

LEGISLATIVE COUNCIL

Thursday 2 November 2000

The President (The Hon. Dr Meredith Burgmann) took the chair at 11.00 a.m.

The President offered the Prayers.

BUSINESS OF THE HOUSE

Precedence of Business

Motion by the Hon. J. J. Della Bosca agreed to:

That on Thursday 2 November 2000:

- (a) General business take precedence of Government business until 5.00 p.m., and
- (b) Questions commence at 12.00 noon.

TABLING OF PAPERS

The Hon. Carmel Tebbutt tabled the following papers:

Correctional Centres Act 1952—Report of Serious Offenders Review Council for year ended 31 December 1999
Second Interim Report of the Special Commission of Inquiry into the Glenbrook Rail Accident by the Hon. Peter Aloysius McInerney, dated November 2000

Ordered to be printed.

BILLS UNPROCLAIMED

The Hon. Carmel Tebbutt tabled a list detailing all legislation unproclaimed 90 calendar days after assent as at 1 November 2000.

PETITION

M5 East Tunnel Ventilation System

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

BUSINESS OF THE HOUSE

Suspension of Standing and Sessional Orders

Motion by the Hon. Dr P. Wong agreed to:

That standing and sessional orders be suspended to allow a motion to be moved forthwith that private members' business item No. 77 outside the order of precedence relating to the Roads Amendment (M5 East Road Tunnel) Bill be called on forthwith.

Order of Business

Motion by the Hon. Dr P. Wong agreed to:

That private members' business item No. 77 outside the order of precedence be called on forthwith.

ROADS AMENDMENT (M5 EAST ROAD TUNNEL) BILL**In Committee**

Clauses 1 to 3 agreed to.

Schedule 1

The Hon. I. M. MACDONALD (Parliamentary Secretary) [11.11 a.m.]: I advise the Chamber that the Government is in a position to report on the estimated cost impact of the proposal put forward in this bill. Honourable members will recall that the Government undertook to investigate the cost of electrostatic precipitators. This undertaking follows the meeting held between the Minister for Transport, and Minister for Roads, the Hon. R. S. L. Jones, the Hon. P. J. Breen and members of the Residents Against Polluting Stacks community group. Of course, I was part of that discussion. I understand that a copy of the report was distributed to members on the crossbenches this morning. Additional copies are available from the Office of the Minister for Roads.

The independent report clearly supports the comments made by the Government during the debate. It reveals that the cost of an effective electrostatic precipitator treatment system for the M5 East stack is of the order of \$37 million. This cost is independent of annual maintenance and running costs of more than \$600,000. I understand that the price was established from commercial quotes sought from suppliers of such equipment. The lowest price for the electrostatic precipitator units and fittings was supplied by the firm CTA, which I understand represents Hans Andel. If the proposal to filter the M5 East is pursued on the basis that all tunnel emissions should be filtered, the total cost to the taxpayers of New South Wales will be of the order of \$111 million on the basis of this report.

I take issue with comments made by Opposition members during the debate. The Opposition suggested that the stack could be abolished for a cost of as little as \$8 million to \$9 million. The Flagstaff report indicates that one could not get a quarter of a system that would treat the particulate matter from the tunnel for that price. This leaves a range of pollutants, such as oxides of nitrogen, unchecked. There is no known operationally proven vehicle emission system anywhere in the world that would remove this pollutant. Thus, irrespective of how particulate matter is dealt with, there is a need for a stack for the M5 East project. It is unfortunate that the Opposition has sought to peddle its ignorance on this issue.

The conditions of approval for the M5 East stack put the issue of filtration of the stack on a measured scientific basis. The conditions for the M5 East project reflect standards for air quality that apply for all of New South Wales. If these standards are breached the Department of Urban Affairs and Planning has the right to insist that filtration equipment be fitted. The Government will continue to seek to ensure that the effect of the M5 East on local residents is minimised, bearing in mind the needs of communities across the whole of the State.

I shall make a few comments about the letter that the Hon. P. J. Breen will seek to incorporate shortly. I understand that the letter contains a critique of the independent Flagstaff report into the cost of electrostatic precipitators which was circulated yesterday. I have not actually seen the report but I have seen the letter. The Flagstaff report was conducted by an independent, well-respected Melbourne engineering consultancy firm at arm's length from New South Wales. This report sets out a detailed assessment with each cost assumption set out in detail and justified. I expect that at some stage any response to the report will provide some level of detail which may be analysed. No such detail is available to date. Therefore, I do not intend to move the Government's amendment.

The Hon. J. F. RYAN [11.14 a.m.]: I shall simply respond to the rot we have just heard from the Hon. I. M. Macdonald. First, the Government has always attempted to overestimate the cost of installing a filtration system in this stack. For the benefit of honourable members, I point out that the stack cost of the order of \$40 million to build and was extra to the road project in the first place had the three stacks originally proposed for the project gone ahead. The Government was prepared to spend about \$40 million to satisfy a political objective.

The Hon. R. S. L. Jones: What about the running costs?

The Hon. J. F. RYAN: I shall refer to the running costs in a moment. The Government was prepared to spend that amount to satisfy a political objective, to take emissions from some electorates which it perceived

to be marginal and move them to places where it thought it had nothing to lose. That was \$30 million to \$40 million spent for no reason other than politics. The Committee is asking the Government to spend an alleged \$37 million—we believe it is a lot less—to remove particulate matter to make the system safe, and that is what the Government resolutely refuses to do. We watch the Government turning and squirming and twisting and weaving as it attempts to avoid that responsibility. The first turn was to circulate an amendment which basically reinforces the status quo.

As the Government has not moved its proposed amendment, one wonders whether it means anything in terms of the current conditions for the stack, because the Government's amendments include a proposition that a monitoring network be established and that the Roads and Traffic Authority release to the community the data gathered from that monitoring on a timely basis. Does that mean that the Government is running away even from that commitment? Finally, the amendments propose that the Roads and Traffic Authority must install air filtration equipment in accordance with any requirements of the Department of Urban Affairs and Planning. I will not take the Committee through the detail, but the truth is that the requirements of the Department of Urban Affairs and Planning and the various conditions to which the stack is already subject are so loose as to mean that the Government is not required to do anything.

Essentially, there must be accedences over the required standards set by the Environment Protection Authority more than two, three, four or a dozen times in a year for four or five successive years. If that occurs the Department of Urban Affairs and Planning might order that filtration equipment be installed in the provisions that have already been constructed by the stack. That is the status quo. Essentially, the Government intended to amend the bill to make it reflect the status quo. Now we have the mumbo jumbo of the Flagstaff report peddled around with no detail. Apparently the report was circulated only to crossbench members. I think the Government forgets that there are 13 Opposition members who have indicated their interest. The Government has resolutely ignored the Opposition. The Hon. I. M. Macdonald has the hide to criticise comments made by Opposition members when in fact all the Government does is deal with the crossbench members as if the Opposition did not exist.

I turn now to the statements made by the Hon. I. M. Macdonald on behalf of the Minister for Roads that the installation of this equipment would cost \$37 million. That is rot. The first assumption in the report is that twice as much equipment as is actually required to do the job needs to be installed. The Flagstaff report, which has been circulated by the honourable member, does not contain any sort of process, which Opposition and crossbench members have been requesting for ages. The Government should ask for expressions of interest. It should allow companies that might be able to do the job efficiently and cheaply to submit a tender to the Government and demonstrate that the job can be done for about \$15 million or less. Given that the Government was prepared to spend more than \$30 million on politics alone, and considering the total cost of the project, surely improving the environment in this area would be worth at least \$10 million or \$15 million.

The Government relies on the flimsy argument that regional air quality will not be made significantly worse by this stack. It totally ignores the fact that the air quality of the people who live within close proximity of the stack is going to be horrifically changed, to the extent that there are real risks to health. The Opposition supports the residents who live in the Turrella area. We support the bill enthusiastically and believe it should be passed. Given the attitude expressed by the Government, Opposition members know what it will do when the bill arrives in another place, but we beg it to change its mind. I am amazed, frankly, that the total cost of installing electrostatic equipment on all of the available tunnels, both proposed and existing, is \$111 million. This year the Government has received about \$1 billion in extra revenue that it did not even budget for.

That money was not included in the budget. It is revenue that has rolled in because of the outstanding efforts of the Howard Government in managing the national economy and the additional economic activity that has occurred in New South Wales as a result of conducting the Sydney 2000 Olympics, Paralympics and perhaps other factors as well. Given that the Government is absolutely brimming with revenue, a \$100 million commitment to radically improve the health and welfare of the environment of Sydney in my view sounds somewhat modest. I do not understand why the Hon. I. M. Macdonald scoffed at that possibility.

I simply point out for the benefit of honourable members that the Government ducks and weaves this issue. The Labor Party has no commitment to improving the environment other than when it is in Opposition. When in office, the Labor Party delivers on no effort. It is prepared to go to endless lengths debating issues like balloons. By comparison to this sort of issue it is a twentieth order environmental concern. This is about the air that people breathe within close proximity of the stack. The Government could not care less. The Opposition has gone to great lengths to demonstrate that the Government does not care less. I commend the unamended bill to honourable members.

The Hon. Dr P. WONG [11.25 a.m.]: I am pleased that the Government is not moving the amendment. It is my fervent hope that the Government will eventually sit down with interested parties in good faith and reach a sensible agreement on the cost and installation of filtration. There are two main issues concerning the M5 stack: the price and whether the filtration system will improve air quality. Flagstaff Consulting found that the cost of installing electrostatic precipitators [EPs] at this stage of the tunnel completion would be \$37 million. Due to the Government's brief, this is artificially high and I believe the real cost will be closer to \$23 million. This continues a pattern by the Government and the Roads and Traffic Authority [RTA] of overstating the costs of a filtration system as an argument against its installation. In 1997 the RTA estimated the cost at \$60 million and in August this year the Minister said it was \$50 million. Even on their own figures, the cost is coming down.

According to an analysis by local residents, the latest figure of \$37 million includes significant and unnecessary or double counting. Unfortunately, Flagstaff did not consider the cost of installation of the system within the existing contract and construction phase, as the Government was required to do. It chose instead to cost a complete retrofit in 2002 with a totally parallel and additional ventilation system. This is a much more expensive option. Also there are serious problems with Flagstaff's costings and assumptions. The physical size of the electrostatic precipitator proposed by Flagstaff is almost double what is necessary. There is a 50 per cent overestimation of the building or excavation required, an overestimation of fans required and related other costs. The structure housing the fans and air handling system priced at \$7.58 million is twice the size needed. Overheads and profit of \$3.8 million are overstated. Cabling, controls and waste management costing \$3 million are double counted.

The Government will, of course, deny this. The Government's experts and the experts of the residents need to sit down and work it out. I am confident that, if put to competitive tender, the price will come out closer to \$23 million than \$37 million. I note that the total cost of the M5 is \$750 million and probably rising and, therefore, \$23 million, or even the unrealistically high quote of \$37 million is reasonable in the context of the total cost. The Premier allocated an additional \$1.5 billion per year for capital works, mainly roads and rail infrastructure, in the last budget and \$20 billion over four years, so the money is available within the budget.

It is extremely important to note that the cost of a filtration system would have been a great deal lower if an emission treatment system had been planned and costed at the beginning of the project and not at a later stage. If planned from the beginning, the total cost of an emission treatment system would have been \$10 million to \$12 million only. This is particularly important for the Government to consider when it is planning future motorway tunnels such as the cross-city tunnel. My concern is that the M5 will set a precedent for all future motorway tunnels in New South Wales. The Government and the RTA have so far shown great stubbornness and resistance to installing a filtration system. I am still hoping it will take a more reasonable approach.

The Minister in his recent letter to me argued that the installation of electrostatic precipitators will not have a significant benefit for air quality. He referred to oxides of nitrogen, but EPs are not intended to remedy oxide levels. Oxide levels could be remedied by increasing the ventilation velocity of the stack and other measures, but the Flagstaff report does not address this. EPs remove particulate matter, which is the most dangerous form of air pollution related to motorway tunnel emissions. The Flagstaff report confirms that EPs will remove 80 per cent of the particulate matter from tunnel emissions. The Minister and his departmental head have up until now denied that electrostatic precipitators remove particulate matter. The Minister claims that the EPs will remove only 3 per cent of the particulate matter from the local airshed, but the CSIRO said that the RTA's estimates of emission levels from the stack have been seriously underestimated. I implore the Government to take proper heed of the health and safety of the residents living in the region of the M5 stack and to support the bill.

Reverend the Hon. F. J. NILE [11.28 a.m.]: I wish to comment on the statements made by the Hon. I. M. Macdonald regarding this matter. I am pleased that he added that the Government did not plan to proceed with the amendment and, as we know, the amendment basically is only talking about comprehensive air quality monitoring networks. I indicated in my second reading speech that measuring the pollution seemed to be the Government's priority, but it is not doing anything about it. I am pleased that the Government is not moving the amendment and I hope that it will treat the bill with respect in the other place and allow it to proceed.

The Hon. Dr B. P. V. PEZZUTTI [11.29 a.m.]: I wish to make a salient point about this amendment in terms of the necessity—

The Hon. I. M. Macdonald: Point of order: An amendment has not been moved. What is the Hon. Dr B. P. V. Pezzutti doing?

The Hon. Dr B. P. V. PEZZUTTI: The issue I raise is that if one looks from the top floors of this building down on the State Library one will notice layers of black material on all the ledges on that building, which was cleaned only a few years ago. That black material, I am told, is almost entirely the result of brake pad wear which occurs when brakes are applied. In the past these brake pads were made of asbestos.

The Hon. J. R. Johnson: A lot of them still are.

The Hon. Dr B. P. V. PEZZUTTI: I am informed that they no longer are, but I am not certain.

The Hon. J. R. Johnson: Even the Australian Army is using asbestos in its brakes.

The Hon. Dr B. P. V. PEZZUTTI: Is that right? There are many forms of asbestos, but whatever the result, we all know that in the past the asbestos used in brake drums could have caused mesothelioma and the like. These days most cars have brake discs, although many still have brake pads. The material in the brake discs, as part of its function, actually breaks down. Most people are aware that every 1,500 kilometers or thereabouts it is necessary to have a vehicle's brake pads or discs inspected because they wear. The brake pads are made of metal, and the compound material in them simply wears away. That is what ends up on all our buildings and goes up through the stack. It might be suggested that as people drive through tunnels and so on they do not apply the brakes. Perhaps they do not. However, all one has to do is look at the rims on the wheels of one's vehicle to see the black material that continues to accumulate on the rims, especially if the vehicle has spoked wheels.

The Hon. M. I. Jones: Especially on BMWs.

The Hon. Dr B. P. V. PEZZUTTI: Especially on BMWs and other vehicles that have spoked wheels, and on the wheels of the Holdens, Magnas and Toyotas that are commonly used by members of Parliament. I have noticed that some of the ministerial cars have wheel spokes. I am sure the Hon. I. M. Macdonald's ministerial car has wheel spokes, as well as everything that opens and shuts, including luxuries such as a cigar lighter and the like. We should at least try to protect the community from large aggregations of such material. I encourage the Government to collect samples of the material that goes up the stack so that it may then gain some idea of what happens in other parts of the road network. This will enable the Government to consider the impact of particles from fuel and other particulate matter, which can become embedded in people's lungs.

Not so long ago pneumoconiosis was a prevalent disease, and dust diseases are still common. Perhaps the Hon. I. M. Macdonald will issue householders near the stack with appropriate occupational health and safety-approved dust prevention or breathing apparatuses, as occurs in quarries and the like. Of course, the Hon. I. M. Macdonald, who used to live in the inner city, has moved to the greener pastures of Young. However, I am aware that, amongst his many overseas trips, he recently travelled to the much-polluted areas of China. Of course, he suffered that experience in the interests of the State, and for that he is to be commended rather than condemned.

The matter causes me great concern. I recently discussed the matter with the Hon. Dr A. Chesterfield-Evans, who is an occupational health and safety expert. He informed me that these issues have not been studied at length. He said that he is not aware of the impact of these particles but that some research may well have been carried out. I encourage the Parliamentary Secretary to raise with the Minister my concern that research of this nature should be carried out. Particles from brake discs and brake pads are of particular concern because, unlike fumes, they can lodge in the lungs. Whatever their chemical make-up, particles that lodge in the lungs can have very serious health effects because they simply remain there.

I commend the Hon. Dr P. Wong for bringing this matter before the House. I believe it is worthy of consideration and action. More importantly, I believe we should start to learn more and more about environmental issues relating to particulate substances, which I admit we cannot do without. I do not suggest that we should wind back technology. However, it may be that some materials used for brake pads are safer than others, and some materials cause adverse health effects and some do not. If that is the case, perhaps we should do what Neville Wran did many years ago. Neville Wran took the opportunity to be one of the first people in the world to initiate the removal of lead from petrol. That initiative started here in New South Wales and many other countries around the world followed suit. Why can we not have some sort of foresight?

The Hon. Dr A. Chesterfield-Evans: Neville Wran wasn't the first person in the world to do that; he was the first person in Australia.

The Hon Dr B. P. V. PEZZUTTI: From memory, his was the first Government to take that initiative. He forced Australia to go down that track and many other countries simply followed suit. I believe that we could also lead the world on this issue. We could produce a niche market for proper innovation and development of products, in keeping with this country's green, clean image, which we all speak about. It could provide great opportunities for business here in New South Wales, and could improve the quality of life of the people of New South Wales.

The Hon. R. S. L. JONES [11.36 a.m.]: Evidence is now emerging from America and Europe that a number of people are killed as a direct result of particulate matter from vehicles. In Oslo, it is estimated that each year 500 people, or one in a 1,000, die from car air pollution. It is estimated that 3 per cent of the population in some American cities die from car air pollution. An analysis of those figures would indicate that people would die as a result of the emissions from the M5 East stack. Perhaps one, two or three deaths will occur each year, or perhaps two or three deaths will occur every 10 years, but deaths will occur as a result of the Government's inability to resist the Roads and Traffic Authority [RTA] pressure to install filtration in the stack.

The Roads and Traffic Authority is like the Hydroelectric Commission in Tasmania, which we were fighting back in the early 1980s. The Hydroelectric Commission had a policy to dam every single river. It was finally stopped when it sought to dam the Franklin River. It took an enormous international effort to persuade the Hydroelectric Commission not to dam that river, including a High Court case and world figures coming to the Franklin and being arrested. Finally we won: the Hydroelectric Commission was stopped. It took an enormous effort to restore flow to the Snowy River.

Like the Hydroelectric Commission, the Roads and Traffic Authority is resistant at every single turn to putting filtration in the M5 East stack. The M5 East stack should be the first stack to be filtered, and in future every single stack should be filtered. We know that that will save lives. The question is: How much value does the Government put on the lives of the people who live in the area of the stack? Does it put any value at all on the lives of these people? We know that emissions from the stack will kill people. We know that people will die as a result of the failure of this Government and the RTA to filter the stack. How much are those people's lives worth?

We know that the independent Flagstaff review of the cost of filtering the stack is flawed. I wonder whether the Minister has taken the trouble to read and examine the letter from the Hon. P. J. Breen. It would appear that the figure is approximately double that which is necessary. The cost of filtration of the M5 East stack and future terminals should be incorporated into the total cost of building the stack. It should not simply be an add-on cost; it should automatically form part of the overall cost. I am quite sure that the Coalition Government when it gets into power—as it will at some point in the not too distant future—will take steps to put filtration in the M5 East stack and ensure that all terminals are filtered. Why cannot this Government do that now? Why does it have to be beaten to the punch by the conservative Coalition when it gets into power? And that will happen. It is up to this Government to provide filtration now and to become a real reformist Government—not the ultraconservative Government that it has been in its last 6½ years in office. It is time for this Government to be a reformist government—as reformist as the Coalition will be when it gets into power.

The Hon. M. I. JONES [11.38 a.m.]: I support the bill put forward by the Hon. Dr P. Wong. The need for this bill to be brought on by contingency is somewhat of a disgrace. As a member of General Purpose Standing Committee No. 5, and having gone through the process of the public inquiry and listening to the evidence given, I have a grounding in this issue. The resistance demonstrated by the Roads and Traffic Authority and the Minister for the Environment has been extraordinary. However, this is somewhat the tip of the iceberg. I believe it reflects the current vogue for tunnelling which the New South Wales Government has—which I am not particularly against. I think the Government is concerned that it will be exposed to greater costs on all future tunnels and perhaps it does not want to countenance those costs.

If the Government cannot do things safely in the best interests of its people, then it should not do them at all. The Government should do things properly. The obstacles that have been thrown in the way of protecting our people by building this damned silly stack in the most inappropriate place imaginable have just been extraordinary. I have come to the conclusion that the Government must now bite the bullet and put in place the filtration equipment. That should have been agreed to a long time ago without having all the fuss that has surrounded the issue and all the unnecessary—in my opinion—inquiries culminating in the need for the Hon. Dr P. Wong to bring forward this bill.

This Government continually prides itself on its environmental stance and refers to the things that it does to protect the environment. The Premier, Bob Carr, will stand up at the drop of a hat and announce how

wonderful his Government is in protecting the environment, but when it comes to real environment issues, such as what people breathe and what children inhale on a day-to-day basis, obstacles are shamelessly put in the way. That is disgraceful and destroys any argument that the Government advances about being a benefactor to the environment. I commend the bill introduced by the Hon. Dr P. Wong.

The Hon. P. J. BREEN [11.41 a.m.]: I am pleased that the Government is withdrawing its amendment, which clearly would have destroyed the whole purpose and intent of the bill. As it stands, the bill is really an indictment of the Government because, in this day and age when the environment is surely such a fundamental issue, the Government's allowing tunnels of the nature referred to in the bill without including proper filtration equipment—

The Hon. R. S. L. Jones: It is archaic.

The Hon. P. J. BREEN: —as the Hon. R. S. L. Jones says, is archaic. It is also a disgrace. The Hon. I. M. Macdonald made some comments about the oxides of nitrogen about which he is concerned. He said that the filtration equipment will not deal with oxides of nitrogen. That may or may not be true, but technological advancements are taking place all the time. I am reliably informed—

The Hon. M. I. Jones: If they will not deal with it, they should not build the stack.

The Hon. P. J. BREEN: The question of building the stack is another issue, but the oxides of nitrogen can be dealt with simply by increasing the velocity of air passing through the filtration equipment. That is a simple solution that deals with a difficult problem. The solution does not require any further capital expense or additional running costs. The issue about the oxides of nitrogen was raised in a letter that I addressed to the Minister for Transport dated 31 October. The letter also addresses other issues related to costing. I seek leave to incorporate the letter dated 31 October in *Hansard*.

Leave granted.

Dear Mr Scully,

Re: Roads Amendment (M5 East Road Tunnel) Bill 2000

Thank you for your letter dated 9 October and for taking the time to address the issues raised in debate on the above bill.

I have now had the opportunity to obtain advice on the Flagstaff quote and the points made in your letter. According to my advice, the filtration system proposed by Flagstaff is about twice the size it needs to be. The total area of the filtration is 420 square metres according to the consultants but apparently half that area would be sufficient to filter the projected volume of exhaust emissions in the M5 East tunnel. This is based on the size of the Chimbu tunnel in Korea, specifically mentioned by Flagstaff as a pattern for this installation, where a filter of 74 square metres is required to treat 285 cubic metres per second of air. As this is almost exactly 1/3 the size of the M5 east installation, it follows that a filter of about 225 square metres is required, a reduction apparently confirmed by the manufacturer.

This error in the Flagstaff calculations means that the building to house the filtration equipment is almost double the size required. At \$4,700 per square metre it would also be amongst the most expensive buildings in the world. New city office construction at the present time is \$2,500 per square metre. It may even be that reducing the design by half its size would mean the filtration equipment may fit in the tunnel itself and result in a huge cost saving.

Looking at the filtration equipment, the price quoted by Clean Tunnel Air (CTA) of Norway is \$8.5 million while the Flagstaff quote is \$15.75 million. Apart from the question of the size of the equipment, Flagstaff has also double-counted a number of items, specifically the installation and the water treatment which is actually included in the \$8.5 million. Again, the manufacturer has confirmed this error. There are many other anomalies in the proposal. It is strange that the Roads and Traffic Authority has chosen to call on consultants who have never had experience with this type of installation to 'guesstimate' a cost rather than asking the manufacturer or some other competent firm to do so.

On the question of pollutants made up of oxides of nitrogen which you seem to be concerned about in your letter, I respectfully suggest that the question is a complete red herring in the debate before the House. The highest predicted exposure to these pollutants is about 70 per cent of the National Environment Protection Air Quality Goal. According to the CSIRO, the figure is probably closer to 60 per cent, which means that the predictions for oxides of nitrogen are well within the air quality guidelines.

The same cannot be said of fine particulate matter or PM10's where compliance is marginal at best in all the modelling and likely to exceed air quality goals regularly. This is the fundamental issue that needs to be addressed.

In any event, CSIRO has identified a simple solution to the potential problem of oxides of nitrogen, namely, to increase the velocity of the ventilation fans. At full speed, the fans work at 14 metres per second, but at night they will run at just two to four metres per second. Doubling this low speed at night will alleviate most of the local impact of oxides of nitrogen and involves minimal running costs and no extra capital costs.

It also needs to be said that the potential health problems with all the pollutants are a direct consequence of the political decision to reduce three stacks on a ridge to one stack in a valley without a proper assessment of the consequences of that decision. Even so, I agree with you that a stack at Turella is now necessary, and the local residents also agree that it cannot be avoided. But they do object to a polluting stack and thus the name 'Residents Against Polluting Stacks'.

The point I was trying to make in the debate in the House is that a different kind of ventilation system with electrostatic precipitators and progressive filtration at the tunnel ends would have eliminated the need for a stack at Turella. But this is a design question and I recognise that we are past the point of no return with the present design. It is worth noting, however, that international experts at the recent Roads and Traffic Authority workshop confirmed that the present design is fundamentally problematic, overly complicated and wasteful. One ventilation outlet (as opposed to three) for a 4.5 kilometre tunnel where the outlet is located in a sheltered valley 800 metres from the tunnel is ludicrous by any standard.

With respect, an unfiltered stack at Turella is a potential health disaster for the local community, with wider implications for the Government and the people of New South Wales. You will be aware that the Government is seeking to settle the HomeFund proceedings in the Federal Court this week because of problems with Crown immunity. Given the history of the Turella stack, the slightest cough or wheeze in the Turella Valley will result in a flood of litigation against the Government, and I have to say that the claims will be a plaintiff lawyer's picnic. The Turella Valley Smoke Stack case will be a breeze to win compared to HomeFund. What defence could the Government raise to a claim for breach of duty of care to the people of Turella when you have all the means at your disposal to deal with the problem now?

Yours sincerely,

PETER BREEN

The Hon. P. J. BREEN: It is worthwhile showing to honourable members a picture that depicts a scaled drawing of the visual impact of the stack. The Hon. I. M. Macdonald may be interested in looking at it. It will be an enormous construction. The picture shows the figure of a person standing beside the stack and gives some impression of the scale. The stack is 13 storeys high, which equates to 35 metres, and it is almost as wide as it is high. It is impossible to imagine what Wolli Park will look like with this enormous structure in the middle of it.

The Hon. Dr P. Wong has gone into the costings in detail and there is no need for me to refer to them except to repeat what has already been said, namely, that the costings represent a construction cost which is twice that which would be necessary to filter the air coming from the M5 East tunnel. An issue to which I wish to refer is court proceedings. It so happens that this morning I attended at the Federal Court with HomeFund borrowers in respect of their ongoing action against the New South Wales Government as a result of the restructuring of HomeFund. I could not help thinking that there are plenty of precedents for an action by residents against authorities—not only the Government, but construction companies that build such tunnels that are incorrectly filtered. Given the technology that is available, there is an issue of whether there is a breach of a duty of care owed by the Government and the constructors to the people who live in the proximity of structures such as a smoke stack.

I refer to a case that is proceeding in the Osaka High Court. The matter is an appeal from a lower court and is a case against an expressway operator in Amagasaki. The court's decision after the first session of the appeal case indicates that the court is likely to uphold the previous rulings. The effect of that will be that the defendants will pay 50 plaintiffs the sum of 210 million yen and will have to reduce exhaust emissions. In the context of this stack, if approximately 6,000 people in the Turella Valley are adversely affected by the structure and by the concentration of emissions in one point—and all the evidence suggests that they will be, which is the whole issue we are debating—and if proceedings are commenced as a result of which damages are payable, the amount will far exceed the cost of fixing the problem now. I urge the Committee to support the bill and enable it to be passed through the Legislature.

Schedule 1 agreed to.

Title agreed to.

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

BUSINESS OF THE HOUSE

Precedence of Business: Suspension of Standing and Sessional Orders

The Hon. Dr A. CHESTERFIELD-EVANS [11.50 a.m.]: I move:

That standing and sessional orders be suspended to allow a motion to be moved forthwith that private members' business item No. 84 outside the order of precedence, relating to the Fisheries Industry (Interim Protection and Environmental Assessment) Bill, be called on forthwith.

The Hon. JAN BURNSWOODS [11.50 a.m.]: As I explained to the Hon. Dr A. Chesterfield-Evans earlier, I oppose this motion because a couple of weeks ago I acted similarly to protest about the way in which this House deals with private members' business. At that time I spoke to a similar motion moved by the Hon. Dr P. Wong and mentioned that honourable members had been informed that there was a bit of competition between the Hon. Dr A. Chesterfield-Evans and the Hon. Dr P. Wong because the Hon. Dr A. Chesterfield-Evans had wanted to move item No. 84 in the order of precedence on that day but had basically backed off. As I pointed out then, notice was only given about item No. 84 outside the order of precedence on 10 October. I and others made the point at that time that some members had a series of items, which encompassed very important issues, in relation to which they had been waiting, in many cases, for some 12 or 18 months to have debated. I did not mention on that occasion that the honourable member's item of business deals with fish—possibly the most frequently debated issue in this House, particularly among members on the Government side of the Chamber.

The Hon. Dr B. P. V. Pezzutti: Point of order: I know that it may be seen that I am assisting the Hon. Jan Burnswoods in her old grey mare filibuster, but I must stick very carefully—

The Hon. Jan Burnswoods: What a rude thing to say! Because the dye in your hair is actually fading I do not think you should be drawing attention to the level of greyness of other honourable members.

The PRESIDENT: Order!

The Hon. Jan Burnswoods: You admitted weeks ago that you had dyed your hair.

The Hon. Dr B. P. V. Pezzutti: That was four years ago. I ask that it be drawn to the attention of the honourable member that she should be relevant and not repetitive. She is being repetitive and boring with the intent of stopping debate in this House, which I find appalling.

