voted onto the MACs. All that the MACs had in front of them at three urgent meetings related to dollars. Minister Martin told the MACs that they would face huge costs if they went down the path of a share managed fishery. Of course, the Independent Pricing and Regulatory Tribunal blew that away. The Nature Conservation Council, in its little report, directed its environmental delegates to the MACs, who were selected because of the agitation in the interests of sustaining all the MACs, to vote against a share managed fishery. Surprise, surprise! The Nature Conservation Council did not consult anyone before making that decision.

The Nature Conservation Council took a leaf out of Bob Martin's book and produced this report out of the blue. It did not consult me—and I have been living this one for a long time—nor did it consult the Hon. I. Cohen, the Hon. I. M. Macdonald or the fisheries bodies; it simply produced this quickie report out of the blue. I rang the Nature Conservation Council and said that the result of its decision would be the creation of restricted fisheries all over the place with the usual controls at ministerial whim, as Bob Martin loves to do. The council said that would not happen because the Minister had to consult the FRIC before making a decision. I asked the council whether its delegates on the MACs received financial support and was told that they received funding to cover their attendance before the FRIC. When I asked whether it was government funding I was told that the delegates received government funding to support the important work they do. On the day the Nature Conservation Council released its report, three days ago, I received a letter from Mr Martin, which stated:

I have now received the recommendation of the Ocean Trap and Line MAC. The MAC has recommended that the fishery be managed as a restricted fishery rather than a share management fishery—

which is what I said before—

and that input controls are the preferred management tool.

I said to the environmentalists Mr Connor and Jeff Angel, "Surely you would not like to see input controls in this fishery?" They said, "Oh no, that would be a nonsense. That would be just simply dreadful." I said, "That proposal does not even look after the catch history or how many they catch. It has nothing to do with resources. It is all about inputs, the size of the boat and how big the nets are. It does not control how many times they go out." Mr Connor and Mr Angel said, "That will be all sorted out when we come to the FIRAC, when the Minister goes with his proposal to the Premier before it is approved." I said, "No, read on." The next paragraph stated:

I have accepted the recommendations and will now re-gazette the ocean trap and line restricted fishery for a five-year period.

After reading that over the phone to those gentlemen, there was a noticeable pause on the other end of the line. When I faxed a copy of it to them, they were on the blower to one another within the next minute.

Reverend the Hon. F. J. Nile: Had they been conned?

The Hon. Dr B. P. V. PEZZUTTI: They had been Martined! I rang them and said, "Look, Martin's not going to change his spots. He's like a striped mullet. He's going to look like that 'til he dies. You've been fooled all the time. He's never consulted with you. You came before the committee day after day telling us that you had not been consulted, saying you could not get through to this thick-skinned person, telling us you could not get sense out of the department, telling us there was no science behind the whole thing, and then you go along and support him, and what does he do? He comes along and does exactly what you would expect him to do. He's taken them and run a mile."

They said, "Oh, we'll fix this up at the FIRAC." I said, "He's going to regazette it. If he does regazette it, will you now advise the crossbench to knock out the gazettal?" They said, "We'll have to think about that." They will lose all credibility with the fishermen and with anybody who knows anything about sustainability of fisheries.

Reverend the Hon. F. J. Nile: Are they influenced by those grants?

The Hon. Dr B. P. V. PEZZUTTI: I do not know. They know, as does everyone in this House,

that this Government is stone cold broke and it is not prepared to pay any compensation to reduce the effort of fisheries nor is it prepared to put any funds into meaningful research. The Government is also not prepared to have share managed fisheries because it will have to pay compensation to people who leave the industry. The Government knows that this Minister likes to rule by decree as an emperor. Anyone who reads the *Government Gazette* will know that it always contains at least eight pages of fisheries entries. The Hon. A. B. Kelly would be interested in the last publication because with his education and background I am sure he would be able to read and understand it. The fine print on page 3101 of the latest *Government Gazette* contains references to many closures and openings of fisheries, some of which happen soon and some of which are old. After carefully reading those entries, one must wonder when some closures came into place.

Fishermen readily admit that they are not well educated and that they do not have a lot of time to read things. Certainly they have to consult their lawyers about the meaning of some of this material. However, luckily those fishermen are smart enough to know that they cannot trust the Minister. They know also that every time a new regulation is published they must consult their lawyers. They then fax information to me and to others to bring to our attention their real concerns and the impact of the proposal. Sometimes, even with my education and experience in this House, I do not understand the full implications of the proposed regulation until it has been explained to me by those lawyers. But the Minister knows exactly what he is doing every darn time. He has advisers, Parliamentary Counsel and the whole Government behind him.

The explanatory notes, which often are not worth the paper on which they are written, are not clear. They should be more clear and should be written in plain English so the Hon. Elisabeth Kirkby would understand, and I do not mean that to sound derogatory. It is the responsibility of fishermen to note the closures and openings of fisheries, which are gazetted weekly, as they can lose their licences through the incorrect operations of fisheries. The process is not fair or reasonable.

Share managed fisheries are much simpler operations. People understand the commitment they have to the process. If they do anything wrong, they devalue their holding. If they do anything wrong to threaten the viability and sustainability of the fishery, they hurt themselves as much as the fishery. The Minister for Fisheries is more concerned about managing fishermen than the resource. His charge is

to manage the resource on behalf of the people of New South Wales.

The Minister is playing politics with the fishermen because he is not prepared to provide the needed funds for such a sustainable resource. Other Ministers involved with forestry are prepared to share the cost of a resource, to establish its sustainability, and to buy out players. The Minister for Fisheries is pig-headed and displays a lack of intelligent foresight. We can only hope that Mr Connor and Mr Jeff Angel as members of FIRAC with the Premier—

The Hon. D. J. Gay: Dangerous Jeff?

The Hon. Dr B. P. V. PEZZUTTI: My dealings to date with Mr Angel on fisheries issues have been more than satisfactory, direct, detailed and honest. He is astonished, surprised and upset by the callous disregard for the commitment by the Nature Conservation Council and all of the people who appeared before the committee, including Dr Young from the CSIRO. I hope the Premier will take this Minister by the hand and lead him down the path of righteousness. If not, the Minister will face a series of strong disallowance motions in this House by the Opposition in an attempt to salvage what is left of the fisheries resource in this State.

I am sure the Hon. I. M. Macdonald will support that process because he knows precisely what we are talking about, what happened during committee hearings and what this Minister is on about. He knows all about the nature of the Minister. The Hon. A. B. Kelly, who is Chairman of the Standing Committee on State Development, will soon learn. Further debate will be heard on the Fisheries Management and Resource Allocation report, but my remarks today, some of which may not appear to be relevant to the report, summarise the statements of other members on the report.

If anyone doubts anything I have said, they need read only a couple of transcript pages for the matter to be clarified. The Hon. Patricia Staunton was able to sum up everything I said in two or three words, as only she can, but these days she is a learned magistrate and sums up things pretty well. The Government, to its detriment, has ignored this report, which was produced in good faith by the committee. Huge consultation and a long commitment by members of this House produced an honest and bipartisan report. I do not believe the report contains one dissenting statement. All committee members agreed that it was the best option for the fishery management advisory process to ensure sustainability of the resource. This report

was signed off by all committee members. The Hon. Patricia Staunton did not stand over us and twist our arms. We were all convinced. The Hon. I. M. Macdonald has not spoken in the debate on the bill but he knows we were all convinced.

The Government's response is nothing short of an absolute outrage for the management of the resource in this State, for the fishermen, for the people who want to farm fish and oysters and for those who buy and consume fish. They have all been ignored, including the post-harvest sector. I commend the report to the House and to the people of New South Wales. I extend the committee's appreciation to the committee clerk and the staff of the committee for their outstanding assistance and support. I thank the executive officer of the committee, Dr Michael Lowry, and also Stewart Webster for the excellent work they have done. On behalf of the former chairman, the Hon. Patricia Staunton, who has resigned from the Legislative Council, I thank the members of the committee for their hard work. In particular I thank those witnesses who appeared to give evidence before the committee, including Jeff Angel, John Connor and Dr Young from the CSIRO.

Motion agreed to.

STANDING COMMITTEE ON SOCIAL ISSUES

Report: Caring for the Aged—Inquiry into Aged Care and Nursing Homes in New South Wales

Debate resumed from 14 October 1997.

The Hon. Dr MARLENE GOLDSMITH [5.42 p.m.]: The former chair of our committee, the Hon. Ann Symonds, only had the opportunity to give notice of motion of this debate. Since then she has resigned from Parliament. As a consequence I speak for the committee in relation to this report. I would like to open my remarks with a special commendation for the former chair of the committee, who worked inordinately hard, not only in this inquiry but in the whole range of inquiries that the Standing Committee on Social Issues has undertaken during the past three years. I know she will be missed by all members of the committee. I welcome on board our new chairman, the Hon. Jan Burnswoods, who, of course, was not part of this particular inquiry but will be in charge of things from now on.

On 31 October 1996 the Standing Committee on Social Issues received a reference from this Chamber to inquire into and report on the current state of nursing homes and hostels in New South

Wales, and the likely effects of the Commonwealth Government's proposals for changes to aged care, as contained in the Commonwealth Aged Care Act 1997. The committee was also asked to comment on the impact on the aged community of the closure of the Office on Ageing and the creation of the Ageing and Disability Department. An interim report was tabled on 30 June 1997 and the final report was tabled on 30 September that same year. The interim report made a number of recommendations about improving aged care for people in New South Wales.

The final report built on the work of the interim report and took into account developments which had occurred since its tabling. During the course of the inquiry the committee received 91 submissions, heard formal evidence from 28 witnesses and held briefings with 12 people, including the principal stakeholders, consumers, private-for-profit aged care providers, government and non-government not-for-profit aged care providers, and other interested groups such as government departments, local government bodies, community groups, researchers and health professionals. In addition to hearing evidence at Parliament House, committee members made site visits to residential aged care facilities at Waverley and Summer Hill, and in a number of rural towns, including Cessnock, Baradine, Trangie, Walgett and Warren.

Those visits enabled the committee to gain an understanding of the operation of nursing homes, hostels and multipurpose services, and to talk to residents, relatives, staff and management. The committee also travelled to Wudinna and Elliston in South Australia to compare and contrast the model of multipurpose services on the Eyre peninsula with those in New South Wales. At the time of preparing this report, the provision of aged care in New South Wales was undergoing major change. The inquiry was conducted in a highly volatile policy environment with potential transfer of responsibility for aged care to the States as part of the Council of Australian Government—COAG—negotiations and the implementation of the Commonwealth Aged Care Act 1997 with its reforms to residential aged care services—the details of which are still emerging.

The committee was concerned that these significant changes to aged care were occurring in the absence of an overriding set of principles to provide a holistic approach to the provision of accommodation, care and support for older people in New South Wales. Underpinning the report, and indeed the whole inquiry process, was a set of

principles which the committee considered essential in the planning and provision of services supporting older people. The paramount principle is that older people in New South Wales are valued members of our society. The committee noted that there had been some debate in recent times about the "costs" associated with an ageing society. The committee believed this to be a grossly unfair and simplistic debate which does not take into account the substantial contribution to society which many older people have made over a very long period, and continue to provide.

Secondly, the committee believed that older people have the right to respect and autonomy, and to be supported to retain their autonomy where possible. Respect for older people as equal citizens should not be diminished on account of frailty or cognitive impairment. In addition the committee considered it essential that older people should be provided with opportunities to maximise their participation in society for as long as they choose, and with choices about care options when those choices need to be made. To that end, services need to be developed so that the opportunities and choices for older people are in fact real and not just developed in ways which suit service planners or providers. Finally, the committee believes that older people should have the right to contribute to the development of policy and programs which are aimed to support them, and provided with the means to do this.

The report commences by examining the policy and administrative context within which aged care sits in New South Wales. The committee learned that there is currently no national or New South Wales framework and/or agreed set of principles to guide the planning and delivery of services for older people—a situation the committee felt needed to be addressed as a matter of priority. The committee therefore recommended that a New South Wales aged care strategy be developed. The situation is further compounded in New South Wales by the absence of a lead agency to undertake strategic policy and planning for aged care. As a result, older people who require accommodation, care and support services are not always provided with the support services they need.

The committee observed that services are fragmented and the linkages which need to be made, such as between aged care and general and mental health care, transport and accommodation, are often not well made. In response to this shortcoming, the committee recommended that the total responsibility for aged care in New South Wales rest with the Minister for Aged Services and, through the

Minister, the Ageing and Disability Department. Current safeguards of the rights of residents in nursing homes were examined and the committee concluded that, generally speaking, the quality of care in nursing homes is high.

Quality control is supervised predominantly by the Commonwealth through a comprehensive range of mechanisms. The State has recourse only to the nursing homes licensing provisions under the Nursing Homes Act 1988 and the Nursing Homes Regulation 1996, and to the Health Care Complaints Commissioner. The committee was concerned that there appears to be a significant degree of non-compliance with outcome standards and, despite comprehensive monitoring, a reluctance to impose sanctions. The committee heard that a number of important work force issues need to be addressed if quality care for residents is to be achieved. There is concern about the use of medication and restraint practices, particularly for people with dementia and challenging behaviour. The report makes a number of recommendations aimed at improving the quality of care provided by staff in residential aged care services, including the need for appropriate training for staff and management on the care needs of their clients.

The report examined ways in which residents' rights will be protected through the examination of the quality control regime proposed by the Commonwealth accreditation system, complaints mechanisms and prudential arrangements for accommodation rooms. The committee considered that on the whole the new arrangements adequately protect the rights of residents but committee members were aware that the Federal Government has since changed its policy in this area so that the bond system is now somewhat different. However, the accreditation, complaint and prudential arrangements remain important.

The establishment of an independent complaints resolution committee was welcomed by witnesses from consumer groups. However, the committee remains concerned that the residents will not have direct access to that committee. The committee received evidence concerning the needs of particular subgroups of residents whose needs are not well met. The committee heard, for example, that people with dementia make up a significant proportion of residents yet staff generally are not skilled in caring for their particular needs. In addition to staff training, the availability of specialist staff who can provide advice and support to residential services, such as a network of community psychogeriatric teams, would assist the aged care

industry to better meet the needs of residents with dementia and those with mental health problems.