The Hon. P. T. Primrose: To the point of order: We have been asked on this occasion, again while leave is being sought, to put something in place in contrast to something else. The honourable member is arguing—

The Hon. Dr B. P. V. Pezzutti: You're filibustering too!

The Hon. P. T. Primrose: You stood up my friend, and I am speaking to your point of order. The point of order of the Hon. Dr B. P. V. Pezzutti was that we cannot discuss whether something is more important than something else and if we dare do that then that is somehow wrong. I suggest that it is perfectly in order for a member to seek leave to say that a business item that came in on 10 October and which is also going to be the subject of a second reading speech tonight—

The Hon. Dr B. P. V. Pezzutti: That is for the House to decide.

The Hon. P. T. Primrose: Yes for the House to decide through debate. You are trying to stop debate on the topic.

The Hon. Dr B. P. V. Pezzutti: No I am not.

The Hon. P. T. Primrose: You are not? You just took a point of order saying that we cannot have a debate on this topic.

The Hon. Dr B. P. V. Pezzutti: She should put the argument simply and then get on with it.

The Hon. Jan Burnswoods: Heavens, if you took that lesson this House would only sit three days a year.

The PRESIDENT: Order!

The Hon. P. T. Primrose: Madam President, when you are considering whether leave should be granted for one motion as opposed to another surely it is relevant and important to consider the various implications of the motion—and that is what the honourable member is doing. If the Hon. Dr B. P. V. Pezzutti wants to use economic terms, we are evaluating the opportunity cost of debating various items, and that is precisely what the honourable member is doing.

The Hon. J. H. Jobling: To the point of order: The motion seeks to suspend standing and sessional orders to allow the moving of a motion forthwith. It is a very narrow and precise motion. It is not a discussion of general debate. The time factor that has been argued is not relevant. It should be confined to the very narrow motion. The point of order should be upheld.

Reverend the Hon. F. J. Nile: To the point of order: I agree with the statements made by the Hon. P. T. Primrose that this is the beginning of a debate, so to speak, to allow another matter of business to proceed. It is in order for the honourable member to refer to why we should change the order or precedence.

The PRESIDENT: Order! A number of points of order have been raised. It is certainly true that once a motion is moved debate may ensue. It is, therefore, in order for the Hon. Jan Burnswoods to debate whether the motion should be called on forthwith. I remind the Hon. Dr B. P. V. Pezzutti, as I have done before, that it is not appropriate to take a point of order simply to make a debating point. The Hon. Jan Burnswoods may proceed.

The Hon. Dr B. P. V. Pezzutti: She is just being repetitive and boring, there is no doubt about it.

The Hon. I. M. Macdonald: You can't canvass the President's ruling!

The Hon. Jan BURNSWOODS: I thank the Hon. P. T. Primrose for eloquently making my next point in opposing the motion to suspend standing orders to allow debate on item No. 84 of private members' business, that is, that when we transfer to Government business at 5.00 p.m. today the Minister for Fisheries will deliver a second reading speech on the very wide-ranging Fisheries Management and Environmental Assessment Legislation Amendment Bill. For that reason, amongst all of the others that I talked about a couple of week ago, I oppose the attempt by the Hon. Dr A. Chesterfield-Evans to bring on motion No. 84 outside the order of precedence, which was only mooted in this House only three weeks ago. If the Hon. Dr A. Chesterfield-Evans is seriously interested in fisheries, he can move amendments to that bill. It is more important to deal with items that are within the order of precedence. I gather that the motion of the Hon. J. S. Tingle has failed to be item No. 1 today because of the transfer of private members' business from tomorrow to today. Of course, debate on item No. 1 was adjourned until Friday 3 November. Because today is only Thursday 2 November, on that technicality item No. 1 could not come on.

Therefore, I refer to the very important motion—the Hon. P. T. Primrose feels as strongly as I do about these matters—that has been set down for debate since 4 April. That important matter relating to Sydney's water supply was dealt with in September 1999 and again in August 2000. I was interested to hear the point of order taken by the Hon. J. H. Jobling. I was pleased to hear the comments of Reverend the Hon. F. J. Nile on this important issue about how this House decides the matter. Reverend the Hon. F. J. Nile has been waiting to introduce a bill relating to technical and further education. Many honourable members have raised a number of issues relating to technical and further education.

I am surprised at those honourable members who waxed eloquent about various TAFE issues. Apparently they do not want us to debate the legislation to be introduced by Reverend the Hon. F. J. Nile. Honourable members may find it difficult to believe, but item No. 6 in the order of precedence is a motion to be moved by the Hon. Dr B. P. V. Pezzutti, which deals with various matters, including Canterbury hospital. The most amazing hypocrisy occurred this morning when the Hon. Dr B. P. V. Pezzutti, who actually spoke in debate on the M5 East issue when we were dealing with legislation introduced by the Hon. J. Tingle, complained at length that the issue relating to Canterbury hospital was far more important than the issue that was then being discussed. Apparently today he has problems with his memory. He does not seem able to remember the eloquent arguments that he put two weeks ago. The next item in order of precedence is a motion of the Hon. R. S. L. Jones.

The Hon. Dr B. P. V. Pezzutti: Point of order: It appears to be the intention of the Hon. Jan Burnswoods to go through all 75 motions on the business paper. She intends to waste the time of the House so we cannot deal with the issue at hand, that is, whether a matter will be given precedence by this House. That is what this issue is about. Clearly, she is wasting time so that we will not be able to deal with any substantive issues. Madam President, you are allowing her to go through each motion and to put words in the mouths of other members. I ask you to make her relevant to the point before the House.

The PRESIDENT: Order! I repeat what I said earlier. It is quite clear that debate may ensue on the issue, and that is what is occurring. The Hon. Jan Burnswoods is in order.

Pursuant to sessional orders business interrupted.

QUESTIONS WITHOUT NOTICE

WORKERS COMPENSATION SCHEME EXPRESSIONS OF INTEREST

The Hon. M. J. GALLACHER: My question without notice is directed to the Minister for Industrial Relations. Is it correct that the Minister is seeking expressions of interest in the next few weeks on managing the tail of the workers compensation scheme? When will he be seeking expressions of interest? Given that insurance companies now essentially manage the tail, does he see this proposal as simply sidelining insurance companies, or is this in fact a vote of no confidence in their management?

The Hon. J. J. DELLA BOSCA: I thank the Leader of the Opposition for his question, which draws the attention of the House to the fact that the WorkCover Authority sought to solve difficulties relating to the workers compensation insurance scheme. The matters about which he speaks relating to the competence or management skills of insurance companies are separate from the expressions of interest being called for in relation to the management of the deficit. A range of new financing and risk management packages and techniques are being marketed globally and, in some cases nationally, by a number of substantial financial organisations.

The Government and the WorkCover Authority believe that some of those risk transfer mechanisms may be of use to the authority in determining ways in which it can manage the so-called deficit in the current scheme. That does not have anything to do with a vote of no confidence in the existing WorkCover scheme. The Leader of the Opposition has heard my views on a number of occasions on the importance of providing market incentives within a reform scheme to allow insurance participants to more effectively play a role in injury management.

He has also heard that this is one of the matters that will be most actively considered over the next 12 to 18 months in the reforms to be introduced by this Government. So those issues are quite separate. I believe that the expressions of interest, which open in two weeks, are open to all—from private individuals through to substantial corporations—to formulate views as to ways in which the tail can be managed. The insurance industry is welcome as an industry body, as are individual companies, to submit expressions of interest. I believe that more than one of the companies currently participating in the scheme and other onshore insurers will do so.

CANNABIS MEDICAL USE

The Hon. JAN BURNSWOODS: My question without notice is directed to the Special Minister of State, Minister for Industrial Relations, and Assistant Treasurer. Will the Minister inform the House of the findings of the working party on the use of cannabis for medical purposes?

The Hon. J. J. DELLA BOSCA: This is an important issue.

The Hon. Patricia Forsythe: You answered this yesterday.

The Hon. J. J. DELLA BOSCA: I did not answer any questions about this yesterday.

[Interruption]

I have a slightly different perspective on this matter to the perspective of other members of the House. Honourable members should be allowed to hear about this matter in their own right. I am sure that a number of honourable members would like to hear my answer to this question. As the Hon. Patricia Forsythe already said, yesterday the Government released for public consultation a report on the use of cannabis for medical purposes. The working party, chaired by Professor Wayne Hall, Executive Director of the National Drug and Alcohol Research Centre, was formed by the Government in October 1999. The Government's decision to conduct an inquiry followed representations from a number of groups, including the Law Society and the Australian Medical Association.

The working party examined whether there is a role for cannabis in the treatment of symptoms associated with serious terminal illnesses. The report recommends a two-year trial where patients with specific

medical conditions would have a defence against criminal prosecution for possessing or growing small amounts of cannabis. The working party highlighted the health risks of cannabis and endorsed its use only as a pain management and therapeutic option for patients who do not respond to conventional pain treatments. Cannabis is already permitted for medical purposes in nine States in the United States of America. In March last year, the Canadian health Minister authorised clinical trials on the medical use of cannabis.

As part of the two-year trial the working party recommends that patients gain the benefits of cannabis without facing any potential criminal sanction, pending, of course, the development of safer, more efficient methods of delivering cannabinoids into the patient. A limited exemption from criminal prosecution would apply only to patients certified by an approved medical practitioner and suffering from a restricted set of medical conditions. Under the trial, authorised doctors will be permitted to prescribe cannabis for patients suffering lack of appetite and various wasting associated with forms of cancer and HIV, nausea and vomiting in cancer patients undergoing chemotherapy, or pain unrelieved by conventional treatments.

This initiative could well turn out to be a life-saving initiative. Many people would know cancer patients undergoing chemotherapy who have had to desist from that therapy and other forms of radical treatment because the side effects were so unpleasant, painful and difficult. Sadly, in some cases those people are unable to continue with some of those radical therapies and have to desist from their treatment. Only accredited and trained medical practitioners will be able to issue certificates and patients will be counselled about the risks of smoking cannabis. The exemption would apply also to the carers of patients too sick to obtain cannabis. It would apply only in cases where the patient or carer is in possession of a statutory small quantity of cannabis, that is, 30 grams, or the patient and carer have no more than five plants under 25 centimetres or two plants above that height.

So-called cannabis clubs, which offer to supply cannabis for patients, will remain illegal. The onus of proof will rest with the patient and the carer. Medical certificates by accredited doctors will have to be renewed every six months. This is not government policy. They are recommendations of an expert working party and they will now be submitted to extensive community consultation. The amount of cannabis may be controversial. Already there are concerns about the recommendations to allow five plants under 25 centimetres or two under a limited height. Community feedback on the issue will be welcomed.

I can also inform honourable members—and this is a very important new piece of information for the House—that today the Government's web site on drug issues is being launched. Its address is www.druginfo.nsw.gov.au. The working party's report on the use of cannabis for medical purposes is available on that web site. Visitors to the site can send their comments directly to the office of drug policy with the click of a mouse. The Government will proceed on the issue, as we have with other drug issues, with compassion and caution. In response to the repeated interjections by the Hon. Dr B. P. V. Pezzutti, I have to say the proposal is not for doctors to prescribe cannabis but for accredited medical specialists, specifically trained and qualified for the purpose, to provide accreditation for users. It is not a prescription, and the honourable member should know that. He is a doctor, after all, and he knows almost everything else.

MARKET IMPLEMENTATION GROUP SALARY PACKAGE

The Hon. D. J. GAY: My question is to the Treasurer, and Vice-President of the Executive Council. Is the head of the Market Implementation Group [MIG] at State Treasury contracted at a rate equivalent to around \$2,000 per day? Does the head of MIG receive as part of his contract airfares to Brisbane on a regular basis, as well as accommodation while he is in Sydney? What is the total value of the remuneration package for his position, and does the package make this person the highest paid employee of the Carr Labor Government?

The Hon. M. R. EGAN: I will obtain details for the Deputy Leader of the Opposition. My understanding is that MIG is run by a consultancy that has been engaged by the Government, and in that sense therefore I do not think Professor Anderson is an employee of the Government. He is contracted with the consultancy that has been contracted for MIG.

The Hon. D. J. Gay: Both?

The Hon. M. R. EGAN: It could be both, yes. I am not aware.

The Hon. D. J. Gay: I am asking you about the total package.

The Hon. M. R. EGAN: All right, I will find that out, but, by my standards and those of the Deputy Leader of the Opposition, the consultancy group is very highly remunerated. That is the nature of these things.

We have an industry in New South Wales that is worth many billions of dollars. It has a turnover each year of many billions of dollars and it operates in a fiercely commercial and competitive environment. We want the best advice we can get and we are prepared to—indeed, have to—pay what the market requires.

PESTICIDE EXPOSURE

The Hon. A. G. CORBETT: My question is addressed to the Treasurer, representing the Minister for Health. How does New South Wales Health define unacceptable health risks to a person, or people, in New South Wales as a consequence of the use of pesticides? What symptoms must an individual person display as a result of pesticide exposure before New South Wales Health will consider the continued exposure to that pesticide to be an unacceptable health risk for that person? If necessary, will the Minister consult with his Federal counterparts to determine what symptoms are acceptable or unacceptable so that the people of New South Wales are informed when they should alert the relevant authorities?

The Hon. M. R. EGAN: As the Hon. Dr B. P. V. Pezzutti points out, I do not have a clue about this matter, but I am interested in the answer. As the Special Minister of State points out, the Hon. Dr B. P. V. Pezzutti thinks he knows everything. At least when I am asked a question and I do not know the answer I am prepared to admit that I do not know. Other people in this place volunteer all sorts of information which often turns out to be wrong. Yesterday the Leader of the Opposition told me that Miranda wines are from New South Wales. Last night I bought a bottle and emptied it—I did not waste it—and when I looked at the label I saw it came from Victoria. The Leader of the Opposition tells me today that there are Miranda wines that come from New South Wales but I felt cheated and misled. So, the honourable member now has an obligation to find me a Miranda wine that comes from New South Wales. I will get an answer for the Hon. A. G. Corbett.

[Interruption.]

I did not drink the whole bottle myself. I am not saying I never have or would not like to.

The Hon. J. H. Jobling: Who did you share it with?

The Hon. M. R. EGAN: I shared it with three other people, so we were pretty abstemious. We did share another bottle though.

RURAL SAFETY INITIATIVES

The Hon. I. M. MACDONALD: My question without notice is to the Special Minister of State. Will the Minister tell the House what the response has been to the New South Wales Government's rural safety initiatives?

The Hon. J. J. DELLA BOSCA: There has been a great response. The New South Wales Government dedicated \$4.1 million to a rural safety program in this year's budget. One initiative of this program is the rollover protective structures [ROPS] rebate scheme, which reimburses owners of tractors used on New South Wales farms \$200 towards ROPS fitment. The scheme has been promoted extensively through television, radio and print advertising and more than 18,000 application booklets have been distributed. More than 395 applications for the rebate have already been received.

A rural safety hotline has also been established to facilitate distribution of information about rural safety to employers and workers in the rural industry. Callers to the 1800 number are provided with several options. They may elect to receive information about rural safety or the rollover protective structure rebate scheme. They may also choose to speak with representatives from FarmSafe, WorkCover New South Wales, New South Wales unions or New South Wales Farmers. The hotline has received more than 1,500 calls to date. Callers were interested in a range of subjects, including duty of care; manual handling; repair of ROPS; transport, storage and use of hazardous substances; and purchasing the rollover protection scheme. In another joint initiative, WorkCover New South Wales and the rural industry reference group have conducted rural safety forums in the regional centres of Wagga Wagga, Orange, Goulburn and Albury. The forums comprise a panel of experts, including WorkCover New South Wales, unions and New South Wales Farmers representatives, who give practical advice about reducing farm accidents and managing workers compensation claims.

NATIONAL PARKS AND WILDLIFE SERVICE MANAGEMENT

The Hon. M. I. JONES: My question without notice is to the Minister for Juvenile Justice and Minister Assisting, and representing, the Minister for the Environment. How many more horrendous deaths in

national parks must our community suffer before the Minister tackles the underlying problems of attitude and philosophy that permeate the management of the National Parks and Wildlife Service?

The Hon. CARMEL TEBBUTT: How many deaths of what?

The Hon. M. I. JONES: Deaths plural. Deaths of people. Shall I ask the question again? How many more horrendous deaths in national parks must our community suffer—I mean drowning in mud at Thredbo, burning to death in fires, shooting horses and leaving them to die in agony? They are all collectively deaths. How many more must our community suffer before the Minister tackles the underlying problems of attitude and philosophy that permeate the management of the National Parks and Wildlife Service?

The Hon. CARMEL TEBBUTT: It is not completely clear from the honourable member's question exactly what the intent behind it is. I reject the imputation in the question. Probably what has prompted the question is the culling of horses in the Guy Fawkes River National Park.

The Hon. M. I. Jones: Only partially.

The Hon. CARMEL TEBBUTT: The honourable member says it is only partially, and that is a serious issue. It is incumbent upon me to inform the House of the Minister's view. The Minister for the Environment has announced an independent review of the culling of horses in national parks. The distinguished veterinary scientist Dr Tony English will undertake the review of all procedures and protocols governing such culling operations. Dr English is the acting head of Sydney University's Veterinary Clinical Sciences School and President of the Australian Veterinary Association committee that deals with wildlife issues. Recently he retired, after 37 years in the Army Reserve, with the rank of colonel in the artillery. So he is knowledgeable in the use of firearms. His brief is to review the Guy Fawkes operation and all protocols and procedures for the culling of all feral animals, particularly horses, in national parks. He will report directly to the Minister.

I emphasise that the Minister for the Environment and I have also made it clear that we in no way condone any inhumane treatment of these animals. While the culling of horses occurs rarely, the Government wants to be assured that appropriate guidelines are in place to prevent a repeat of this type of incident. The National Parks and Wildlife Service has also been directed to co-operate fully with the Royal Society for the Prevention of Cruelty to Animals [RSPCA] investigation now under way. Finally, the Minister has also directed that there will be a complete ban on the culling of horses in national parks pending the outcome of both the RSPCA investigation and Professor English's review.

The Hon. M. I. JONES: I ask a supplementary question. Will the Minister expand the terms of reference for the inquiry to determine whether the horses should be culled by using firearms when alternatives to culling are available? Why should the Government appoint a specialist of veterinary surgery to look at a specific problem when the overall problem is that the horses should not have been shot in the first place? Whether the horses are shot on the ground or from helicopters seems to be immaterial when other infinitely more humane methods are available.

The Hon. CARMEL TEBBUTT: I do not have anything more to add to my previous answer.

ELECTRICITY TRADING ARRANGEMENTS

The Hon. J. H. JOBLING: My question without notice is directed to the Treasurer. Has the Market Implementation Group now recommended to Treasury the new electricity trading arrangements in the lead-up to full retail contestability? Is it a fact that the new arrangements will be a variation on the policy of economic purchasing groups which was implemented in Queensland? Further, is it a fact that the arrangements will involve the removal of energy trading from individual businesses, replacing it instead with a centralised independent agency? If so, has any decision been made on who will conduct the business of that centralised agency?

The Hon. M. R. EGAN: A number of discussion papers are circulating amongst stakeholders in the industry. The assertions in the Hon. J. H. Jobling's question are erroneous. I think the best way of informing him is to offer the Opposition a briefing on the matter, and I will ascertain when that will be possible.

WINE INDUSTRY PROMOTION

The Hon. A. B. KELLY: My question is directed to the Minister for State Development. Will the Minister give the House details of recently announced plans to promote the New South Wales wine industry to the rest of the world?

The Hon. J. H. Jobling: Egan's drinking more wine.

The Hon. J. J. Della Bosca: Unlike his mate the Leader of the Opposition, the Hon. J. H. Jobling gets dud information.

The Hon. M. R. EGAN: He does get dud information. However, I must give him credit. I would not have been alerted to the quality of Miranda wines when I went into the bottle shop last night if I had not heard of them from the honourable member in question time yesterday. As I have pointed out, it was a Miranda merlot, which is a very good wine, notwithstanding the fact that it came from Victoria.

The Hon. D. J. Gay: It is grown in New South Wales but bottled in Victoria.

The Hon. J. H. Jobling: Did you check where it was bottled?

The Hon. M. R. EGAN: No. I am informed that Miranda Wines has expanded into King Valley and Ovens Valley in Victoria.

The Hon. D. J. Gay: But it is based in Griffith. It is a Griffith company.

The Hon. M. R. EGAN: That is good to know. Griffith is a very good town; I have been there many times. It has very good restaurants, too. However, I have been asked a question about something else. Yesterday I told the House about the success of the recent New South Wales Wine Awards and our vibrant local industry. I also mentioned that the Australian wine showcase event Wine Australia will be held in Sydney in 2002. This event is held every two years and is the industry's most important trade promotion.

[Interruption]

I will take the Leader of the Opposition with me. The Hon. J. H. Jobling can come too.

The Hon. M. J. Gallacher: Can we bring a mate?

The Hon. M. R. EGAN: You can all bring mates if you like. It will be a good function for all of us to attend. The five-day exhibition is expected to attract more than 30,000 people. We can probably add another 42 to that from this House. Of particular importance to promotion of the local wine industry is the number of international trade and media representatives that will attend Wine Australia. This year's Melbourne exhibition is expected to attract more than 200 foreign guests, with Wine Australia expecting that number to increase significantly in 2002.

The Hon. Dr B. P. V. Pezzutti: Are you going to fly us to Melbourne?

The Hon. M. R. EGAN: No. You can make your own way to Melbourne. I am not sure that I will be able to attend the Melbourne exhibition, which is a pity. It is estimated that Wine Australia 2002 will pump more than \$13 million into the New South Wales economy and create hundreds of jobs—that is the event itself—not counting whatever spin-offs come from the promotion of our wines. I am told that about 550 wineries representing some 40 wine regions across Australia will be here for the show. That is almost double the number of wineries represented at Wine Australia's first expo in 1996.

The New South Wales wine industry is recognised as one of the State's most dynamic sectors and certainly one of our great success stories. Every year more New South Wales wine companies, brands and labels come onto the market, and I have no doubt that the industry will continue to grow. Over the next five years wine grape production in New South Wales is expected to increase by a further 44 per cent or 100,000 tonnes. Wine Australia 2002 will be held at the Sydney Convention and Exhibition Centre at Darling Harbour in September 2002. I congratulate all those involved in winning the show for New South Wales and wish them every success in 2002. The Department of State and Regional Development took the lead in winning Wine Australia 2002 for Sydney.

The Hon. Dr B. P. V. Pezzutti: Do we have to wait until then?

The Hon. M. R. EGAN: We do have to wait until then, but all good things come to those who are patient.

The Hon. Patricia Forsythe: Hopefully.

The Hon. M. R. EGAN: From my experience, that happens more often than not. In this business there is a tendency to think that everything depends on the next week or month or year. That is not the case. When the Chinese look to the future they think in terms of hundreds of years and thousands of years. Too often we tend to be short-sighted—

[Interruption]

As I mentioned yesterday, I am not about to leave. In fact, I took umbrage at Mr Richardson's suggestion on the radio the other day that I would retire before Christmas this year. Yesterday I said that Mr Richardson says many things with which I agree and many things with which I disagree. For example, as well as informing people that I would retire by Christmas this year, he also described me as difficult and irascible. As honourable members know, I am always even-tempered and calm. In fact, if tranquillity were looking for a logo, it could not do better than to use my face.

As I said, Mr Richardson does say things with which I agree. He said I was a fantastic Treasurer, which I thought was a bit of an understatement, and that because of that the State's finances were in tip-top shape, which is also an understatement. However, he was certainly wrong in suggesting that I would be retiring by Christmas this year. As I pointed out to the House, I have well-laid plans to retire in 2016, and they will change only if we bid and succeed in obtaining the 2020 Olympics and Paralympics. In that case I will be offering to stay until 2020 to run not only the bid but also the Games. By that stage I will be able to do both the Treasurer's job and the Olympics and Paralympics job on my ear!

WESTERN DIVISION NATIONAL PARKS

The Hon. R. S. L. JONES: I ask the Minister representing the Minister for the Environment a question without notice. Is it not a fact that land-holders in far western New South Wales—which I visited recently—are well aware of the economic opportunities provided by new national parks? What progress is being made in the acquisition of poorly represented ecosystems, in particular the Bulloo overflow?

The Hon. CARMEL TEBBUTT: There can be no doubt of this Government's commitment to creating the world's best system of protected areas. This Government has been responsible for adding significant areas to the reserves system and for creating significant new national parks. The Hon. R. S. L. Jones has referred specifically to the creation of national parks and reserves in the Western Division, which is a commitment of this Government. More than 100 new national parks, nature reserves and Crown reserves, and about 80 additions to existing national parks will soon be created in the southern region. These amount to an expansion of the State's reserve system by a further 324,000 hectares. Other outstanding parks created by the Government include Peery National Park, located 100 kilometres north of Wilcannia, which is a significant and important wetland for waterbirds that supports the only example of active mound springs in New South Wales. The land is a rich source of Aboriginal artefacts and also forms part of an Aboriginal dreaming track system.

Other parks created by the Government include: Kwiambal National Park, near Glen Innes; Calgoa National Park, gazetted in April 1996, which comprises 22,000 hectares north of Brewarrina and connects with Queensland's Culgoa Floodplain National Park to protect a major landscape within the semi-arid zone of Australia; Toonumbar National Park, gazetted in December 1995, which extends over almost 15,000 hectares of the Richmond Range in northern New South Wales west of Kyogle; South East Forest National Park, gazetted in January 1997, a 115,000-hectare park that is recognised as one of the most outstanding achievements of the 1990s; and Mummel Gulf National Park, gazetted in 1999, a 12,220-hectare park that is 50 kilometres south-east of Walcha and that encompasses a rugged and varied landscape of steep forested slopes over an impressive altitudinal gradient from 470 metres to almost 1,450 metres above sea level. The additions to the national park estate in New south Wales are a significant achievement of this Government. The honourable member referred in particular to issues in the Western Division. The Government recognises that there is an underrepresentation of national parks in that part of New South Wales, something it has taken significant action to address and continues to identify as a priority.

ADMINISTRATION OF PARLIAMENT RESPONSIBILITY

The Hon. D. F. MOPPETT: Madam President, I am fully aware that you have declined on two separate occasions to answer questions in the Chamber relating to the administration of Parliament, and that instead you have extended an invitation to members to meet in your office to discuss matters of concern to them. The Treasurer has also successfully sought to restrict Ministers from answering questions relating to the administration of Parliament. Will you now inform the House exactly who can be questioned about the administration of Parliament in relation to the Tripodi affair and the running of the House during question time when such questions are to be asked?

The Hon. M. R. Egan: Point of order: The asking of questions in this place is based on the rulings of Presidents on parliamentary practice and it is not the job of the Presiding Officer to provide lessons to members in matters of parliamentary practice.

The Hon. J. H. Jobling: To the point of order: Each President may make a ruling or change a ruling. It is incumbent upon a member to seek information. I do not believe it is the role of the Leader of the Government in this House to attempt to stifle questions. A member has the ability to ask a question and it is within the power of the President to answer a question. The President may attempt to rely on previous rulings but, as with common law, they can and do change with each question and each ruling. It would seem fair and reasonable for the President to have the opportunity to answer the question asked by the Hon. D. F. Moppett and not be estopped from answering by the Leader of the Government in this House.

The Hon. M. R. Egan: Further to the point of order: To my knowledge, there is simply no precedent at all for members to seek advice from the President by way of questions. That is the proper role of the Clerks. If members are not familiar with the practice of the Parliament or the rulings of Presiding Officers, they should seek advice from the Clerks about what questions they can ask and of whom. That is the proper course of action.

The Hon. D. J. Gay: To the point of order: The basic premise of a question in this House is to seek information. The Hon. D. F. Moppet was doing nothing more and nothing less than seeking information. The question must stand.

The Hon. D. F. MOPPETT: To the point of order: This is not just a question repeated from the past. One would have to agree that this is no longer a matter of talking about stamp allowances, some difficulty honourable members are having with the attendants or something like that, which I think most members would accept would be more appropriately discussed in your Chambers, Madam President. However, I do not think any member in this Chamber would try to make out that the Tripodi affair is not now a matter of burning public interest, as is the handling of the issue by the Presiding Officers. I seek your assistance in whether questions may be asked because I believe many members would like to ask questions about this matter not only today but in the future.

The Hon. M. R. Egan: Further to the point of order: The question is now clearly hypothetical. How does one know where a question should be directed if one does not know what the question is? That is an impossible question.

The Hon. J. F. Ryan: To the point of order: The Hon. D. F. Moppet's question is not about the Tripodi affair; it is about how question time is to be conducted. It was agreed yesterday by all sides that Standing Order No. 29 allows members to ask questions of Ministers and other members about matters before the House. The conduct at question time is a matter that is before the House now, and you have been asked how you intend to deal with a specific matter relating to the conduct of question time. I think the question is quite in order in that it simply asks you to explain how a particular issue before the House can and cannot be asked at question time. I think the member's question is well within the standing order that relates to the asking of questions.

The PRESIDENT: Order! As this issue has arisen previously, I will take the liberty of reading in full the relevant ruling of President Willis as it might make the matter clearer for members on the Opposition benches. President Willis ruled:

Question time is a very valuable part of the parliamentary democratic process and in this regard Standing Order No. 29 states that members may address questions to Ministers of the Crown relating to public affairs and to other members relating to any bill, motion or other public matter connected with the business of the House in which such members may be concerned. The administration and domestic affairs of the Department of the Legislature or the Parliament do not fall within the ambit of Standing Order No. 29. May's *Parliamentary Practice*, twenty-first edition, page 285, states that in the House of Commons the Speaker does not allow this. Questions to the Speaker are addressed by private notice and written or oral questions to the Speaker are not permitted. Therefore, members should not direct any written or oral questions to the President relating to the administration of The Legislature or the Department of the Legislative Council. Questions may be addressed to the President privately.

I concur with that ruling. I uphold the point of order of the Leader of the House.

VIRGIN MOBILE AUSTRALIAN HEADQUARTERS

The Hon. AMANDA FAZIO: My question is to the Treasurer, and Minister for State Development. Will the Minister provide the House with details on the latest international company to recognise the benefits of establishing its Australian headquarters in Sydney?

The Hon. M. R. EGAN: Earlier this week the Virgin Group, headed by Sir Richard Branson, launched its latest business venture: Virgin Mobile. This new operation, which will take on the heavyweights in the telecommunications industry, has established its Australian headquarters in Sydney. It is expected that Virgin Mobile—a joint venture between Cable and Wireless Optus and the Virgin Group—will inject around \$100 million into the economy. The company's Sydney headquarters, incorporating a major call centre, will market, sell and distribute mobile communications throughout Australia. Virgin Mobile plans to create 300 jobs over the next five years. Virgin Mobile's decision to set up here is further confirmation of Sydney's undisputed position as the communication's gateway to Australia and one of the most desirable information technology and telecommunications investment locations in the Asia-Pacific region.

In fact, Australia is only the second market, after the United Kingdom, into which Virgin has launched its mobile phone service. The Australian mobile phone market has one of the highest penetration rates in the world, with more than 7.5 million subscribers. The Virgin Group is renowned for doing things a little differently, and I understand that to break into our established mobile phone market the group plans to sell its phones through non-traditional retail outlets such as video shops, pharmacies and music stores. Securing the Virgin Mobile investment for New South Wales provides yet another boost to New South Wales job seekers. I congratulate Virgin Mobile on its decision to locate in Sydney and I wish the company all the best for its future.

DISADVANTAGED SCHOOLS FUNDING

The Hon. ELAINE NILE: I direct my question without notice to the Special Minister of State, and Assistant Treasurer. Is it a fact that the Chairman of the Public Schools Principals Forum, Mr Brian Chudleigh, has criticised the State Government for delays in allocating funding for disadvantaged schools? Will the Minister advise the House as to the current position with regard to funding and whether there is a delay? What steps is the Minister taking to ensure prompt payment of funding for disadvantaged schools?

The Hon. J. J. DELLA BOSCA: As the Leader of the Government has often said in this House, unfortunately sometimes it is necessary for members to place questions relating to the portfolios of particular Ministers on notice. I will take the honourable member's question on notice and ask the Minister to provide me with an answer as soon as possible.

HITECH GROUP AUSTRALIA LTD PREFERRED SUPPLIER STATUS

The Hon. D. T. HARWIN: My question is to the Minister Assisting the Premier for the Central Coast. During question time on Tuesday the Minister advised the House:

My office has sought advice from my agencies about any use of HiTech Personnel since I entered the Parliament and became a Minister.

When did the Minister first seek that advice?

The Hon. J. J. DELLA BOSCA: I think it was clear from my answer the other day that I sought that advice from the agencies. It is actually in chronological order in my answer. I think I have answered all the matters that the honourable member is curious about. There is no conflict of interest and no breach of constitutional regulations. As I have already told the House, I have conformed in every respect with the requirements of the Ministerial Code of Conduct and the Constitution (Disclosures by Members) Regulation 1983 in order to remove any possibly mischievous claims of a possible perception of conflict, and I will take steps to withdraw my superannuation funds from Chinchilla on the Bay, thereby enabling me to resign as a director and sever any perceived connection to the holdings of Chinchilla on the Bay.

The Hon. D. T. HARWIN: I ask a supplementary question. Having reread the answer the Minister gave on Tuesday, it is quite clear that he did not then provide the date, and he has not provided the date in his latest answer. Will the Minister now provide the date on which he first sought that advice?

The Hon. J. J. DELLA BOSCA: Let me make this very clear: I tabled a series of documents on the day that I gave that answer, and those documents are all dated—they are dated 12 October, and so on. There is no way that I can make this matter more clear.

AUSTRALIAN BASS STOCKS PROTECTION

The Hon. P. T. PRIMROSE: My question is addressed to the Minister for Fisheries. Will the Minister advise the House what measures are being taken to protect bass stocks in the Richmond River catchment?

The Hon. E. M. OBEID: The Australian bass is an important native fish, and the Government is committed to ensuring that this species is available for today's anglers and for future generations. The Australian bass is a popular angling species found in freshwater and estuarine rivers along the east coast of Australia, from Gippsland in Victoria through to Mary River in Queensland. Australian bass migrate downstream in the Richmond River as part of their annual spawning run. After spawning the mature females migrate back upstream, often gathering below dam walls as they return. When they are grouped together below dam walls the bass are an easy target for recreational fishers. The local community and anglers have expressed concerns that these breeding adults are vulnerable to excessive fishing. The Government has consulted the Casino Council, the Kyogle Fish Acclimatisation Society and local recreational fishers on options to protect migrating bass in the Richmond River. The local community recognised the importance of this issue and was fully supportive of introducing a seasonal closure to protect the bass returning from their spawning run.

This issue was also discussed by the Advisory Council on Recreational Fishing at its meeting in June. The council also supported a seasonal closure. The overwhelming support for this closure and for the conservation of Australian bass by the recreational fishing sector is to be applauded. I decided to introduce a two-year trial seasonal closure, and that trial started this year. Between 1 August and 31 October the taking of Australian bass and estuary perch was prohibited from Iron Pot Creek, one kilometre downstream from the Tunumbar Dam access crossing. This closure also applied to the Richmond River, extending one kilometre downstream from the Norco Weir. There is also an all-year-round closure applying to the immediate waters around the Tunumbar Dam.

The taking of all species of fish is prohibited for the section of stream stretching from below the Tunumbar Dam wall to the Tunumbar Dam access crossing. This all-species closure applies all year round. The estuary perch is another important native species. It is almost identical to Australian bass in its features and habits. It is also a popular commercial and recreational species. I would like to take this opportunity to thank the Kyogle Fish Acclimatisation Society, Casino Council and the local anglers for the contributions they have made to this important issue. This is an excellent example of what can be achieved when the Government, recreational fishers and the local community work together to protect our State's fishery resources.

CANNABIS MEDICAL USE

Reverend the Hon. F. J. NILE: I ask the Special Minister of State a question without notice further to his answer to a previous question. Is it a fact that the State of California introduced similar legislation relating to the medical use of marijuana, or cannabis, where prescriptions were provided by a registered doctor? Is it a fact that this change in the law was widely abused, and that police raids against large pot-smoking medical clinics found up to 200 marijuana users were smoking marijuana after using false medical prescriptions issued by unscrupulous doctors? Will the Government investigate the failures of the so-called medical use of marijuana in Los Angeles, San Francisco and other locations before any change is made to New South Wales law? Will the Government investigate the release from pain by providing harmless pain and nausea relievers rather than by resorting to marijuana, which has other harmful health effects?

The Hon. J. J. DELLA BOSCA: I will answer the question in reverse order. I think the report specifically canvasses—and in saying this I am relying on the advice of pharmacological and medical professionals who were part of the working party—the health risk of cannabis both in the general sense of its potential recreational use—

The Hon. Dr B. P. V. Pezzutti: What about sick people?

The Hon. J. J. DELLA BOSCA: —and, in response to the interjection made by the Hon. Dr B. P. V. Pezzutti, some of the risks involved with cannabis in relation to sick people. The question raised by the Hon. Dr B. P. V. Pezzutti has been considered by the working party. The issue comes down to a view that has been released for public discussion, namely, what the trade-off is between the suffering of individuals who found that conventional pain relievers have not delivered the effects that the people required, even in the circumstances of being—

Reverend the Hon. F. J. Nile: You need evidence of that.

The Hon. J. J. DELLA BOSCA: Yes, that is true. Evidence is canvassed extensively in the working party report, which I will be happy to provide to the Hon. Dr B. P. V. Pezzutti if he has not already had the opportunity to go through it. That answers the second part of the question. The first part, which I think was more important and more challenging, was in relation to failed attempts or attempts to have this exercise brought into disrepute in other jurisdictions. I suppose that I am not surprised at anything that could have happened in California because it has been a Republican State for so long.

The Hon. Dr B. P. V. Pezzutti: I think it is a Democrat State.

The Hon. J. J. DELLA BOSCA: It is at the moment, but it was a Republican State when the degeneration set in.

Reverend the Hon. F. J. Nile: It was city legislation by the Democrats.

The Hon. J. J. DELLA BOSCA: I thank Reverend the Hon. F. J. Nile: I stand corrected. I will attempt to satisfy Reverend the Hon. F. J. Nile's question on the issue of alleged failures of such a proposal from California by putting together the information I already have at my disposal and making that available to him. But an important issue of which he should be aware—it arises directly out of his question—is that this Government is not proposing to allow medical practitioners to prescribe marijuana, or cannabis, or any cannabinoid substance. The proposal is to provide a defence against criminal prosecution for persons certified by a qualified or credentialed medical practitioner who is specifically operating in this field. We are actually reversing the onus implied in the question asked by Reverend the Hon. F. J. Nile relating to the deficiencies in the California scheme.

The PRESIDENT: I welcome into the public gallery students and teachers from Jewells Public School.

SPECIAL MINISTER OF STATE MINISTERIAL OFFICE USE

The Hon. Dr B. P. V. PEZZUTTI: In directing my question to the Special Minister of State. I refer to his organising a \$750 per plate fundraising function in July this year for his wife, Belinda Neal, in the Royal Botanic Gardens at which the Treasurer was the guest speaker. I understand that a number of representatives from the business community attended. I ask: Was the event organised using the facilities of his ministerial office? If so, is this the proper use of ministerial resources? Second, is it also the case that Australian Labor Party members have now written to party headquarters demanding that the \$50,000 collected should go to the Labor Party rather than to the personal election fund of the Minister's wife?

The Hon. M. R. Egan: Point of order—

The Hon. J. J. DELLA BOSCA: The answer is no. It is a negative answer, so I am happy to answer this.

The Hon. M. R. Egan: That is not the point. Whether or not the Special Minister of State is happy to answer the question is not the point. The question is out of order, and a question that is out of order should be challenged. The affairs of the Australian Labor Party are no longer the responsibility of the Minister. The Minister is not here to answer questions about the affairs of the Australian Labor Party. The larger part of the question was clearly about that.

The Hon. Dr B. P. V. Pezzutti: Madam President, clearly my question related not to the statement of fact that there was a function. I asked the Minister whether he organised it. But I also asked whether the function was organised using the facilities of his ministerial office and, if so, whether that is a proper use, in the Minister's opinion, of ministerial resources. The latter part of the question was whether it is not a matter of public interest that the party headquarters—that is, the ALP—received the money or whether it is purely a personal election fund for Belinda Neal.

The Hon. M. R. Egan: Further to the point of order: The fundraising activities of the Australian Labor Party, or members of it, are no more the responsibility of the Special Minister of State than are the fundraising activities of the Liberal Party or the Hon. Dr B. P. V. Pezzutti. The question is clearly out of order.

The Hon. J. H. Jobling: To the point of order: There have been rulings from such illustrious bodies such as the Independent Commission Against Corruption relating to the use of Government facilities, Government resources and financial benefits. Clearly, that part of the question is in order, and should be answered.

The Hon. M. R. Egan: And the other part is not?

The Hon. J. H. Jobling: That part should be answered. I am dealing with the point of order and the Treasurer, Minister for State Development, and Vice-President of the Executive Council has attempted to obfuscate by suggesting that the question is out of order. The question is clearly in order.

The Hon. D. J. Gay: To the point of order: As indicated, the major part of the question is about the use of a ministerial office. The point of order raised by the Leader of the Government is in fact requesting you, Madam President, to cover up ALP misuse of that office. If you were to accept the suggestion made by the Leader of the Government, you would be disallowing a legitimate question.

The Hon. M. R. Egan: Further to the point of order: Perhaps the best course that I should submit to you, Madam President, is that you allow the Hon. Dr B. P. V. Pezzutti to rephrase his question so that only the part of the question that is in order is asked.

The PRESIDENT: Order! Standing Order 29 provides that Ministers of the Crown may be asked questions relating to public affairs in which such members may be concerned. Obviously, pursuant to that standing order, references in the question of the Hon. Dr B. P. V. Pezzutti to matters relating to the administration of the Minister's department or his office are in order. However, references in the question that relate to the Labor Party are not in order. If the honourable member rephrases his question it may be in order.

The Hon. Dr B. P. V. PEZZUTTI: The question relating directly to the Minister's offices was the event to which I referred—namely, the \$750 per plate fundraiser which was addressed by the Treasurer. Was it organised through use of his ministerial office? If so, does he consider that to be a proper use of ministerial resources? The second part of the question could be rephrased to ask: Was this function organised for ALP fundraising—which would therefore be part of an electoral spending declaration under the Act—or would this be part of a personal election fund, the Belinda Neal election fund, which may not be? They are two proper questions.

The Hon. M. R. Egan: Point of order: Madam President, you have given the Hon. Dr B. P. V. Pezzutti the opportunity to rephrase the question so that it is in order and pertains to the Minister's responsibilities. The honourable member has been given that opportunity and he has now rephrased his question in a way that again makes it out order. Will he never learn? Madam President, I suggest, because he is a slow learner, that you give him a third opportunity, a third chance. Three strikes and he is out!

The Hon. Dr B. P. V. Pezzutti: In the interests of getting some answers today from this Government, which is trying to conceal matters, I ask the Minister: Was the event organised using the facilities of his ministerial office? If so, is that a proper use of ministerial resources? I will come back with the other question next week.

The Hon. J. J. DELLA BOSCA: Fundraising for registered political parties does not conflict with a member's responsibility to this Chamber nor with his or her ministerial duties. I have no doubt that all members of this Chamber have been involved with fundraising for the political party that they represent. The rules of the New South Wales branch of the Australia Labor Party, which all members on this side of the Chamber abide by, clearly state that all moneys raised through campaign fundraising initiatives are the property of the New South Wales branch. As to the balance—

The Hon. Dr B. P. V. Pezzutti: Point of order: I was not allowed to ask a question relating to matters to which the Minister is now referring because of interference by the Leader of the Government. I asked the Minister whether he used ministerial resources?

The Hon. J. J. DELLA BOSCA: The honourable member said he would come back next week with a question. I have short-circuited him.

The PRESIDENT: Order! The Hon. Dr B. P. V. Pezzutti will take his seat. I have warned the Hon. Dr B. P. V. Pezzutti before that members cannot use points of order to make a debating point. There is no point of order. The Minister may proceed.

The Hon. J. J. DELLA BOSCA: My answer is no.

YOUTH JUSTICE CONFERENCING SCHEME

The Hon. R. D. DYER: My question without notice is to the Minister for Juvenile Justice, Minister Assisting the Premier on Youth, and Minister Assisting the Minister for the Environment. Can the Minister outline the impact of youth justice conferencing and other diversionary measures introduced in the juvenile justice system in New South Wales?

The Hon. CARMEL Tebbutt: I am pleased to be able to report to the House good news about the impact of youth justice conferencing in New South Wales. Statistics prepared by the Attorney General's Department show that for the first six months of this year there has been a reduction of about one-third in the number of new matters in the Children's Court compared with the first six months of 1997. That is a drop of truly impressive proportions. In raw figures it means we had 8,821 new matters before the court in the first half of this year. In the same period in 1997 the figure was 13,202. That fall continues a trend which is evident on Children's Court statistics over the past two years. The line on the graph of trend statistics shows a steady decline in that period from nearly 25,000 criminal matters in 1997 to a projected level of about 18,000 matters this year.

The single main factor to which this fall can be attributed is the introduction in 1998 of the Young Offenders Act. It is clear that the objective of the Act of diverting young offenders away from the courts where appropriate is impacting strongly and positively on the juvenile justice system. It is true that youth justice conferencing gets the most attention in terms of the diversionary system but it is important to remember that it consists of police warnings, formal cautions and referrals to youth justice conferences. Responsibility for administering youth justice conferences falls to the Department of Juvenile Justice. But the implementation and application of this new system in its entirety involves many government, and several outside government, agencies. The Attorney General's Department, which supplied these statistics, is responsible for the Children's Court and for the overall operation of the Act.

It is important to acknowledge that the police do the lion's share of the initial work. Specially trained police act as youth liaison officers, advising on all juvenile matters handled by police and helping to decide how each juvenile offender should be processed—whether they are entitled to one of the diversionary options or they should be charged and sent to court. Juvenile Justice comes into the picture when a young offender acknowledges that he or she has committed the crime and agrees to take part in a youth justice conference.

The conference system is based on a philosophy of restorative justice, healing the hurt caused by crimes. Its central feature is conferences at which offenders must face their victims, acknowledge the harm of their actions and reach an agreement on how they should make up for that harm. Since the scheme began in June 1998 a total of 2,693 conferences involving 3,225 young people have been held. The Department of Juvenile Justice has trained more than 500 conveners, 35 of whom are Aboriginal, to conduct these conferences. In a cost sense, dealing with offenders by conference is relatively modest compared with other options. It costs more than \$100,000 a year to care for a young person in a detention centre. The average conference costs slightly more than \$2,000.

There is no doubt that evaluating the effectiveness of the conference system is a long-term exercise and provision is provided for that in the Act. But in the minds of criminologists and other experts in this field the application of the Young Offenders Act is having a profound effect on a great number of juveniles who previously went through our courts. The task of measuring precisely the depth of that effect is currently being undertaken but I do not expect to see preliminary results until at least next year. The New South Wales Bureau of Crime Statistics and Research gave a good indication of how the conferencing system is working in its recent report on the attitudes of participants and on compliance with the objects of the Act and the principles of conferencing.

Based on a survey of 969 participants in conferences held in a 20-week period last year, the report canvassed the views of victims, offenders and support persons, usually the offender's parents. The report shows more than 90 per cent of participants believed their conference was fair to both victims and offenders. That is an

overwhelmingly positive finding. It is quite clear that both victims and young offenders find that the scheme works for them. At least 91 per cent of respondents believed their conference was "somewhat fair" or "very fair" to the victim. At the same time, at least 95 per cent believed the conference was "somewhat fair" or "very fair" to offenders. Given the general discontent that is often expressed towards the treatment of both victims and offenders by the justice system, these results are quite remarkable. Both victims and young offenders are reacting and reporting positive results from the conferencing scheme. This scheme is working well. I look forward to bringing further information to the House in due course.

The Hon. M. R. EGAN: If honourable members have further questions I suggest they put them on notice.

The Hon. Dr B. P. V. Pezzutti: Oh, come on!

The Hon. M. R. EGAN: I get so few questions these days.

The Hon. M. J. Gallacher: With all the grog you drank last night you couldn't get here on time!

The Hon. M. R. EGAN: I was on time for question time.

The Hon. M. J. Gallacher: You were late!

The Hon. M. R. EGAN: I forgot about question time.

The Hon. M. J. Gallacher: You put the glass down and realised it was time for question time.

The Hon. M. R. EGAN: I forgot about question time. I was half way through making myself a cup of coffee and I looked at the clock and it was 12.01 p.m. I thought, "Good heavens, I have forgotten about question time," and that is a terrible thing.

The Hon. Dr B. P. V. Pezzutti: What about a question from the Hon. D. E. Oldfield?

The Hon. M. R. EGAN: He will have to wait until next week.

The Hon. Dr B. P. V. Pezzutti: The Leader of the House wasted a lot of time objecting to my question.

The Hon. M. R. EGAN: I am sorry: We wasted a lot of time because you asked a series of questions that were out of order.

The Hon. Dr B. P. V. Pezzutti: No, eventually your Minister answered both questions that you objected to because you were silly, and that wasted time.

The Hon. M. R. EGAN: The Hon. D. E. Oldfield will have to wait until next week or the week after.

DUNC GRAY VELODROME

The Hon. M. R. EGAN: Yesterday I was asked a question by Reverend the Hon. F. J. Nile in relation to the Dunc Gray Velodrome at Bankstown. I have been advised by the Minister for Gaming and Racing as follows:

I am aware of a report published in the *Sydney Morning Herald* on 26 October 2000 about proposed facilities to support the operation of the Dunc Gray Velodrome at Bankstown in the context of the upkeep of a range of Olympic and Paralympic Games facilities. Honourable members will no doubt be acquainted with the recent media publicity given to the future of Games facilities at Homebush Bay and elsewhere. I would note, too, that the Herald report referred to the aspirations of some people for liquor and gaming facilities, such as a licensed hotel, restaurant or casino, to support the ongoing operation of venues used for Games competition and to contribute to their upkeep. The operation of a casino at Homebush was one example cited in the article.

It is not possible for a casino to be established at Homebush—or anywhere else in New South Wales, for that matter—unless the casino legislation is amended by this Parliament. This is because the casino legislation authorises only one casino licence, to be operated at only one location. The authorised location is Pyrmont. Labor imposed this restriction, when in Opposition, during the Parliamentary debate on the casino legislation in 1992. As well, the current casino licence holder, Star City, holds contractual rights with the State of New South Wales for the exclusive conduct of the casino licence until at least 2007. So, talk of a casino being established at Homebush [Bay] is just that—talk.

As for the operation of a new hotel or restaurant at or near Games facilities, the liquor laws provide a well-established process for the grant of a licence for these facilities. These are matters for determination by the Licensing Court, not ones for the Government. This process was established earlier this year as part of the Government's initiatives to address community concern about gambling-related harm in the community.

These processes will certainly apply if the Bankstown Sports Club wishes to remove the Junee hotel licence that it owns to the vicinity of the Dunc Gray Velodrome at Bankstown and to install gaming machines in the hotel.

Questions without notice concluded.

TABLING OF PAPERS

The Hon. Carmel Tebbutt, pursuant to the Annual Reports (Statutory Bodies) Act 1984, tabled the report of the Murray Valley Wine Grape Industry Negotiating Committee for the period 1 July 1998 to 29 November 1998

Ordered to be printed.

[The President left the chair at 1.10 p.m. The House resumed at 2.40 p.m.]

PETITION

M5 East Tunnel Ventilation System

Petition praying that the Government review the design of the ventilation system for the M5 East tunnel and immediately install filtration equipment to treat particulate matter and other pollutants, received, by leave, from the **Hon. A. G. Corbett**.

COMMITTEE ON THE HEALTH CARE COMPLAINTS COMMISSION

Report

The Hon. H. S. Tsang, on behalf of the Chair, tabled the report entitled "Report on Mandatory Reporting of Medical Negligence", dated November 2000.

Ordered to be printed.

BUSINESS OF THE HOUSE

Suspension of Standing and Sessional Orders

The Hon. Dr A. CHESTERFIELD-EVANS: [2.43 p.m.]: I move:

That standing and sessional orders be suspended to allow the moving of a motion forthwith that private members' business, item No. 84 outside the order of precedence relating to the Fisheries Industry (Interim Protection and Environmental Assessment) Bill, be called on forthwith.

The Hon. I. M. MACDONALD (Parliamentary Secretary) [2.44 p.m.]: I wish to make some comments in relation to the motion moved this afternoon by way of contingent notice by the Hon. Dr A. Chesterfield-Evans. Over the past few years, when we have dealt with private members' business in this Chamber, we have proceeded according to an agreement that was reached and that has worked fairly well. That agreement was entered into because of difficulties that were being encountered under the old regime. In 1995 we examined this issue and advice was sought from the Clerk.

Government, Opposition and Independent members then investigated the way in which private members' business was being discharged. They were particularly concerned that private members' business was being frustrated by a timing mechanism, which made it difficult to conclude any business. In fact, at that time a report entitled "Private Members Business" was produced in relation to this issue. The honourable members investigating the issue looked at the difficulties confronting the current scheme. Two elements of that scheme were criticised—first, that there was unlimited time for debate and unlimited speaking time for members and, second, that the mechanism enabling a private member's motion to be debated was complicated. It resulted in members bringing matters before the Chamber which would not be dealt with for many months and sometimes years. In other words, it was a terribly inefficient system.

I will briefly go through the report that was released as a result of this investigation, as I believe the Hon. Dr A. Chesterfield-Evans might learn something from it. Those honourable members who continually seek to bring on private members' business by way of contingent notice should look carefully at the net impact of such an action. That scheme has now been replaced with a new scheme, a matter to which I will refer later. The report states:

1. The scheme of alternating Motions and Orders of the Day each Thursday is unduly complicated and Members are often unaware whether and what matters are due for consideration on a particular Thursday.

One of the complaints was that honourable members did not know where they were going in relation to this scheme and they did not know when a particular piece of legislation was to be dealt with. I contrast that with the current system, in which we follow a prioritised order. By and large we should stick to that prioritised order so that members know what is and what is not to be debated. The report also states:

2. Not many Private Members' Motions are taken to their final conclusion. Until recently it has been quite rare for the House to vote and make a determination on a Private Member's matter. Some items of Private Member's Business are not debated at all. Of 90 motions from 1969 to 1998, only 30 were concluded, i.e. negatived, agreed to or withdrawn.

That is 30 motions in nearly 20 years. The report further states:

3. The order in which General Business is placed on the Business Paper is determined indirectly by the order in which the Chair gives the call when Notices of Motions are called for.

So if any honourable member does not get to his or her feet as quickly as another honourable member, his or her matter will go to the end of the list. The report then states:

4. A Member may be given more than one Notice of Motion when given the call to the detriment of other Members who may also be seeking the call.

A number of other problems to do with that system related mainly to the difficulty of concluding anything because of the short time available. I will not belabour the point in relation to the old system—an appalling system that generated, in effect, 1.5 private members' motions being dealt with each year over that 20-year period. The possible improvements recommended in this document were subject to discussion by all parties, including the Independents. For the benefit of all honourable members, I will read some of the possible improvements that were raised. The report states:

In an endeavour to ensure that the House reaches a conclusion on Private Members matters, the following options might be considered—

- impose time limits (say 30 minutes) on the length of speeches
- impose time limits on the length of the whole debate or devise a mechanism so that a matter is voted on within a reasonable period
- adopt the Canadian House of Commons approach which has a Selection Committee to determine which motions to be "votable".

Reference is then made to the fact that the Federal House of Representatives has such a system. After these discussions were concluded, the House considered these matters and came to a number of conclusions about how we should deal with private members' business. Those provisions, which are contained in our sessional orders, are quite clear cut and refer to how we are to deal with private members' business.

The Hon. Jennifer Gardiner: That is why we don't need to listen to all this.

The Hon. I. M. MACDONALD: The honourable member is quite correct in implying that some members know what the standing orders say in relation to private members' business, but some members may need to listen to the words written for us about how we deal with this procedure. I will not read out every sentence; I will just raise a couple of major issues. As I said before, there were difficulties with regard to how we deal with motions, how they proceed, whether we get through enough motions and how we might get over the inherent unfairness of the order being determined by how quick a member jumps. Months after the first slab of motions are put before the House a major issue may come up that needs to be debated within a reasonable period of it being put before the House. So, we have to have a system that overcomes this.

A pretty good mechanism has been devised by the Government, Opposition and Independent members to try to alleviate some of these problems. Sessional Order 24 deals with private members' business. I will not read the beginning of it; I just want to reiterate this important point. Paragraph 3 states:

- (1) As soon as practicable after the adoption of this Sessional Order and the Sessional Order granting precedence to General Business, the Clerk of the House is to conduct a random draw of 12 Members' names from items of Private Members' Business already placed on the Business Paper, to establish the order of precedence for 12 separate items.
- (2) To the extent that there is a sufficient number of notices on the Business Paper, the draw is to be conducted from the names of Members with notices in the following order:
 - (a) Opposition Members
 - (b) Cross-bench Member
 - (c) Government Members
- (3) The names of Members with notices will be drawn separately in the sequence shown in sub-paragraph (2) to determine their relative position in the order of precedence for the first 12 items.
- (4) The items drawn will appear in numerical sequence from 1 to 12 on the Business Paper under "Items in the Order of Precedence". Those items not drawn in the order of precedence will appear on the Business Paper under "Items outside the Order of Precedence".
- (5) The Clerk is to notify the Members involved, no later than 1 day prior, of the date, time and place of the draw.
- (6) The order of precedence must not contain more than 12 items at any time.
- (7) As soon as possible following the draw, each Member whose name has been drawn and who has more than one notice of motion on the Business Paper, is to notify the Clerk which notice of motion is to be placed in the order of precedence. If a Member does not notify the Clerk within 2 working days, the first motion standing on the Business Paper in the name of the Member will be included in the order of precedence.

That order of precedence is to be followed in this Chamber when dealing with private members' business. As a consequence, the pink document entitled "Notices of Motions and Orders of the Day" is produced. I have not heard anyone in this Chamber point out any difficulty with the draw, and the issues are dealt with accordingly. We are gradually working our way through private members business in order of precedence from one to nine. A considerable time ago notice was given a considerable time ago in relation to many motions. For instance, the Hon. P. T. Primrose gave notice on 4 April this year of a motion relating to that important issue of the GST. Indeed, I have a motion from the same date dealing with the Federal Government's Telstra policy and its relationship to regional communities in New South Wales. Those items are, in effect, in the order of precedence that we should be dealing with them. The Hon. Dr A. Chesterfield-Evans has moved a contingent motion relating to a matter well outside the order of precedence.

Reverend the Hon. F. J. Nile: That is after 83 items.

The Hon. I. M. MACDONALD: Reverend the Hon. F. J. Nile has pointed out quite rightly that there are 83 items prior to this motion of the Hon. Dr A. Chesterfield-Evans. I have noticed that this practice is potentially creeping into private members' day. If we are to have a rational system that can handle private members' business effectively and fairly, we have to try to stick to the order of precedence.

[Interruption]

Is it suggested that we should scrap it and have contingent motions each private members' day? The House should be wary about pursuing this path. We are concerned about it. We believe a rational system has evolved and we should stick to it. The Hon. Dr A. Chesterfield-Evans should wait his turn. There are many other important motions on this list that can be dealt with by the order of precedence. This motion should be dealt with according to sessional orders in relation to private members' business.

The Hon. J. F. Ryan: Change the sessional orders.

The Hon. I. M. MACDONALD: The Hon. Dr A. Chesterfield-Evans or the Ms Lee Rhiannon can change the order of precedence by changing the sessional orders. Then they will have a different system, a more articulated system, which Ms Lee Rhiannon would not mind. Moving contingent motions to try to break down the system of precedence that has evolved is an inappropriate way to deal with private members' business. I hope the number of contingent motions is greatly reduced in future.

Reverend the Hon. F. J. NILE [2.56 p.m.]: I agree with many of the points made by the Hon. I. M. Macdonald. One of the matters that has not been raised is that one of the major features of the item of business the Hon. Dr A. Chesterfield-Evans wishes to bring on is to make provision for the environmental assessment of fishing activities and other purposes. They are exactly the same words contained in the notice of motion for the Government's bill that will be coming on after 5.00 p.m. today.

The Hon. J. H. Jobling: No, we don't know that.

Reverend the Hon. F. J. NILE: We do know that. They are the same words. It reads "To provide for the environmental assessment of fishing activities." That is covering the same area, so the normal procedure—

The Hon. J. H. Jobling: You don't know that, or have you been briefed?