People of diverse culture and linguistic backgrounds also can be disadvantaged in aged care services, as these are generally not designed or delivered in a culturally appropriate way. Similarly, the committee has found that particular needs of indigenous Australians require a quite different response to those of non-indigenous Australians. The committee heard much evidence about the difficulties facing rural and remote communities, and undertook a study tour of a number of communities, in particular to look at the operation of the multipurpose service models. The issue of younger people with disabilities who reside in aged care facilities was a major concern to the committee. One younger resident described her experiences in a nursing home to the committee:

Because I have cerebral palsy I sometimes get spasms in my arms and legs. At meal times I am not allowed to sit with the other residents because they complain to the staff that I might kick or bump them . . .

Most of the people I live with are old enough to be my grandparents, and I don't have anything to talk to them about. Most of them wouldn't talk to me anyway.

I had particular concern for these younger people who are in homes often designed and almost entirely populated by elderly people, many with dementia. There are very few such younger people but their needs are very different. I recall one wheelchair bound victim of a car smash who simply could not move and who sat in a wheelchair in one of the nursing homes we visited. Clearly his needs were totally different from the needs of the people with dementia who were all in the same room. Yet, he could not move, he could not make his needs known and he could not speak. He could not do anything at all. That individual needed therapy, particularly immediately after the accident which precipitated such major disabilities. But, because of the nature of the residence, the sorts of therapy this individual required were not generally available.

Many such people are missing out on the things they really need and many young people are living "lives of quiet desperation" in such places because they are not designed for their needs. That is not a criticism of these homes but it is very strongly a plea that the needs of these young people be addressed: firstly, in the hope that appropriate therapy can improve their level of skill and assist them to re-integrate more with society and, secondly, because they have rights too and their needs also deserve to be met.

The report considered the then current and anticipated funding arrangements for residential aged care, post-1 October 1997, in particular the new system for upgrading and maintenance of the aged care facilities by the imposition of accommodation bonds. Although there have been considerable developments in this area since the tabling of the report the committee was concerned at the time that industry needs would not be adequately met by the accommodation bonds scheme. The committee was concerned that the financing of aged care might place an unnecessary burden on frail, older people to pay for their care needs. At the time the committee called for a review of sustainable financing options to meet the future, long-term care needs of older people.

Finally, the report addressed the impacts of the Commonwealth Aged Care Act 1997 on the New South Wales Government and related services, including regulation of aged care and the effect of the Commonwealth's proposal to transfer the responsibility and management of residential aged care to the State Government. The impacts of the Act are potentially far-reaching, affecting public hospitals, guardianship board applications, public housing and community care. These impacts highlight the need for a holistic approach to aged care, including making the linkages between aged care and related accommodation, care and support services which older people use.

I make all these comments in the awareness that since the completion of this report the Commonwealth has considerably altered its policy concerning aged care and nursing homes. Those changes are beyond the scope of this report. However, it should be pointed out that the anticipated transfer of responsibility for residential aged care raised considerable concern in the aged care sector as well as government. The committee received strong evidence that aged care should not be considered within the health context either at the administrative level or through the funding mechanisms. The recent decision of the health and community services ministerial council to enter into bilateral negotiations about a range of reforms to aged care is of concern to the committee, particularly as there are no agreed national parameters or principles about aged care to guide such negotiations.

The report also considered how existing services could be expanded to provide more responsive and innovative accommodation and support options for older people, both now and in the future. I would like to comment here that one of the anomalies that the committee did come across

was the problem caused when different bodies are responsible for different aspects of aged care. That can result in older persons who might prefer to stay in their own homes not receiving the services necessary to allow that and being forced to go into full-time supported accommodation, even though the provision of the services to those persons in their own homes would be far cheaper to government overall than the cost of supporting them in residential facilities.

There are some quite peculiar distortions of the system, which are extremely harmful to elderly people and in many cases prevent the elderly from being able to make the choices they want to make. I could have commented on many other aspects of the report, but I will listen with interest to the contributions made by other participants in this debate. This was a challenging and interesting inquiry. On behalf of the former chair of the committee, the Hon. Ann Symonds, I express our gratitude to all other committee members—the Hon. Dorothy Isaksen, the Hon. J. Kaldis, the Hon. Elisabeth Kirkby, the Hon. D. F. Moppett and the Hon. P. T. Primrose—for their hard work. The nature of the subject matter and many of the issues that had to be confronted made this a challenging report. As usual, committee members set aside a considerable amount of time to examine the range of complicated issues, under exceptionally tight deadlines.

I thank the secretariat staff, who performed an excellent task within the very strict time frames imposed on the inquiry. Ms Tanya van den Bosch was primarily responsible for conducting the initial stages of the inquiry and preparing the interim report. Ms Anita Westera, a secondee from the Ageing and Disability Department, prepared the final report. Ms Westera brought considerable experience and expertise to the inquiry, and all members greatly appreciated her contribution. Committee officers Ms Jane Millet and subsequently Ms Heather Crichton were actively involved in all aspects of the inquiry. Ms Crichton in particular was primarily responsible for all administrative aspects of the inquiry process and the production of both the interim and the final reports. Additional research assistance for the interim report was provided by Ms Gabrielle Leahy, a Macquarie University postgraduate student who, during the course of the inquiry, was undertaking an internship here in Parliament House. I extend my thanks to those extremely competent women for the contribution they made to the inquiry.

It would be remiss of me not to thank the committee director, Dr Jennifer Knight, and her predecessor, Ms Alexandra Shehadie, whose

guidance and leadership of the Standing Committee on Social Issues make the lives of committee members much easier. I will not say that it is always a joy to work on the committee, as some of the issues dealt with are difficult. Our aged population is growing and changing, both in number and as a proportion of the population. It will continue to do so as the baby-boomer generation retires. The demographic figures for this development are frightening. The committee believes that older people are valued members of our society and wishes to have that reflected in the services and systems put in place to support those who need them. The committee also believes that the information and recommendations embodied in the report, if implemented, will effect significant improvements in the provision of aged care in New South Wales.

The Hon. P. T. PRIMROSE [6.03 p.m.]: I am very pleased to have the opportunity this evening to speak to the Standing Committee on Social Issues report No. 14, "Caring for the Aged", dated September 1997. This is a report on the inquiry into aged care and nursing homes in New South Wales. The committee was asked to report on the current state of nursing homes and hospitals in this State and to examine the likely effects on New South Wales of Commonwealth Government proposals for change.

Pursuant to resolution business interrupted.

LIQUOR AND REGISTERED CLUBS LEGISLATION AMENDMENT (COMMUNITY PARTNERSHIP) BILL

Second Reading

Debate resumed from an earlier hour.

The Hon. ELISABETH KIRKBY [6.04 p.m.]: I am concerned about the effects on the community of wider opportunities for people to gamble, and, particularly, to use poker machines. The University of Western Sydney, Macarthur campus, has prepared a report entitled "An examination of the socio-economic effects of gambling on individuals, families and the community, including research into the costs of problem gambling in New South Wales". The report, which was prepared for the Casino Community Benefit Fund, details facts and figures that should be put on the record. Under the headline "Community Patterns of Gaming and Wagering" the report states that only 20 per cent of men and women do not

gamble; 38 per cent gamble weekly; 19 per cent gamble monthly; and a further 23 per cent gamble, but less often. Lotto, with 57 per cent of popularity, and Instant Lotteries, with 49 per cent popularity, are reportedly the most popular forms of gambling at all levels of frequency of play.

On average, men reported spending twice the amount spent by women. Results of the study suggested that men and women in country New South Wales gamble more frequently and spend more than respondents in the city. That is an unusual finding, and it is very frightening. Certainly incomes are much lower in country districts and employment is much more difficult to obtain. Therefore, if people become problem gamblers in country areas—which is likely to occur more often if there are to be more poker machines in hotels—the effect on the areas will be devastating. This is a matter about which all honourable members have concern. The report stated that 94 per cent of men and women agree that gambling results in serious problems for some families.

Views as to who should be the most responsible for funding services to help problem gamblers and their families were almost equally divided across government, gambling operators, gambling venues and problem gamblers themselves. This is an issue we will need to address when debating whether gambling produces any true benefit to the community. The study examined family experiences with problem gambling. It stated that 14.5 per cent of respondents reported that a member of their family had experienced difficulties with excessive gambling, and for 3.8 per cent of respondents the problem had occurred within the previous six months. The report deals with the negative impacts of gaming and wagering. Personal impacts have been reported as follows:

The OTHER group commonly experienced problems limiting expenditure (51%) and 1 in 4 players had felt like stopping gambling but did not think they could. Negative mood swings were reported as preceding (30%) and following (30%) a session of gambling.

Family impacts are reported as follows:

For the OTHER group gambling resulted in criticism (27%), money arguments (18%) and became more important than socialising (22%).

Employment impacts are reported as follows:

For the OTHER group few respondents reported loss of efficiency (7.5%), lost time from work (6%) and changing jobs (3%) because of their gambling.

Under the subheading "Legal" the report states:

For the OTHER group few respondents reported gambling related court appearance (4%), and misappropriation of monies (4%).

Paragraph 5.4 deals with Government revenue from gambling and states:

Total expenditure on gambling in New South Wales in 1993/94 was \$2,918.1 million on a turnover of \$24,464.1 million. This expenditure amounted to 3.1% of household disposable income.

New South Wales Government revenue from gambling rose from \$98.5 million in 1972/73 to \$1,010 million 1993/94. Of this, Gaming contributed \$689 million and racing \$321 million. On average, Government revenues amounted to 34.6% of expenditure on gambling, or 4.13% of turnover.

With 4,512 million of the NSW population eligible to gamble, the average loss per head was \$646.70. At a government retention rate of 34.6%, each adult, on average, paid \$223.66 in "voluntary tax".

NSW Government total current revenues in 1993/94 amounted to \$17,371 million. Gambling, therefore, accounted for 5.8% of Government current revenue. As a percentage of taxes, fines and fees, exclusive of grants received and other revenue, the gambling generated share was 11.9%.

That is an extremely high proportion of Government revenue from such an undesirable source. Later in the report it refers to the affirmative respondents being asked about the negative effects of gambling on regular players with regard to Lotto only versus other forms of gambling. The results are too long to put on to the record but some of the sad statements were: "My gambling has caused problems for family or friends," "My family or friends have criticised my gambling," "My gambling has caused arguments about money with family/friends," "My gambling has been more important than socialising," "I spent more than I could afford on gambling," and "Even if I had urgent debts I would go on gambling."

Honourable members have to take into account the prevalence of problem gamblers in New South Wales when this report was prepared in January 1996, more than two years ago. A national study in 1991-92 based on a sample of 2,500 respondents drawn only from metropolitan Sydney, Melbourne, Brisbane and Adelaide established the benchmark figure that 1.16 per cent of the population were problem gamblers.

However, if gambling has increased so dramatically since 1991-92, by 70 per cent per annum, it is reasonable to assume that the percentage of people with a gambling problem has also increased. Even if the number of gamblers who

have a problem has only increased by 2 per cent, 3 per cent or 4 per cent, many people and their families need help. Honourable members have to consider not only problem gamblers but problems caused to the their families. I ask honourable members to remember the letter I read at the beginning of my speech.

Paragraph 11 of the study has a table of the summary of impacts costed. It shows an employment impact of \$27 million, comprising productivity loss \$19 million, job change \$5.238 million, and unemployment \$3 million; and there are also legal costs, court costs, prison costs, police costs, financial costs, bankruptcy costs, personal costs of divorce, and acute treatment, and existing services. The total estimated annual cost of gambling in this State is \$48 million, and as a result the wonderful revenue that is being collected by government does not stack up. These costs are in hard money terms and do not take into account the emotional and social costs of gambling. The other report which I am sure honourable members have seen was prepared by Keys Young, at Milsons Point, for the Casino Community Benefit Fund Trustees in November 1995. In relation to gambling and services for problem gambling, the report states:

Research is currently being carried out into the prevalence of gambling and problem gambling; the social and economic impacts of gambling and problem gambling; the nexus between alcohol and gambling; the genesis of gambling behaviour; and the impacts of gambling on the family, tourism and leisure patterns.

Research into the nexus between alcohol and gambling makes it clear that hotels are the very last places where there should be gambling machines and poker machines. In a casino or a registered club the poker machines are located in a separate area into which players must specifically go, but the majority of hotels are too small to have poker machines in special areas. Everybody who goes into a hotel for a quiet drink or to meet friends and socialise is exposed to poker machines.

The report says that the Macquarie Drug and Alcohol Service is funded solely by the Drug and Alcohol Directorate of the Department of Health. It discloses that the gambling program does not have a separate budget, and that the service comes within the drug and alcohol budget. The program's performance is accountable only to the Department of Health, and I cannot understand that. If there is such a service to assess problem gamblers, surely it should be accountable to the Minister for Gaming and Racing and the report should be available to the Parliament to be debated. The report states:

The service has not been subject to any external evaluation as program performance must be carried out within the existing budget. Resources are not available for detailed evaluation or client follow up.

The Macquarie Drug and Alcohol Service did not receive any funding as a result of this study. It is really a very inadequate service to help problem gamblers and is equally inadequate as a service to advise government on what is happening, how many problem gamblers there are, and what the service is doing to assist them. The service said that its effectiveness is measured through the use of a client satisfaction survey, but surely problem gamblers would not be given the necessary forms and asked to complete a client satisfaction survey. That is not a sensible way of evaluating the program. The report states also that the Macquarie Drug and Alcohol Service has priorities for program development that are not funded.

There is no money for the employment of a full-time gambling counsellor. The development of a special approach to address the needs of the Aboriginal community with regard to problem gambling is not possible because of lack of funds. No money has been devoted to the development of educational resources and programs about problem gambling for gaming institutions and employers. Another program that is available to assist people with behavioural addiction is offered by the South Pacific Private Hospital, Harbord. It provides treatment for people with lesser psychiatric problems and clients in withdrawal from substance or behavioural addictions.