Reverend the Hon. F. J. NILE: I have not been briefed. The present procedure provides the Hon. Dr A. Chesterfield-Evans with adequate opportunity, when the Government brings on its bill, to move amendments to insert or delete items about which he has some concern. The same terms are used in both motions, so it would not be ruled out of order. The other point is that normally when we introduce private members' bills it is as a result of an absence of Government legislation. It is a special area. When the Hon. Jan Burnswoods dealt with the age of consent matter, there was no Government bill so the matter was raised through a private member's bill. The same occurred with the M5 stack issue that we debated earlier today. Such matters are usually raised by a private member when the Government is not acting in those areas. So, by this procedure now, the Hon. Dr A. Chesterfield-Evans is using private members' day to debate a Government matter, which we can debate in Government time. Why waste private members' day, which is restricted, to debate matters we can debate in Government time? I urge the Hon. Dr A. Chesterfield-Evans to give some consideration to that matter. He need not proceed with his contingent motion. Item 4 on the notice paper, the Technical and Further Education Commission Amendment (Closure of TAFE Establishments) Bill, would have come up today in the normal course of events. I need only a few minutes to conclude my second reading speech on that bill. The notice paper states:

Rev Mr Nile speaking (19 minutes remaining)

Until I finish that speech, which may take only two minutes, I will not have my five sitting days to proceed with the bill; the bill is suspended in midair if members continue to gazump the list of items with order of precedence to which we have agreed. I know that there can be exceptions, and I have been trying to work out how those exceptions can be dealt with if the sessional orders are changed. There may be an urgent matter not covered by Government legislation, and giving that matter priority may be justified.

A member with an item on the order of precedence list may substitute the item on the list for another item after his or her name has been drawn out in the ballot—I do not see that as a major problem—or may negotiate with another member for that member to forgo his or her position on the list. That would be a test of the sincerity of honourable members. I doubt whether many members would give up their position on the list, but that is one option. If either of those possibilities occurred, there must be a procedure to ensure that members have notice of at least two sitting days that an item on the list has been replaced by another item. That would enable members to prepare their contributions on those matters. The order of precedence list is valuable because it enables members to prepare speeches for and against the proposition; members will know what is happening in advance.

Honourable members know that the Government intends to introduce a bill this afternoon but they are not ready to consider the bill. The House will not vote on that bill; the Minister will make his second reading speech only. However, the bill will be a new item of business before the House. Finally—and this point could apply to whichever party is in government—it has occurred to me that contingent motions could mean that some private members' matters will never get up. I am referring to Government members. An analysis of what happened when Government members proposed private members' business shows that if members of the crossbench and the Opposition continue to agree to contingent motions no private member's matter raised by a Government member will be debated.

The Hon. Forsythe: That's rubbish. If it is a good issue it will always get up.

Reverend the Hon. F. J. NILE: The evidence is in the notice paper.

The Hon. J. H. Jobling: If you look back at the past year or two—

Reverend the Hon. F. J. NILE: No. Under the new system for items with precedence members can gazump the list. One obvious example is the motion moved by the Hon. P. T. Primrose on the goods and services tax [GST]. The honourable member made it clear that even if his motion were debated it would no longer be relevant to the issue, because the GST still exists.

The Hon. Forsythe: But it wasn't relevant when he put it on the notice paper.

Reverend the Hon. F. J. NILE: That is right. The point I am making is that the Opposition does not want to debate the motion of the Hon. P. T. Primrose. The Opposition, in co-operation with crossbench members, could use the system and knowingly gag debate on a motion moved by a Government member. That could apply even if the Coalition were in government; motions moved by Government members would never get up because the Christian Democratic Party, with crossbench and Opposition members, has the numbers to block motions that may be critical of either the opposing party or the Federal Government. Therefore, I do not support the motion before the House.

The Hon. Dr A. CHESTERFIELD-EVANS [3.03 p.m.]: I appreciate the information of my colleague the Hon. I. M. Macdonald. I was aware of the procedures, although some of the history had escaped my attention. The Government filibustered on the contingent motion moved by the Hon. Dr P. Wong; it wasted a large amount of time so that debate on the M5 East stack bill was delayed for several weeks, because the House was not sitting. I am not sure whether there was a difference in terms of construction, but a large amount of time was wasted. On the other hand, the Government had no problem allowing debate on the Hon. J. S. Tingle's workplace defence bill to proceed. In a sense the Government kicks up a fuss about a contingent motion one day but is happy with a contingent motion the next day.

Government members can air their concerns through the Government, which has the lion's share of the time and control of both Houses of this Parliament—one hopes that they do that—and Federal issues should not be canvassed in this Parliament. Indeed, if we are talking about the content of motions, some honourable members support the separation of church and state. Honourable members may think that Reverend the Hon. F. J. Nile's motions are not vital. However, the point is that honourable members move motions on matters that they think are important. If one wants to step outside the order of precedence ballot—the chook raffle, as it is usually referred to—one must get the numbers to do so.

Reverend the Hon. F. J. Nile's point that Government backbenchers cannot get their motions up is simply not true because they could move a contingent motion if they so wished. They have numbers that could be used on the floor of this House as well. Members do not move contingent motions lightly because they do not want the items with precedence to move further down the list. As for the bill I intend to introduce today, I have a 4½-page speech to deliver, after which I will seek to adjourn the debate. That would leave sufficient time to debate the Hon. P. T. Primrose's motion. One change to procedure that might be considered is time limits on speeches on contingent motions.

Question—That the motion be agreed to—put.

The House divided.

Ayes, 20

Mr Breen	Miss Gardiner	Mr Ryan
Dr Chesterfield-Evans	Mr Gay	Mr Samios
Mr Cohen	Mr Harwin	Ms Sham-Ho
Mr Colless	Mr M. I. Jones	Dr Wong
Mr Corbett	Mr Oldfield	<i>Tellers,</i>
Mrs Forsythe	Dr Pezzutti	Mr Jobling
Mr Gallacher	Ms Rhiannon	Mr Moppett

Noes, 15

Mr Della Bosca	Mr Macdonald	Mr Tsang
Mr Dyer	Mrs Nile	
Mr Egan	Rev. Nile	
Ms Fazio	Mr Obeid	<i>Tellers,</i>
Mr Hatzistergos	Ms Saffin	Mr Kelly
Mr Johnson	Ms Tebbutt	Mr Primrose

Pair

Mr Lynn

Ms Burnswoods

Question resolved in the affirmative.**Motion agreed to.****Order of Business****Motion by the Hon. Dr A. Chesterfield-Evans agreed to:**

That Private Members Business item 84 outside the order of precedence be called on forthwith.

FISHERIES INDUSTRY (INTERIM PROTECTION AND ENVIRONMENTAL ASSESSMENT) BILL**Bill introduced and read a first time.****Second Reading****The Hon. Dr A. CHESTERFIELD-EVANS** [3.15 p.m.]: I move:

That this bill be now read a second time.

Australia is a fragile continent. In order to sustain the natural resources so much of our economy and quality of life is dependent on, we need to make decisions about resource use in a manner that caters for the needs of future generations. The oceans are the cradle of life for our planet. Of the 33 animal groups or phyla known, 28 are found in the sea and 13 of these are exclusively marine. This represents a significant proportion of the earth's biodiversity. This fact comes from "Australia's Ocean Policy", the Department of the Environment, Commonwealth of Australia, Issues Paper 7. Humans exploit the seas and estuaries for food. In many parts of the world, fisheries once thought to be bountiful and in a never-ending supply have been overfished, crippling entire human communities and severely affecting the sustainability of ecosystems. Fishing communities in countries surrounding the Black Sea face a bleak future as fish stocks of a variety of species are on the verge of depletion from unsustainable fishing practices and pollution from heavy industry and pesticide run-off from intensive agriculture.

Over the past 200 years of European colonisation of Australia, this arid continent, many of the rivers have been dammed, drained and altered in such a significant way by human intervention and consumption that, outside of natural seasonal adjustments, rivers such as the Murray and the Snowy are nothing more than a trickle in some areas, affecting both human, animal and plant communities along these rivers. I am sure that many members of this House are aware of the history of land use in this country, of its effects on the quality of our rivers that eventually flow down to the sea, and of the severe damage that it has caused to the State's fisheries. A prime example of this is acid sulfate soils leaching into the Hastings River, poisoning all living things in that river, affecting both human and animal communities dependent on the river for food.

Two reports commissioned by the Commonwealth, "Australia: State of the Environment 1996" and "State of the Marine Environment: Report for Australia", from Zann in 1995, concluded that several key issues needed to be addressed for the sustainable management of Australian estuaries and seas: first, the loss of habitat and degradation of estuaries through urban development and terrestrial run-off; second, declining water and sediment quality resulting from poor catchment land use, sewage discharge, urban run-off and industrial pollution; third, the unsustainable use of marine and coastal resources, where the overharvesting of fish and other marine life, coastal development and conflicting resource use has critically affected the viability of several commercial and recreational fisheries; fourth, the introduction of exotic pest species, such as toxic marine algae and the northern pacific seastar, via the hulls and discharged ballast water of ships; fifth, the establishment of marine reserves to protect samples of Australia's marine biological diversity; and sixth, the need for integrated management strategies for long-term marine and coastal environments to sustain marine biological diversity.

The Australian Democrats seek the support of this Parliament to pass the Fisheries Industry (Interim Protection and Environmental Assessment) Bill 2000. This bill, if enacted as legislation, will facilitate the development of comprehensive management strategies for fisheries in New South Wales by involving all

relevant stakeholders in a fully independent fisheries assessment process. The bill embraces a whole-of-government approach to managing commercial and recreational fishing in New South Wales. I have introduced it in reaction to the Environmental Planning and Assessment (Savings and Transitional) Amendment (Fisheries) Regulation 2000 regulations, which are subject to a disallowance motion by the Hon. Jennifer Gardiner. The regulations are the Government's knee-jerk reaction to a decision held by Justice Talbot in *Sustainable Fishing and Tourism Inc. v Minister for Fisheries and Anor* [2000] NSWLEC 2 of 21 January 2000. In that case the plaintiff alleged that the taking of fish from the estuaries in the vicinity of the Manning River by the second defendant, a Mr Watson, constituted an "activity" for the purposes of section 110 of the Environmental Planning and Assessment Act, and that the Minister for Fisheries was a "determining authority" in section 111 in relation to the activity.

The applicant claimed that the Minister, as a "determining authority", had contravened section 111 of the Environmental Planning and Assessment Act and had failed to consider whether the activity warranted consideration under section 111 (4) of the Act. It was also alleged that the second defendant did not obtain an environmental impact statement in the form prescribed by section 112. The licences issued by the Minister to Mr Watson were renewed and no point of distinction was made between the mechanism used by the Minister in each case for the annual renewal of the licences. The Land and Environment Court found that the Minister failed to comply with the obligations imposed by section 111, and that the licence granted to the second respondent was invalid.

It was acknowledged by the court that, as it held that Mr Watson's commercial fishing licence was granted in breach of part 5 of the Environmental Planning and Assessment Act, it would not only have a serious impact on the respondent's livelihood but could also have serious implications for all other licensed commercial fisheries in New South Wales. The court held that the granting and subsequent renewal of the commercial fishing licence was renewed in breach of part 5 of the Environmental Planning and Assessment Act. It also held that the second respondent be restrained from taking fish for sale from any water to which the Fisheries Management Act applied without a valid commercial fishing licence authorising the same. The court further held that, until further order, the operation of the second order be suspended for six months.

In order to remedy the situation, these regulations have been gazetted. The regulations will allow for a licence holder to carry out fishing activities without a current management plan from being subject to an environmental assessment under part 5 of the Environmental Planning and Assessment Act 1979 within a specified minimum and maximum interim period. The maximum period is up to 1 July 2003. However, if a management plan has been environmentally assessed under part 5 of the Environmental Planning and Assessment Act 1979, no further environmental assessment is required for the issue of a licence under the Fisheries Management Act 1994 to carry out a specified fishing activity under the management plan.

The irony is that the State Fisheries regulator, New South Wales Fisheries, was advised in 1993 that there was the potential for part 5 of the Environmental Planning and Assessment Act to apply the issue of commercial fishing licences. This advice was ignored, and the department has not released the Crown Solicitor's advice from that period to justify this decision. The department continued its business-as-usual approach. That approach has not served the fish, the fisheries or the fishing communities of this State well. A number of species of fish are overfished, major areas of vital habitat have been lost, and there is considerable conflict over the use of fish resources.

I believe that it is time for change. New South Wales Fisheries needs to be accountable to all of its stakeholders, whether they fish or not. It is time to put in place a process for evaluating the State's fisheries and the use of them that is out in the open and at arm's length for a department that has had its turn but has failed to make the grade. The regulation put in place by the Government allows New South Wales Fisheries to write and approve its own environmental impact statement. This is the old forestry approach, a failed approach, and one that the fishing industry, recreational fishers and environmental groups have trenchantly opposed. It is putting the fox in charge of the hen house. My bill, however, opens the door and lets the sun shine on the process of fisheries decision making. It puts in place a level of independence and accountability that is fitting for resource management in the twenty-first century.

The objectives of the bill are to provide interim protection to licences, and other authorities to conduct fishing activities granted by the Minister for Fisheries, by suspending the operation of part 5 of the Environmental Planning and Assessment Act 1979 in respect of those activities, pending an environmental assessment of those activities; and to require the Minister for Fisheries to obtain the approval of the Minister for Urban Affairs and Planning in relation to fishing activities proposed to be approved by the Minister for Fisheries.

The bill has been developed with input and consultation from representatives of all stakeholders: ProFish; the New South Wales Seafood Industry Council; the Fishing Party, a party established two or three months ago in reaction to the Minister's management of our State's fisheries; the Nature Conservation Council; and the Total Environment Centre. A variety of interest groups ranging from the New South Wales Farmers Association through to conservation groups support this bill because it is inclusive of all rather than exclusive of some.

The Minister for Fisheries is required to consult with an Independent Resource Advisory Council about the environmental impact statement, and is to ensure that any submissions made by the council are included in the statement. This clause adopts a recommendation made by the Standing Committee on State Development report on fisheries management and resource allocation in New South Wales. The standing committee received terms of reference on 1 May 1996, which included, among other things, that the committee inquire and report on the implementation and administration of the Fisheries Management Act 1994. Recommendation 31 on page 19 of the report states:

NSW aquatic resources, including fish and fish habitat, be assessed as part of the continuing work of Resource and Conservation Assessment Council (RACAC) so as to provide an accurate, current and ongoing assessment statement of the state of NSW Fisheries.

The standing committee made this recommendation after considering:

... that the sustainability of the State's fisheries are presently under direct threat from over-exploitation, by both recreational and commercial fishers, and indirect threat through habitat degradation.

The committee continued:

The sustainability and equitable distribution of the State's fisheries resources is dependent on allocation mechanisms which provide management agencies with objective, rigorous and defensible advice and habitat protection initiatives that can effectively work within the complex and sometimes conflicting existing regulatory framework.

The Hon. I. Cohen and the Hon. Jennifer Gardiner were members of the committee during the inquiry that led to this report, and I commend them for their input and continual dedication to improving the sustainable management of fisheries in New South Wales.

The bill will implement environmental assessments on all fisheries in this State, taking into consideration the take of commercial and recreational fishing activities, harvesting methods, the significant impacts of surrounding land use and pollution, alternative management approaches, and indigenous fishing rights. It provides for public consultation and participation in developing management plans, and a level of confidence and transparency in fisheries decision making that has not existed in the administration of fisheries in New South Wales. It also provides a basis for the resolution of the conflicts that have plagued fisheries in this State for decades, and will assure the public of New South Wales that their fish resources will be here for generations to come.

The Hon. I. M. MACDONALD (Parliamentary Secretary) [3.27 p.m.]: The bill moved today by the Hon. Dr A. Chesterfield-Evans does not need to be introduced today. The Government has already—

The Hon. J. H. Jobling: Point of order: The bill has been read a second time, and as such is normally adjourned for five clear days. I suggest that the Hon. I. M. Macdonald is neither adjourning the bill nor following the correct procedure and should not be heard further.

The DEPUTY-PRESIDENT (The Hon. A. B. Kelly): Order! The normal process is that the bill be adjourned for five clear days.

The Hon. I. M. MACDONALD: I do not dispute that.

Debate adjourned on motion by the Hon. Jennifer Gardiner.

GOODS AND SERVICES TAX

The Hon. P. T. PRIMROSE [3.29 p.m.]: I move:

That this House expresses its serious concern at the Federal Government's mishandling of the implementation of the goods and services tax and the negative impact of the tax on the citizens of this State.

As will appear in the notice paper, I originally gave notice of this motion on 4 April 2000. I am therefore pleased to have an opportunity to finally debate the motion in the House. At that time concerns were expressed about the operation and ultimate implications of the goods and services tax. There were newspaper articles, stories, and so on. However, those concerns were largely hypothetical. Quite clearly, even at that stage the proposals did not take into account the full mishandling that occurred as a consequence of the implementation of the goods and services tax [GST] and its impact on the people of New South Wales.

My interest in this legislation was particularly stirred not only by the general debate on the tax but by an examination of the legislation. I refer to section 165-50, "GST or refund payable in accordance with declaration", as a starting point. I also refer to section 165-55, "Commissioner may disregard scheme in making declarations". I emphasise that what I am about to read is currently the law in respect of the goods and services tax. I, for one, hold grave concerns about this legislation when it is tested in the courts, which is clearly what will happen. As I will discuss in more detail later in my speech, that has clearly been proposed. The section states:

For the purposes of making a declaration under this Subdivision, the Commissioner may:

- (a) treat a particular event that actually happened as not having happened; and
- (b) treat a particular event that did not actually happen as having happened and, if appropriate, treat the event as:
 - (i) having happened at a particular time; and
 - (ii) having involved particular action by a particular entity; and
- (c) treat a particular event that actually happened as:
 - (i) having happened at a time different from the time it actually happened; or
 - (ii) having involved particular action by a particular entity (whether or not the event actually involved any action by that entity).

That is actually the law in Australia! I am quoting from the bill that was passed by the House of Representatives and that was supported by the colleagues of the Hon. Dr A. Chesterfield-Evans in the Senate. When this legislation is tested, I can only hold grave concerns for the implication of the tax law of this country and, as a consequence, for taxation law in New South Wales.

All honourable members would know about the disarray that the Federal Coalition is in at the moment over this new tax system. I refer, for example, to articles that were published in newspapers as recently as yesterday about rising petrol prices. One article states:

Rising petrol prices ignited the Coalition yesterday when the Government's deputy Senate leader, Senator Alston, dressed down the chairwoman of the backbench primary industries committee for demanding a tax concession on fuel.

Senator Alston told Ms Fran Bailey (Lib, Vic)—who is calling for a freeze of the February excise indexation rise—that she was being unhelpful to the Government and did not have a good grasp on the issue. He gave his tart lecture to Ms Bailey within earshot of several MPs during the Coalition party's meeting. She defended herself vigorously.

In relation to the same issue, the Speaker of the House of Representatives, Mr Neil Andrew, circulated in his electorate a document on fuel prices. The document states:

At current price levels, the reduction in excise has not been enough to offset the effect of the GST.

The Federal Government has clearly broken its election promise that petrol prices would not rise because of the GST, and that is directly affecting the people of New South Wales. An article in the *Sydney Morning Herald* states:

In the Coalition party room, several backbenchers, including Mr Peter Nugent (Lib, Vic) and Mr Tony Lawler (Nat, NSW), warned of the political problem posed by rising petrol prices. It appears that the reality, as well as the hypothetical implementation of GST, is causing dismay.

The Hon. D. J. Gay: All these things that are a week old must have been preying on your mind in August last year when you first gave notice of the motion.

The Hon. P. T. PRIMROSE: I am pleased to acknowledge the interjection made by the Deputy Leader of the Opposition. If he had been in the Chamber when I discussed this matter at the outset, he would be

aware that when I initially proposed the motion for discussion I was blocked by the Coalition over the issue of hypothetical concerns. I am now referring to the actual dismay that is being felt by people throughout this country and in this State by the confusion that has been caused as a result of the Federal Coalition-Democrats goods and services tax. The song and dance over GST ticket refunds also is something that is a matter of concern. It occurred as a result of the initial confusion and mishandling of the implementation of the goods and services tax. A report which appeared in the *Sydney Morning Herald* approximately two weeks ago refers to what has been described as a potential nightmare for companies.

The article states that the Federal Government has been forced to alter its calculations to allow for a return of the goods and services portions of most tickets for the performing arts that were purchased after 1 July. I cite the comments made by Mr Rob Brookman who is the general manager of the Sydney Theatre Company. Even the Opposition would not argue whether the Sydney Theatre Company is located in New South Wales. He stated that up to \$400,000 worth of goods and services tax collected from the theatre's tickets sales and subscription packages was now earmarked for return to patrons. That is very good and no-one objects to it except that the refund is expected to cost \$30,000 to return after the Federal Government's balls-up.

As I have begun to discuss issues concerning business, I will examine particularly the fact that the goods and services tax poses a major threat to small business. I will focus on the issues concerning small business and the nightmare that small business operators are experiencing now as a consequence of the mishandling by the Federal Government of the implementation of GST. The GST is a major threat to small business. Small businesses across New South Wales are spending more than 20 hours a month on complying with the goods and services tax. Throughout Australia, one million small business people are grappling with trying to meet the rapidly approaching deadline of their business activity statements. A survey which was undertaken by the Department of State and Regional Development has confirmed that many small business operators are feeling absolutely outraged and very betrayed by the implementation of the GST. Business groups have warned that the burden will not only send some operators out of business but also will prevent many others from becoming involved in new ventures.

The GST is not only causing those who are already in business great distress but also is restricting development of small business. The Council of Small Business Organisations of Australia has suggested that hundreds of thousands of small business operators are not adequately resourced to deal with the GST's requirements. The survey to which I referred earlier showed that 305 small businesses, which is about 26 per cent, anticipated spending more than 20 hours a week managing GST paperwork. An additional 33 per cent expected to spend between 10 and 19 hours filling out GST forms. Over the past few weeks, accountants and small businesses have expressed concerns that many operators will be struggling as this month's deadline approaches.

It is very clear that the Howard Government must act to ensure that small businesses are not burdened with unnecessary audits within the first 12 months of the GST. If honourable members were to examine the comments that have been made by the Assistant Commissioner for GST, Mr Allan Histon, it is clear that businesses claiming tax credits in their first business activity statement are likely to receive an audit letter. Not only are businesses being burdened with the GST and with having to struggle to fill out the massive amount of paperwork that has been caused by the Federal Coalition Government-Democrat's GST but also they are now being threatened with punishment and audits by the Australian Taxation Office. The GST compliance nightmare just gets worse and worse.

The Australian Tax Office has been consistently on record advocating a focus on education to ensure that business is assisted through the compliance maze that has been created by the GST—but the Australian Taxation Office is now erecting extra walls in the GST maze. The Howard Government has a responsibility to ensure that the Australian Tax Office assists businesses through the maze that it has created. The Australian Taxation Office should adhere to its advocated principle of co-operation and education and not audit without good cause. Many small businesses are clearly flat out trying to prepare their first business activity statement and can do without the added burden of the threat of being audited.

The Australian Tax Office [ATO] should not seek to undertake any audit unless there is a reasonable suspicion of a business providing deliberately misleading information. Small business is being forced to spend up to \$2,000 to meet the substantial goods and services tax [GST] compliance burden without proper compensation. Small business is the engine room of the New South Wales economy as it underpins growth and new employment opportunities. It is time for the Howard Government to give small business a go. On Thursday 19 October the *Australian Financial Review* had a very interesting story on page 4. It stated:

About 400,000 small businesses could face fines of up to \$220 each for late lodgement with accountants struggling to process about a million quarterly business activity statements ...

CPA Australia and the National Tax and Accountants Association yesterday said their members had been inundated with statements and were overwhelmed by the additional paperwork as part of the GST.

An NTAA survey of about 2,000 accounting firms found that more than 90 per cent felt that they would not be able to lodge all BAS forms by next month's deadline.

The Australian Taxation Office has already extended ... [that] after intense lobbying ...

The ATO has downplayed the so-called backlog that it expects. There will be a backlog because of the sheer volume of material that is expected to be processed by small business. State governments have reported confusion about the business activity statements and pricing. They also indicate that they have received inconsistent advice from the Australian Tax Office and that is one of the biggest stumbling blocks after the implementation and mishandling of the goods and services tax. For instance, in New South Wales this year the latest annual survey of more than 200 clients of the Department of State and Regional Development shows that 70 per cent of clients reported spending at least 50 hours on GST compliance and 50 per cent reported spending more than 100 hours on it. The Chief Executive Officer of the Western Australia Business Development Corporation, Mr George Etrelezis, said that in addition to its own staff the centre had two Australian tax officers on hand to answer more technical questions.

He nominated several areas of confusion, including how to work out price margins accurately, the precise nature of the information needed on tax invoices, complaints about long waits for new software and the dearth of service personnel to fix glitches in computer programs. Clearly small businesses are not coping. According to leading accountants, small business is facing too much change. Bob Mulkearns, who heads the small business division of the accounting firm HLB Mann Judd, recently said that he was staggered by the number of clients who were coming down with nervous conditions, anxiety attacks and even breakdowns. He believes that behind this is the enormous amount of change that small business proprietors are being forced to cope with over the consequence of the mishandling of the implementation of the goods and services tax.

Mr Mulkearns said that much of this change comes with volumes of technical issues that have to be comprehended and that that nearly always involves greater costs. First, he cites the GST and all the rules associated with the tax, in particular, the BAS. Then there is the raft of reforms proposed by the Ralph committee that cover everything from a new way of taxing businesses to the new capital gains tax laws. Not only should sensible businesses be getting advice in preparing for these changes, but everyone with personal investment and retirement strategies should take heed. This is not just because of new opportunities that could be lost but the old plans may now be way out of date and potentially costly if not upgraded.

There are endless concerns about this tax. For instance, the latest August edition of the *Yellow Pages* "Small Business Index"—a regular survey of small businesses across Australia that provides a snapshot of small business performance and expectations—shows that while business confidence has improved marginally in New South Wales, small business continues to be concerned about the slowing national economy and uncertainty about the impact of the GST. Nearly 68 per cent believe that the Australian economy is either standing still or in recession. Anyone who has looked at the effects on the Australian peso recently would probably agree with it. The index reported that 60 per cent of small businesses remained worried about the complexity involved in complying with the new goods and services tax and that 65 per cent do not believe the Federal Government's claim that the GST rate will not increase above 10 per cent in future.

According to the report, 29 per cent of small businesses believe that the GST will have an adverse effect on their bottom line and 34 per cent expect it to decrease the level of business investment. Between 18 to 28 per cent of micro-businesses—that is, those with less than five employees, which make up about 80 per cent of businesses—indicate that they had inadequate knowledge of the GST. It is not surprising to find that four out of 10 businesses that have a negative view of the Federal Government's policies cited aspects of the goods and services tax as the main reasons. If one looks at the New South Wales figures as reported in the *Australian Financial Review* on Tuesday 22 August one will see that the latest annual survey of more than 200 clients of the Department of State and Regional Development showed that 70 per cent reported spending at least 50 hours on GST compliance and 50 per cent reported spending more than 100 hours on it.

Small businesses should be properly compensated for the unpaid efforts that they have made to be ready and to comply with the Commonwealth goods and services tax. Independent studies on compliance costs of the GST to small businesses have indicated that that cost is at least, or could be as high as, \$20,000. An independent study of four small businesses by Ernst and Young in New South Wales, for instance, found that

the dollar cost of preparing for the goods and services tax ranged from \$9,750 to \$19,930. The study also found that, in addition to this, business owners would dedicate more than 430 hours preparing for the goods and services tax. Despite media reports at the time that there has been a smooth transition to the GST, the real test is now the implementation of the goods and services tax as 317,000 small businesses in New South Wales are trying to cope with the new tax system, the implementation of the business activity statements and paying the quarterly bills.

For those businesses able to manage the reporting requirements and the challenges that are flowing from the mismanagement of the GST, next year they will be faced with an even greater change to the ways they account for their revenues and pay their taxes. This next change will come in the form of what has become option two under the new tax system. Option two is the common way of referring to the major recommendation of the Ralph review for high level reforms of the concepts underlying business taxation. The review recommended that the current definition of "income" be replaced with the new approach calculating taxable income based on cash flow and tax value. The Government appears to be pushing ahead with these changes to be implemented by 1 July 2001 but the broad implications of this very significant change to the tax system are little understood by businesses, including businesses within New South Wales. Further, there is no precedent internationally for this change. So people in business cannot even look overseas to see the full implications and learn some of those lessons.

Small businesses are going to need significant support from their accountants, as I have indicated, to manage the introduction of the GST and Ralph reforms. The Institute of Chartered Accountants and the Society of Certified Practising Accountants have indicated that it is likely there will not be sufficient accountants to go around. That certainly seems to be the case now. There is a shortage of accountants, especially in rural and regional areas, and there is evidence that as a result of the amount of change being brought about by the new tax system a number of older accountants will be taking down their shingle and retiring for an easier life. Many small businesses in rural areas will be unable to obtain accountancy services during the critical period of transition that is taking place now and during the introduction of these business reforms.

Concerns have been expressed that we will see a shrinkage in the number of small firms as a consequence and once again that will leave towns without access to certain goods and services. The Commonwealth Government's long-term projection is that prices will rise 2.75 per cent from the 10 per cent GST. Those predictions, which were made in May, reflect the fact that many industries previously paid little tax and only 70,000 firms were directly affected by it. As I said earlier, the issue that is biting into the Coalition is petrol prices. An article that appeared in the *Australian Financial Review* in August stated:

Business joined the chorus of concern yesterday, with the Australian Chamber of Commerce and industry calling on the Government to revisit its post-GST petrol arrangements to ensure that it did not gain a revenue windfall from a GST-inflated CPI adjustment for the excise on petrol.

ACCI executive director, Mr Mark Paterson, said the Government should give active consideration to using a discounted CPI measure—not distorted by the GST's one-off impact on inflation—to ease the pressure on business margins.

The Commonwealth Government is now expecting a \$1 billion windfall from the pricing parity policy that it is continuing, despite requests from people such as Federal Liberal member of Parliament Warren Entsch, who said that he can understand the concerns of those people and groups calling on the Federal Government to freeze the petrol excise. He indicated, as early as August, that he had written to the Prime Minister and to the Treasurer about his concerns over the impact of rising fuel prices, particularly in regional areas. Obviously, they are not listening. They are not even listening to their own members, let alone constituent groups or rural and regional New South Wales. But not only those using petrol have been sluggish through this mismanagement by the Federal Government.

Another classic GST anomaly is that liquefied petroleum gas [LPG] users have been sluggish. Approximately 1.1 million motorists and regional householders who use LPG, which is currently subject to Commonwealth tax exemptions because it is an environmentally superior fuel, have now been sluggish with GST. Pre-GST there was no slug but post-GST there is a slug. LPG was exempt from excise but as at 1 July the GST was applied. People use LPG because it is better for the environment, it has been considered cheaper and it is more readily available. Four hundred and fifty thousand Australian motorists and another 650,000 rural and regional households within Australia use LPG. Those 650,000 mainly rural and regional households that rely on LPG for heating and cooking have also been sluggish by the GST rise.

In New South Wales and Australia generally the tax has also added to the burden on people such as students. Tax added \$500 to the Higher Education Contribution Scheme [HECS] payments. Almost one billion past and present university students have had to pay, on average, \$500 more on the HECS bill because of the implementation of the GST. The GST-related impost on students is raising for the Commonwealth Government an extra \$180 million, even though education is meant to be GST-free. The person from whom I obtained these statistics is a senior education department bureaucrat who spoke to the Senate estimates committee earlier this year. In his report he estimated that 975,000 students would have their HECS debt rise as a result of the GST spike on inflation. Students' HECS debts rise in line with inflation each year—around 2.5 per cent last year and round 2.5 per cent in 2002. But in the forthcoming financial year their HECS debt will increase by 5.4 per cent because of the one-off effect of the GST on the rate of inflation. It just makes a total joke of the claim that education is GST-free. Once again, the GST increase is unfair and retrospective. It is a retrospective attack on students.

The Hon. J. F. Ryan: Get to the good bits!

The Hon. P. T. PRIMROSE: The good bits? I have lots of good bits, but I can understand why the honourable member is getting concerned. The GST was also supposedly going to be the simple tax. To date, even before the GST was implemented, the Federal taxation department, the Australian Taxation Office, has issued—wait for it—12,500 private rulings on the GST because of business confusion over fundamental aspects of the new system. I repeat that this was before the tax had even been implemented. Experts said that the large number of rulings, many on basic issues like registration, were an indictment of the new so-called simple tax. I will quote what Ms Cynthia Coleman, Associate Professor of Law at the university, had to say in relation to this issue:

A lot of tax has grey areas and business is entitled to the security of private rulings, but the fact there are so many, and GST hasn't started yet, is an indication that the system is perhaps not as simple as we were led to believe.

That is certainly the case. It is pretty clear that what we are talking about is a total mess. From the very beginning, John Howard sought to resist a number of the exceptions, some of them logical, to the tax. Peter Ruehl from the *Australian Financial Review* said:

A plain old sales tax—you know, a tax at the point of sale only—would have made more sense but then you would have known exactly what we were handing the Government. and that's the last thing they want anybody to have any idea of.

Otherwise they wouldn't have mixed the minor insight you'd get if the pre- and post-GST prices could be displayed on items you buy.

The GST is basically the wholesale tax sent to charm school. Where they whack you with the mystery wholesale tax, the GST will tax an item every step of the way from the guy who made it to the guy who sells it to you. This isn't the way you lower taxes. This the way you dress them up and make them smile.

GST is also a tax on compassion. Churches and charities are being hit both with the GST and the extra fringe benefits tax. To put a tax on church and charitable services that help the poor is really like taxing compassion. The New Zealand experience of the GST was that it added between 5 per cent and 8 per cent to the cost of a running a local community organisation. That money is now being taken from services. The Federal Labor Party called for an independent inquiry into the impact of the GST and other tax changes on the charitable and community services sector. It announced that the churches and charities would not be forced to compete for proper business for funding under a Labor government. I refer now to the Federal Government's GST guarantees, supposedly relating to price caps, and I read from an article in the *Sydney Morning Herald* which states:

The Federal Government's watertight guarantee that no price would rise by more than 10 per cent under its tax sprung a major leak yesterday when its GST price cap was attacked by trade practices and legal experts as effectively unlawful.

Once again that is a matter that is yet to be tested in the courts. Another article in the *Sydney Morning Herald* states:

Consumer confidence has plunged to its lowest level in more than five years.

The article refers also to confusion about the GST and volatility in the share market. I do not have much more time within which to debate this issue, though I have a mountain of additional information. For instance, I have a news release entitled "States condemn Commonwealth on education tax". The press release states:

Education Ministers for New South Wales, Queensland and Victoria said the Howard Government must keep its promise to exempt education from the GST.

We are all aware of the consequent inequitable education enrolment benchmark adjustment. I have already spoken about LPG. The message is not getting through to small business. The Commonwealth Government has not yet begun to resolve—and I know that this issue has been on the notice paper—the whole issue about residential parkland. I hope that that matter will be debated in a few weeks time as the Hon. Jan Burnswoods wishes to move a motion dealing with the effect of the GST on caravan parks—an issue that is near and dear to the hearts of members of the National Party. The Minister for Fair Trading said in debate on a motion in the other place:

The system is as complicated as it is unfair. Unless residential park owners forego claiming tax credits, the GST will be applied to half the price of the residents' tariff. It is even worse for some residents: if their parks are shared with a number of casual guests, they may be levied the full GST of 10 per cent for the first 27 days.

The Federal Government spent \$20 million on its GST chain advertisements. Mr Greg Williams, head of the Federal Government's main propaganda section, the communication unit, told the Senate estimates committees—*[Time expired.]*

The Hon. D. J. GAY (Deputy Leader of the Opposition) [3.59 p.m.]: I have often wondered why the Hon. P. T. Primrose never made the front bench. I think his behaviour today really answers that question. I have never seen such an own goal in my life. Why he would persevere with this issue, which was flawed from its inception, I do not know. His own Premier was the first person to go to Canberra to sign on. We all remember Bob Carr running down the Hume Highway to get some of that GST. Yet the Hon. P. T. Primrose moves a motion about the impact the GST on New South Wales. He should ask his Premier about that. We know why he will never put him on the front bench. One of his colleagues who actually made it to the front bench, the Special Minister of State, also had a few words to say about the GST, but I will come to him in a moment. One of the quotes of the year is:

Do we want a guy like John Howard who you can trust to be alone in a room with your wife?

That is pretty pertinent stuff. I move:

That all the words after "that" be deleted and replaced with "this House congratulates the Federal Government's initiatives in implementing the goods and services tax and notes the positive impact of the tax on the citizens of this State.

Like all members on this side of the House, and I suspect many on the Government side, I am appalled by this motion. Members on the Government side are quick to condemn the Federal Government for trying to move to a more equitable and fairer tax system but their Federal colleagues are yet to produce a sensible and workable alternative. Before I came to the House this afternoon I looked at the Federal ALP's Internet site. Is there a tax policy there? No. Bleating Beazley, who whinges about just about everything, does not have anything constructive to say.

The Hon. J. H. Jobling: Not an original thought.

The Hon. D. J. GAY: No, not an original thought. He does not have a tax policy. The closest the Labor Party came to a tax policy was during the speech today of the Hon. P. T. Primrose. He referred to a couple of initiatives in his speech today. They are something Beazley should be on the phone about. There is no alternative. There is talk about the Beazley black hole. When he was Minister for Finance he lost \$10 billion!

The Hon. J. R. Johnson: That did not match what John Howard left us with.

The Hon. D. J. GAY: And this is the bloke who wants to run the country. The Hon. J. R. Johnson is a great stalwart of Labor. Against impossible odds he will defend Bomber Beazley. Does the honourable member remember his greatest triumph? When the Labor Prime Minister at the time gave Beazley a portfolio that was not a finance portfolio, what was his greatest triumph? Submarines! He was the one who was in charge of the Collins Class submarine. This is the legacy of the person whom members opposite want to be our Prime Minister. The Collins Class submarines put us \$10 billion in debt. The best thing members of the Government could have done was to ensure that this motion was not moved because it has allowed us to talk about what really is happening in Canberra. When this motion was moved it was claimed that the GST would be a disaster, that the GST would be a Y2K. It has turned out to be a bit like the Y2K. The Special Minister of State is quoted as saying:

Many will leap on this evidence that Della Bosca makes the mistake of seeing Australia through the prism of Sydney. But he immediately counters by saying if you do a micro analysis of the seats that people have whinged about not just in Sydney, but in

Brisbane and Melbourne, you can identify booths where the overwhelming tertiary educated 35 to 50-year-olds voted against us. And these were people who even stayed with us at Keating's last election.

And what is Minister Della Bosca's conclusion:

That we actually offended these people. Howard made them his people but they are our people. Many of them have been with us since their university days but we turned them off by some of the bland things we had Kim say. Howard's victory then was in persuading these people that the GST was good for the country.

They are not my words, they are not John Howard's words, they are the words of the Special Minister of State, Labor's Deputy Leader in this House. Not for one moment has the Special Minister of State backed away from the logic of where his 1998 argument leads. He also said:

I think the problem we have now got with the GST is that it is going to be a bit of a Y2K. Big shock horror. Lots of grizzling, but then people saying "Oh, so what!"

And with the roll back, while people think...it's complicated enough already why make it more so? Then there's how you make it simpler for small business. No-one is going to believe you can do this. The only thing you can do is give more exemptions. But that makes it more messy.

But Mr Beazley last night dismissed Mr Della Bosca's intervention.

The Hon. J. H. Jobling: He is right.

The Hon. D. J. GAY: He is dead right. He goes on to say:

I can see Peter Costello breaking into the cat got the cream smirk now. The Treasurer could not have put it better himself and just to make sure I have got the message, Della adds, actually the fairest thing to do would be to reimpose it on food.

I suppose the Hon. P. T. Primrose is pretty excited about the support his motion is getting from the general public of New South Wales and from his senior Minister. It is just unbelievable. In the past, the Premier of this State and the Treasurer have endorsed the goods and services tax. When the Commonwealth-State agreement on the new tax system was presented for their signature, guess who was the first one pushing up to the end of the table with pen in hand. That is right, it was Bob Carr. He was the first one to sign. As I said earlier, Peter Costello described Mr Carr at the time as being like a roadrunner racing to get to the table to get his signature on the document lest the offer be taken away. Premier Carr wanted it because he is not a silly man. He knows how good it is for New South Wales and he wanted to get a bit of the GST. That is why he was like the roadrunner, down the Federal highway to Canberra. There was Michael Egan running behind him, and they were both saying, "Get out of the way, Jeff." I apologise; Michael Egan would have said that. Bob Carr would not have said anything; he would be the one doing the signing.

And that is not all. In April last year, shortly after the State election, the Premier was quoted in the *Age* newspaper saying he would happily send the Special Minister of State to Canberra to convince the Senate to pass the package. This is the Government Whip's leader, the Premier of the State, saying he would send the Special Minister of State to Canberra to convince the Democrats to pass the package. There it is—a Labor Premier considering sending his Mr Fix-it, Mr Honesty—over lunch, that is—to Canberra to lobby for the safe passage of the legislation. Then we see both the Treasurer and the Minister for Regional Development endorsing the tax changes. In a letter to my colleague the honourable member for Lismore the New South Wales Treasurer, the Leader of the Government in this place, said:

Local Government stands to be the major beneficiary in funding arrangements following the introduction of the goods and services tax.

Then we have this motion moved by the Hon. P. T. Primrose. The Premier, the Deputy Leader in the upper House and the Leader in the upper House are against the honourable member, and he wondered why I questioned his not being on the Government front bench. It was a fairly silly move, considering all the fire power from his own party that is against him.

The Hon. P. T. Primrose: It is wonderful how you personalise things all the time.

The Hon. D. J. GAY: I am trying to understand the rationale for the motion. If I could understand the rationale for it, perhaps I could understand the motion.

The Hon. P. T. Primrose: It must be a character flaw that you have to personalise things.

The Hon. D. J. GAY: How can the honourable member justify this argument when his own people are saying that the goods and services tax is terrific? In summary, both the Treasurer and the Minister for Regional Development are looking forward to the introduction of the GST. Frankly, we wonder why the honourable member would continue with this motion, because it has been shown dramatically that the motion he originally put on the notice paper, which he hoped would be a disaster—the honourable member hoped that the sky would fall in—

The Hon. J. H. Jobling: Chicken Little.

The Hon. D. J. GAY: As the Hon. J. H. Jobling says, Chicken Little. The Hon. P. T. Primrose thought the sky would fall in but it did not. If the Hon. P. T. Primrose wanted to move a motion relating to caravan parks, why did he not talk to Anthony Albanese, who appears to have a caravan because I have seen a photograph of him with caravan park owners on the North Coast? It appears that he is concerned about that matter. If the honourable member has a caravan, why did he not move a motion relating to caravan parks? Why did he move this silly motion? Given that the honourable member now knows that it is incorrect, why did he continue with this motion?

Honourable members should note that the new tax system will mean a massive financial boost to New South Wales. Under the agreement, which the Premier was so eager to sign, all revenue from the GST will flow back to the States. Economic forecasters Access Economics estimates that the total revenue for all the States will be in the region of \$24 billion for the first year of the new tax system. Based on Federal Government forecasts, this means that approximately \$8 billion a year in additional revenue will make its way to New South Wales coffers. That is \$8 billion a year extra to the State. That \$8 billion equals a lot of roads, schools and hospital beds, and the extra revenue stream generated by the new tax system cannot be ignored.

I believe that we should be congratulating the Federal Government, rather than condemning it, and condemning the State Government for making New South Wales the highest taxed State in the country. It is not an increase in taxes. When I say that extra tax is coming back to the States I do not mean that the people of this country will be paying more taxes; it is simply that taxes come back to the New South Wales Government instead of the Federal Government. The most recent public accounts figures, released earlier this year, show that State taxes increased by 45 per cent in the first four years of the Carr Government. That means that for every adult in the State the Treasurer takes \$3,448 a year, compared to \$943 per adult under the former New South Wales Coalition Government. That 45 per cent tax hike is 12 times more than the inflation rate and three times more than economic growth in the State over the same period.

If the Hon. P. T. Primrose wants to move a motion in the Parliament, I suggest that he move a motion that addresses something that he can control—one thing he can control is the excesses of his Government—rather than peddling politics at the Federal level. It is all well and good for the Labor Party to bring this motion to the House, but frankly it smacks of hypocrisy. It is a clear contradiction for the Labor Party to be criticising a simplified approach to tax when it now presides over the highest taxed State in the land.

The introduction of the new tax system has not been bungled. The time line for the GST has been staggered, and the Federal Government has done its level best to educate the people of Australia about the introduction and implementation of the tax. Although my speech was written some time ago in response to the motion of which notice was given some time ago, a contemporary situation shows that rather than being hard fiscal fiends, the Federal Government and the tax commissioner have allowed extra time and extra consultation. They have bent over backwards to help people who may have a problem. So rather than the GST being a hard, tough tax, it has proved simpler than they thought, and it did not end up being a chicken little situation.

From July, when the 10 per cent tax was implemented, every Australian received income tax cuts. That means more money each week in the pockets of every worker in this country. Wholesale sales tax and franchise fees on tobacco, alcohol and petrol have disappeared. National competition policy payments continue—although based on the experience of local government in this State I doubt whether the payments will make it beyond Treasury, and that is a pity. Such payments should go to local government because it has spent a lot of money on complying with national competition policy.

July 2001 will see the abolition of financial institutions duties, as well as the discontinuation of stamp duty on marketable securities. July 2002 will see more taxes and stamp duties phased out, and the transition to the new tax system will be complete. It should be noted that the Premier believes that small businesses will be hardest hit by the new tax system. Perhaps it would be useful to spend a moment reflecting on the way the Carr

Government has treated small business in New South Wales. Small business in this State needs help, not the hindrance being provided by this Government. For a start the Government should reduce payroll tax to 5 per cent—the Government does not have that policy—as originally promised by the Treasurer. That was a pre-government promise.

The Government could also reduce workers compensation premiums, rule out Treasury plans to extend payroll tax to all small businesses, reduce bank charges and stamp duties, and discontinue its current policy of imposing State Government taxes on top of the GST. The Government is taxing taxes, and that is GST that it is already receiving. Not content with getting the bulk of the GST, the Government is taxing a tax. A good piece of advice for the Government would be to stop doing that. If the Premier wants to blame the Federal Government for any perceived problems facing small business, he would do well to look in his own backyard before throwing any stones towards Canberra.

The Australian Labor Party can argue long and hard about the merits of introducing major changes to the tax system. It can highlight what it sees as inequities, and it can promise to wind back the tax when and if it ever makes it into government. It can pledge to make the tax fairer. The fact remains that the Federal Coalition Government is committed to the goods and services tax. No-one can deny that the road to its introduction has been bumpy, but in 12 months time the people of New South Wales and Australia will be reaping the benefits of the tax reform. [*Time expired.*]

The Hon. Dr A. CHESTERFIELD-EVANS [4.19 p.m.]: It is interesting that this motion is being debated today. I have a few problems with the fact that here we have a Government member using private members' day in this Chamber basically to discuss Federal issues. I think that is a bit rich. If Government members want to produce some policies, let them try to get them through their caucus. I know that is an impossible task. I know that a few people at the top of the Labor Party tell their members what to do and they dutifully put up their hands whether they believe in the policy or not. I do not think that their insoluble problems should be brought into this Chamber to waste our time. Federal matters should not be raised in this House. If we wanted to raise partisan flags in this House, we could talk about such things as youth wages, native title, digital broadcasting, or the releasing of Kalajzich—all of which saw the coming together of the two old parties to the detriment of the people of Australia. That was a sell-out by your lot.

That the Australian Labor Party lacked a tax policy prior to the last election was evidence of its gutlessness. ALP members relied, as they thought, on scare tactics to win the day. Mr Howard was so unpopular they very nearly succeeded, but the fact is that they had a poorly developed tax policy. They wanted to rely on scare tactics. As has already been alluded to, the Hon. J. J. Della Bosca wanted to put a tax on food; he even spoke about such a tax being fair when everybody knows that tax on food is fundamentally regressive. It hits the poorest people hardest. How he could say that was fair is beyond all understanding.

The ALP talks about roll-back, but it will not happen. The Federal ALP realises that the GST is in, and is quite grateful that it is in. The ALP is quite pleased that it will have the extra money to spend when it is in government and it can blame someone else for it. So its members can waffle all they like about roll-back. The problem they have is that the Hon. J. J. Della Bosca admitted that roll-back was just a lot of waffle—and obviously that is why the cartoons have depicted him as being spanked by Mr Beazley, who is saying "This is what happens to little boys who tell the truth." The fact is that the GST is good for the States, which is why the Premier signed off on it. There will be no more Premiers' conferences in which the States will have to argue about money. There is guaranteed revenue for the States which will in the medium term give them a lot more money. It is a guaranteed growth tax, so that the Treasurer will be able to provide budgets with a guaranteed income. There is quite a lot for the States in the GST.

I should talk briefly about the ALP's lack of a tax policy. Its members still do not know what they are going to do and they still have difficulties when the odd person like the Hon. J. J. Della Bosca speaks the truth about it. Labor's tax policy at the last election was fully costed. Full credit to Labor for that. It was costed by two prominent economists, Dr Peter Brain of the National Institute of Economic Research and Professor Ann Harding of the National Centre for Social and Economic Modelling. These are two of the leading economists in the country and they are regularly consulted by Labor and union politicians. The only snag about these two economists was that the people who helped design the ALP's tax policy did not agree with it. It is pleasing to hear the New South Wales ALP members talking about the GST because their Federal colleagues have not been mentioning it much, especially since the Hon. J. J. Della Bosca destroyed the credibility of their campaign. He has said that it is a rare occasion indeed that he agrees with me, but in this case I am delighted to say that I agree with his assessment that the ALP should have played a constructive rather than a negative role in tax reform. For the sake of low income Australians, I am pleased that the Hon. J. J. Della Bosca lost the battle within the ALP because he would have been pushing for the GST to apply to food. I quote from pages 50 and 51 of the *Bulletin* of 16 July 2000:

Gray's campaign focused on what some in the party would call "the rustbucket" while Della Bosca was bellowing that they had to unlock Howard's grip on the "aspirational Australians".

"The origins of my differences with Gary, and everyone gets this wrong, was that in the end, we had a lot of arguments about the GST. And this is something that Gary refused to accept. That people in NSW, and it is 40% of the economy, have a much greater tendency to accept economic change. We've never had the crash that Victoria had. Never had the locking up of the system that they've had in Queensland. It's all just bubbled along here. And you have a huge number of small business people, sub-contractors and others who are doing very well. The research showed this, and current research is showing it again, that when it comes to the GST, they are just supremely disinterested. It's a case of 'What's the big deal?'"

Then on page 51 the Hon. J. J. Della Bosca is reported as having said, "Actually the fairest thing to do would be to reimpose it on food." Maxine McKew, the author of the article, wrote:

I can only assume that Della Bosca had decided to send an early message to Kim Beazley. Get real and develop a progressive tax policy fast. Or go down in history as the bloke who "nearly won" two elections. His advice to Beazley on handling the "roll-back" issue, already something that is causing heat for the Opposition leader, is to "define and confine it".

In other words, it is a bit of a bad joke, almost a dead cat, believe it or not. Labor has totally missed the boat on tax reform. It has taken the easy, popular way out. It does not have a policy. The consequence of this was that the Tasmanian ALP conference had one of its super stars missing. John Della Bosca was there, the Premiers were there and even, God help us, Cheryl Kernot was there. But roll-back was not there—for three days ALP people were standing around in Hobart and not one of them mentioned roll-back. Finally, the ALP has realised the new tax is in. The people of Australia have got used to it, and trying to change it to the way the Federal Leader of the Opposition wanted it is not going to win any support within or without the Hobart conference.

Professor Ann Harding, in her modelling for the Senate inquiry and since in several academic articles, has come to the conclusion that the Democrats' approach of zero rating food and increasing social security payments has actually improved the living standards of low income earners, and will put extra money into the pockets of pensioners, sole parent families, the sick, the disabled, and the unemployed. They got nothing out of the ALP's 1998 tax policy—nothing. That is one of the ALP's advisers out of the cart. The other is Dr Peter Brain. His main concern is that Labor's reluctance to maintain the revenue base during the 1980s and 1990s has left the public sector in very poor shape to fund the huge injection that is needed in industry, innovation and education to catch up with the rest of the world. In his recent book *Beyond Economic Meltdown* he wrote:

If a compromise is reached between current Australian practice and western European levels of social expenditure, the national government will get additional resources of between 3 to 4 per cent of GDP. How much of these additional resources are generated by tax increases, expansion of the tax base, user-pays pricing policies or a reduction in benefits to high income households will be matter for the government of the day.

He wrote further:

Australia's proposed value added tax reform, with the bulk of revenue going to state governments, is a good start towards meeting this objective.

So Labor's two most eminent economic advisers, the two people who costed the Government's own policy, such as it was, said that the Democrats approach as a compromise was better than Labor's approach. Dr Brain said also that the Democrat package was a good deal for low income earners. He said the package was a good start towards repairing the revenue base to fund the knowledge nation. Indeed, those with long memories will remember that the first group in Australia to call for a tax on the services sector with the money flowing back to the State was in fact the ACTU and the State Public Service Union in an Evatt Foundation study in 1989 entitled "State of Siege". The big question is how much extra revenue are the States going to receive from the GST and when. I think the answer is a lot, as it seems there are more businesses registering for an Australian business number than was expected.

Chris Richardson from Access Economics, who regularly monitors State spending, in his most recent State economic outlook points out that the States have already started spending the extra revenue that they are to receive, and that the State Treasurers have deliberately underestimated the revenue they will receive from the GST. We have seen that frequently in this House during question time as the Treasurer refuses to admit that his revenue will go up, so that he can continue to criticise either me or the Federal Government.

Since the State Treasurers produced their GST estimates in January, economic growth has continued at a faster rate than forecast and the new tax system has smoked an extra 700,000 businesses out of the black economy. Instead of the 1.5 million businesses registering for the GST, at last count it was more than 2.2 million, which is 46 per cent more than forecast. When the GST was introduced in New Zealand, it raised 40 per cent more than forecast. In Canada, despite a recession, it produced 20 per cent more than forecast. We do

not know exactly how much extra will flow to the States until the GST quarterly returns start coming in, which will be in the near future. However, I think all analysts except the Treasurer agree that it will be a lot more than the governments have forecast. Under the Commonwealth-State agreements, the Commonwealth gets first dibs on the first \$2.7 billion as that is the value of the top-up grants to the States. However, if the GST raises 10 per cent more than forecast, the Commonwealth will not need to make top-up payments and the years that the States will be better off move forward from 2007 to 2004, or even to 2000.

Let me go through that in a little more detail for the benefit of the Treasurer, who, I am sad to say, is not in the Chamber. If the GST raises 10 per cent more than forecast, the top-up grant to New South Wales falls from \$982 million to \$264 million. If the GST raises 20 per cent more than forecast, as it did in Canada, New South Wales will be \$454 million better off in 2000-01 and the States as a whole will be a whopping \$2.1 billion better off. If revenues are 30 per cent above forecast, New South Wales will be \$1.1 billion better off, with a total gain of \$4.5 billion for the States. So the Treasurer is really rubbing his little hands together thinking of all the money he can play with. Now he can build more white elephants and finance large effigies of himself throughout the State. If it is 40 per cent above forecasts as it was in New Zealand and as the GST registration suggests, New South Wales will be \$1.89 billion better off and the States as a whole will be \$6.9 billion better off, all courtesy of the black economy.

I ask the Treasurer how will he spend the money. Will he look after the disabled whom I have been talking about in this House for some time? Will he reduce public transport fares, which were ratcheted up 8.5 per cent on 1 July, which was twice the increase that Steve Bracks afforded in Victoria? This was despite the fact that he knew he would get 10 per cent from the GST on top of that. Of course, that meant that the increase from the point of view of the consumer was 8.5 per cent, with 10.5 per cent on top of that, even though he knew that he was going to get back all of that.

Will the money go into schools to get ready for the next generation of Australians, as opposed to having the schools being sold off as we pass motions in this House? Will the money go into hospitals or police? Will the Treasurer bring forward the date of abolition for the bank accounts debit tax to help bank consumers who have been severely ripped off continually by the banks? Or will the Treasurer fritter it all away in tax breaks for others? There are big questions about the consequences of tax reform. The Yellow Pages small business survey suggests that the small business sector is taking the new tax system in its stride.

Australia needed tax reform because our current tax system was in a bad state. In the 1980s and 1990s Labor funded spending at a Federal level by privatisation and running up the budget deficit, which was not sustainable. Vince Fitzgerald informed the Treasurer of that in his saving report back in 1993. Now with a better tax system the States have a growth revenue base, Australian industry can compete on equal terms with the rest of the world because it has that tax base, and hopefully the extra spending will be diverted into social security. My advice to Labor is that it is now time to move on, perhaps have a chat with Peter Brain and Ann Harding and other experts in the field, and work out where it is going to spend the money sensibly to rebuild the infrastructure and give a fair go to people in the State of New South Wales.

The Hon. J. R. Johnson: Arthur, you weren't going to speak for long.

The Hon. Dr A. CHESTERFIELD-EVANS: I was then referring to the issue of fishing. Being the good chap I am, I spoke to that issue extremely quickly in order to make this debate possible. In his contribution the Hon. J. R. Johnson wasted far more of the House's time than I ever spend in debate. The GST reduced the price of Australian exports and investment and injected fairness into tax reform. The Democrats promised that food would be GST-free, eliminating the most regressive aspect of the tax, and that compensation would be increased by our changes to the tax rates that we basically forced Mr Howard to make. We also promised the implementation of fuel efficiency standards, which is the single most effective way of reducing fuel consumption. We upgraded those standards, and the Liberals agreed to that. In fact, after that the Liberals were a little shocked because we were better informed on the matter and the Liberals did not quite know what they had agreed to. Nevertheless, we achieved quite a good result for the environment.

One of the myths that Labor continues to perpetuate is the idea that the Democrats had promised not to introduce the GST. This is nonsense, but Labor tried to use that myth to discredit the Democrats. As such, it needs to be answered publicly again because, sadly, if that lie is repeated by the same tired, old group, eventually it will gain some sort of legitimacy. The Australian Democrats' taxation policy response was delivered prior to the election by Meg Lees on 18 September 1998. Meg Lees pointed out that taxes are what we pay for a civilised society, which is a quote from the American intellectual Oliver Wendell Holmes. Meg Lees talked about Labor's L-A-W tax cuts sham and the fact that the Coalition's surplus was built on the backs of low-income earners through cuts to vital services such as the dental health program.

The Democrats' first objective of tax reform was to protect the revenue base. The point had to be made that the wholesale sales tax that people were relying on was a diminishing part of the return. The problem with the tax package before the GST—this is what Labor did not want to talk about; it wanted to patch up the system and attack the GST but had no real answer—is that both millionaires and average income earners were paying 20¢ in the dollar. The amount of income being funnelled through trusts was growing at twice the rate of pay-as-you-earn [PAYE] taxed income. Tax concessions for high-income earners on superannuations and their company cars were growing by three times the increase in total tax collected. Marginal tax rates were close to the OECD average, but the actual amount of tax collected was the second lowest in the OECD.

The Democrats acknowledged that something had to be done about the tax system, but unfortunately Labor was not able to do it. In her speech on the tax package Meg Lees did not say that the Democrats were going to be in Government. Some of us felt that we should have delivered a speech as if we were going to be in Government and then said the closest to that would get our support. But Meg Lees took an alternative approach. She said, "We are going to be in a balance of power situation, so we want to be responsible. We want to say what we will do in relation to Liberal's package if the Liberal Party wins, and what we will do in relation to Labor's package if Labor wins."

It is significant to look at the simple facts. The Democrats' response to the Coalition's package comprised six pages; the response to Labor's package comprised three pages, because basically Labor's policy was a non-policy. The Democrats stood by their promises, including no taxes on food. There were some taxes on books, but we exempted educational books, which are of course the tools of equality of opportunity. Books for recreation are, in a sense, recreational tools like those used for other forms of recreation.

The Hon. M. R. Egan: You are not still squirming about the GST, are you? The Opposition agrees with me. You are still squirming about the GST.

The Hon. Dr A. CHESTERFIELD-EVANS: We did a great deal for the environment, through standards relating to fuel efficiency, the fuel rebate for use in the country, and so on. We have made the system better and fairer. Yet the Treasurer has come into this Chamber to whinge and caterwaul, knowing perfectly well that he will receive much more revenue. Of course, he is unwilling to admit that because his poor, tired, old Australian Labor Party, which has no policies at all, is basically still coming to terms with the new tax system. Whingeing is the only policy option that members of the Labor Party have.