The treatment modality used by the South Pacific Private Hospital is based on Pia Melody's co-dependency model, as used at the Meadows institution in the United States. This approach focuses on family-of-origin issues such as child abuse and incomplete personality development. Each client is seen as a unique individual capable of honesty, open-mindedness and the willingness necessary for recovery. The underlying causes of each client's gambling problem are addressed, as well as the symptoms. The hospital has not received any funding from the casino benefit fund. It operates as a private hospital and is not affiliated with any other organisation.

Its clientele consists of people with gambling addictions who engage in a wide range of gambling forms, the most pronounced being gaming machines and TAB and bookmaker betting. It also has priorities for program development. The hospital wants money to fund one or more beds for problem gamblers who are unable to meet the cost of

treatment. It wants money to employ additional staff, for training and resource materials to further develop its existing program. It wants money for greater involvement in community-based education awareness programs for the treatment of problem gambling and treatment options. It wants money for an outpatient program. I was not surprised to read in the report that this hospital's sensible program to provide assistance to some addicts is not receiving funding; that the hospital's program that it believes could help problem gamblers is not receiving any funding.

The St Edmund's Private Hospital in Eastwood provides rehabilitation treatment for people with addictions. A counsellor has been employed specifically to help raise the profile of problem gambling and addiction counselling. It also has priorities, but needs money. If additional funding were available, the priority for developing the program would be the funding of a bed to be used for the provision of a free service to problem gamblers who cannot afford the hospital's fees. Money should be made available for these services and for a whole variety of other organisations. In the report 14 organisations are listed and it is quite obvious that they all need money to deal with this problem. There is absolutely no doubt that as the ability to gamble increases, so will the number of problem gamblers. Therefore more money will be needed to contain the social effects of this problem.

I find it hard to understand how any government can take action such as the introduction of this legislation that will provide more opportunities for people to become gambling addicts, to destroy themselves and their families, to impact on their friends, and still call itself a responsible government. The Government has not taken into account for one second the social impact of gambling; it is only interested in the revenue it will collect. Honourable members have not spoken about the economic cost to assist gamblers and their families if the number of problem gamblers increases.

For those reasons I oppose the bill. As I best understand the proposed amendments they will not be a solution to the problem. I realise that voicing my opposition is a total waste of time because the Government believes that the bill is appropriate and it is supported by the Opposition. I know I am whistling in the wind, but I do oppose the bill with as much vehemence and breath as I can muster.

[The Deputy-President (Reverend the Hon. F. J. Nile) left the chair at 6.28 p.m. The House resumed at 8.00 p.m.]

The Hon. R. S. L. JONES [8.00 p.m.]: I am surprised that the House is debating this package, which came about largely as a result of enormous pressure being placed on the Government by the club movement. It certainly shows how powerful the club movement is in New South Wales. This bill contains a broad package of gaming and related enhancements for the club and hotel industries in New South Wales. The package will deliver significant tax relief for registered clubs and provide clubs and hotels with greater commercial certainty. For smaller clubs the package contains a new tax cut, reducing their tax bill by about \$12 million per year. Hotels wishing to operate more than 15 poker machines will have the opportunity to do so through the sale of an additional 2,300 machines.

It will be interesting to see how much revenue the Government receives from the sale of licences in this financial year. However, the Government must do more than simply provide tax relief and commercial certainty to clubs and hotels. It is obligated to serve and protect the interests of those who participate in and are affected by the gaming industry in New South Wales. Australia is the most gambling-mad nation on earth. In fact, the latest survey of Australian gambling by the Roy Morgan research organisation found that three-quarters of Australian adults gamble on something during a year, whether it be a fly going up a window or whatever.

The Hon. J. P. Hannaford: Or on some of us surviving in Parliament.

The Hon. R. S. L. JONES: Or gambling on which members will keep their seat at the next election. The latest figures show also that we outlay more on gambling than we do on food. For example, in 1995-96 we outlaid \$61 billion on gambling, of which we lost \$9.6 billion—although not I—while spending only \$46 billion on food. Every year we wager more than \$3,300 for every man, woman and child—three times more than in any other country in the world. Australians now gamble away 3.08 per cent of their household disposable incomes, which is more than they save. Some 200,000 people in Australia are now categorised as problem gamblers. However, problem gambling not only affects the gambler; for each problem gambler an estimated 15 other people—family, friends and work colleagues—are also affected. That is three million people. Betting also depletes resources which may become available to charitable organisations such as the Salvation Army.

It is not only the people of Australia who have become addicted to gambling; our governments rely

heavily on billions of dollars of revenue from gambling. For example, in the last financial year Australian governments received \$3.23 billion in revenue from the gaming industry. While these national facts may seem rather alarming, the figures for New South Wales are even worse. The residents of New South Wales currently gamble \$817 each per year and as a group lose \$3.7 billion. New South Wales operates some 76,000 of the 120,000 poker machines in Australia, and the New South Wales Government received \$448.8 million in revenue from club gaming machines alone in 1995-96. New South Wales has about 10 per cent of the world's poker machines, and that will increase shortly.

Admittedly, reliance on gaming revenue may not in itself necessarily be a bad thing, depending on what the revenue is spent on. While government revenues from gaming were once explicitly tied to social welfare, for example, with lotteries paying for the public hospital system in Queensland, that nexus is now severed. The onus on governments now is to ensure that a link between gaming revenue and welfare provision is restored, whether it be directly through government expenditure or indirectly through regulation of the gaming industry. I am informed that the Government has managed to restore a small link through an agreement it has brokered between the Registered Clubs Association and the Council of Social Service of New South Wales—NCOSS—which is the peak body for the social and community services sector in this State.

I understand that the agreement consists of the following undertakings, amongst other things. I thank my researcher, Jenny Emblem, who has been intimately involved with the negotiations on these amendments, as have the Hon. I. Cohen's researchers. The undertakings provide that for the duty period ending 30 November 1998, 33 per cent of the moneys set aside for community development and support will be applied to specific community welfare, community development, social services and employment assistance activities; for the duty period ending 30 November 1999, 40 per cent of the moneys will be set aside for that purpose; and for the duty period ending 30 November 2000, 50 per cent of the moneys will be set aside for that purpose. Capital expenditure by a registered club for the enhancement of club facilities will not be sourced from moneys set aside for specific community welfare, community development, social services and employment assistance activities.

Expenditure relating to the problem gambling policy, which is to be developed by the Registered Clubs Association pursuant to new section 87AA, will not be sourced from moneys set aside for

specific community welfare, community development, social services and employment assistance activities. While each of the undertakings is commendable, in order to provide even greater certainty to the clubs of this State I understand that the Government will move amendments and give assurances in Committee which will add to and enshrine the contents of the agreement in legislation. I understand that the Government's amendments will ensure that a set percentage of community development and support expenditure will be spent on genuine community welfare, community development, social services and employment assistance activities and, therefore, benefit the general community in a positive way.

The Government will ensure that the guidelines for approved community development and support expenditure are published and made subject to review by the Parliament. It will ensure also that the guidelines are reviewed, in consultation with the Registered Clubs Association and the Council of Social Service of New South Wales, remade and republished for the duty period commencing 1 December 1999 and subsequent duty periods. The Government had intended to give an assurance that expenditure by a registered club on the development and/or implementation of the Registered Clubs Association's problem gambling policy will not be regarded as moneys applied to specific community welfare, community development, social services and employment assistance activities. I understand that this will be covered in the guidelines.

The agreement on problem gambling and associated matters brokered between the Registered Clubs Association and the Council of Social Service of New South Wales has provided an ideal opportunity to maximise the benefit that could be derived from club contributions for community development and support, and will no doubt make a real difference to local communities, particularly disadvantaged individuals and families. Unfortunately, however, the agreement and the Government's amendments do not go far enough in some areas. For instance, if clubs in New South Wales must develop and implement their own problem gambling policy, surely hotels in this State should be subject to a similar requirement. Money set aside for community development and support should not be spent on capital expenditure items unless it can be demonstrated that access to the facilities concerned is generally available to a broad cross-section of the community, including non-profit organisations.

I understand my colleague the Hon. I. Cohen will move amendments in Committee to address two

outstanding issues. I ask honourable members to support those amendments. The package is quite complex and involved a good deal of consultation with all parties, including the Australian Hotels Association, registered clubs, and crossbench and Opposition members. I believe a reasonable package and compromise were reached. I share the concerns of some members, particularly Reverend the Hon. F. J. Nile and the Hon. Elisabeth Kirkby, on the amount of gambling that now takes place in this State and the effect it has on families. At some point we must come to grips with that problem and start to wind back the amount of gambling that takes place.

The Hon. R. B. Rowland Smith: You told me never say die.

The Hon. R. S. L. JONES: Never Say Die won the Derby in 1954. Who was riding it?

The Hon. R. B. Rowland Smith: Lester Piggott.

The Hon. R. S. L. JONES: Lester Piggott, yes, his first win.

The Hon. R. B. Rowland Smith: Is it right that you were a great gambler and lived at Epsom?

The Hon. R. S. L. JONES: I did, yes. I used to get quite a few good tips. I knew a few of the trainers.

The Hon. R. B. Rowland Smith: Did you ever throw a leg across a horse?

The Hon. R. S. L. JONES: Yes I did, but I did not win. I am not sure if the horse appreciated having me on him! I reiterate that as a community we must come to grips with our dependence—which is mostly economic at government, club and hotel level—on gambling revenue. It is unhealthy for the community to rely so heavily on that revenue. I trust that the Federal inquiry, and the possible State inquiry, will find some way wind back that dependence.

I hope people will become more aware that they are losing money—sometimes money that they cannot afford—and that they can become addicted to gambling. Gambling is a major problem in many families, and we need more community education to let families know that they can get into strife. With those few words, I do not oppose the bill. I hope the foreshadowed amendments of the Hon. I. Cohen will be successful and that in time the community can become less dependent on gambling revenue.

The Hon. I. COHEN [8.12 p.m.]: I express a degree of concern about the Liquor and Registered Clubs Legislation Amendment (Community Partnership) Bill. The Greens are concerned that gambling is one of the major fund-raisers for the coffers of this and other New South Wales governments. Many people in the community, particularly those who are most vulnerable, suffer a great deal of hardship from this habit. I was declared by some in my community as something of a wowser when I spoke out against this issue.

The degree of wowserism is not in question; it is the hardship caused to a significant number of people in the community through this method of revenue raising by the Government. The encouragement to gamble and the increased number of poker machines in the community are a sad indictment of the economic functions of any society, which often ride on the backs of the vulnerable in our society. The Greens oppose any legislation that will increase public access to poker machines. This bill will achieve such a result. Up until now hotels have been allowed to operate 15 poker machines provided they were matched with card machines. That resulted in some hotels operating up to 30 gaming machines. In a letter dated 4 March the Treasurer stated:

The Government proposes to allow hotels to operate 15 poker machines without having to match them with unprofitable card machines.

The Treasurer argued that the poker machine package for clubs will not lead to an increase in gaming machines. In a press release dated 20 February the Treasurer stated:

There will, however, be no increase on the maximum 30 gaming machines to which hotels are entitled.

However, members of the public prefer to operate poker machines and not card machines. The Greens argue that allowing hotels to operate 30 poker machines instead of 15 will lead to an increase in gambling and all its associated problems, as customers will be more readily able to access their preferred gaming machine. Parts of the bill centre around tax on poker machines. It is interesting to compare the different State tax rates on gaming machines. When this bill is passed New South Wales clubs will pay 16.1 per cent on \$1 million gross revenue and 24.2 per cent on \$20 million gross revenue. Victoria pays 33.3 per cent on \$1 million and also on \$20 million; and the Northern Territory pays 47 per cent on \$1 million and also on \$20 million.

The average tax for hotels in New South Wales is 30.8 per cent on \$1 million. Victoria pays 41.7 per cent on \$1 million and Queensland pays 50 per cent on \$1 million. Poker machines in clubs and hotels in New South Wales are taxed lower than in other States. The Greens suggest that the tax rates should be the same as those in Queensland—50 per cent for clubs and pubs. The bill provides for a 1.5 per cent reduction in tax liability for clubs when their profits exceed \$1 million and they can satisfy the board that the money was spent on "community support".

Community support is defined in the guidelines to be published under subsection 6. The Council of Social Service of New South Wales—NCOSS—approached the Greens about the guidelines. It was concerned about how the money might be applied. In a letter to my office dated 24 April about community support spending, with attached correspondence to the solicitors of the Registered Clubs Association, NCOSS stated:

At least 50 per cent of the community support expenditure should be applied in the pursuit of community social objectives. This amount can include the separate employment development and vocational training program for the unemployed which we have proposed.

The Responsible Gaming Program should not be funded from the 1.5 per cent community support fund, but from the normal operating costs of clubs. Consumer protection initiatives are a core business responsibility, not an added on community service obligation.

NCOSS also raised concerns about capital expenditure being funded from the 1.5 per cent and argued:

It was proposed—by the RCA—that capital expenditure on facilities that are available for use by the community and operated primarily on a cost recovery basis is acceptable as eligible expenditure. NCOSS believes that the way this criteria is currently framed also allows clubs to refurbish or renovate their facilities without any responsibility to actually see significant external community use. Therefore NCOSS proposes that where capital grants were made, the facilities funded must be of relevance to the broad range of community organisations and be actually used for significant periods of time by external community organisations. The pricing facilities must not deny access to small, voluntary agencies and self help groups.

... there needs to be an upfront definition of acceptable activity for support through ACPBE which clearly gives priority to community development, community welfare, social services and employment assistance activities.

The Greens share those concerns and in Committee I shall move amendments which address those issues. An article in the *Australian Financial Review* dated 7 June 1996 entitled "Clubs get a free tax kick" referred to clubs getting excellent Federal tax breaks. The article stated:

Registered clubs often pay tiny amounts of income tax.

Huge commercial ventures such as the Penrith Rugby League Club in western Sydney, for example, can turn over \$75 million in one year and yet pay less than 7 per cent tax on their profits. Many clubs pay no income tax at all.

It is an issue throughout Australia, but the clubs are biggest and the distortions in the tax system most obvious in NSW.