Ms LEE RHIANNON [4.39 p.m.]: The Greens congratulate the Hon. P. T. Primrose on moving this motion. It is a good move, even though it has been proposed long after the goods and services legislation has been passed. It is good to have an opportunity to discuss a matter that is most relevant to this House and obviously to the people of New South Wales. The Greens have consistently opposed a goods and services tax, irrespective of the various initials such taxes have been given throughout the world.

The Hon. M. R. Egan: Good on you.

Ms LEE RHIANNON: I thank the Treasurer, Minister for State Development, and Vice-President of the Executive Council. I hope that he will say, "Good on you" in response to what I am about to say, but I am pleased to note that the Cold War mentality has abated for a while. The Greens have been the only political party with parliamentary representation that has consistently opposed a goods and services tax. We do that because it is such a divisive, unfair and outrageous tax. I say that because the Greens policy is one of progressive taxation, whereas the goods and services tax applies to rich and poor and that is outrageous. To hit people equally, irrespective of their incomes, with a taxation policy is very unfair. Society is currently seeing the effects of this taxation being played out in a very painful way.

I take issue with some aspects of what the Democrats have done. As all honourable members would know, the GST would not be in place now if it had not been for the support of the Australian Democrats. They carried out a massive political shift and actually broke with their own policy when they supported bringing in the GST. They also broke with their apparent commitment to social justice and environmental issues by seeing their way clear to support the GST. A summary has been given in various debates in this House today, but I remind honourable members of some issues that still surprise me. The Australian Democrats going to ground on the issue of a goods and services tax is one of those that comes to mind.

The Australian Democrats caved in on food and supported a tax on books, the arts and education. I will deal with the issue of charities later, because both the Australian Democrats and the Greens work widely with

non-profit community groups who are really doing it hard at the moment. Many honourable members who work in that sector would be aware that people take on certain positions. I personally know that people baulked when the time came to appoint someone as treasurer of a group. Parents and citizens organisations and local environment groups now inform me that because the GST has made matters so complicated, it is really difficult to persuade people to take on such positions. It is an absolutely disastrous outcome resulting from the decision that the Australian Democrats made.

Dr Clive Hamilton of the Australia Institute, who is also an environmental economist, has calculated that the GST will cause a sharp increase in air pollution and a 5 per cent increase in greenhouse gas emissions in the commercial transport sector. That is another instance which shows why the GST is really bad for the environment and really was the last thing that the people of Australia needed. Moreover, organisations that depend on Government grants appear to be receiving grants that are either slightly increased or are similar to the grants that have been made in previous years, but in reality they contain the 10 per cent reduction caused by the GST. In the case of the Natural Heritage Trust, the total amount allocated to the trust over five years is \$1.5 billion. For the remaining two years of the grant, it is estimated that effectively the grant will be reduced by up to \$67 million, which is 10 per cent of \$676 million that would have been granted over the ensuing two years.

It appears that some grants, such as those made to environment groups, have been adjusted for the impact of GST with an increase from \$1.65 million to \$1.68 million, but in other cases, such as the Natural Heritage Trust to which I referred earlier—potentially a vast range of grants will be reduced because of the operation of the GST. That means that these organisations will be receiving less revenue than they had budgeted for. Senator Bob Brown took up this issue and has called on the Federal Treasurer, Peter Costello, to come clean and confirm that the total pool of grants funding from the Commonwealth Government, including individual grants, will be increased by 10 per cent so that community groups will be no worse off after the impact of the GST. If the Federal Treasurer does not do that, he will not be able to maintain that Federal grants are the same now as they were in previous years.

The area in which a lot of hardship has been caused is within the non-profit community sector, which is much worse off now than it was before. Community groups are not businesses and they do not benefit from the simplification of business taxes. Also they are not individuals and they do not receive income tax cuts that offset the increased tax on GST. The compliance requirement from community groups will be especially tough as they try to work out the various requirements with which they must comply. That is why they are doing it tough and finding it difficult to do the work involved in keeping their books. The fact that many groups undertake fundraising to provide services to the community is irrelevant in this debate. The fact that services are often provided by volunteers is also treated as irrelevant. Those groups are doing it hard, and they should not be—but they are, under the GST.

I hope that more members of the Australian Labor Party will contribute to debate on this important motion. Part of the equation that was left out of the remarks made by the Hon. P. T. Primrose is what will happen after Labor wins the next Federal election. I venture to suggest that Labor will win because I understand that the polls have them in front at the moment. Australia certainly needs a Labor Government. The Greens are quite happy to say that. We are not getting any commitment from the Federal Labor Opposition or any clear statements about repealing the GST or alternative proposals. It would be useful during this debate to hear an honest response to these issues and to know what the Australian Labor Party's plans are. I reiterate my congratulations to the Hon. P. T. Primrose on bringing forward this motion.

The Hon. J. F. RYAN [4.47 p.m.]: This debate is easy to keep simple. Before the goods and services tax [GST] was introduced, Australia had a worn out tax system which was in sore need of reform. Unlike the people who represent the political party of members opposite, my political party, the Liberal Party, at least had the honesty to put before the people a plan for making Australia's tax system more up to date. Moreover, the proposal was put to the Australian people before an election rather than afterwards, and the electorate endorsed it.

After my political party was elected to office, the Federal Coalition produced the new tax system policy while in government. If there are complexities of the type complained of by the honourable member who moved the motion, I point out in the first place that they are not really of the making of the Howard Government. Most of the complexities that exist in the GST were brought about by the deals that the Federal Government had to do in order to honour its election commitments. If the ALP had simply respected the mandate which was given to the Howard Government when it was elected, the GST could have been implemented in a fashion which is even

more simple than is the current system. If the Labor Party had really believed its own rhetoric—that the GST was going to be such a bad tax—it might have allowed the Howard Government to introduce it and then watch the Howard Government collapse like a deck of cards. But that did not happen. Instead, the community has endorsed the GST.

Without doubt, as a result of economic reforms introduced by the Howard Government, Australia now has an economic climate that is so favourable that it is almost without comparison in relation to any period of government since the 1960s. We currently enjoy low inflation, low rates of unemployment—in fact, in this State unemployment is lower than in any other State—and modest to high growth. We have a taxation surplus and responsible and modest wage growth in that climate. There is virtually no economic indicator in the Australian financial scene that is not favourable. Part of the reason that that has occurred—and now there are breadwinners taking salaries home to families that previously suffered from unemployment—is that the Howard Government had the guts to reform our taxation system.

There are very few pleasurable moments in Opposition. I am sure that is one thing about which members opposite agree with me. I remember one very pleasurable moment in this House for the Opposition. It was the day on which this particular motion finally came to the front. We are debating a motion which has been deferred. I recall when this motion came to the front and was available to be debated a couple of months ago. When the motion was first put on the notice paper the Labor Party thought it was on a hide to nothing to belt the Howard Government in the House. Labor thought the motion would be great for a day on which there would be no other opportunity to attempt to flog the Howard Government and inflict unending pain. However, by the time the motion finally got to the front for debate, the cat was out of the bag, and the Special Minister of State conceded the game. He accepted in an interview in the *Bulletin* that we had successfully convinced the country that the GST was good for the country. Sure there are difficult bits about the GST, because reform is often difficult. But I ask honourable members opposite to remember where the idea for a consumption tax came from in the first place. It was in fact developed by none other than the Labor Party itself.

The former Treasurer, Paul Keating, had the audacity to suggest to the country that it ought to have a consumption tax because that would be more efficient than the previous wholesale sales tax and the other myriad taxes, supported by pages and pages of income tax law, from which the country previously suffered. So it was not as if the Howard Government or the Liberal Party designed the consumption tax. The concept was embedded in the history of the ALP. Unfortunately, they did not have the guts to carry out the tax which they then believed would benefit the country. All they have attempted to do since is to make political hay by saying things that are believed to be popular—the sort of nonsense we heard a couple of minutes ago by means of interjection by the Hon. J. R. Johnson about taxes on funerals and other things.

If one goes to the supermarket and talks about the impact of the GST on the supermarket, the truth is most supermarket items are now cheaper under the GST than previously. I do not see any reason why the average family had to pay 30 per cent tax for cleaning fluids—one of the most expensive things that people put into their supermarket trolley—yet under the old system they could buy caviar if they wanted to and they would pay almost no tax. They were paying 20 per cent tax on ice cream, 23 per cent tax on orange juice, and so forth. The purpose of the new taxation system was to move to a simple and fair tax. For the people who would wind up facing some of the more regressive aspects of the tax, the intention of the Government was to compensate them with tax cuts or subsidies.

Any modern taxation thinker endorses that approach. But people who cannot afford to pay tax, and for whom taxes are regressive, ought to be subsidised by the Government. In fact, the Government had developed a tax which had the means to provide that subsidy because it was going to be a growth tax. As the economy grew and as there were levels of unfairness in it, the capacity of the Government to subsidise those who were finding it hard to cope was going to be enhanced, as it has been enhanced. In fact, the consumption tax was widely agreed by any honest economic commentator to be one which was more equitable than the previous asinine arrangements that we laboured under before the GST was introduced.

The Howard Government intended to tax food, but not because there was something special about that. I frankly do not see any special reason why food is any less essential to the average family than electricity, water or telephone services. They are all necessities of life. I do not see any reason why one need has a special status. Vulnerable families, however, do have a special status and ought to be compensated for the impact of a GST. It was intended by the Howard Government to do it even more generously than occurred, but the Government was stymied by the fact that the Labor Party had adopted an irresponsible attitude in the Senate. We were able to pass most of what we wanted, but we had to make some compromises, some of which have unfortunately resulted in complexities for small business. We accept that that is probably the case, but nevertheless there are many benefits to small business which the honourable member did not point out.

For example, most small businesses will benefit from the increased cash flow that they have available to them where previously they paid heavy imposts in provisional tax. Businesses were starved by having to pay heavy amounts of provisional tax on income that did not necessarily materialise particularly in the early stages of the business. The new taxation system supports individual enterprise, by collecting tax on income as it is made. In my view that appears to be a great deal fairer, and for that reason the new system is of enormous advantage to small business. That is why the small business community, and in fact the business community generally, have been favourable to the GST.

No matter what difficulties might be encountered by some businesses—and I accept that there are difficulties—there are very generous provisions by the Howard Government to give them advice and to administer the tax in a new fashion. Vast amounts of money have been made available for businesses to update their computer equipment. In fact, many small businesses will be more efficient because they are buying computer equipment which enables them to track their purchases and stock much better than previously had been the case—all subsidised by the Howard Government under the new arrangements.

I oppose the motion before the House. I endorse entirely the remarks and amendments made by my colleague the Deputy Leader of the Opposition. Instead of an unfair tax, we now have a taxation system that is a great deal fairer and simpler, one that is fostering and promoting economic growth that this country has not seen in more than 60 years.

The Hon. M. I. JONES [4.53 p.m.]: One of the major problems that Australia faces at the moment is the fact that our dollar has decreased in value to between US51¢ and US52¢. One of the major problems for this devaluation of the dollar is simply that as a home for investment Australia is not competitive. We are not competitive for a number of reasons. One of those reasons is our capital gains tax and another is our relatively high company tax rate. We have to compete with the likes of Singapore and Hong Kong, which have a much lower incidence of taxation on corporate profits than we have. It might be rather on the nose for many honourable members of this House to consider that our corporate tax rates are too high but we do have to look at competition. If this country is to grow, prosper and provide full employment and abundance for our people, we have to attract investment. We are starved of capital and we need to be more competitive.

The introduction of a goods and services tax by the Howard Government went a long way to assist with an overall reform of our taxation system. It was long overdue. The further area where we have to remain competitive is to attract talent to come to work in Australia or to remain working in Australia. We have the lifestyle—our lifestyle is very much on our side—but our income tax regime certainly is not. We need to attract and secure those people in our society who are capable of creating wealth. Having a marginal tax rate of 47¢ in the dollar, plus a Medicare levy, goes a long way to discourage people from either coming to work in Australia or retaining their services in Australia. I argue that the exclusion of GST on food was an error and that the GST on other goods and services is simply too low because it did not go far enough to address corporate tax rates which are too high and marginal income tax rates which are similarly too high.

One can argue about the problems that it imposes upon the treasurer of a parent-teachers organisation in managing the 4s 2½d expenditure which it might have to distribute, but that is hardly the issue. A company's tax regime is either a magnet or a deterrent for foreign capital. Our overall national debt when Paul Keating came into office was \$16 billion. When he left office it was \$180 billion. Even with repaying debt, because of the rapid devaluation in our dollar, which from 7 April crossed through the 60¢ barrier and today it is down to 51¢, our overall national debt increased from \$180 billion to more than \$410 billion. An amount of \$410 billion in foreign debt is of crisis proportions.

The amount of interest that we have to repay foreign investors on that level of debt is just obscene. We have to do something about it. One of the major ways of doing something about it is correcting the anomaly in the value of our dollar to a more acceptable level. We do that by attracting foreign investment. To attract foreign investment we have to make it worthwhile. Capital gains tax and high corporate tax rates are simply a deterrent. The need for capital to develop Australia goes without saying. We have had to introduce compulsory superannuation, first, to look after our retirement but, second, so that there is a greater generation of funds for investment within our community. This goes on and on.

The Hon. E. M. Obeid: You are Treasurer material.

The Hon. M. I. JONES: Of course I am. The Minister has only just realised. These facts may be very hard to swallow.

Pursuant to sessional orders business interrupted. The House continued to sit.

SPECIAL MINISTER OF STATE MINISTERIAL OFFICE USE**Personal Explanation**

The Hon. J. J. DELLA BOSCA, by leave: During question time the Hon. Dr B. P. V. Pezzutti asked me various questions relating to a fundraiser held on 30 June 2000. I understood the gist of the honourable member's question to relate to the use of ministerial resources. I answered no. That answer is correct. I wish to inform the House that my personal secretary assisted with the fundraiser, in her private capacity as a friend of my family and a supporter of my wife and me.

**FISHERIES MANAGEMENT AND ENVIRONMENTAL ASSESSMENT LEGISLATION
AMENDMENT BILL**

Bill introduced and read a first time.

Second Reading

The Hon. E. M. OBEID (Minister for Mineral Resources, and Minister for Fisheries) [5.03 p.m.]: I move:

That this bill be now read a second time.

This bill makes major reforms to fisheries management in New South Wales. It will guarantee best practice management of the community-owned fisheries resource. It will give us the most accountable and transparent fisheries management framework in Australia. It means better recreational fishing, better tourism and a more stable commercial fishing sector. This bill is good news for the thousands of coastal businesses that rely on our fisheries resource. Ultimately it will mean more jobs, more economic activity in the regions and a more secure fishing future.

In 1999 the Government conducted a review of saltwater recreational bag and size limits. Approximately 5,000 submissions were received from anglers. Two things struck me about this review. Firstly, how conservation-minded New South Wales anglers are—the overwhelming majority of submissions supported a conservation-based scheme of bag limits. We now have the broadest and most conservative scheme of saltwater recreational fishing controls in Australia. Secondly, the number of submissions that showed unsolicited support for a saltwater recreational fishing fee. This was not an issue that was raised by the review—there had been no mention at all of a fishing fee in the review paper. Later in 1999 we held a recreational fishing summit. The vast majority of the anglers at the summit supported the idea of a general recreational fishing fee being further considered and asked that a discussion paper on the issue be released. Anglers have supported the concept, in part because of the successful reintroduction of the freshwater fishing fee.

As a result, the key planks of the freshwater fee will be translated across into saltwater: All fee revenue will go into recreational fishing trusts; fee revenue can only be spent on recreational fishing programs; and anglers will advise on trust expenditure through a transparent committee process. Another reason for angler support for the general recreational fishing fee came from the Victorian experience. In 1999 the Victorian Coalition Government, with Labor's support, successfully introduced a general recreational fishing fee. On 19 January 2000, the Premier and I launched the discussion paper "Sustaining Our Fisheries". This paper put forward a strategy for revitalising our fisheries, underpinned by a proposal for a general recreational fishing fee. Simply put, if we can generate revenue we can do more to make fishing better, improve our fish habitat and allow anglers to improve the management of their sport.

Approximately 100,000 papers were distributed—they were downloaded from the web, faxed, posted, hand delivered and emailed. We had 10 weeks of formal consultation. We received nearly 1,000 individual submissions—many of substantial depth and detail—as well as petitions and form letters. The great majority of those who took the time to prepare their own submission supported the principle of a saltwater licence. But the consultation did not stop there. I travelled from the Tweed River to the far South Coast talking with anglers, charter boat and boat hire operators, tackle shop owners and fishing clubs. And the message was the same up and down the coast: Give us the chance to make things better, let us help improve fishing, and let us help make sure the mistakes of the past do not stop us having a future for our fisheries.

Anglers love their sport and are passionate about protecting it for their children. I also have an open door policy and have continued to meet with angling, conservation and commercial fishing groups. I wanted to make sure I had heard all the views on this issue. I also met and consulted with my statutory advisory councils on recreational fishing, commercial fishing and conservation. This proposal is based on this extensive consultation and significant refinements have been made to the original proposals contained in the "Sustaining Our Fisheries" discussion paper.

The scheme proposed in the bill will require fishers to pay a single fee whether they fish in freshwater or saltwater or both. They will have the following choices: a \$5 fee for three days of fishing; a \$10 fee for a month of fishing; a \$25 fee for a whole year of fishing; or a \$70 fee for three years of fishing. Anglers will be able to pay their fee by telephone, on the Internet or through a range of agents such as service stations, tackle stores and government offices. There will be annual block fees for charter and hire boat operators, and guides. The block fees were developed in response to concerns that new anglers often use the charter boat and guide industry to gain their first experience and a fishing fee may discourage these beginners.

The block fee will start from \$100 for operators carrying up to four people, with an extra \$25 for every additional passenger up to a maximum of \$250 for 10 passengers. There will be a 50 per cent concession for people fishing in the Tweed River. This is in response to concerns that the fee may impact on that community's tourism trade. The concession is an interim measure only, until Queensland introduces an equivalent scheme. Children up to the age of 18 will be exempt, as will holders of a Commonwealth pension concession card. Adults who are only assisting and supervising children, where there is no more than one rod and line per child, will also be exempt. The current freshwater exemption for Aboriginal Australians, first introduced in 1957, will continue. For saltwater fishing, Aboriginal Australians who are fishing in accordance with their native title rights, or a registered native title claim that they have made, will also be exempt. There will also be provision for certain traditional indigenous fishing activities.

All the money from the fee will go into dedicated trusts. Money from the trust can be used only for recreational fishing programs. I already have a statutory duty to consult my Advisory Council on Recreational Fishing about policies and priorities for expenditure from the recreational fishing trusts. This duty also requires me to provide the advisory council with a draft expenditure budget and to take any recommendations of the council into account before finalising the budget. To assist the advisory council with the detail of this process I will establish a committee of anglers to advise on saltwater trust expenditure. This committee will have eight regional members with expertise in the various types of fishing. The Nature Conservation Council will also have a member, and there will be members from the major angling groups.

This saltwater committee will play a comparable role to the existing freshwater fishing trust expenditure committee, which will continue. Current levels of revenue for the freshwater trust will be maintained for the next five years. After that time, fee revenue will be split between the freshwater and saltwater trusts, based upon the best available information about angling patterns and activities, and in full consultation with angling groups.

One of the ways anglers felt their sport could be improved was to adjust commercial fishing. There was a high level of support amongst anglers for fee revenue to be spent on commercial fishing buy-outs, but only where there are benefits for recreational fishers. As a result of this community consultation process the Government has decided that recreational fishing areas should be created. Where a recreational fishing area is created, high-impact fishing methods could be removed or commercial fishing could be stopped completely, in exchange for fair compensation. An open and transparent process will be established to select these areas.

The Government will nominate Lake Macquarie and Botany Bay as the first two candidate sites for the selection process. There will then be a public process calling for nominations of other candidate sites for each of the eight coastal regions. The expenditure committee will be asked to prioritise the nominations received and an issues paper will be prepared for each region. Some of the issues to be addressed will include: sharing and access issues; the implications of existing recreational and commercial fishing for the resource; options for changes to commercial fishing in the proposed recreational fishing areas; the potential benefits to recreational fishing; the potential conservation benefits; the potential for stock enhancement; opportunities for tourism and the associated economic development; implications for the commercial sector; implications for fish supply and the post-harvest sector; implications for the local economy and jobs; and the number of commercial fishing entitlements that would need to be removed and the associated cost.

Draft issues papers will be reviewed by a round table on sustainable fishing, comprising representatives of all the major stakeholder groups, to ensure that all relevant issues are covered. Issues papers would then be

released for community comment. I will appoint an independent person to oversee the community consultation process, to convene public meetings, and to supervise the preparation of a community consultation report. This report will go back to the round table on sustainable fishing before being submitted to me as Minister, again ensuring that all key stakeholders have an input into the process. This selection process for recreational fishing areas has been developed to ensure that the community's social, economic and ecological issues are considered. An advance would be made by the Government against future fee revenue to enable recreational fishing areas to be introduced in sensible time frames.

To achieve the necessary reduction in commercial fishing adjustment to benefit recreational fishing, affected commercial fishers who have most of their fishing entitlements in a proposed recreational fishing area, and have catch history in that area, will be offered a compensation package. If too many fishers wanted to take the compensation package, then the fishing businesses bought would be those that offered the best value for money for the trust. It will be necessary to buy back sufficient businesses to ensure two things: firstly, that each recreational fishing area is implemented in full within the nominated time frame; and, secondly, to ensure that commercial fishing effort does not simply transfer from one area to another. For this reason the Government cannot guarantee that there will be no compulsory buy-backs of fishing entitlements, but we do guarantee that fair compensation will be paid for any fishing entitlements cancelled as part of this process.

The Government is proposing that the relevant fishers will initially be offered compensation at twice the value of the fishers' catch history, averaged across their best three consecutive years between the beginning of 1986 and the end of 1999. A fisher who wanted to accept this compensation offer would need to exit the fishery immediately, and could not continue to fish once they had been paid. An amount of up to \$10,000 would also be available for retraining or relocation, and a further amount of up to \$10,000 would be available for accelerated depreciation of their fishing equipment, such as boats and gear. Alternatively, if a fisher decides to continue fishing until the date when the changes are due to come into effect, the sunset date, the compensation package would be based on the market value of their fishing entitlements, along with the retraining and relocation, and accelerated depreciation payments. Where entitlements are cancelled under this part of the process, there will be a right of appeal relating to the amount of compensation to the Valuer-General and the Land and Environment Court.

The Fisheries Management Act already gives me the power to close fisheries, and revoke endorsements. However, where it is decided to reallocate the resource from the commercial sector to the recreational sector, and create recreational fishing areas, there should be an obligation to compensate any commercial fishers whose entitlements are cancelled by the Government as a consequence. New division 4B of part 2 will not be a new tool for general fisheries management—sustainability and some sharing decisions will continue to be made under the other relevant provisions of the Act. However the new division, with its guarantee of fair compensation, will be followed by the Government when entitlements are cancelled to create a recreational fishing area.

Earlier this year a group called Sustainable Fishing and Tourism challenged a commercial fisher's licence in the Land and Environment Court. The challenge was about whether or not the Environmental Planning and Assessment Act applied to the issue of fishing licences. The court found that commercial fishing was an activity covered by part 5 of the Environmental Planning and Assessment Act. I did not appeal this decision—I did not believe that a long drawn-out and expensive court action would lead to better managed fisheries. However, after listening to the views of our stakeholders, it became clear that amendments to the Environmental Planning and Assessment Act would be essential for us to have a truly meaningful process of environmental assessment. The existing provisions of part 5 of the Environmental Planning and Assessment Act would require us to assess each fishing licence individually. The result would be extremely bureaucratic, costly, and time consuming and would not have allowed a full evaluation of the environmental impact of the fishery.

For this reason the bill will strengthen the requirements of part 5 of the Environmental Planning and Assessment Act by requiring whole-of-fishery assessments. Importantly, the existing environmental safeguards present in part 5 will apply to fisheries management. We are proposing to amend the Fisheries Management Act to provide for management strategies to be developed for all recreational and commercial fisheries and for the environmental assessment of these strategies. Our fish stocking and beach safety-meshing programs will also undergo environmental assessments.

The Department of Urban Affairs and Planning will establish the guidelines by which my department, New South Wales Fisheries, will oversee the preparation of environmental assessments. The Management Advisory Committees, the advisory councils and the round table on sustainable fishing will all be involved in the process. Once each management strategy and environmental assessment is complete, there will be a public

consultation process. The management strategies and their environmental assessments will be publicly exhibited, and all submissions can be reviewed by the Department of Urban Affairs and Planning. This means that for the first time ever the whole community will be able to scrutinise and have input into how our fisheries are being managed.

The Director-General of the Department of Urban Affairs and Planning can ask her department for a report on the assessment, and the Minister for Urban Affairs and Planning will also have the authority to order a commission of inquiry. Ultimately, the Minister for Urban Affairs and Planning will have the power to intervene and to take over the approval role if it is considered necessary. A sensible dispute resolution procedure involving the Premier is proposed to apply in such a situation. The process will be assisted by the RACAC-style forum already outlined—the round table on sustainable fishing. The round table will be made up of people with expertise in conservation, commercial fishing, recreational fishing, indigenous fishing, aquaculture, and related industries such as fish merchants and the fishing tackle industry. Representatives from the National Parks and Wildlife Service, the Environment Protection Authority, the Department of Urban Affairs and Planning, and the Department of Land and Water Conservation have been invited to participate in this round table.

The "Sustaining Our Fisheries" discussion paper also proposed a new fishery management model called "Commercial Managed Fisheries". For most commercial fishers in New South Wales the existing share management scheme was too expensive, given the way their fisheries are currently structured. While share management suited the higher value lobster and abalone fisheries, commercial fishers in the other six major restricted fisheries felt that they could not afford the community contribution. In the existing rock lobster and abalone share management fisheries, a community contribution of 6 per cent is being phased in. It represents payment to the community for the perpetual rights given to shareholders to access the community owned resource.

However, commercial fishers in the remaining six major fisheries also want some affordable secure fishing rights. It is widely accepted that commercial fishers with more secure rights are more willing to take measures to safeguard the fisheries resource for the future. The model in this bill is a lease-style framework, where rights can be allocated for a 15-year period. Because these rights are not perpetual, a rental charge would be payable in lieu of the community contribution. The rental charge will be set at a lower level, consistent with the current economic status of the six remaining major fisheries and the lease-like status of the fishing rights. This new modified version of share management will be called category 2 share management. Unlike the original share management model introduced by the previous Government in 1994, no final shares will be allocated until a full public environmental assessment has been carried out.

When a comprehensive management plan is developed and then assessed as sustainable under the environmental assessment process contained in this bill, final category 2 shares will be issued for 15 years. The bill requires that commercial fishers be given at least five years notice of any decision not to renew shares in a category 2 share management fishery. If category 2 shares are cancelled during the 15-year period, compensation is payable for the value of the shares, in the same way as for category 1 shares. Fishers can move to category 1 share management if a majority of them vote to do so and agree to pay the community contribution. The Minister of the day would not have the power to veto such a decision. This new scheme is affordable. It will give fishers more security and the incentive to manage their fisheries sensibly, because the longer-term value of their shares will depend on the sustainability of the fishery. It gives them the security they need to be able to make sound business and investment decisions.

Over the next five years the Government will develop and implement a fair and transparent cost-recovery framework for category 2 share management fisheries. This framework will be subject to extensive industry consultation. During this period, the total amount of money collected for New South Wales Fisheries, for its existing management services, will not increase without the support of the relevant management advisory committee. After five years, the costs that have been identified as attributable to the industry will be progressively introduced over a further three-year period.

In 1999 I convened a commercial fishing summit to bring together the key stakeholders to discuss the future of fisheries management. This was an election commitment of the Carr Labor Government. About 200 of the State's commercial fishers attended the summit to discuss the state of our commercial fisheries.

I take this opportunity to again thank those who participated. The summit provided much of the impetus for the reforms I am implementing with this bill. One key theme of the summit was how we could improve consultation with industry. I am pleased to say that I have been able to act on the recommendations of the summit. The bill includes a number of landmark changes to the appointment and operations of commercial

fishery management advisory committees. The status of these committees will be upgraded so that they no longer report to the department, but instead report directly to the Minister of the day. The committees will no longer be chaired by a New South Wales Fisheries officer, but by an independent person. These reforms recognise that management advisory committees are an important source of advice on the day to day management of our commercial fisheries. I am pleased to say that the Government has already appointed independent chairs to the management advisory committees after full industry involvement in the selection process. This bill will make independent chairs mandatory for future appointments.

The bill also fulfils the Government's election commitment to strengthen existing fish habitat legislation. It contains provisions relating to aquatic reserves, dredging and marine vegetation, fish passage, and the importation of live fish. The bill clarifies the role of aquatic reserves and introduces a management planning provision to bring aquatic reserves into line with best practice. Marine parks are large areas with multiple use zoning and are an important tool in habitat conservation. However, they are not always suitable for all areas. Aquatic reserves are generally declared over smaller areas and are declared for specific reasons such as to protect a particular fish species or a particular habitat, or as an education area. The new management planning provision will enable us to set clear objectives for these reserves, to target management measures at those objectives, to set realistic penalties, and to monitor how well these objectives are being achieved.

The bill contains an automatic requirement for full stakeholder consultation on aquatic reserve management plans. The bill makes it clear that the dredging and reclamation provisions of the Act are focused on the protection of fish habitats and the conservation of biodiversity. The bill improves the definition of dredging and reclamation. At the moment there are several automatic exemptions which mean some activities do not require a dredging permit. Several of these exemptions are being removed, as they are no longer appropriate. The bill reinstates an old provision that allows the collection of dead seaweed to be managed properly. Dead seaweed, or wrack, is an important part of the fisheries ecosystem, offering shelter to many small animals, and eventually returning nutrients to the water. We are also improving the wording of the provisions relating to the importation of live fish to restrict the importation of non-native fish species into New South Wales. To protect the migration of native fish we have increased the penalty if a fishway is not built in a lawful manner, and made it an offence to block fish passage by any means whatsoever, without permission.

There are a number of other issues dealt with by the bill. Each is important in its own way, and I will mention a few of them. As we move to full recovery of attributable costs from industry participants, it is important that we look for opportunities to make the provision of services more cost effective for industry and the Government. For this reason the bill contains provisions for self-certification in relation to compliance, and enables the use of an accredited compliance auditor to certify that relevant standards are being met.

The Government recognises that some recreational fishing competitions can have a significant impact on the resource, and if not properly managed, can cause concern to recreational and commercial fishers alike. My Advisory Council on Recreational Fishing is currently developing a code of conduct for these events, and the bill contains a provision to allow appropriate regulation of recreational fishing competitions in the future. The bill will also allow my department to seek a court order preventing repeat offenders from being on certain premises, on a vessel, or in certain areas. This will assist in the fight against poaching and unlawful black market activity.

Our aquatic resources are shared by many different users and come under great pressure. Tough decisions need to be taken for the benefit of the whole community. Every group will not be happy with every part of this bill. What we have here is a balanced and comprehensive response to the issues facing fisheries management; issues that have existed for more than 100 years and that are finally being faced. This bill means that we will have better recreational fishing, more viable commercial fishing and better resource management as we move into the twenty-first century.

Debate adjourned on motion by the Hon. Jennifer Gardiner.

PROTECTION OF THE ENVIRONMENT OPERATIONS AMENDMENT (BALLOONS) BILL

Second Reading

Debate resumed from 1 November.

The Hon. P. T. PRIMROSE [5.32 p.m.]: The object of the Protection of the Environment Operations (Balloons) Bill is to prevent the mass release of lighter-than-air balloons. The bill will make it an offence to release,

cause or permit the release of 20 or more lighter-than-air balloons at or about the same time. The maximum penalty will be greater if more than 100 balloons are released. There will be exceptions: where balloons are released unintentionally and without negligence; or they are released and contained indoors; or they are hot air balloons that are recovered after landing; or they are released for scientific, including meteorological purposes.

The object of the bill is to make it an offence to release 20 or more lighter-than-air balloons at or about the same time. Penalties will increase for releasing more than 100 such balloons as the likely environmental impact will be greater. Members should note that the term, "at or about the same time" in proposed section 146E (1) covers a situation in which the release of balloons does not occur in one action. For example, a concert at which the release occurs in stages of, say, five minute or 10 minute intervals or more. The wording of proposed section 146E (1) also covers a situation in which the release occurs from different locations, say, within a stadium or other venue. Members should be aware that the Government is seeking in this bill to ensure that action can be taken against all those who may be responsible for releasing balloons.

Proposed section 146E (2) extends liability in situations in which there is a total release of 20 or more balloons by several people but there is no one person who actually released the balloons. Therefore, the person who caused or permitted the total release of the balloons would still be liable. The offences and penalties in the bill mirror those for littering introduced last July with the exception of the release of fewer than 20 balloons. On-the-spot fines would range from \$200 to \$750. Courts may impose fines of up to \$5,500 for offences that are more serious.

The Government seeks to stop releases at large community events and not small private functions such as children's birthday parties. Large, hot air balloons are also exempt and similarly weather and other balloons released for scientific purposes would not be affected. Many New South Wales residents have sought that more be done to control the blight caused by litter. They also want action to protect wildlife from unnecessary harm. This bill is one further stage in meeting those desires and I commend it to the House.

The Hon. CARMEL TEBBUTT (Minister for Juvenile Justice, Minister Assisting the Premier on Youth, and Minister Assisting the Minister for the Environment) [5.34 p.m.], in reply: I thank honourable members for their contributions to the debate on what is a relatively small bill but obviously an issue that people are quite properly concerned about. Environmental concerns with the mass release of balloons has received considerable attention in various countries over the past decade. Some American States have already legislated for bans on balloon releases. The United Nations established its "Global Program for Protection of Marine Environment From Land-based Activities", which aims to prevent degradation of marine environments from land-based activities. Australia became a signatory in 1995, and this bill provides a step towards meeting our commitments.

As has been stated before in the other place, this proposal also fills a small but critical gap in the Government's comprehensive actions on litter prevention. It is worthwhile going through some of those actions because a number of members have said that perhaps this bill does not go far enough. There are a range of other comprehensive actions that the Government has taken on litter reduction such as the \$60 million urban stormwater program that encourages and supports improved urban stormwater quality through public education, stormwater management planning and funding remedial stormwater projects. More than 1,300 tonnes of litter and sediment have been prevented from entering our waterways as a result of funding provided through this program.

The Protection of the Environment Operations Act 1997 also created new regulatory measures for litter thrown from motor vehicles and, more recently, the Protection of the Environment Operation amendment (Littering) Act, which was passed by the Parliament this year, significantly extended the range of littering offences and fines. We want to continue to build on these programs and also, of course, the community support for them. The object of the bill is very clear. It is to make it an offence to release 20 or more lighter-than-air balloons at or about the same time. Penalties would increase for releasing more than 100 such balloons, as the likely environmental impact would be greater.

Proposed section 146E (2) extends liability in situations in which there is a total release of 20 or more balloons by several people but there is no one person who actually released the balloons. Therefore, the person who caused or permitted the total release of the balloons would still be liable. The offences and penalties in the bill mirror those for littering which were introduced last July. On-the-spot fines would range from \$200 to \$750. Courts may impose fines of up to \$5,500 for offences that are more serious. Releasing fewer than 20 balloons would be exempt. We want to stop releases at large community events, but obviously not at small private functions such as children's birthday parties.

As has been stated before in the House, large hot air balloons are similarly exempt. Weather balloons and other balloons released for scientific purposes would not be affected. There have been some claims by the balloon

industry that I think are worth addressing, particularly claims that latex balloons do not pose a threat to the environment. It has also been asserted that the Government has confused latex with plastic. This is not the case. Staff of the Minister for the Environment have been engaged in numerous discussions with representatives of the balloon industry on these questions for several months.

The fact is that latex balloons can pose an environmental threat. I am advised that during a study into marine debris on New South Wales beaches which was funded by the New South Wales Environmental Restoration and Rehabilitation Trust, the carcasses of two sea birds were found with balloons entwined around their chests and abdominal cavities. Latex and other rubber products have plastic qualities. Latex is a natural polymer. Whatever its properties or qualities, it takes a great deal of time to break down. One balloon industry representative who contacted the Minister's office estimated that latex did not degrade for 18 months, and another estimated six months. During this time, marine life is at risk. For these reasons, the Premier proposed an amendment to the Protection of the Environment Operations Act, and this is the bill we are discussing tonight.

A number of members of this House have expressed concern about the possible economic impact of the proposed ban on those who sell balloons. The Government has made it clear that it does not seek to ban balloons but to simply control their mass release into the open air. Many circumstances for using balloons to signify celebration would remain. It would appear that mass releases of balloons are declining due to public pressure on event organisers and organisers' acknowledgement that releasing balloons into the atmosphere en masse is not environmentally responsible.

As other members have said, the recently concluded Olympic Games proved that the community is able to hold the most expansive and successful community celebrations and entertainment events without releasing great numbers of balloons. Many New South Wales citizens want the Government to do more to control the blight caused by litter, and they also want action to protect wildlife from unnecessary harm. This bill is another step in the right direction. I understand that the Opposition intends to move a number of amendments in Committee, which will provide an opportunity to debate more fully some of the issues raised during this debate. I commend the bill to the House.

In Committee

Clause 1 agreed to.

Clause 2

The Hon. J. F. RYAN [5.42 p.m.]: I move Opposition amendment No. 1:

No. 1 Page 2, clause 2. Insert after line 7:

- (2) The day appointed for the commencement of so much of Schedule 1 [1] as inserts sections 146E and 146F into the *Protection of the Environment Operations Act 1997* must not be earlier than 1 September 2001.

The amendment will insert a clause that will require the date of commencement of the legislation to be moved from a date in the near future to a date not earlier than 1 September 2001. The purpose of the amendment is twofold. First, it gives the industry involved in the manufacture and distribution of balloons used for mass releases the opportunity to prepare itself for the impact of this law, which may well be significant. That is consistent with other regulatory provisions that I outlined in my contribution to the second reading debate, such as the Subordinate Legislation Act. Normally when the Government intends to introduce a new regulation, a regulatory impact statement is prepared, the community is given the opportunity to respond to that, and if there are any ways in which the policy objectives of the Government can be achieved without having an adverse impact on industry or other social activities, those matters are taken into consideration before the legislation is finalised. That is the normal way in which regulatory matters are introduced. One of the reasons for the Opposition's amendment is that there seems to be a cogent reason to allow some time for industry to accommodate these changes.

The second reason for the Opposition's amendment is that our second amendment provides for a mechanism for the Environment Protection Authority [EPA] to establish new standards for the protection of the marine environment which are seen to be at risk as a result of mass balloon releases. As I explained, the Opposition entirely supports the policy objectives of the bill. However, we draw to the Government's attention promises made by the then shadow Treasurer, the present Treasurer, that when the Government introduced new regulations on industry, consideration would be given to industry to find other means of accommodating those

objectives—in other words, accommodating what the Government wanted to achieve but by other means. In other words, the Government would not try to tell industry how to achieve the objectives but would simply pass legislation, whether it be subordinate legislation or statutory legislation such as this, and then leave it up to industry to work out the best way to achieve it.

The bill in its unamended form tells industry how to achieve the objective of protecting marine life by simply prohibiting a frequently established procedure of mass balloon releases. For example, it may be possible to construct a balloon that is quickly degradable and might even be digestable by the marine life that it endangers. It is not inconceivable, for example, that balloons could be constructed from sausage casings or something of that nature so that the display could go ahead, the Government's objectives of protecting the environment might be achieved, and there would be no risk to marine life.

The Opposition proposes that the Environment Protection Authority establish standards, which we accept will be rigorous. For example, I draw the Government's attention to the fact that one of the standards put forward is that the EPA is to develop one or more standards for the purposes of determining whether material exposed in an aqueous environment would, immediately after exposure, be degraded to such a degree that it would present no danger or harm. That seems to be a reasonable standard. In other words, the policy objective would be achieved.

If it were not possible to design an inflatable display that causes no harm to the marine environment, the full impact of this bill would occur. There would be no watering down of the intent of the legislation, but at least industry would be given at least until 1 September 2001 to come up with a means of changing its practice such that the Government policy objectives are achieved. That is the intention of the Opposition. One of the policy objectives outlined by the Government as one of its important election promises was that it would design its regulation in such a way that it would allow industry to flexibly respond to achieving the same policy objectives. No-one could suggest that the Opposition's amendment does not endorse the Government's policy objectives.

I understand that the Government has given serious consideration to some of these amendments with a view to accepting some or even various versions of them. We look forward with interest to hearing the Government's comments. However, there is little doubt that the Opposition puts forward these amendments with a constructive intent. We support the Government's objective, but we believe that it is possible to achieve it by other means. We do not seek to water down the standards in any way. The standard that the EPA is legislated to provide is a standard that requires that there be no danger or harm whatsoever. The purpose of Opposition amendment No. 1 is to allow time for that to occur.

For years, the Hon. R. S. L. Jones has been raising this issue and industry should not be surprised: but, then again, each time the Hon. R. S. L. Jones raises something that should be done, most honourable members think that it will never happen. Most honourable members just do not agree with him. Why should industry suddenly react to a proposal presented by the Hon. R. S. L. Jones or by the Hon. I. Cohen? Simply raising an issue does not mean that the Government will introduce the legislation to make it a reality. The point at issue is that the Government has acted suddenly to introduce legislation which no-one ever expected it to do. That was a genuine surprise to representatives of industry. They thought that the Government had more commonsense and would calmly hold discussions with industry to present proposals about reducing over a period the effect of the legislation. For the Government to suddenly bring in legislation that will act like a guillotine has been a shock to industry.

The Hon. J. H. JOBLING [5.50 p.m.]: I rise briefly to support the amendment moved by my colleague. The bill shows that the commencement date will be on a day or days to be appointed by proclamation. It is possible that this legislation has been brought forward more quickly than some people expected. Therefore, the amendment simply allows a reasonable time in which manufacturers can make the necessary adjustment to their industry and to the staff they employ. If the legislation did not have a commencement date, that could clearly raise a problem. The amendment deals with the situation that the legislation will come into force and specifies that it will not be proclaimed earlier than 1 September. It is a reasonable amendment that I believe industry can live with. Equally, I believe that the Government is also in a position to accept it—or at least, I would hope so.

Ms LEE RHIANNON [5.51 p.m.]: I support the comments made by my colleague the Hon. I. Cohen, who has set out the position adopted by the Greens. We are not in a position to support the amendment. We see the amendment as a watering down of the legislation.

Reverend the Hon. F. J. Nile: Can you make it retrospective in some way?

Ms LEE RHIANNON: The smartness of the comments contained in interjections is unfortunate. When Reverend the Hon. F. J. Nile spoke, he stated that businesses involved in balloon manufacture actually had no idea that the legislation was being introduced.

Reverend the Hon. F. J. Nile: No, that the bill was coming in.

Ms LEE RHIANNON: They had no idea that the bill was coming in. I do not know how the Government has worked on this legislation but people read newspapers. I am sure that the media are monitoring what is going on. This proposal was announced ages ago. The businesses have industry groups and they can become organised. The reference in the amendment to degradable balloons, et cetera, relates to matters that are merely on the drawing board at the moment. Modification simply has not been done and businesses have not brought forward proposals for developments in a substantial way.

I address to the Minister an interesting point which I believe has not been raised previously. The changes proposed in the legislation will obviously have an impact on the companies concerned. Will there be job losses? Has there been any estimation of that type of impact? Will the Government be taking any steps to assist people who may be adversely affected in that way? The base that always should be worked from in relation to important legislation that is of benefit to the environment should be that it goes hand in hand with measures that will ensure that jobs are not lost and that will provide assistance for people to move into other industries.

The Hon. J. F. Ryan: Support the amendment.

Ms LEE RHIANNON: No. That will not meet the situation, and that is why I am addressing this point to the Minister. I make it quite clear that that is why the Greens are not supporting the amendment. If we could conduct committee meetings, which would promote dialogue instead of a slanging match, that would be the Greens preferred position. I am interested in hearing the Minister's reply to the point I have made.

The Hon. A. G. CORBETT [5.53 p.m.]: I have much sympathy for this amendment for the very reason that Reverend the Hon. F. J. Nile referred to. When members of this House met the industry representatives on Tuesday of this week, they very firmly declared that there had been no Government consultation. I would have thought that in the interests of fairness, the industry would have been consulted at some stage. I will be interested to hear the Minister's reply to the question asked by Reverend the Hon. F. J. Nile.

The Hon. CARMEL TEBBUTT (Minister for Juvenile Justice, Minister Assisting the Premier on Youth, and Minister Assisting the Minister for the Environment) [5.54 p.m.]: First, on the issue of consultation, I am advised that there have been many discussions with representatives of the balloon industry over the last couple of months. It is worth noting that the industry has been anticipating this legislation since the Premier announced the Government's intention on 10 August. It is not as though the legislation has come out of nowhere. There has been some period in which the industry has been quite well aware of the Government's intention in relation to this matter.

Nonetheless, having said that, I acknowledge that the Opposition has moved an amendment to provide that the ban will take effect on 1 September 2001. The Government accepts that members of the Opposition are trying to be constructive but the Government would prefer a commencement date of 1 July 2001. That will allow the balloon industry to have an appropriate period of breathing space, which a number of honourable members in the Chamber seem to think is important and which the Government is happy to support. But that also means that the legislation will coincide with the commencement of the financial year.

For reasons of tidiness in administration, the Government believes that that would be more appropriate. I proposed to amend the Opposition's amendment by replacing the words "1 September 2001" with the words "1 July 2001". I indicate also that I am advised that the vast majority of balloons are imported. The small adjustments that are foreshadowed can be accommodated in the period before this legislation takes effect. If the commencement date is deferred to 1 July rather than 1 September, the difference is only a couple of months and I do not know whether that would be a problem. I move:

That the amendment be amended by replacing the words "1 September 2001" with the words "1 July 2001".

The Hon. Dr P. WONG [5.56 p.m.]: I support a delay in the date of commencement of the Protection of the Environment Operations Amendment (Balloons) Bill 2000. I believe that the proposal of the Government to amend the date to 1 July 2001 is reasonable.

The Hon. J. F. RYAN [5.56 p.m.]: The reason that the Opposition chose 1 September 2001 is that the bulk of mass balloon releases in New South Wales that are likely to be matters of concern occur during the grand final season of the winter football codes. The Opposition accepted that it is important to have a starting date prior to that for the legislation. Of course, the Opposition prefers that date because, frankly, it is a date that is more related to the problem we are trying to solve than is an arbitrary date such as 1 July 2001. I guess we can be thankful for small mercies in that we still believe in the amendment that we moved. Nevertheless, we are not going to stand in the way of at least some progress.

The Hon. R. S. L. JONES [5.56 p.m.]: I do not oppose the Government's amendment to the Opposition's amendment to change the date to 1 July 2001 but point out that the loggerhead turtle is critically endangered in New South Wales waters. In fact, it is critically endangered generally. Most of the balloons travel from west to east so the delay of a few months might well mean that more loggerhead turtles become entangled and die as a result.

The Hon. I. COHEN [5.57 p.m.]: I am disappointed in the Government's compromise position because it just shows that football and business, albeit relatively small business, are more important than are environmental issues. I would really love to know how the balloons are made, under what conditions and where. I would also like to know about the labour conditions and the environmental conditions and how wastes that are involved in manufacturing a product of this type are managed. It would be a very interesting exercise to find out all those matters. I have little doubt that the procedures would fall far short of Australian standards.

It is quite clear that there is a massive problem associated with balloon release. Over a long period, I have felt disappointment when I have seen the release of balloons and I believe that mass balloon releases reflect a poor principle. To release a material that is non-biodegradable en masse into the air during a show is not very creative. I am quite disappointed that the Government has extended the period of that type of operation. As the Hon. R. S. L. Jones stated, the date of operation is an issue that is of significant importance. This is merely a tiny step in environmental legislation terms, yet we have to wait another six months to see any progress being made to reduce the number of balloon releases. As a practice, that is absolutely environmentally unsound. Surely people can celebrate in ways that are more environmentally sustainable.

Reverend the Hon. F. J. NILE [5.59 p.m.]: The Christian Democratic Party will accept the compromise amendment from the Government. I note that the Government still has not said with whom it consulted. It would be a simple matter to say that it consulted with Mr Smith, Mr Jones and so on. There is a question mark because the industry has said that consultation did not take place. As often happens in these matters, the Government claims that there was consultation and others say that there was not. The Government could clear the matter up by stating the various people it consulted with.

Amendment of amendment agreed to.

Amendment as amended agreed to.

Clause 2 as amended agreed to.

Clauses 3 and 4 agreed to.

Schedule 1

The Hon. J. F. RYAN [6.00 p.m.]: I move Liberal Party amendment No. 2:

No. 2 Page 4, schedule 1. Insert after line 21:

146F Exception for readily degradable balloons

- (1) Section 146E does not apply if:
 - (a) all the balloons released, and
 - (b) anything attached to those balloons,
 is constructed of material that is readily degradable or material that is safe for animals and plants (or a combination of both).
- (2) For the purposes of this section:
 - (a) material is *readily degradable* if it complies with a standard for degradability of material adopted by the EPA under section 146G, and

- (b) material is *safe for animals and plants* if it complies with a standard for safe ingestion of material adopted by the EPA under section 146G.

146G EPA standards for degradability of balloons

- (1) The EPA is to develop one or more standards for the purpose of determining whether material exposed in an aqueous environment would, immediately after exposure, be degraded to such a degree that it would present no danger or harm (whether from external contact or through ingesting) to any animal or plant
- (2) The EPA is to develop one or more standards for the purpose of determining whether material can be ingested by animals without causing them harm.
- (3) When the EPA has developed preliminary standards under subsections (1) and (2), it is to give the following persons or bodies a reasonable opportunity to make submissions on the preliminary standards:
 - (a) manufacturers of balloons,
 - (b) retailers of balloons,
 - (c) persons or bodies who propose to regularly release (or cause or permit the release of) 20 or more balloons at or about the same time,
 - (d) bodies concerned with the protection or conservation of the environment,
 - (e) persons or bodies representing any of the persons or bodies specified in paragraphs (a)-(d),
 - (f) persons or bodies prescribed by the regulations for the purposes of this section.
- (4) After giving due consideration to submissions that it receives under subsection (3), the EPA is to adopt standards for the purposes referred to in subsection (1) and (2). The EPA is to make those standards publicly available.
- (5) The EPA may from time to time adopt a new standard, or vary or revoke a standard adopted under this section, for the purposes referred to in subsection (1) and (2). In adopting, varying or revoking a standard, the EPA is to follow the procedure set out in subsections (3) and (4).

I will not go into great detail, because I have previously given an explanation to the House. The purpose of our second amendment is that we agreed with the Government's proposal to achieve this objective, but we wish to modify the legislation to allow the industry to be flexible in the way it achieves the objective of protecting the marine environment and avoiding litter. I draw honourable members' attention to the comprehensive and high standards we suggest be prepared by the Environment Protection Authority [EPA].

Firstly, we require EPA standards that the balloons are readily degradable. The standard of "readily degradable" may be determined by the EPA. It could be degradable within a month or a year, or whatever is considered environmentally necessary. Secondly, we require that the material is safe for animals and plants. If the material released is safe for animals and plants then, again, the Government's objective is met. Finally, the EPA is to develop one or more standards for the purpose of determining whether or not the material exposed in an aqueous environment would immediately after exposure be degradable to such a degree that it would present no danger or harm. To some extent, one might say that the standard is too strong. However, the intent is that a standard would be suggested and industry would be able to be flexible in the way it achieved the objective.

I want to make sure that we are dealing with the right issue here. The issue is not the evil of balloon releases, or that it is innately evil to release material into the environment. The issue is the environmental problem that the releasing of balloons creates litter and is a danger to marine mammals. The intent is to focus on and solve that problem by the Government setting the standards and then industry being allowed to determine how to meet those standards. We would ask the Government to consider this amendment, or a version of it, in order to achieve not only the policy objective of protecting the environment but the policy objective that the Treasurer clearly outlined when his party was in opposition. He said that this would be the way the Government would go about regulating industry for good purposes and that it would allow industry to determine how to achieve the objectives. The regulations would consist of the objectives, not the methods by which the objectives are to be achieved.

The Hon. Dr P. WONG [6.02 p.m.]: I do not support the amendment. Two key issues are involved. Firstly, the release of a massive amount of balloons is, by definition, mass littering. That is a fact. Secondly, mass litter—whether cigarette butts or tissue papers or, for that matter, balloons—has an adverse effect on the environment. That is also a fact. The amendment does not address either of my concerns.

According to this amendment, helium-filled balloons of a readily degradable material will be able to be released into the atmosphere and eventually fall back on land or water. While the balloon material may be more readily degradable, it is still littering. I again draw the parallel to cigarette butts, which, as honourable members would know, are completely biodegradable. If a person litters one biodegradable cigarette butt he is liable for a fine. What is the difference between that and releasing thousands of readily degradable balloons into the environment? I would argue there is absolutely no difference.

Again, this amendment does not address my second concern about the adverse effect of this littering on the environment. Use of a readily degradable material will only reduce the harm to the environment and the wildlife. It certainly will not eliminate the harm. In my opinion, while the balloons are decomposing, they still pose an unacceptable risk to wildlife.

The Hon. I. COHEN [6.04 p.m.]: The Greens oppose this amendment.

The Hon. D. J. Gay: Why would you oppose it?

The Hon. I. COHEN: If the honourable member would listen for a few seconds he might realise that the amendment is absurd. The amendment of the Liberal Party, which is always looking to simplify regulations, will add enormous complexity to the task of the Environment Protection Authority [EPA]. I suggest it would be such a burden on the EPA that it would be difficult to achieve.

The Hon. J. H. Jobling: He has got a smile on his face.

The Hon. I. COHEN: I am always of good humour when I hear absurdity from the other side. When debate goes beyond the level of seriousness to absolute absurdity it is difficult to keep a straight face.

The Hon. J. H. Jobling: That is why you were breaking us up.

The Hon. I. COHEN: It is my general good nature. You may be broken up, certainly far more effectively than balloons would be. The concept of biodegradable balloons—perhaps sausage skins floating into the sky—is absurd. It would be a very difficult, almost impossible, goal to achieve. I believe this amendment is merely a little quip along the way so that the Opposition is seen to be representing its constituency with great effectiveness. Again, that does not wash.

The Hon. Dr P. Wong referred to cigarette butts. The filters of cigarette butts are not biodegradable and the butts are a significant problem in the environment. The biodegradability of any material involves the marine environment issue, but there is also the aesthetics. I do not believe that people take great pleasure in seeing balloons and rubber-type material on our beaches. It creates an aesthetic problem.

Reverend the Hon. F. J. Nile: What about Green posters on bridges and buildings around Sydney?

The Hon. I. COHEN: I am glad Reverend the Hon. F. J. Nile has raised the Green posters. The posters are biodegradable, but they can hang around for a long time. That is a reasonable point to make, and I accept that as fair criticism. The posters should be removed within a reasonable time. I point out that those posters are biodegradable and are usually put up with flour and water. If they are not removed they become an eyesore.

The Hon. J. H. Jobling: Flour and water?

The Hon. I. COHEN: Flour and water is a glue mixture. The posters should be taken down. If political parties are remiss in doing so, it is fair to remind them. Even if balloons are so-called biodegradable, they can still be damaging and are unacceptable. Are they to be biodegradable in a day? I consider that is an impossibility. We are still not getting away from the principle that this is an active massive contribution to litter in our community.

The Hon. D. J. GAY (Deputy Leader of the Opposition) [6.07 p.m.]: I reluctantly speak in this debate, but I have to express my disappointment and dismay. I am disappointed to hear the Hon. I. Cohen come to the table with such a closed mind. Dare we dream that one day someone could come up with a balloon that is acceptable? We have not asked that something unacceptable be accepted. We dared to dream that something could be developed for the industry. I am so disappointed that the Hon. I. Cohen has such a closed mind on this subject.

The Hon. Dr A. CHESTERFIELD-EVANS [6.08 p.m.]: It is lovely to hear the Deputy Leader of the Opposition daring to dream. If the perfect balloon is ever invented, he has the hot air to fill it. Having read the second reading speech, which was introduced by Mr McManus, it is disappointing that he has not justified balloons as opposed to plastics. There is no return of bottles and container deposit legislation, which has long been suggested. Given that the relevant biodegradable impact of balloons versus plastics is so vast, it is interesting that the Government should choose to attack balloons rather than plastics. It makes one wonder about the relative strength of the lobbies rather than the relative size of the problem.

I felt somewhat sorry for the Balloon Artists and Suppliers Association, which said that balloons degenerate. I went into some detail to find out about this subject. I read a paper by Allen Foley from the Florida Department of Natural Resources on 3 August 1990. He looked at balloons in relation to their degradation. He used vacuum chambers to examine their explosion at simulated high altitudes. The conclusion, in essence, was that the problem was not solved. Balloons may end up in terrestrial, fresh water or marine environments. A large number of people have said that balloons are harmful to marine environments. When I was in Batemans Bay my son was asked to take a photograph of a balloon that a fisherman had brought in from the sea five nautical miles out that had been collected and about which he was concerned. It is clearly a big problem.

I accept that it may be true from the reports that plastics are worse than latex, but that does not mean latex gets off scot-free. It is all very well for the Opposition to postulate that when the perfect balloon is invented there will already be legislation in place. But first of all readily degradable balloons have to exist. It does seem from the literature that if a properly released balloon with nothing attached to it rises to a sufficient height it will explode, and the exploded balloon will be too small to do any harm and when the remnants come down they will be harmless. Obviously, firecrackers are banned generally so that mug amateurs do not blow out their eyes or blow their hands off, but licensed experts are able to use them in special conditions. That would be a possibility for balloon artists with mass releases, rather than amateurs.

The perfect balloon does not exist. It is not realistic to think that the EPA can set standards for something that does not yet exist. If it exists, let it apply. It is too much to ask to put in a standard and an exemption for a product not yet in existence. It is a flight of fantasy, as the Deputy Leader of the Opposition more or less conceded. He called it big thinking but I suggest that until the balloons are proven safe the amendment cannot be supported. It is disappointing that the Government does not appear to have considered the issue very much in relation to the impact and the possibility of biodegradability of balloons. It is disappointing that the Government does not think through the science before it introduces legislation.

Reverend the Hon. F. J. NILE [6.13 p.m.]: The Christian Democratic Party supports this amendment. This amendment was not discussed or presented at the meeting with industry representatives. The industry indicated that it was surprised and shocked by the bill but if this amendment were carried it would be an incentive for them to spend money because it costs money to experiment and, if possible, to produce a balloon which has no negative harmful effects. This amendment would give them encouragement to try to find a safe product. If the amendment is rejected it will have the opposite effect and say to the industry it is dead, buried and finished and it will not take any more initiative. This Parliament should encourage the industry to spend money, if it wishes, because it costs money to try to find a solution which may satisfy the Greens—although that sounds almost impossible.

The Hon. J. H. JOBLING [6.14 p.m.]: The argument expounded by Reverend the Hon. F. J. Nile is in part behind the thinking of the amendment moved by the Coalition. That amendment does not deal with the question of current standards. We challenge the industry to be innovative. We hold out to the industry some hope, if it can be achieved, that it can come up with a solution within a period of time. Despite the raucous cackling from the backbench from the Greens who would like the industry exterminated, the industry can aim to achieve a solution within a prescribed time. The standards of the Environment Protection Authority would have to be met and, if not, the industry knows what will happen to it. The amendment will give hope and will test the innovativeness of the industry to attempt to achieve the objectives.

The Hon. R. S. L. JONES [6.15 p.m.]: The amendment of the Opposition states:

The EPA is to develop one or more standards for the purpose of determining whether material exposed in an aqueous environment would, immediately after exposure, be degraded to such a degree that it would present no danger or harm ...

That is presumably within seconds. In days of high humidity, for example, would balloons disintegrate before being released? If they were released in rain or if they passed through clouds would they immediately disintegrate. Obviously the intent of the amendment is to try to preserve the industry but, unfortunately, the

effect of the amendment is completely unworkable. Even with the very best of intentions of the Opposition to try to help this industry, all honourable members know that it is impossible to produce a balloon that will immediately degrade upon exposure to an aqueous environment—whether it is the sea, rain or clouds. In fact, it has already been tried. Other people have been aware of this problem for some 11 years already and the Florida Department of Natural Resources Marine Research Institute has done a survey. Allen Foley produced a report, a summary of which I have. Paper balloons, which one would think would dissolve immediately, were examined. Mr Foley said:

We have examined the paper balloons provided by Sky Artech, Inc. and are ready to answer the questions about these balloons that Russell Nelson posed in his memorandum of January 28, 2000. Sky Artech, Inc. provided us with two distinctly different paper balloons. One type of paper balloon dissolved instantly upon contact with water—

Which is what the Opposition is trying to achieve—

while the other did not. Mr Sam Tabuchi told me that the quickly dissolving balloons were too fragile for practical use, so we only studied the more durable balloons (shaped like doves).