... Registered clubs and organisations are protected by the mutuality principle of the Income Tax Assessment Act, which means they are not taxed on income derived from members. Of course, they pay State taxes on poker-machine revenues, but the mutuality principle refers to Federal income tax. The clubs are only required to pay income tax on profits earned from non-members and from investments.

For example, the Manly Warringah Leagues Club, which earned a healthy profit of \$4.6 million in the 16 months to October 31, 1995, and saw more than \$20 million put through its poker machines, didn't even have a line for income tax in its lengthy return to the Australian Securities Commission. That is because it paid no income tax at all. There was none paid in 1994 or 1993 either.

Similarly, the Albury Sailors Soldiers and Airmen's Club, being a club located on the Victorian border, would be expected to attract visitors. The club paid no income tax in 1994 or 1995, according to its accounts lodged with the Australian Securities Commission. The competitors to clubs, such as members of the Australian Hotels Association, claim that fully taxed enterprises offering the same services as clubs cannot hope to compete. The AHA goes as far as to claim that the club industry has devastated the hotel industry over the past 10 to 15 years. The central question is, are governments forgoing massive amounts of cash to subsidise the club industry? Are other States of Australia subsidising New South Wales, where the club industry is by far the biggest? The AHA has been the most vocal about its views on the tax system as it applies to clubs. Last month on the 200th anniversary of the hotel industry in Australia, the Australian Hotels Association's national president, Michael Monaghan, said:

Without doubt, the most pressing concern facing our industry has been the unchecked growth of tax-exempt private licensed clubs in the ACT, NSW and Queensland.

Unless governments move to address this situation without delay, the revenue lost to the Federal Government will be unmanageable and small-business operators coping with unfair competition from private clubs and their subsidised and related businesses, such as restaurants, gymnasiums, transport services will be wiped out.

An indication of the sheer size of New South Wales clubs as businesses can be gleaned from their poker-machine turnover. In 1994, when turnover jumped 38 per cent or \$4.5 billion in one year to

\$16.4 billion, that increase of \$4.5 billion was equal to the entire annual turnover of the New South Wales racing industry. New South Wales club poker-machine turnover increased by the annual wealth of the New South Wales racing industry in one year. Clubs are moving into other businesses as well—such as four-star accommodation. Penrith Panthers has a 170-room four-star hotel which has an 85 per cent occupancy rate. It is in the process of adding another 46 rooms to meet demand. The Twin Towns Services Club has obtained council approval for a resort hotel complex with 200-plus rooms and access to the club and Greenmount Beach.

Central Coast Leagues Club announced in March 1995 that it would build a \$30 million, 200-room four-star hotel in Gosford. Rooty Hill RSL lost \$288,551 on its accommodation in the 1994 financial year. The capital that the registered clubs are sinking into building developments is quite extraordinary. Penrith Panthers, for example, is set on 80 hectares and its land and buildings are valued in its accounts at \$74 million. Its 1995 revenue of \$68 million was up 14 per cent on the previous year. Poker-machine revenue jumped 27 per cent on the year to \$36.7 million and Panthers has announced a \$150 million refurbishment program which includes plans for a new gaming lounge with 500 extra poker machines—adding to the 770 machines already there—a TAB centre with 60 televisions and remote controls, a cinema with a \$1 million simulator where the seats move with the picture, a golf course for beginners, a 1,000-seat theatre and a \$9 million atrium near the family entertainment centre.

Are the clubs able to provide these extraordinary facilities only because of their privileged tax status? The Registered Clubs Association chief executive, Keith Kerr, argues that unlike registered clubs, which must put profits back into services and facilities, pubs and casinos just put profits into their pockets. Kerr also claimed that the clubs make community donations of up to \$700 million a year. This figure appears extraordinary until one looks at the registered clubs' definition of "donations". It includes any new buildings, refurbishments and renovations—the rationale is, "This is a donation because we cannot sell them"—grants to football clubs, which amount to tens of millions of dollars a year in tax-free funds; and the more traditional donations to community service organisations.

A voluntary club industry survey prepared by accountants KPMG on behalf of the Registered Clubs Association showed that the average amount

of external grants and support given by the 111 clubs surveyed in the December quarter last year was \$8,858. The average for the top 20 clubs surveyed was \$30,427. By comparison the top 20 clubs spent an average of \$213,108 on new buildings, \$251,541 on refurbishments and \$237,152 on poker machines. In addition to these anomalies and this lopsidedness in relation to where that money goes in our society—that is, clubs and what they support—the Greens have considered the issue of the problem gambling provision by applying to the Australian Hotels Association and the issue of the 1.5 per cent community support expenditure applying to the AHA, particularly in light of the fact that poker-machine gambling has increased in hotels in recent years. In an article in the *Sydney Morning Herald* of 27 February, entitled "Pub owners big winners from poker machines", David Humphries investigated this issue. He stated:

Poker machine profits have lifted the sale value of Sydney hotels by about a third, according to industry and Government estimates.

Some hotels are taking annual profits, after tax and expenses, of more than \$800,000 from their 15 poker machines. Now, under a deal to placate registered clubs by cutting their taxation, hoteliers are being offered a doubling of pokie numbers, at a price.

... The turnaround in hotel fortunes since the introduction of poker machines last April has surprised the industry and regulators. Even without the new poker machines, the average hotel profit was expected to increase by \$125,000 a year.

... On State Government figures, each poker machine will return its hotel owner an average \$35,000 a year, after the State has taken its average 30 per cent share.

In light of this evidence the Greens consider that there will be a huge increase in gambling in this State. NCOSS put to the Greens the proposition that 1.5 per cent of the poker machine tax over \$1 million should be dedicated for general community welfare, community development, social services and employment assistance activities. This can be done through hypothecation or through a specially dedicated fund for such a purpose. The Greens agree with NCOSS on this issue and would like to see this happen eventually. I have a letter also from Mr Jim Connolly, manager of Wesley Gambling Counselling Services. Mr Connolly has stated:

The current debate regarding responsible gambling is driven more by community pressure and government's taxation deals for industry, than a real commitment by many within the gambling industry. This is regrettable given the significant personal and emotional trauma created by problem gambling and the overall impact the current expansion of gambling opportunities is having on families within the community.

It is interesting to note that as at February 1998 the total number of gaming machines in clubs and hotels in New South Wales is approximately 90,000, and a further 1,500 gaming machines are in the Sydney casino. New South Wales has three times the number of gaming machines as Victoria. New South Wales has 10 per cent of the total number of gaming machines in the world. There is no industry or legislative code of conduct for the responsible service of gaming in New South Wales. Although the Australian Hotels Association claims to have one, it has been largely ignored by hoteliers. By comparison, codes of practice have been operating in Victoria and South Australia for some time.

Although research indicates that problem gambling affects between 0.5 per cent and 3 per cent of the adult population, the true figure is difficult to quantify given the often hidden nature of the problem. It is estimated further that between five and 10 people are affected by the activities of a problem gambler. This figure suggests the existence of a significant problem within the community arising from problem gambling. Problem gambling also represents a significant cost to the community. It can result in crime, breakdown in relationships, bankruptcy, and financial and emotional stress.

The Carr Government has "helped" problem gamblers and their families by: refusing to establish the promised gaming commission to examine the expansion of gambling activities in New South Wales and its impact on the community, allowing the operation of 30 poker machines in hotels, allowing unlimited numbers of gaming machines in registered clubs, allowing the TAB and the Registered Clubs Association to lease gaming machines to smaller clubs who cannot afford to purchase them, deregulating the racing industry, allowing the introduction of a numbers game into hotels, and proposing an increase in the maximum bet limit on gaming machines.

Interestingly, the industries in Victoria and South Australia were not coerced into developing codes of practice but initiated them. Both of the codes share common themes. They are: prohibition of the cashing of personal or third party cheques; provision for the exclusion of patrons when their welfare is at risk due to excessive gambling; mandatory signage requirements containing information about the availability of a counselling service for problem gambling and the ability of a patron to exclude himself from the premises; payment of winnings by cheque in excess of a specified amount; the location of EFTPOS and

ATMs away from the gaming areas; awareness training for staff about problem gambling; and strict guidelines relating to the advertising and promotion of gaming.

Although I endorse the underlying principles of these codes of practice, I do not believe that self-regulation would be effective in New South Wales. There are several reasons for this. The sheer size of the gambling industry in New South Wales does not lend itself to industry self-regulation. Problem gambling is a serious social and health problem which requires intervention by the Government rather than by the industry. There is no evidence of any commitment on the part of the industry to embrace harm minimisation strategies. Uniformity would be essential for any industry code of practice to be effective. This would require a co-operative approach by the various peak industry bodies which, in view of the poor relations between the AHA and the RCA, could not be achieved. An industry code of practice would not be binding on all industry members. Sanctions or penalties for non-compliance could not be enforced. This would significantly diminish its effectiveness.

The Wesley Gambling Counselling Services believes the way forward is to appoint a gaming commissioner or ombudsman to review future developments and problems within the gaming industry. This process would provide transparency on issues relating to problem gambling and consumer protection and provide an appropriate mechanism for dealing with them. This information has been supplied to me by Jim Connolly, manager of Wesley Gambling Counselling Services.

To conclude, the Greens consider that provisions relating to community support expenditure and problem gambling policies should apply equally to both associations, as gambling is increasing and, under this legislation, will continue to increase. In Committee the Greens will be moving an amendment to address the gambling policy issue. The Greens ask that the Government takes note of the degree of human hardship caused by gambling in this State. It is horrifying to see the magnitude of gambling in New South Wales on a world scale. If honourable members are going to put up with this less than honourable method of revenue collection in this State they should target the vulnerable, establish services that will rehabilitate and protect them, and extend those services to the families of people affected, because the effects of gambling addiction run far wider than any individual. The problem affects families all along the line, particularly children. It is the responsibility of

the Government to protect the community in some way, and so far it has failed to do so.

Reverend the Hon. F. J. NILE [8.36 p.m.]:

On behalf of the Christian Democratic Party I express concern about the Liquor and Registered Clubs Legislation Amendment (Community Partnership) Bill 1998. In many ways this bill represents a victory for registered clubs in their campaign to reduce poker machine tax. Although not on the same scale, the provision of a further 2,300 poker machines to hotels on top of the recent allocation of 15 poker machines per hotel is also a victory for hotels. My party has calculated that a total of 38,000 poker machines would be installed if each hotel applied for 15. I note that not all hotels have done so, as they do not have sufficient patronage.

The bill introduces a number of amendments. The club poker machine profit tax will be reduced from 30 per cent to 26.25 per cent on profits exceeding \$1 million, and from 22.5 per cent to 20 per cent on profits between \$200,000 and \$1 million. The tax-free threshold and tax rate on profits of less than \$200,000 remain unchanged. An allowance of up to 1.5 per cent will be available against the 26.25 per cent tax rate for approved community support expenditure, and the existing welfare expenditure scheme will be abolished with effect from 1 December 1997. This will provide around \$30 million in community expenditure.

The New South Wales registered clubs industry is to develop and implement a problem gambling policy from 31 May 1998 providing sanctions for non-compliance and mechanisms for monitoring enforcement. The Christian Democrats support that provision. It is long overdue, given the extent of gambling within the club industry, particularly on poker machines. The tax applicable to both registered clubs and hotels will be fixed until further review in February 2001.

The maximum number of gaming machines in hotels is to remain at 30, although the prohibition on hotels holding more poker machines than approved amusement devices—AADs—is to be removed. Individual hotels wishing to operate more than 15 poker machines, up to a maximum of 30, will have the opportunity to do so through a permit-style process for an additional 2,300 poker machines. There is some confusion whether this is replacing an auction approach with what is more of a tender approach. TAB Ltd will be able to fund, own and operate gambling machines in hotels and clubs either alone or in an appropriately agreed joint venture

with the RCA, in the case of clubs, or the AHA in the case of hotels.

The joint venture or TAB Ltd in its own right will provide services as may be agreed with individual site operators, within the regulatory framework applicable to existing gaming machine owners and operators. The joint venture will have the first right to offer such services to clubs and hotels. Only in the event that the joint venture chooses not to provide such services will TAB Ltd be free to do so, on the same terms as those offered by the joint venture. Both clubs and hotels will remain free to purchase poker machines from the manufacturer, although the joint venture TAB Ltd offers are expected to be attractive, especially to smaller clubs. We understand that the application relating to TAB Ltd is part of the Government's approach to make the Totalizator Agency Board sell-off as attractive as possible and obtain the highest share value, which will apparently be more than \$2 per share.

More than a million persons or organisations have registered their interest in the TAB float, which must be pleasing to the Government. The Christian Democratic Party attended joint briefing sessions in which some nervousness about the TAB float was expressed. It was felt that there was a need for certain provisions that would attract a positive share price and encourage people to become shareholders. It appears that the Government has succeeded in attracting interest. The Christian Democratic Party is not in favour of gambling and wonders whether we as a community may have created a monster. TAB Ltd, as with any commercial operation, will want to operate on a profitable basis and will be aggressive in its business dealings. I trust that will not destroy any real concern about the impact of the activities of TAB Ltd on the welfare of the State. Governments, comprising members of political parties, have deep concerns for the welfare of the State. TAB Ltd will not have the same concern.

I should like the Minister to clarify whether the various provisions relating to registered clubs and hotels with regard to problem gambling will apply to TAB Ltd. TAB Ltd will be a major gambling institution, and I urge the Treasurer to ensure that those provisions apply to the organisation. Some might argue that such action could reduce the share price, but surely that is the whole point—we cannot put commercial value above the value of individuals and families. When my party first learnt of the Government's proposals I wrote a letter to the Treasurer, dated 23 March 1998, outlining our attitude to some of the Government's suggestions. That letter summarises

some of our concerns and I should like to now read it onto the record. The letter stated:

Hon Michael Egan MLC

Proposed changes to Poker Machine Tax

The government must consider gambling's "social impact" and restrict poker machine expansion.

Thank you for the opportunity to discuss your proposed changes to the poker machine tax last Wednesday.

As discussed, the Christian Democratic Party is concerned about the "Social Impact" that gambling is having on our community. Gambling is a slippery slope which leads many towards being problem gamblers and some eventually will become pathological gamblers. Studies in the USA estimate that every \$1 of gambling revenue collected by Government reflects a \$3 increase in criminal justice, social welfare and other costs.

Perhaps it will be argued that for every \$1 the State Government collects in tax revenue there will be a \$3 cost to the Federal Government. The Federal Government may ask this Government to offset the cost it is meeting in social programs. I shall be interested to read the results of the Productivity Commission's inquiry. Perhaps I have revealed a hidden agenda. The Federal Government has not as yet shown a great concern about gambling. The Productivity Commission, as its name would indicate, deals with economics. It would have no real expertise on matters such as social impact and the things we are concerned about. It may be that the inquiry concentrates on economic issues and taxation and does not give sufficient attention to social impact. When this matter was raised with the Federal Treasurer, Mr Costello, he referred to economic impacts and social impacts—as if to indicate that in his mind social impacts were not on the same level as economic impacts. I believe that social impacts are very important, and that is why our party supports the Opposition's amendment designed to ensure that the Government meets its promise to hold an inquiry into gambling. That inquiry could be linked with whatever Federal inquiries are held, and information could be exchanged. Our letter continued:

When is enough, enough? Victoria has a ceiling on poker machines (27,500) until the year 2000. NSW has 10.5% of the Worlds total poker machines with a total of over 86,000. Surely this is sufficient.

I challenge the Government to prove that our figure of more than 86,000 poker machines in this State is wrong. Surely this one State should not have 10.5 per cent of the world's poker machines? Poker machines are in the United States, the United Kingdom and Europe, all of which have much larger populations than New South Wales. Surely that

figure is out of proportion. New South Wales is sinking under the weight of 86,000 poker machines. Of course, that is not the end total of poker machines in this State, that is simply the current number. Figures I will provide shortly demonstrate that the number of poker machines in this State is increasing daily. Legislation limits the number of poker machines allowed in hotels, but there is no ceiling placed on the number in clubs. Some clubs have increased the number of their machines dramatically. Our letter continued:

Will the Treasurer agree to a ceiling (moratorium) on the number of poker machines in NSW? I note that following the proposed auction of 2300 further machines for the Pubs that they will have a ceiling for three years. I urge you to consider a similar ceiling on the number of machines for clubs.

Another area of concern is the way gambling is advertised. First, I seek your support for my "Gambling (Anti-Greed) Advertising Prohibition Bill".

We have forwarded a copy of that bill to the Treasurer. We also gave a copy to the Premier, and a couple of months ago we had a discussion with him about it. The Premier did not give us blanket approval but he was certainly interested in our approach. Our letter also stated:

The current trend in gambling advertising shows gambling as a fun activity in which everyone is a winner. Unfortunately this is not true. Hotels and Clubs [and casinos and other gambling outlets] need to advertise responsibly. Like health warnings on tobacco products the gambling ads need warnings that gambling is addictive, not all will win, etc. Will the Government move to place restrictions and warnings on gambling advertising?

What protective measures will be put in place for those who fall through the net by addiction to gambling? 1.5% of poker machine tax is earmarked to go into "community projects". As you explained, this could include the greening of a local park or building a volleyball court. It is known that each problem gambler affects 10-15 people around them. This can be borrowing money, stealing, time off work, getting others to cover for them etc.

We all remember the dramatic radio talkback event in which a distressed woman called to tell the Prime Minister that she was at the point of committing suicide because of the destruction of her marriage, family, finances and employment as a result of her husband's addiction. The Prime Minister acted like a Lifeline counsellor in encouraging the woman not to commit suicide. I believe that was a spontaneous event—so far as I am aware it was not prearranged. Certainly it demonstrated that many people in our society are suffering. Their suffering must be brought to the surface, examined and understood.

We must put in place policies to provide rehabilitation programs for problem gamblers. A

guaranteed percentage of tax collected should go to rehabilitation programs in a similar way that money flows to the casino community fund. We raised our concern that the casino community fund was not doing its job. As far as we knew, the \$8.5 million in the fund did not seem to be allocated to the various rehabilitation programs. The letter continued:

In the Government's proposals they require the Clubs to "develop a program to assist problem gamblers" and "develop and publish a problem gambling policy within three months."

We fully support that and in the letter we stated:

Why just the clubs? Why not include hotel/pubs and TAB? Why are Hotels and TAB "exempted" from having to develop a policy and program for problem gamblers? In the development of these programs and policies will the Government expect the Clubs to call on the expert experience of professionals such as the NSW Council On Problem Gambling?

My last point was about the promise to hold an inquiry. I stated:

Finally, last year the Government promised to hold an inquiry into the social impact of gambling on the community. When will the Government fulfil this commitment? The inquiry should look at issues such as:

- the relationship between **gambling and levels of crime**, and of existing and regulatory practices that are intended to address any such relationship;
- **problem gambling**, including its impact on individuals, families, businesses, social institutions and the economy;
- the impacts of gambling on individuals, families, business, social institutions and the economy generally, including **the role of advertising in promoting gambling** and the impact of gambling on depressed economic areas;
- **the extent to which gambling provides revenues to the State Government** and as a source of employment in the State;
- the interstate and international effects of **gambling by electronic means**, including the use of interactive technologies and the Internet.

Your consideration of these matters would be greatly appreciated.

Yours sincerely

(Rev) Fred Nile MLC

Parliamentary Leader of the Christian Democratic Party.

During the past week I have noted on television documentaries that organisations that promote gambling have organised Internet and other electronic communication so that a person can gamble from home to headquarters in New York or Las Vegas. How will that affect the Government's taxation program? Purchase of products on the

Internet is affecting Federal tax collection and the Government's revenue is slipping away. Even the Chinese government, expert at control, is having trouble controlling computer Internet access. Perhaps if computers were licensed for certain purposes that would be a great revenue raiser for the Government. Exploitation of pornography on computers, which is also being looked into by the Christian Democratic Party, should also be controlled.

I assume the Treasurer has been sent an anonymous information release dated 21 April 1998 entitled "NSW Funding Crisis - A solution!" which is very critical of the Government. I suspect that it was issued by the hotels association but, despite efforts by my office this morning to identify the sender, I am unsure of its origin. I am surprised if the association would not identify itself as the source. The document includes a lot of figures, charts and graphs and has been done by a well organised body. It states:

It is worth noting that the \$80 million loss from the club industry is to be recovered (in part) from the auctioning of hotel poker machine licences. If the Government thinks that this is an equitable solution to the funding problem, why not extend it to clubs? At a time when there is general community concern for the increase in poker machine availability, a review of club figures show that clubs have increased the number of machines by approximately 2,000 per year. A fee of \$20,000 per additional machine would produce \$40 million per year and may restrict some of the needless expansion of the megaclubs.

Another suggestion for the Minister is that hotels and clubs, particularly large ones, should pay a poker machine fee. The article continues:

The question must be asked of the need for over 880 machines at Penrith Leagues Club which ranks the largest gaming club at number 50 in the profit per device table . . . The gaming opportunity of these 880 machines does not include TAB, Keno and multi-gaming device facilities for members.

Other speakers have referred to the Penrith club and its massive development. I have stayed at that club's motel when attending meetings in the area. That club is expanding and will probably soon be competing with the casino, if that is not happening already. I have a graph, prepared from club annual reports, of the numbers of pokers machines in clubs. The Christian Democratic Party is concerned about what is a runaway situation. We were not in favour of the original proposition of a limit of 15 poker machines in hotels, totalling 38,000, but all hotels have not taken them up. We are certainly not happy about another 2,300 poker machines in hotels.

Poker machine numbers in clubs have not been capped in New South Wales. Victoria has capped its

poker machines at 27,500 until the year 2000 and I understand that the Premier of Western Australia has announced he has now pegged or capped the level of poker machines. New South Wales must follow suit. In the last few years growth in the number of poker machines has been astronomical. For example, Penrith Rugby League Club Limited in 1995 had 702 poker machines and 880 in 1997. South Sydney Junior Rugby League Club Limited in 1995 had 446 and 489 in 1997. These registered clubs have large numbers of poker machines—almost as many as envisaged for the casino when 500 poker machines were mentioned.

Rooty Hill RSL Club Ltd in 1995 had 366 and 471 in 1997. The Twin Towns Service Club Ltd has not had a dramatic increase but has a large number of poker machines. In 1995 it had 637 poker machines and in 1997 it had 671. Blacktown Workers Club has 423 machines, Western Suburbs (Newcastle) Leagues Club Ltd has 413. Seagulls Rugby League Football Club Ltd at Tweed Heads has 471, and there is more than one club at that location. At one stage that club was catering for the Queensland market but that position seems to have changed. Harbord Diggers Memorial Club Ltd has 386 poker machines. The graph shows the top 200 clubs with largest number of poker machines and the largest profit. There must be an inquiry into gambling.

The Christian Democratic Party supports the amendment proposed by the Deputy Leader of the Opposition to set up an inquiry into the social and economic impacts of gambling. I have heard rumours that the Government may say that that cannot be done, because it is not part of the bill. However, a procedure is available whereby it can be done, and I hope that in view of the concerns expressed by many members of this House the Government will not oppose that inquiry. The Government should have initiated that inquiry. In a letter dated 18 November 1997 the Minister for Gaming and Racing gave the following commitment to the Deputy Leader of the Opposition, the shadow minister for gaming and racing:

As discussed, I agree to your suggestion that the Government initiate an independent review of gaming in NSW during the term of the current Parliament.

As honourable members know, we are now 10 months away from the next election. The letter continued:

Such a review would investigate the need for a regulatory authority to administer gaming in NSW. This assessment would be more appropriately undertaken after the gaming package presently before the House, commences operation.

I am happy to discuss with you as spokesperson for the Opposition, the parameters of the review in the coming months.

Yours sincerely

J. Richard Face MP
Minister for Gaming and Racing

During debate on this bill I tried to have the inquiry approved, but the coalition did not vote for it. The coalition said that the Government had promised to set up the inquiry after the bill went through. The bill went through and the hotels got their poker machines, but there was no inquiry. Recently we have heard a lot about corruption and lack of integrity; I trust the Government will show some integrity tonight. It has an opportunity to accept the Opposition's amendment as part of the legislation, and that would be to its credit. Honourable members have expressed many concerns and I support the Hon. Elisabeth Kirkby, who made a very impressive case against gambling. She provided a great deal of evidence to justify my concerns, which all honourable members should share.

The Government—as the coalition would be if it were in government—is under pressure to raise revenue, but revenue must be offset by social conscience. What are we doing to our State, our families, our communities and our individuals? People commit suicide because of their gambling problems. Members of Parliament have often debated various proposals to save lives. My plea for an inquiry is a step in that direction, as is my request for a cap on poker machines and other gambling resources. If we do not do that the State will continue to pay a heavy price for raising revenue. Revenue raised through gambling will be eaten up by the cost of social destruction. The Government should look not only at the tax dollar but also at the social cost, which will be higher than the gambling tax revenue.

The Christian Democratic Party has strong reservations about the bill. We accept that it is intended to help clubs and will allow the release of a limited number of poker machines, although hotels would rather have a blank cheque. I appreciate that the Government said no to the hotel industry, and that is why it is lobbying against the legislation. If the industry got its way the State would have more gambling problems. The Christian Democratic Party is in a dilemma as to whether to vote for the bill. I will discuss with other crossbenchers whether we should make a symbolic protest, perhaps even a protest against the 2,300 extra poker machines available to hotels through this bill.

The Hon. M. R. EGAN (Treasurer, Minister for State Development, and Vice-President of the Executive Council) [9.05 p.m.], in reply: I thank

honourable members who contributed to the debate. The package of measures in the bill provides important reforms for both the registered club and hotel industries in the State. These reforms will ensure the continued viability and balanced development of those in a manner that will ensure that the community continues to enjoy significant benefits from those industries. The key measures, as honourable members are aware, deliver tax relief to most registered clubs, greater certainty to clubs and hotels by the maintenance of taxation rates until 2001, initiatives to enhance the capacity of clubs and hotels to provide a greater range of gaming activities, and a range of other sensible measures designed to assist the industries and, through them, their patrons and the broader community. Within this framework the club and hotel industries will be able to strengthen and develop their roles within the community.

The bill also provides further opportunities for the TAB to take part in the dynamic gaming industry in this State. The Deputy Leader of the Opposition raised concerns about controls over possible misuse by the TAB of commercially sensitive information in relation to club and hotel gaming performance. Strict controls over confidentiality are already included in existing legislation to ensure that the TAB is not able to use or record information it obtains from operating the central monitoring system—CMS—for any purpose other than that of its CMS business. If the TAB were to use information other than in accordance with the law, not only would it and the individuals involved commit an offence but there would be grounds to revoke the TAB CMS licence. The Totalisator Legislation Amendment Act, which was passed late last year, strengthened the previous controls over the use of information by the TAB. That legislation now prohibits the use of CMS information and the recording or divulging of CMS information except for the purposes of the operation of the CMS or as may be authorised by the regulations.

These prohibitions apply to the TAB, as the CMS licensee, and to any director, officer, employee or agent of the TAB. Contravention of the secrecy controls by a director or other person carries a penalty of up to \$5,500. However, a breach by the TAB, as licensee, may attract a monetary penalty of up to \$11,000, or disciplinary action which may result in a range of penalties including cancellation or suspension of the licence or a monetary penalty of up to \$250,000. As honourable members would be aware, last night in the other place the Government moved amendments to this bill. I will clarify the nature of one amendment to proposed section 221 as originally drafted, which expressly exempted from the operation of the Trade Practices Act the grant of the exclusive licence to the TAB

and any conduct authorised or required by or under the terms or conditions of that licence.

The result of the amendment made to the bill last night in the other place is that only the grant of the exclusive investment licence will be exempted from the operations of the Trade Practices Act. That amendment followed consultation with the Australian Hotels Association and addressed its concern that the ongoing conduct of the licence by the Totalizator Agency Board may authorise anticompetitive activities to the disadvantage of some hotels in the State. The Government has specifically tried to address the concern of hotels that the TAB may use its monopoly position in relation to other areas to bring some pressure to bear on hotels. The amendment addresses that problem.