How long will it take this product to dissolve or otherwise degrade upon contact and immersion in seawater?...in fresh water?

On April 17th, we filled 7 paper balloons with air and let them sit in the sun and wind for four hours ... on the roof of a four storey building. After removing the balloons from the roof, we randomly cut-up 3 of those balloons into various-sized pieces. We put the 4 uncut, sun-exposed balloons; the 3 cut, sun-exposed balloons; and 3 other uncut, nonsun-exposed balloons (10 balloons in total) into a floating fish pen that was tied to the seawall along Bayboro Harbour.

This is the scientific test they carried out. To cut a long story short, he continued:

After four weeks, there were changes in the balloons. They were noticeably softer and more easily ripped. Also, those that had been exposed to the sun appeared to be more fragile than those that had not been exposed to the sun. Still, the balloons remained intact. After six weeks, the balloons were very soft and very easily ripped. At this point, the physical manipulations that were necessary to check the balloons (i.e. haul the fish pen from the water and pick out the balloons) were destroying them. We stopped [it]...

They tried to do this. He continued:

We did not test the balloons in fresh water, but we anticipate no decrease in the time that it takes them to degrade.

The point is that during the many weeks that paper balloons—which are barely useable anyway—are in the water they cause a problem with marine life, including loggerhead turtles which are critically endangered off the coast of New South Wales. The industry has had plenty of opportunity to test the balloons. The fact is, if the industry miraculously comes up with a balloon which instantly degrades and causes no harm to marine life, I would imagine that the Government could revoke this legislation immediately as it would not be necessary to retain it.

It is like expecting to have all these tunnels filtered in the city of Sydney. I very much doubt whether within the next 20 or 30 years the industry will be able to find a balloon that complies with the Coalition's amendment. In the meantime the industry is not crippled because it still has plenty of balloons it can manufacture for non-mass release as we saw at the Paralympics. They do not have to be released into the atmosphere. We can have balloon decorating without polluting the environment, whether it be marine or land environment.

The Hon. HELEN SHAM-HO [6.20 p.m.]: This is a good amendment and gives good balance to the bill. Who knows what might happen in the future. It could very well be that in the future it will be possible for a better process to be developed to create an environmentally benign balloon. I will support it.

Ms LEE RHIANNON [6.20 p.m.]: This amendment is ridiculous. The Coalition should withdraw it and try to regain some of its dignity. It is a pathetic attempt to try to gain some environmental credentials. The Coalition has been gazumped by the Labor Party. The Labor Party has brought forward this legislation to get a tick on the board for doing something for the environment. As my colleague the Hon. I. Cohen said, yes, we agree with the legislation but the motives are questionable. When has the Labor Party done anything for the environment on forest management, on waste management, on waste protection or water management—

The Hon. J. H. Jobling: Point of order: With respect, we are dealing with a very specific amendment before the Committee. I can find no reference to forest management in it. I would ask that you bring the honourable member back to the amendment before the Committee.

The CHAIRMAN: Order! In Committee members should restrict themselves to the clause or schedule that is being considered. I ask the member to debate schedule 1.

Ms LEE RHIANNON: You know I am happy to. The Coalition has been left at the starting line on this issue. It is really quite pathetic that it is trying to grab some environmental credentials. It is ridiculous. The Coalition should withdraw quietly. It should try to come forward with some of its own initiatives, otherwise we have the water bill coming up soon. Do the right thing and work for the environment, rather than come through with these pathetic attempts. The Greens will certainly knock this one off.

The Hon. M. R. EGAN (Treasurer, Minister for State Development, and Vice-President of the Executive Council) [6.22 p.m.]: I have not agreed with anything anyone has said in the debate I have heard so far. I think you are all a lot of killjoys.

The Hon. CARMEL TEBBUTT (Minister for Juvenile Justice, Minister Assisting the Premier on Youth, and Minister Assisting the Minister for the Environment) [6.22 p.m.]: The Government does not support the amendment because we believe it is unworkable. Even if it were workable, it does not deal with littering. Environmentally sound, degradable balloons would not do away with that problem. The Government is not aware of any balloon material that met the criteria set out in the amendment, that is, readily degradable, safe for animals and plants. If, in the future, the balloon industry can provide independent and rigorous scientific evidence that such balloons or materials exist, of course the Government may consider revisiting this legislation. But the concerns about littering would still need to be addressed.

The Government does not support the amendment. I indicate also for the benefit of Reverend the Hon. F. J. Nile that there was discussion and consultation with the Balloon Artist Suppliers Association. I am advised that the association was involved in numerous discussions with the Minister's office. The Hon. Dr A. Chesterfield-Evans indicated that the Government was ignoring plastic, but he is quite well aware, because he has asked questions on this issue, that the Government has commissioned an independent review of container deposit legislation, which is part of a broader waste review. The Government will not support the amendment.

The Hon. J. F. RYAN [6.23 p.m.]: It will be fireworks next. Santa Claus, Christmas decorations, they are all on the way out. Apparently, there is something evil about balloons. I do not accept that. I would like to demonstrate how quickly the legislation was drafted. One of the things it does not do is define what a balloon is. I am looking forward to a mass release for some sort of aerial display and the debate that will occur in court about whether a balloon is, according to one dictionary definition, a round or pear-shaped airtight envelope inflated with hot air or some other gas lighter than ordinary air and so to rise skywards. Who is to know what that defines, because it appears that it does not define very much. That just goes to show how quickly the legislation was drafted in August. It has been rushed into the Parliament. I agree with Ms Lee Rhiannon, it is all about getting a few environmental ticks quickly. Of all things to attack, they choose balloons!

The Hon. R. S. L. JONES [6.25 p.m.]: I want to put on record the comments of Dr Nancy Fitzsimmons, a lecturer at the University of Canberra and a member of the IUCN Marine Turtle Specialist Group. Some members seem to be a bit confused about the effect of the amendment. She says:

This second amendment totally destroys the entire intent of the bill. Much of our illegal litter is readily degradable or safe for animals and plants. If I were to drive into Broken Hill and proceed to throw 10,000 wads of paper along the main street, and then dump a few thousand apple cores and banana peels, I would surely be arrested. It would not help me one bit if I said the stuff would degrade in the near future, and it wouldn't hurt their dogs to eat it.

Litter that is readily degradable or safe for animals and plants belongs either in a compost pile or a rubbish tip, not scattered about the ocean. At this point the balloon industry has a product that is not degradable in a marine environment for at least six months according to a study by the Florida State Department of Natural Resources, or longer than one year, according to a study by the United States National Oceanic and Atmospheric Administration. This is not a long time period, but it is long enough to have caused problems for marine life, thus the reason behind the proposed bill. How long will we have to wait for the EPA to set standards and for the balloon industry to develop a balloon that dissolves on contact with seawater, but does not dissolve when it rains?

The Hon. J. H. Jobling: Point of order: The amendment before the Committee is for readily degradable balloons and deals with the question of whether that can be achieved, not what happens in Broken Hill, not what happens with apple cores and not what is dealt with by the—

The Hon. R. S. L. JONES: To the point of order: It is obviously a totally spurious point of order because I am talking exactly about a six-month study and a 12-month study of balloons. I am talking about balloons. That comment should have been made about 10 minutes ago. Obviously, the point of order is spurious.

The CHAIRMAN: Order! Again, I ask the member to stay within the bounds of schedule 1 and this amendment.

The Hon. R. S. L. JONES: That is what I am doing. The second amendment brushes aside this problem by saying firsthand that if the material is not readily degradable then it only has to be safe for animals and plants. For this clause to have any relevant meaning then the animals likely to swallow balloons would have to be tested. Laboratory rats are not relevant here. They have very different digestive systems. They do not feed in water. Given that 61 per cent of balloons do not burst into small independent fragments, but stay connected together, as evidenced in a study by the Florida State Department of Natural Resources, whole burst balloons would need to be experimentally fed to species like marine turtles, sea birds, fish and dolphins. I can almost guarantee that no animal ethics committee would approve such an experiment. The amendment is clearly an absolute nonsense. I sincerely hope it does not pass, because it would destroy the legislation.

Question—That the amendment be agreed to—put.

The Committee divided.

Ayes, 14

Mr Colless	Mrs Nile	Mr Samios
Mrs Forsythe	Revd Nile	Ms Sham-Ho
Miss Gardiner	Mr Oldfield	<i>Tellers,</i>
Mr Gay	Dr Pezzutti	Mr Jobling
Mr Harwin	Mr Ryan	Mr Moppett

Noes, 19

Dr Burgmann	Mr Johnson	Ms Tebbutt
Dr Chesterfield-Evans	Mr M. I. Jones	Mr Tsang
Mr Corbett	Mr R. S. L. Jones	Dr Wong
Mr Dyer	Mr Macdonald	<i>Tellers,</i>
Mr Egan	Mr Obeid	Mr Cohen
Ms Fazio	Ms Rhiannon	Mr Primrose
Mr Hatzistergos	Ms Saffin	

Pairs

Mr Gallacher	Ms Burnswoods
Mr Lynn	Mr Della Bosca

Question resolved in the negative.

Amendment negatived.

Schedule 1 agreed to.

Schedule 2 agreed to.

Title agreed to.

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

SPECIAL ADJOURNMENT

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

That this House at its rising today do adjourn until Tuesday 14 November 2000 at 2.30 p.m.

ADJOURNMENT

The Hon. M. R. EGAN (Treasurer, Minister for State Development, and Vice-President of the Executive Council) [6.38 p.m.]: I move:

That this House do now adjourn.

DEATH OF CHARLES NELSON PERKINS

The Hon. J. R. JOHNSON [6.38 p.m.]: Within the last few weeks Australia has lost a great man, the late lamented Charlie Perkins. Charlie Perkins was one who walked the walk. At the start he walked alone but it was not long before he led multitudes against injustice. There was a time when our Aboriginal brothers could not obtain an alcoholic beverage in most hotels. They were banned from a number of clubs and they could not buy a ticket to the movies in some country towns. His memorable bus trips to Moree and other places were the start of some important advances for our first inhabitants of his and our native land.

Australia owes much to Charlie Perkins. An immense debt of gratitude is due to him. In our nation we could have had revolutionary situations like other nations to rectify injustices; Charlie Perkins led the way and tempered many a situation with jaw, not war. That does not say that he kowtowed in the face of adversity. He always sought a solution. He did not always obtain all of his claims, but he fought for what he saw and what others came to see as human rights. He was a good man who achieved much for the advancement of Aborigines, Torres Strait Islanders and all Australians. He made us a more compassionate people. In my view Charlie Perkins is the closest we have to a Mandela. I know that is a big statement, but Charlie was a big man. I, like most honourable members, knew him well and to really know him was to love him. He was a gentle man. His funeral drew the greats of our nation to give him rightful honour. There is little doubt that his legacy will live long after him. To his family and extended family I convey my sincerest sympathies. I have said we owe him a lot; we do. May his noble soul rest in peace.

NATIONAL PARKS FIREFIGHTING ACCESS

GUY FAWKES RIVER NATIONAL PARK ANIMAL SLAUGHTER

The Hon. M. I. JONES [6.42 p.m.]: Recently more than 20 major bushfires burned for at least six weeks in the northern region of New South Wales in Tenterfield, the Walcha shires and Guy Fawkes River National Park, which were declared as section 44 fires—the most serious of bushfires requiring the Rural Fire Services commissioner's intervention as local resources are deemed inadequate. The fires broke out under extremely dry conditions, which is common throughout rural Australia from time to time. When will good management and commonsense by the National Parks and Wildlife Service prevail? The intensity of these fires and the combination of trail closures in the national parks, Guy Fawkes and Werrikimbe especially, heavy fuel loads on the ground, difficult terrain and inadequate local resources required that outside help be sought. The magnitude of the operation was evident by the following statistics. The fires cost the State an estimated \$500,000 per day. Over 250,000 hectares of bushland were burnt in the north of this State.

More than 600 firefighters worked day and night. Over 20 helicopters were used to drop firefighters into isolated areas for aerial water bombing and fire spotting. The hire cost of each helicopter was between \$750 and \$2,500 per hour. More than 40 heavy bushfire tankers from various regions of New South Wales were deployed. Many bulldozers and dozens of four-wheel drive vehicles also assisted in the operation. Thank goodness these resources were available to us to fight the fires. Many volunteers and commentators argued that access to these fire stricken areas was the major problem. Bearing in mind that we are not yet in the real fire season, what awaits us in early 2001 unless substantial rain falls? Surely commonsense would suggest keeping trails in national parks penetrable by allowing all the public to enjoy their parks. Following the 1994 fires the National Parks and Wildlife Service only recently restored tracks put in under emergency provisions. These tracks are then locked up and now the same area must be reopened to gain access to fight fires.

Bulldozing during the emergency will require restoration once again. Therefore, additional costs will be incurred. What totally unnecessary expenditure! The total inability of the National Parks and Wildlife Service to manage our land and animals is further demonstrated by the unnecessary slaughter of 615 horses in the Guy Fawkes National Park recently. Following these horrific fires the horses were in a poor state, starving and wretched, but the situation could have been avoided. This tragedy is just another sad example of National Parks and Wildlife Service management outcomes to be added to the string of disasters where tragic death has

resulted. The horses are feral to our landscape and management of these animals should be devolved to the equestrian community. Sadly, it appears that the National Parks and Wildlife Service is incapable of co-ordinating such things or simply does not want to. In the past my people have approached rangers to identify ways that brumbies could be removed, sadly without result.

If the National Parks and Wildlife Service has no idea how to organise feral brumbies, I can certainly organise it for them. Instead the brumbies were surrendered to aerial slaughter, shot and left to die in agony. Eyewitness accounts were horrific: a mare had five bullets in the stomach, two in the neck and one in the head; a stallion nearby had two bullet holes in the back, two in the stomach and three in the jaw; another mare was found shot in the midst of giving birth to a foal, and so on. This begs the question: Will anyone now go in to clean up the rotting carcasses in the Guy Fawkes River National Park? There is potential for contamination of downstream water. History may repeat itself when the wild pigs were left to rot on the shores of the Warragamba Dam, once again by the National Parks and Wildlife Service. Unfortunately, it is all too clear that the management practices of the National Parks and Wildlife Service are totally focused on locking everything up so that proper management cannot take place. Further disasters are inevitable, as if Thredbo and Mount Kuring-gai are not enough! In yesterday's press release, the Minister stated that he had appointed an eminent veterinarian surgeon to examine the cullings. There is no need to cull these beasts as they are much loved by the equestrian community, which is more than willing to care and take responsibility for them.

WARRINGAH COUNCIL ELECTIONS

The Hon. D. J. GAY (Deputy Leader of the Opposition) [6.47 p.m.]: Recently I was contacted by the Mayor of Warringah, Councillor Peter Moxham, who was concerned about matters raised in this House regarding the council and the Jones family. Councillor Moxham has forwarded to me a facsimile responding to the matters raised by Ms Lee Rhiannon on 12 October. I should like to place on record an abridged version of the facts sent to me by Councillor Moxham. I have checked the contents of the facsimile and concur with them. The document stated:

Dear Mr Gay

Re: Councillor Darren Jones

I have recently read a copy of the Hansard of Thursday, 12 October 2000 where the Greens Member of the Upper House, Lee Rhiannon, made comments about Warringah Council and its members and former members.

I would like to place before you the facts as they pertain to former Shire President, Gordon Jones:

- Councillor Gordon Jones served on Warringah Council for 13½ years and during that time was elected by his peers to serve as Shire President. It is true that two members of the 1967 Council were subsequently gaoled. However, it is on public record and should be reiterated again that former Councillor Gordon Jones was the first to be completely exonerated. In fact, his honesty was noted and it is interesting to note that Gordon Jones, during his time as a Councillor, did not receive any allowances whatsoever. All his Local Government service was voluntary.
- He served on the then Manly Ambulance Board which later amalgamated with the Central District Ambulance. Gordon Jones then became a member of the Central District Ambulance Board on which he served as member for in excess of 25 years and was, on occasions, the acting Chairman of that board. At no time did Gordon Jones receive any remuneration for his contribution as a Board member.
- Gordon Jones is also accredited with calling the public meeting that saw a community unite to get a hospital in Warringah.
- Gordon Jones was the Chairman of the Board of the Mona Vale District Hospital for a number of years. He was also Chairman of the Board at the opening of the Mona Vale District Hospital.

Again, these positions were held in a voluntary capacity.

Gordon Jones enlisted in the Australian Armed Forces to serve his country when we were at war with Germany in World War II.

Gordon Jones continues to this day to be patron of South Curl Curl and Freshwater Surf Lifesaving clubs, positions he has held for just short of 50 years.

Ms Rhiannon then goes on to attack Cr. Jones, Deputy Mayor of Warringah Council, having been elected at seven consecutive elections by the electors of "B" Ward in Warringah.

To talk about the popularity of an elected candidate is farcical. Cr Darren Jones was first elected to Warringah Shire Council as a "C" Riding representative, has stood at each of the ensuing elections, has been successful on every occasion.

Cr Darren Jones was elected by his peers to the position of Shire President in 1983 for two years, before standing down for personal reasons to build his family home.

In 1996 Cr Darren Jones was elected to be Executive of the Local Government Association of New South Wales and is currently a member of the Executive.

Cr Darren Jones has also been involved in and associated with numerous local groups, some of which are as follows:

- Former president of the Harbord Public School Parent & Citizens Association and awarded life membership of the Parents and Citizens Association of NSW. Club captain of South Curl Curl SLSC and was awarded the Club's blazer as well as becoming a competitive medal winner for the club.
- A bronze medallion member of the Jack Wilson Surf Power Board Rescue Group.
- He was instigator of the Australia Day breakfast.
- Life member of the Queenscliff Amateur Swimming Club.
- Patron/Vice President of numerous community groups and organisations.

Cr Darren Jones has been subjected to extensive inquiries by all sorts of investigative bodies including ICAC, Local Government Department and the Ombudsman, which have been initiated by vexatious complainants. It should be noted and recognised that despite the tirade of allegations levelled against Cr Darren Jones that he has been completely exonerated on each and every occasion.

Yours faithfully

Cr Peter Moxham
Mayor

Ms MIRIAM WRIGHT GIMBERT AND THE DEPARTMENT OF COMMUNITY SERVICES

The Hon. A. G. CORBETT [6.51 p.m.]: I bring to the attention of the House the distressing situation of Miriam Wright Gimbert, who has three sons, one of whom is Jacob, who is nearly three years old. At 12 months of age Jacob became unwell, refusing to eat, vomiting after being upset, and vomiting after consuming certain foods, often up to five times weekly. Jacob also suffered chronic constipation causing intermittent extreme pain. Ms Wright Gimbert visited her doctor and was referred to paediatrician Dr Chris Ingles of Lismore. Jacob was subsequently treated with a heavy regime of medicines. Ms Wright Gimbert, concerned about her child's progress, questioned Dr Ingles on the apparently large quantity and dosage of medication Jacob was receiving. Dr Ingles referred her to Brisbane Hospital for Jacob to have further investigations.

Within weeks she was contacted by the Department of Community Services [DOCS] and informed that she had a condition called Munchausen Syndrome By Proxy, which the Department of Health says is a diagnosis given to a person, typically a parent, who deliberately produces or feigns symptoms or signs of disorder in another person under his or her care, typically a child, and that her children were considered to be at risk. Although Ms Wright Gimbert was concerned about treatment methods used by Dr Ingles on Jacob, she was informed by DOCS that if she did not return to Dr Ingles her children would be taken from her.

Part of the treatment proposed by Dr Ingles was a stomach button, a major operation whereby a tube is inserted through the abdominal wall to feed the patient directly into the stomach on a permanent basis. This operation, which paediatricians at the hospital had previously only performed on average once per year, has apparently been done five times by Dr Ingles during the month following the attendance of Jacob and Miriam Wright Gimbert. She is also not the only parent to be diagnosed with this apparently rare psychiatric condition by Dr Chris Ingles in or around Lismore; at least four other families who have questioned the medical regime of children with difficult to diagnose illnesses have also been diagnosed by Dr Ingles as having Munchausen Syndrome By Proxy.

Ms Wright Gimbert contacted other doctors in New South Wales who specialise in children with unusual developmental disorders. These doctors have informed DOCS of their findings. The medical reports from registered general practitioners and three other registered paediatricians each found clinically and pathologically that Jacob has definite medical problems, and subsequent treatment has been implemented. Jacob has improved and his mother is very happy with that improvement. Unfortunately, however, DOCS has not acknowledged the highly qualified reports of these doctors and paediatricians. They also insist on her returning Jacob to the care of Dr Ingles at Lismore Hospital. Ms Wright Gimbert, her solicitor and the current treating doctor have on numerous occasions requested that hospital records be released to her, specifically the supposed psychiatric diagnosis report. Records have not been released. Only the results of blood tests have been sent. Medical reports from the current treating doctors are available for DOCS or others to investigate.

Ms Wright Gimbert has stayed away from her home as she is scared that her children will be taken from her. As the professionals in Sydney required the regular attendance of Jacob and his mother, they have stayed in Sydney consistently since June or July this year. Now the Housing Commission has taken the family

home away from Ms Wright Gimbert, because of the family's absence from the house being longer than eight weeks. In short, it appears that because Miriam Wright Gimbert questioned the original medical treatment of her son by Dr Ingles at Lismore Hospital, she has lost her home and is in danger of losing her children.

Miriam vehemently denies that she has ever hurt her children and says she never will. She has sought the best medical care at all times for them and works hard to care for them on her own. Above all, she loves them and will not be separated from them. An independent, second opinion about a medical diagnosis without prejudice to a case or its treatment is a right, not a privilege of the people of Australia. Yet many parents whose children have difficulty to diagnose illnesses are reporting that a small number of doctors are making the diagnosis of Munchausen Syndrome By Proxy without psychiatric evidence.

From that point on the parent is denied the basic justice dealt out to those accused of any crime—instead, they are presumed guilty. The reason is that the child may be at risk. Yet the accused has little opportunity to disprove such a diagnosis by proxy made by a doctor with possible specialist knowledge in some areas of paediatric medicine but with little or no specialist knowledge in psychiatry. On occasions, DOCS has passed on to another specialist the original doctor's report and extracts of case notes to make a diagnosis based on that limited information without the further examination of the child. The outcome is predictable. I ask the Minister for Community Services, in consultation with the Minister for Health, and the Minister for Housing, to take urgent and appropriate action on this matter.

DIRECTOR-GENERAL OF JUVENILE JUSTICE RETIREMENT

The Hon. R. D. DYER [6.56 p.m.]: I wish to take this opportunity to pay a short but deserved tribute to Mr Ken Buttrum, Director-General of Juvenile Justice, who is to retire later this month. The House will be aware from an answer given by the Minister for Juvenile Justice to a question I asked last Tuesday that Mr Buttrum and I shared a very productive relationship after he was appointed to his present position in 1995 when I was the Minister responsible for Juvenile Justice. In her response the Minister said that many of the initiatives the Department of Juvenile Justice enjoys, particularly those associated with the capital works program, commenced under what the Minister described as the joint stewardship of Mr Buttrum and me in 1995-96.

Those capital works initiatives—I acknowledge the part the Treasurer played in them—included the construction of new juvenile justice centres at Dubbo and Grafton, together with initial planning of the new juvenile justice centre to replace the antiquated facilities at Mount Penang on the Central Coast. The main rationale for the new centres at Dubbo and Grafton was to enable young offenders to be held in custody much closer to where they lived so that they would not be cut off from regular visits by family and friends, as had been the case previously when juvenile justice centres were located at very great distances from the offenders' local communities.

I agree with the Minister's assessment when she said in the House last Tuesday that Mr Buttrum is a unique individual and is certainly quite unlike any other senior public servant she has met. Mr Buttrum is a self evidently sincere and genuine person who has spent his working life striving to benefit the interests of young people, especially those who come from disadvantaged backgrounds.

After an Ombudsman's inquiry that I requested when I was Minister, Mr Buttrum threw himself into a process to change the culture within detention centres and the Department of Juvenile Justice generally. The Minister is correct to conclude that Mr Buttrum has been responsible for many far-reaching reforms. He has been in charge of innovations such as the Aboriginal mentor scheme, the safe haven program, and many other community-based programs to divert young offenders from custody, including the community service order scheme.

Ken Buttrum has worked tirelessly in connection with the Young Offenders Act, the main feature of which is youth justice conferencing. I am very proud that I was able to work with Ken Buttrum in the early stages of working up this concept and introducing it to keep young offenders, where appropriate, out of the traditional criminal justice system.

When I first came to office as Minister there were, on average, more than 500 young people in detention on any given day. Now there are some 150 fewer young people in detention than there were five years ago. This is largely due to the diversion schemes Mr Buttrum introduced, with my support and the support of subsequent Ministers, including the current Minister, the Hon. Carmel Tebbutt. I wish Ken Buttrum and his wife, Helen, a long and very happy and fulfilling retirement. I warmly welcome the appointment of Mr David

Sherlock as the new Director-General of Juvenile Justice. Mr Sherlock is a senior and highly experienced officer in the Department of Community Services. I have absolute confidence in his capacity to carry on with Ken Buttrum's excellent work in Juvenile Justice.

BEERSHEBA DINNER

The Hon. JENNIFER GARDINER [7.00 p.m.]: Last Saturday night I had the honour and pleasure of attending the annual Beersheba dinner held in Tamworth. I congratulate the 12/16th Hunter River Lancers on the success of the evening. I also thank my colleague the Hon. J. H. Jobling, who was also at the event. The annual dinner commemorates the 12th Light Horse participation in the Charge of Beersheba, which occurred on 31 October 1917. This charge was the principal battle of the First World War for the 12th Light Horse Regiment, the history of which unit flows through to today's Hunter River Lancers, which are headquartered in Tamworth. It was the last successful cavalry charge in history, and was the turning point in the desert campaign of World War I. The charge took place in order to secure the wells of Beersheba. While the wells were taken, it also resulted in the loss of life of 36 Australians, along with 70 of their Waler horses.

The 2000 dinner was a great success, with more than 200 guests present. We were honoured to have the Chief of the Army, Lieutenant-General Peter Cosgrove, AC, MC, as the guest speaker. He was joined by Major General Hoeben, Commander of the 2nd Division, and Brigadier Irving, Commander of the 8th Brigade, along with many other local representatives and guests. I congratulate the Honorary Colonel, Rod Davis, and Lieutenant Colonel Phil Harris and the officers of the regiment on the success of the dinner. Lieutenant Colonel Phil Harris gave a current status report on the 12/16th Hunter River Lancers, which included news of its increasing strength and its successful current recruitment campaign. A number of members of the regiment are currently serving or returning from service on the border of East Timor.

General Peter Cosgrove described his familial link with the regiment. His father was the regimental sergeant major and later the quartermaster of the regiment in Tamworth. He recalled as a young Peter Cosgrove already embarking on a career in the Australian Army that he was visiting his father in Tamworth at the time of the 1967 floods and described his involvement in the use of an armoured personnel carrier [APC] to convey back-up supplies of sandbags to help stem the floodwaters that were flowing into the CBD from the Peel River. He recounted that as he was in the turret of the APC the good citizens of Tamworth were very pleased to see the APC coming down the main street with the much-needed sandbags but, unfortunately, some of the retailers behind the floodwaters saw that he was creating a mini-tidal wave.

His father said, "Don't worry, boy. I will sort it out later at the RSL Club." General Cosgrove was presented with a photograph of his father taken whilst he was serving with the regiment. General Cosgrove delivered a wonderful address in which he evoked a sense of what it might have been like to participate in that historic event at Beersheba. The guests were able to visualise by virtue of his speech the progress of the cavalry charge and imagine the scenery and the smells of the desert dust and also the water in the wells during his speech. It was like listening to a great rendition of *The Man from Snowy River*. General Cosgrove asked: Would the young soldiers in today's Australian Army measure up when compared with those who participated in the Beersheba charge? His answer, based on his experience as the Commander of Interfet and his vast experience in the Australian Army, was: Of course they would! General Cosgrove not only gave a great speech but also signalled in no uncertain terms that the 12/16th Hunter River Lancers have a great future. That, of course, is very important to the people of the Hunter and the New England region. I commend the regiment on its current leadership and the success of its annual 2000 dinner.

JUBILEE 2000 DEBT COALITION

Ms LEE RHIANNON [7.03 p.m.]: I wish to inform the House about the activities of the Jubilee 2000 Debt Coalition. This worldwide movement brings together a diverse range of organisations committed to giving low-income countries a fair go. Their simple plan is to have industrialised countries cancel the debt of low-income countries. Jubilee 2000 deserves the congratulations and the support of all members of this Parliament. Owing to the hard work of this organisation earlier this year, the Australian Government agreed to cancel the debts of Nicaragua and Ethiopia to this country. I understand that Jubilee 2000 recognises that despite this achievement the Australian Government is still very short-sighted on this issue. One key concern is that Australia's cancellation is tied to these countries qualifying under the heavily indebted Poor Country scheme. For both these countries the World Bank has yet to set a date for cancellation to begin.

The World Bank's classification of "indebtedness"—Nicaragua and Ethiopia are both regarded as heavily indebted poor countries—has been widely discredited. The process by which decisions are made

remains almost exclusively controlled by the creditors, that is, largely the Western countries, with little transparency or accountability to civil organisations. Although Australia has agreed to cancel the debt of these countries, they will have to continue to pay Australia \$2 million in debt servicing each year. Compare this to the \$1.5 million Australia gives to Ethiopia for drought relief. What a cruel cycle of giving money with one hand while taking it back with the other. This craziness highlights why we need Jubilee 2000 and all its committed members.

I understand Jubilee 2000 is calling for a moratorium on Ethiopia's debt payments. Jubilee 2000 is also calling on the Australian Government to cancel Vietnam's \$57.7 million which it owes to this country. Many social indicators strongly suggest that Vietnam needs immediate debt cancellation if it is to get back on its feet after a series of natural disasters. I suggest that honourable members consider joining Jubilee 2000. It is an excellent way to make a contribution to their important work. Many members may have seen the signs that they had hanging off churches around the city during the Olympics calling for debt reduction. We need to remember that people face enormous hardships in low-income countries. Because the countries have to put in so much money to cover their debt, the people in those countries carry the burden. So, again, I would recommend to honourable members the work of Jubilee 2000, congratulate that organisation, and urge people to learn more about it and to consider joining.

Motion agreed to.

House adjourned at 7.08 p.m. until Tuesday 14 November 2000 at 2.30 p.m.