I foreshadow that the Government will move amendments in Committee to provide greater certainty to the operation of the community support expenditure provisions for registered clubs. These amendments include the provision of a role for the Council of Social Service of New South Wales in formulating the appropriate guidelines for community support expenditure to ensure that the maximum benefit to local communities is provided by this portion of club expenditure. The Registered Clubs Association agrees with these amendments. In conclusion I acknowledge the significant contributions of both the club and hotel industries to the development of this package. This balanced and responsible package is good for clubs, for hotels and overall for the people of New South Wales. I commend the bill to the House.

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

The House divided.

Ayes, 33

Mr Bull	Mr Macdonald
Dr Burgmann	Mr Manson
Ms Burnswoods	Mr Obeid
Mrs Chadwick	Mr Pezzutti
Mr Dyer	Mr Primrose
Mr Egan	Mr Ryan
Mrs Forsythe	Ms Saffin
Mr Gallacher	Mr Samios
Miss Gardiner	Mrs Sham-Ho
Mr Gay	Mr Shaw
Dr Goldsmith	Mr Rowland Smith
Mr Hannaford	Ms Tebbutt
Mr Johnson	Mr Tingle
Mr Kaldis	Mr Vaughan
Mr Kelly	<i>Tellers,</i>
Mr Kersten	Mrs Isaksen
Mr Lynn	Mr Jobling

Noes, 7

Mrs Arena	Rev. Nile
Mr Jones	<i>Tellers,</i>
Ms Kirkby	Mr Cohen
Mrs Nile	Mr Corbett

Question so resolved in the affirmative.

Motion agreed to.

Bill read a second time.

Suspension of standing orders agreed to.

Motion by the Hon. R. T. M. Bull agreed to:

That it be an instruction to the Committee of the Whole that it have the power to consider amendments relating to the establishment of an independent inquiry into the social impact of gaming in New South Wales.

In Committee

New Clause 5

The Hon. R. T. M. BULL (Deputy Leader of the Opposition) [9.21 p.m.]: I move:

No. 1 Page 2. Insert after clause 4:

5 Inquiry into social impacts of gaming

This section commences on the date of assent to this Act (despite section 2), and Schedule 4 has effect on and from that date.

Honourable members will be well aware from the comments I made during the second reading debate what the Opposition attempts to achieve by this amendment. The inquiry will be into the social impacts of gaming. I shall reserve the remainder of my comments until later.

Reverend the Hon. F. J. NILE [9.23 p.m.]: The Christian Democratic Party supports this amendment as it will allow debate on the second amendment, which proposes the inquiry into the social impact of gaming.

Amendment agreed to.

New clause agreed to.

Schedule 1

The Hon. I. COHEN [9.24 p.m.]: I move Greens amendment No. 1 as circulated:

No. 1 Page 3, schedule 1[1]. Insert after line 12:

- (7) The Australian Hoteliers Association (NSW) is to develop and publish, by 31 December 1998, an appropriately funded policy that is capable of enforcement for minimising harm caused to the public interest and to individuals and families by gambling in hotels.
- (8) If the Association does not meet its obligations under subsection (7) by the due date, the dates mentioned in subsections (5) and (6) are to be shortened by 2 months for every calendar month after the due date during which the Association fails to meet those obligations.

This amendment ensures that the Australian Hotels Association will develop and publish by 31 December 1998 an appropriately funded policy, that is capable of enforcement, to minimise harm forced on individuals and families by gambling in hotels. The legislation ensures that the Registered Clubs Association must develop and publish a problem gambling policy by 31 May 1998. The Greens see no reason why the hotels association should not be made to do the same. I commend the amendment.

Reverend the Hon. F. J. NILE [9.24 p.m.]: The Christian Democratic Party supports this positive amendment.

The Hon. R. T. M. BULL (Deputy Leader of the Opposition) [9.24 p.m.]: I appreciate what the Hon. I. Cohen is trying to achieve by this amendment. However, on 1 April last year the Australian Hotels Association developed its own responsible gaming package for poker machines, and thus has fulfilled the requirement of this proposed amendment. For that reason the Opposition will not support it.

Amendment negatived.

Schedule agreed to.

Schedule 3

The Hon. M. R. EGAN (Treasurer, Minister for State Development, and Vice-President of the Executive Council) [9.26 p.m.], by leave: I move Government amendments Nos 1, 2, 3 and 4 in globo:

- No. 1 Page 24, schedule 3[9], line 29. Insert "development and" after "community".
- No. 2 Page 25, schedule 3[9], line 4. Insert "development and" after "community".

No. 3 Page 25, schedule 3[9]. Insert after line 5:

- (7) Guidelines under subsection (6) must provide for the following:
 - (a) of the funds claimed by a registered club to have been applied to community development and support during a duty period mentioned in subparagraphs (i)-(iii) below, amounts not less than the amounts prescribed by each such paragraph must have been applied to specific community welfare, community development, social services and employment assistance activities:
 - (i) for the duty period ending on 30 November 1998—an amount equal to 0.42% of so much of the profits derived from approved gaming devices kept by the club during that period as exceeds \$1,000,000,
 - (ii) for the duty period ending on 30 November 1999—an amount equal to 0.6% of so much of the profits derived from approved gaming devices kept by the club during that period as exceeds \$1,000,000,
 - (iii) for the duty period ending on 30 November 2000—an amount equal to 0.75% of so much of the profits derived from approved gaming devices kept by the club during that period as exceeds \$1,000,000,
 - (b) funds claimed by a registered club to have been applied to community development and support, being capital expenditure directed to the enhancement of club facilities:
 - (i) can only be sourced from the balance of funds available after expenditure requirements on community welfare, community development, social services and employment assistance activities in accordance with paragraph (a) have been met, and
 - (ii) cannot include funds applied to enhancement of gaming facilities at the club,
 - (c) a listing of community social expenditure priorities in each region of the State is to be developed in consultation with State government agencies such as the Department of Community Services and the Council of Social Service of New South Wales and made available to registered clubs (either directly or by furnishing it to the Registered Clubs Association of New South Wales) for the purposes of determining their priorities with respect to community development and support expenditure,
 - (d) the Registered Clubs Association of New South Wales is to be required to advertise, at times to be prescribed by the guidelines, in a newspaper circulating throughout the State and in

newspapers circulating in regions of the State, that registered clubs are seeking applications for community development and support projects,

(e) a registered club claiming a reduction under subsection (5) must:

(i) take such steps as the guidelines may prescribe to ascertain, from the recipients of any money applied by the club to community development and support projects, the manner in which the money was applied, and

(ii) verify, by statutory declaration of some appropriate person or in such other manner as the guidelines may prescribe, all information supporting its claim and the measures taken by it in compliance with subparagraph (i).

(8) Provisions of the guidelines that define the terms *community welfare*, *community development*, *social services* and *employment assistance* for the purposes of subsection (7) (a) are to be settled in consultation with the Registered Clubs Association of New South Wales and the Council of Social Service of New South Wales.

(9) Part 6 of the *Interpretation Act 1987* (sections 39, 42 and 43 excepted) applies to guidelines under subsection (6). The guidelines are to be reviewed, in consultation with the Registered Clubs Association of New South Wales and with the Council of Social Service of New South Wales, and remade and republished for the purposes of their application in respect of the duty period commencing on 1 December 1999 and subsequent duty periods.

No. 4 Page 33, schedule 3[18], line 29. Insert "development and" after "community".

In the second reading debate I foreshadowed that the Government would move an amendment to provide greater certainty to the operation of the community support expenditure provisions for registered clubs. I pointed out that the amendments would include the provision of a role for the Council of Social Service of New South Wales in the formulation of the appropriate guidelines for the community support expenditure to ensure that the maximum level of benefit to local communities is provided by this portion of club expenditure. I commend the Registered Clubs Association and the Council of Social Service of New South Wales for their willingness to meet and negotiate the sensible package with which this amendment deals.

The Hon. I. COHEN [9.28 p.m.]: The Greens support these amendments, and particularly amendment 3. The Council of Social Service of New South Wales—NCOSS—has proposed certain guidelines that should outline what the 1.5 per cent community support expenditure should be spent on

and how it is achieved. The purpose of the guidelines is to insert some accountability provisions into the process to ensure that some of the money is supplied to genuine community welfare and development programs, and to social services and employment assistance activities that will benefit the general community in a positive way.

NCOSS seeks to ensure that the money will not be spent on capital expenditure items such as club refurbishment or the development of commercial enterprises such as hotels and motels, which would fail to benefit the general community in a positive way. This amendment simply enshrines in the legislation what should be core aspects of the guidelines. The Greens are pleased to support these amendments.

The Hon. R. T. M. BULL (Deputy Leader of the Opposition) [9.30 p.m.]: The Opposition supports the insertion of this agreement. I understand agreement has been reached between the Registered Clubs Association and the Council of Social Service of New South Wales. Might I be so bold as to suggest that the Minister agrees that that is the case. I believe the record should show that this reflects the agreement entered into by the RCA and NCOSS for the disbursement of the 1.5 per cent tax break for the larger clubs. That being the case, the Opposition does not oppose the amendments.

Reverend the Hon. F. J. NILE [9.30 p.m.]: The Christian Democratic Party supports the amendments moved by the Government. As has been said before, there is always a danger that the clubs would use for the development of the club and club facilities funds that should be set aside for the community. These guidelines will provide for the listing of community service expenditure priorities, and each region of the State is to be developed in consultation with a State Government agency, such as the Department of Community Services and the Council of Social Services of New South Wales. They will determine their priorities with respect to community development and support expenditure. Advertisements must appear in the newspapers seeking applications for community development support projects. We support those guidelines and believe it is a positive addition to the legislation.

The Hon. R. S. L. JONES [9.31 p.m.]: I support the amendments moved by the Government. I thank my staffer, Jenny Emblem, and the Greens staffer for all the work involved. The Greens and I had proposed to move these amendments but the Government has taken them over and moved them. We are grateful for the work that has been done.

The Hon. M. R. EGAN (Treasurer, Minister for State Development, and Vice-President of the Executive Council) [9.31 p.m.]: It was an omission on my part not to acknowledge the work of the crossbenchers and their staff on this issue. I thank them for it.

Amendments agreed to.

The Hon. I. COHEN [9.32 p.m.]: I will not move amendment 2 circulated in my name. By leave, I move Greens amendments 3 and 4 in globo:

No. 3 Page 25, schedule 3[9]. Insert before line 6:

- (9) For the purposes of subsection (5), capital expenditure by a registered club for or toward the enhancement of club facilities cannot be claimed as money applied to community support, unless it can be demonstrated by the club that access to the facilities concerned is genuinely available to a broad cross-section of the community, including non-profit community organisations, and that:

- (a) the club's marketing policy makes provision for alerting members of the public to the availability of such facilities, and
- (b) the club's pricing policy in relation to community use of such facilities does not pose barriers for persons on low incomes or for non-profit organisations.

No. 4 Page 25, schedule 3[9]. Insert after line 33:

- (3) Expenditure by a registered club in or in furtherance of a policy developed in accordance with this section is not to be regarded, for the purposes of section 87(5), as money applied to community support.

Greens amendment 3 seeks to ensure that the money will not be spent on capital expenditure items, such as club refurbishment; or on the development of commercial enterprises, such as hotels or motels which will fail to benefit the general community in a positive way. The amendment will ensure that capital expenditure by a registered club for or toward the enhancement of club facilities cannot be claimed as money applied to community support unless it can be demonstrated by the club that access to the facilities concerned is genuinely available to a broad cross-section of the community, including non-profit community organisations.

The amendment will ensure that the club's marketing policy makes provision for alerting members of the public to the availability of such facilities, and that the club's pricing policy in relation to community use of such facilities does not pose barriers to persons on low incomes or to non-profit organisations. The amendment merely enshrines in the legislation what should be a further

core aspect of the guidelines. Greens amendment 4 will ensure that expenditure on the implementation of the RCA's problem gambling policy does not come out of the 1.5 per cent community support expenditure. I commend the amendments to the Committee.

The Hon. R. S. L. JONES [9.35 p.m.]: I support Greens amendments 3 and 4. Amendment 4 was to be my amendment but I was not able to negotiate successfully with either side of the Chamber. I understand it will be covered in the guidelines in any case.

The Hon. M. R. EGAN (Treasurer, Minister for State Development, and Vice-President of the Executive Council) [9.35 p.m.]: The Hon. R. S. L. Jones has made the point that these matters will be covered adequately in the guidelines.

Amendments negatived.

Schedule as amended agreed to.

Schedule 4

The Hon. R. T. M. BULL (Deputy Leader of the Opposition) [9.36 p.m.]: I move Opposition amendment 2:

No. 2 Page 34. Insert after line 20:

Schedule 4 Inquiry into social impacts of gaming

The Government is to initiate an independent inquiry into the social impacts of gaming in New South Wales. The inquiry is to report to Parliament by 26 November 1998, and is to investigate:

- (a) the need for and form of a gaming commission or similar authority to oversight gaming in New South Wales, and
- (b) the relationship that should exist between the Casino Control Authority and any such gaming commission, and
- (c) measures to foster a responsible gaming environment, and
- (d) the co-ordination of the problem gaming policies of hotels, registered clubs and the casino, and
- (e) the co-ordination of problem gaming support services and research centres to address problem gaming,

and generally comment on the social impact of gaming in the State.

For the purposes of fixing the terms of reference of the inquiry, the Minister is to utilise existing studies, including any inquiry into gaming undertaken on

behalf of the Commonwealth, and draw upon comments made on behalf of the State for the purposes of any such inquiry, and take into account suggestions from all interested organisations.

As I mentioned in my contribution to the second reading debate, the Opposition feels very strongly about this issue in light of the commitments given to honourable members, through me, by the Minister for Gaming and Racing on 18 November 1996 regarding the gaming inquiry—which, on that occasion was called a special commission of inquiry into gaming in New South Wales. As I mentioned earlier, the Opposition was most concerned when the Government wshed on this agreement. The agreement was a contingency to the legislation's passage through this Chamber to allow poker machines into hotels.

It is more than 18 months since that commitment was given and I believe the Government has had ample time to deliver on this aspect. I am pleased that, through negotiation, we have been able to arrive at a set of words that we believe will not impact upon the forthcoming float of the TAB. I do not believe that this inquiry should have or will have any impact on the successful float of the TAB and the ongoing success of the TAB in both wagering and gaming. It is certainly not the intention of the Opposition that that be the case.

I am grateful to the Government for opening the lines of communication to discuss this issue fully and to arrive at words that the Opposition believes will cater for that concern. It is incumbent on all members of the Chamber to ensure that the TAB float goes ahead and to ensure the ongoing success of the TAB. The Opposition believes this narrowed version of a reference to the Government can consider all the important issues with regard to the social impact of gaming on the State. I hope that by the end of the year it will deliver some worthwhile recommendations which will enlighten all those who are involved in the decision-making process in New South Wales gaming. For that reason, I have much pleasure in commending the Opposition's amendment.

The Hon. M. R. EGAN (Treasurer, Minister for State Development, and Vice-President of the Executive Council) [9.39 p.m.]: The Government will support the amendment moved by the Deputy Leader of the Opposition. I place on record the Government's appreciation of the Deputy Leader of the Opposition for the constructive role he has played, not only in the development of this legislation but also in the other legislation that impinges on the TAB float, which was carried by

Parliament last year. The honourable member has a genuine and honest commitment to the racing industry, the hotel industry and the registered clubs industry. I thank him for his constructive approach.

The amendment moved by the Deputy Leader of the Opposition is a sensible one. It acknowledges the need for an awareness of the potentially adverse social consequences of gaming. The Government needs to ensure that it fosters a responsible gaming environment in New South Wales. In particular it needs to ensure that adequate measures are in place to cope with some of the potential risks associated with gaming activities, particularly the risks for the many people in this State and elsewhere who have a real problem with gaming. For most people this is a fairly harmless and enjoyable activity but for some people in the community it is a real and significant problem.

The Hon. I. COHEN [9.41 p.m.]: Although I support the Opposition's amendment, I am disappointed that the economic impacts have been removed in this version of the amendment, as well as the level of taxation and the location of automatic teller machines. Although I support the idea of an inquiry, I would have thought the original version which included those points would have been a valuable contribution to such an inquiry. The Greens are disappointed with the watering down of this amendment. However, we support the general thrust of the amendment.

Reverend the Hon. F. J. NILE [9.41 p.m.]: The Christian Democrats share the same concern. I was given a copy of the revised amendment very late. As the Deputy Leader of the Opposition indicated, this arose out of consultations and discussions he had with the Treasurer in an attempt to reduce some harmful impact on the TAB float. It is hard to understand how the location of an automatic teller machine would affect the float unless it is intended to put automatic teller machines in TAB centres or just outside their doors. Perhaps I am a bit suspicious about some of these things.

In the brief time I have had to compare the two amendments I have noted that the original amendment referred to an independent inquiry into the social and economic impacts of gambling in New South Wales. The revised amendment refers to an independent inquiry into the social and economic impacts of gaming in New South Wales. I made the point that honourable members seem to be frightened of the word "gambling." No-one can argue that people playing poker machines are not gambling; no gaming skill is involved with poker machines.

The only thing that may save the Opposition's amendment is that the Federal Productivity Commission is considering in the main the economic impact; so perhaps the two inquiries could be married together to get what we originally hoped we would get. The Christian Democrats would rather have an inquiry than not, even if it is a restricted one. I emphasise that my party, and I would say all the members on the crossbenches, would be unhappy if this becomes a Clayton's inquiry, a sop to satisfy those who question the impact of gambling in this State. The casino inquiry became a Clayton's inquiry, and it is easy to go down that path. I call on the Government to ensure that this is a genuine inquiry. It should appoint a person of high status, someone who is highly regarded in, and has the confidence of, the community, to conduct that inquiry—not some bureaucrat or public servant.

The Hon. A. G. CORBETT [9.44 p.m.]: I concur with the comments of the Hon. I. Cohen and Reverend the Hon. F. J. Nile about the withdrawal of the reference in this amendment to the economic consequences. It is important that the inquiry considers such things as the level of taxation on all gaming, the reliance of the New South Wales Government on the taxation revenue from gaming, and alternative sources of revenue if the taxation revenue from gaming were to be significantly reduced. These are important issues. I will make a number of submissions to that effect. I will not move amendment No. 1 circulated in my name but I move amendment 2:

That the amendment of the Hon. R. T. M. Bull be amended by inserting after "gaming in the State":

The inquiry is also required:

- (i) to examine the incidence and growth of all types of gaming activities in New South Wales, and
- (j) to identify the distribution of the social, cultural and economic characteristics of the growth in gaming (including the income levels of gaming patrons).

I support an inquiry into both the social and economic consequences of gambling despite the fact that the inquiry will now concentrate only on the social impact, according to the amendment moved by the Deputy Leader of the Opposition. The Government has promised this inquiry for some years. It has been sought by the Opposition and members on the crossbenches on every occasion they have had to consider proposals to extend gaming opportunities in the State. The inquiry is necessary, having regard to the massive expansion of gambling in this city and State in recent years.

The proposal of the Deputy Leader of the Opposition has merit, notwithstanding the proposed

reference of a gambling inquiry by the Federal Government to the Productivity Commission. Regardless of the terms of reference of the Productivity Commission, the commission itself would not be able to provide a comprehensive overview of the state of gambling in New South Wales. The national focus required by the Productivity Commission will inevitably reduce the focus on specifics. It is therefore important that a State-based inquiry be established into the social aspects of gaming and gambling in New South Wales. Economic considerations should be part of any submission to the inquiry. The inquiry should, as far as possible, complement the Productivity Commission's inquiry so as to minimise the duplication of effort and resources. As a result, the State inquiry should have the capacity to describe the situation in New South Wales more specifically and target any recommendations accordingly. It should be in a position to report more promptly and add to the body of knowledge available to the Productivity Commission.

My amendment specifically refers to the need for the committee of inquiry to examine the incidence and growth of all types of gaming activities in New South Wales, the causes of this growth, and to identify the distribution of the social, cultural and economic characteristics, including the income levels of gaming patrons. Examination of all these issues is essential if we are to adequately address the explosion and distribution of gaming in New South Wales. While these may be examined under the terms of reference, it is important that if Parliament legislates these terms, the wishes of Parliament must be made known at the outset, and I believe these additional terms will usefully add to the functions and responsibilities of the proposed inquiry. Therefore, I commend my amendment.

Reverend the Hon. F. J. NILE [9.49 p.m.]: The Christian Democratic Party supports the amendment moved by the Hon. A. G. Corbett. It does not cut across the concerns raised earlier about the TAB float with the use of the words, "to identify the distribution of the social, cultural and economic characteristics of the growth in gaming," which is the main part of the amendment. Neither the Deputy Leader of the Opposition nor the Government has indicated that this would clash with the TAB float. The wording used would not appear to present a problem in that regard. I urge the Government to accept this amendment.

The Hon. M. R. EGAN (Treasurer, Minister for State Development, and Vice-President of the Executive Council) [9.50 p.m.]: The Government does not support the amendment moved by the Hon. A. G. Corbett. That is not to say that the two matters raised are not suitable subjects for

examination by the proposed inquiry. I believe those matters to be suitable for examination. I see no need for the amendment, as I believe that the matters raised will inevitably be examined in any inquiry into the social aspects of gaming. It has been pointed out that the amendment moved by the Deputy Leader of the Opposition focuses on social impacts. That is why his amendment is important. The House is aware that the Commonwealth Government has initiated an inquiry into some of the economic aspects of gambling. The amendment moved by the Deputy Leader of the Opposition focuses squarely on the social impacts of gambling.

The Hon. R. T. M. BULL (Deputy Leader of the Opposition) [9.51 p.m.]: The Opposition does not support this amendment of my amendment. The reference contained in my amendment is wide ranging and covers the matters referred to by the Hon. A. G. Corbett. I have indicated to the honourable member that it is incumbent upon him and other honourable members to make a submission to the inquiry at the appropriate time if they feel there are other matters that should be examined by the inquiry. The revised wording of my amendment encompasses all of these matters. I see no need for the amendment of the Hon. A. G. Corbett.

The Hon. R. S. L. JONES [9.52 p.m.]: The revised Opposition amendment has removed any reference to economic impacts, taxation levels and so on. Obviously, this was done to ensure that there would be no interference with the TAB float. That was important. If the original wording had remained, the Government would have had to fight the Opposition's amendment tooth and nail because certain matters would have had to be disclosed in the original float documents or in newspaper advertisements. That could have spooked some potential investors, who would be concerned that their investment would depreciate as a result of the inquiry.

That is not to say that the inquiry as proposed in the revised Opposition amendment will not investigate aspects other than purely social impacts, because in reality social impacts cannot be divorced from economic impacts. The Opposition amendment will have no effect on the TAB float. As the Deputy Leader of the Opposition has said, the concerns raised in the amendment moved by the Hon. A. G. Corbett could well be examined by the inquiry if members make submissions to the inquiry. I congratulate the Deputy Leader of the Opposition on negotiating this amendment with the Government and I congratulate the Government on accepting the amendment.

Reverend the Hon. F. J. NILE [9.53 p.m.]: The Treasurer has spoken of his belief that the matters raised in the amendment moved by the Hon. A. G. Corbett would be the kind of matters to be considered by the inquiry. I draw that to the attention of the Committee, for the guidance of the person appointed to conduct the inquiry.

The Hon. M. R. EGAN (Treasurer, Minister for State Development, and Vice-President of the Executive Council) [9.54 p.m.]: One of the problems with including too many specific terms of reference within general terms of reference is that it can sometimes limit the matters an inquiry feels competent to investigate. Certainly the matters raised in the amendment of the Hon. A. G. Corbett, plus many other matters, would be appropriate for such an inquiry.

Amendment of amendment negatived.

Amendment agreed to.

Schedule as amended agreed to.

Long title

The Hon. R. T. M. BULL (Deputy Leader of the Opposition) [9.55 p.m.]: I move Opposition amendment 3:

- No. 3 Page 1, Long title. Insert "; and to provide for an inquiry into the social impact of gaming in the State" after "matters".

Amendment agreed to.

Long title as amended agreed to.

Bill reported from Committee with amendments, including an amended title, and passed through remaining stages.

ERSKINE MAY'S PARLIAMENTARY PRACTICE REFERENCES

The Hon. M. R. EGAN (Treasurer, Minister for State Development, and Vice-President of the Executive Council) [9.59 p.m.]: I congratulate you, Mr President, on your inclusion in Erskine May's *Parliamentary Practice*.

ADJOURNMENT

The Hon. M. R. EGAN (Treasurer, Minister for State Development, and Vice-President of the Executive Council) [9.59 p.m.]: I move:

That this House do now adjourn.

YOUNG LIBERAL MOVEMENT ESSAY COMPETITION

The Hon. Dr MARLENE GOLDSMITH [9.59 p.m.]: This evening I draw to the attention of the House the fact that the Young Liberal Movement has this year inaugurated a schools essay competition in which school students from across New South Wales were invited to write an essay of 1,000 words outlining their vision for Australia. I congratulate the Young Liberal Movement on a splendid initiative. Having read some of the essays received, I am sure that New South Wales will be in safe hands for the future. I have been extremely impressed with the calibre of writing and the calibre of thought exhibited in the essays. Mr Jason Collins, State President of the Young Liberal Movement of Australia, states:

I am absolutely delighted with the response, with essays having been received from right across the state dealing with such complex issues as **tax reform, constitutional reform, the environment, and youth suicide.**

From these entries a short list will be prepared to be forwarded to the Prime Minister who will personally select the winning entry: that will not be an easy task. I do not want to pre-empt in any way the results of the competition but I want to give honourable members an idea of the calibre of writing in this competition. In this adjournment debate I can read only excerpts from one of the essays. I have chosen this essay not necessarily because it is the best, because the standard in a number of the papers I have read is quite extraordinary. The essay deals with an issue that is very close to my heart, an issue I care very much about. The essay is by Michael Reville:

We live in a "hopeless" society. We live in a good and prosperous society, but it is a society without hope. Four hundred Australian youths commit suicide each year, and surveys suggest that up to fifteen per cent of adolescents attempt suicide at least once. The recent Youth Suicide Conference found that the one link between all these adolescents was a lack of hope . . .

So many societies today stress the negatives, and Australia is no exception. When we open up a newspaper it tells of fighting in Israel, debates over Wik legislation and dishonest corporations. A positive article in the news, be it press or television, is in the minority. One may point to the human interest stories concluding the news on Channels Seven, Nine and Ten, but these are only token efforts compared to the gravity and frequency of stories of disagreements and fighting. One could conclude from the media's presentations that nearly all world events are negative . . .

The recent Constitutional Convention has been a significant positive Australian event. No other significant positive events have stood out in recent media coverage, but without hesitation one can name conflicts such as between the wharfies and agriculturalists in Brisbane.

When we hear a politician speak it is usually to condemn the ideas of another person or to condemn the person himself . . . It can be quite reasonably argued that this is how politicians must act to survive in our political system, but again this does not negate the fact that it is negative. It would be a rare day indeed if a politician was to say "I think Mr X really means well, and it's just this one aspect of his plan that I feel needs improvement . . .

Henry Ford once said "If you think you can or you can't—you're right." Supporting this is a study . . . that involved two kindergarten classes for one year. One class was regularly told how well they were doing, and the other that they were not doing well. At the end of the year the class that had received positive reinforcement achieved remarkably higher results. If this study is applied to an international level, then one must question the effectiveness of a country that is constantly reminded of its high unemployment, high foreign deficit and high suicide rates . . .

This essay is a plea to the future leaders of Australia to tell us that society is OK.

If cultivating positive attitudes is as important as the great success teachers would have us believe, then the solution to this essay's concerns is to speak positively about Australian society . . .

Speaking positively of Australian society means a number of things to which Mr Reville refers and which I do not have time to discuss. In particular he said:

. . . it means speaking highly of all citizens, encouraging respect for the decision makers whom we elect, and reminding us of the progress we are making over the challenges that face us.

I congratulate Michael Reville and all who participated in the Young Liberal Essay competition, and I congratulate the Young Liberal movement on its splendid initiative.

DEPARTMENT OF COMMUNITY SERVICES CHILD-CARE PROCEDURES

The Hon. FRANCA ARENA [10.04 p.m.]: Tonight I put on the record my appreciation of Ms Kooryn Sheaves, a part-time worker with the Blacktown City community services network for the article she wrote in today's *Sydney Morning Herald*. She said:

I'm looking at the Herald's front page, at the photo of two mature women smiling at me. I read the reassuring messages . . . and I'm worried sick we will continue to lap up these comforting platitudes that fall like a fire blanket over the sparks of public fury ignited when people hear the stories of Ben and Jessica . . . And we desperately need a hot fire to burn through this department.

Ms Sheaves talks about the Department of Community Services. During the years many reports have well documented the neglect that so many children have experienced at the hands of DOCS

workers and many institutions run by DOCS, but none would have reached the hearts of so many people as the article by Ms Sheaves today. Who would not be deeply moved by what is happening to Jessica and Ben? What responsibility has the community to these children and to so many others like them?

It appears that Ben, a young boy of 13, is missing and has been taken away by a paedophile. Little Jessica, a girl of three years, was reported as being the subject of a possible case of sexual assault since 9 March but nothing has happened since then. It is totally unacceptable that nobody contacted the mother, nobody visited the girl and nothing happened. Many good people work in DOCS but many others in that department, at best, do not know what they are doing or, at worst, work closely with paedophiles. That has to stop.

During the last few years I have worked closely with abused children and it has become obvious that many children have been used in paedophile networks. Often those children have been wards of State: their care, while directly the responsibility of the Government of the State, is also the responsibility of our community. We all failed them. I want to hear a strong reaction to this article from Minister Faye Lo Po' who I know cares deeply. She is a woman who has had a lot of experience. I have known her for 20 years. We used to be together on the Women's Advisory Council to the Premier, with Carmel Niland, who was also the director of the women's advisory unit and then became President of the Anti-Discrimination Board.

Carmel Niland is the person who can make inroads into DOCS if anyone can. She is a highly motivated, strong woman. Those women give hope that at last something will change in that shocking department to stop the ongoing neglect of so many children who are at risk every day. I remind the Government that we are still waiting for the Children's Commission to be set up. I know of the white paper and the submissions made by different groups. I look forward to sitting down with Government officials so that the submissions can be discussed together, agreements can be reached and the Children's Commission established.

I am glad that the Attorney General is in the House tonight. I remind him that the Government promised establishment of a paedophile register. Paedophiles abuse children in one State and then move to another State. A national register is necessary but, as has happened in the past, we can start with a State paedophile register. If staff working with children in the Department of

Community Services are people who have abused children, their names should be on a register so that people who might employ them can refer to it. I ask the Attorney to carefully look at establishing a national register because it is of utmost importance and it cannot wait. There is no more urgent issue than the safety of our children. I hope that in the very near future the Children's Commission will be set up together with a State and national register of paedophiles.

RIO TINTO INDUSTRIAL POLICIES

The Hon. P. T. PRIMROSE [10.09 p.m.]: Rio Tinto is the world's largest private mining company, with assets of more than \$17.7 billion. The dual listed company is based in the United Kingdom and in Australia, control being exercised by the parent company in London. It operates in 40 countries, with estimated annual profits of approximately \$2 billion annually. In Australia in 1996 Rio Tinto made \$1,400 million profit. The company's policies towards its work force around the world are in direct breach of the charter of the International Labour Organisation, the United Nations agency that formulates international labour standards. Australia is a signatory to these conventions.

In Australia Rio Tinto is involved in a number of disputes with trade unions, in particular the Construction, Forestry, Mining and Energy Union and the Australian Manufacturing Workers Union. The coalmining sector vigorously resisted Rio Tinto's efforts to stall wage negotiations and to pressure workers to accept individual contracts, and this led to the crisis at the Hunter Valley No. 1 coalmine in 1997. A process of compulsory arbitration involving the Industrial Relations Commission had been used in the dispute process and it was hoped that this would help resolve the dispute, but that process was halted when the company took legal action, which resulted in the arbitration process being abandoned.

The company now routinely alters working conditions at mines with little or no negotiation with the work force. The union movement has a long history of working co-operatively with companies that operate on the basis of negotiation and mutual respect. For example, the Blackwater mine in Queensland—owned by the Australian company BHP—negotiated changes which led to increased productivity, but workers' conditions were maintained as part of the deal. This deal reflected the fact that workers were important stakeholders in the operation: stakeholders who gave much energy and commitment to making ventures successful. Rio

Tinto prefers to ignore the very real contribution its workers have made.

Rio Tinto has a dreadful record overseas for its reckless treatment not only of its workers but also of the environment. Its Rossing uranium mine in Namibia has often been cited as one of the worst mines in the world for health and safety. Many workers, both black and white, were exposed to unsafe conditions during the 1970s and most of the 1980s. Miners have indicated, as has now been shown conclusively, that they were not monitored for radiation exposure to the radioactive gases and dust from the mine. During the apartheid years Rio Tinto owned a 55 per cent stake in the mine, which has now increased to 68 per cent.

After trade unionists, medical organisations and environmental groups launched campaigns in western countries which bought the Namibian uranium, the situation at the mine improved, but they had taken their toll. The mine left a legacy of workers with illnesses caused by unsafe working conditions. Closer to home the Freeport Rio Tinto copper and goldmine, the world's second largest, is situated in Irian Jaya, a region that has been physically devastated. Each day 100,000 tonnes of ore are mined at the site. A huge amount of waste rock and tailings from the mine enters the nearby river system. The company has estimated that 40 million tonnes of toxic tailings were dumped in the local river system in 1996 alone.

Rainforest around the site has been cleared for roads and a town. Mining has chopped 400 metres from the top of the local Grasberg Mountain, a place considered sacred to the indigenous people. However, only 4 per cent of those employed at the mine come from the local region. In recent times the mine has been closed to outsiders and traditional landowners. The Indonesian military is steadily moving more troops into the region. The reason for this is the expansion of the mine and increased production to 200,000 tonnes of ore per day. In order to accommodate the vast tailing and waste rock sites created by the expansion, some 2,000 people have been forced off their land. Rio Tinto is a company that workers and environmentalists simply cannot trust.

NEW ITALY SCHOOL

The Hon. Dr B. P. V. PEZZUTTI [10.14 p.m.]: Tonight I give more good news to the House; the publication of a book entitled "The New Italy School: A History" by Jack Tinker. The book traces the history of the school's inception and contains a

collection of documents including the "Application For The Establishment of a Public School at New Italy", dated 21 May, 1883. The signatures to that application included almost all my great grandparents. It was noted at the time that all the children at the school were of the Roman Catholic faith and all lived near New Italy. The application was reviewed by the local inspector and the school was established. It continued until 1943, when it closed because most people had moved away after a disastrous fire at New Italy.

It is always a thrill to see photographs of one's great-grandfather, aged three or four, going to school. It is also interesting to see that the application for the school was strongly supported by local people, particularly Mr Lang, a storekeeper in Woodburn who was active in raising money for building the school and as a part-builder of the school. The launch of the book occurred at about the same time as the launch of the very first musical history of New Italy, a magnificent opera entitled *Paradiso Fantasma*, written by Lyndon Terracini from Southern Cross University. This moving play is about the raising of expectations of Italians from Northern Italy at a time of famine, fuelled by an entrepreneur, the Marquis De Rays, a French nobleman. The people sailed out on four well-equipped ships to New Britain where they were dumped on the island and pretty well starved—some were eaten. Approximately 124 people died during the time that they were on the island. Eventually Sir Henry Parkes became aware of their plight and sent ships to bring them to Sydney, where they were given space in the Domain where the Exhibition Building once stood.

This magnificent musical portrayal and opera was performed at New Italy in the brand-new 400-seat auditorium on a site which adjoins the museum, exhibition hall, caretaker's cottage and restaurant. Whilst I was at the launch of this play, which was composed by Sean Peter, written by Ollie Heathwood and Annie Wylie—not particularly Italian-sounding names—and directed by Lyndon Terracini, with the assistance of the Australia Council, I saw the foundation stones which were prepared for the new Aboriginal arts centre. That new building, which I last saw at the 118th anniversary of the New Italy settlement, has been completed and is occupied by the Aboriginal owners. It is used for exhibiting Aboriginal art work, the likes of which I have never seen before. It is beautifully displayed and is very popular.

The old building has been turned into a training centre for Aboriginal artists. People

travelling north on the Pacific Highway would find it worthwhile to turn off just before Woodburn and pay a visit to the New Italy site, where there is always something to do and see. Fiestas, celebrations and get togethers are held, not only for the descendants of New Italy, but also for local people to visit and enjoy the day. At the last celebration some 4,000 people attended. The opera's six performances were sold out but I am sure there will be a return season—perhaps it may come to Sydney, although that would involve the efforts of many people. This magnificent pictorial and musical historical opera celebrates the landing of my forebears at New Italy.

WHY A CHILD

The Hon. A. G. CORBETT [10.19 p.m.]: I wish to share with honourable members a poem written to me by my wife in February 1996. I am not seeking publicity and I ask that any comment on the poem overlook who wrote it or to whom it was written as these details are irrelevant to the sentiments expressed. I am reading it not because I was asked to but because it is a lovely poem that aptly describes the joy, fun and intimacy that could and hopefully will occur between a man and woman before and after the birth of a child. Above all, I want to read it into *Hansard* to emphasise that in the birth of a child and the early nurturing of that child by parents who love each other and the child there is a powerful impact on efforts to change the world for the better. The poem is as follows:

WHY A CHILD

The desire to have a child is strong in me
I want to experience pregnancy to its fullest
from within the security and strength of a loving, supportive,
understanding, caring, available husband,
who is there for me and who is not afraid
of my femininity, my intense desire to nurture my child
and my family,
who respects my feeling nature,
accepts the validity of my needs,
who makes my strengths visible to me,
and his strengths available to me,

I want to give birth to our child
in an atmosphere of respect, sensitivity and wonder,
with your arms for strength
and your heart for courage

Conceived in love to be born in love,
I want ours to be the first faces those clear grey eyes see,
so that our baby will know
that she will always be loved
unconditionally, just for being who she is,

I want to feel her nuzzling at my breast
in the small hours,

her tiny hands exploring my body
while her eyes search my face,
until we both drift blissfully into sleep,
in the warmth and comfort of the family bed

I want to allow this time the almost unbearable intensity
of her soft, naked body against mine, as,
gorged on my milk, her mouth open in ecstasy,
glistening droplets on her chin and my nipple,
she sleeps in my arms while I watch the sunrise,
my husband breathing steadily nearby

I want to feel the almost imperceptible weight
of her tiny body
in the soft sling that holds her near my breast,
near enough that she can smell my milk and be happy,
while I do my work

I want to tune in
to the richness of feeling and immediacy of experience
that she is capable of
and I have lost
if I ever had it
and allow her to remind me continuously
of what it means to be truly alive
and available to that which is variously referred to
as god, chi, life force, nature

I want to run my fingers through her golden curls,
the way I have always loved to run them through yours,
watch her grey baby eyes change
to the clear green of her father's,
whose gaze I wanted to hold with mine
when we were first learning to love and trust one another,

I want to see your daughter nestled damply in your lap
as you introduce her to the delights
of orange juice from a cup,
or overripe banana squeezed sensuously through the fingers
so I can delight in your futile attempts
to remain unflustered and undecorated
as your irrepressible offspring
tries to finger-paint on your glasses

I want to see you hold her lovingly in your arms
down by the creek,
as we pick our path carefully
along the waters edge
collecting coloured pebbles for her to hold
and dipping her toes in the shallows

I want to watch you take an afternoon nap together,
her little body draped deliciously across yours,
a pool of dribble glistening on your chest
and a tiny hand clasping your finger
watch her lips quiver as she suckles in her dreams
knowing that soon she will wake up ravenous,
proclaiming her need loudly
to a nipple that can never fulfil it
and feeling my milk start to flow in sympathy
till it leaks through my blouse

I want to watch her take her first wobbly steps,
clutching at your knee for support,
gaining strength from you as I so often have,
knowing that you will never let her fall
as you have never let me fall,
seeing her place her trust in you just as I do,
and realizing once again how lucky she is
to have you for her father,
as I am to have you for my husband

DEATH OF Dr SENTHIL VASAN, MAYOR OF CASINO

The Hon. A. B. KELLY [10.23 p.m.]: I offer my condolences, as have other honourable members, to the family of Dr Senthil Vasan. For the past few years I regarded Dr Vasan as a friend. Senthil was 62 when he died recently in a plane crash. He had been Mayor of Casino since 1991. He had a strong social conscience. For two years Senthil was President of the New South Wales Country Mayors Association, which represents some 40 councils in country New South Wales with populations of more than 10,000. For a new Australian such as Senthil Vasan, who was born in Malaysia and educated in India, to be president of the Country Mayors Association and Mayor of Casino, where people would not necessarily accept a multicultural person as mayor, was a mark of respect for Dr Vasan and his achievements.

Dr Vasan was particularly strong in regional development. Indeed, he was a staunch champion of

regional development and country issues. During his time as President of the Country Mayors Association he took the association to new heights in a media campaign he instigated to acquaint the people of metropolitan Sydney with the problems of rural New South Wales. Senthil was a member of the Premier's Task Force for Regional Development and an executive member of the Local Government and Shires Associations. He will be sorely missed at the association's annual general meeting to be held in coming weeks. Senthil is survived by his wife, Vicki, and two sons. Anna George, a project officer for the Standing Committee on State Development, studied with one of Senthil Vasan's sons, Vin, and was closely associated with Dr Vasan as well. On behalf of members of the state development committee I extend my condolences to Senthil Vasan's family.

Motion agreed to.

House adjourned at 10.26 p.m.
