LEGISLATIVE COUNCIL

Tuesday 29 May 2001

The President (The Hon. Dr Meredith Burgmann) took the chair at 2.30 p.m.

The President offered the Prayers.

The PRESIDENT: I acknowledge that we are meeting on Eora land.

ASSENT TO BILLS

Assent to the following bills reported:

Criminal Procedure Amendment (Pre-trial Disclosure) Bill
Crown Lands Amendment (Compensation) Bill
Conveyancing Amendment (Building Management Statements) Bill
Nature Conservation Trust Bill
Roman Catholic Church Communities' Lands Amendment Bill
Russian Orthodox Church Property Trust Amendment Bill
Strata Schemes Legislation Amendment Bill
Agricultural Tenancies Amendment Bill
Chiropractors Bill
Osteopaths Bill
Parramatta Park Trust Bill

CASINO CONTROL AMENDMENT BILL

GAS SUPPLY AMENDMENT (RETAIL COMPETITION) BILL

RACING LEGISLATION AMENDMENT (PROBITY) BILL

Bills received.

Leave granted for procedural matters to be dealt with on one motion without formality.

Motion by the Hon. Eddie Obeid agreed to:

That these bills be read a first time and printed, standing orders be suspended on contingent notice for remaining stages and the second reading of the bills stand as orders of the day for a later hour of the sitting.

Bills read a first time.

LEGISLATIVE COUNCIL COMMITTEES

Report

The President tabled the report entitled, "Report on Performance 2000—Legislative Council Committees:1 July 1999-30 June 2000", dated April 2001.

Ordered to be printed.

M5 EAST TUNNEL VENTILATION

Return to Order: Claim of Privilege

The PRESIDENT: I report to the House that on 24 April 2001 the Clerk received from the Hon. Richard Jones a written dispute as to the validity of a claim of privilege on documents lodged with the Clerk on 30 May 2001 relating to the of M5 East ventilation stack. In accordance with the resolution of the House, the Deputy President appointed Sir Laurence Street, being a retired Supreme Court judge, as an independent arbiter

to evaluate and report as to the validity of the claim of privilege. The Clerk released the disputed documents to Sir Laurence Street, who has now provided his report to the Clerk. The report is available for inspection by members of the Legislative Council only.

INDEPENDENT COMMISSION AGAINST CORRUPTION

Report

The President tabled, pursuant to the Independent Commission Against Corruption Act 1988, the report of the Independent Commission Against Corruption entitled "Corrupt Networks: Report into the conduct of a technical specialist in the State Rail Authority", dated April 2001, received out of session.

The President announced that she had authorised that the report be made public.

TABLING OF PAPERS

The Hon. Carmel Tebbutt tabled the following papers:

Annual Reports (Statutory Bodies) Act 1984—

(a) Report of Trustees of the Anzac Memorial Building, for year ended 31 December 2000

(b) Report of FSS Trustee Corporation, for year ended 30 June 2000

Forestry Restructuring and Nature Conservation Act 1995—Report on Forest Industry Restructuring Expenditure, for the period 1 July 2000 to 31 December 2000

Local Government Act 1993—Report and Determinations of Local Government Remuneration Tribunal under sections 239 and 241 of the Act, dated 19 April 2001

Ordered to be printed.

JOINT STANDING COMMITTEE UPON ROAD SAFETY

Reports

The Clerk announced, pursuant to the resolution of the House of 22 June 1999, the receipt of reports entitled, "Staysafe 52, Responses of Government Agencies to Recommendations in Staysafe Reports of the 51st Parliament", dated April 2001, and "On strategic planning for road safety in the United Kingdom and Hungary", dated April 2001.

The Clerk reported that he had authorised that the reports be printed..

STANDING COMMITTEE ON STATE DEVELOPMENT

Government's Response to Report

The Clerk announced, pursuant to the resolution of the House of 25 May 1999, the receipt of the Government's response to the report of the Standing Committee on State Development entitled "Inquiry into Road Maintenance and Competitive Road Maintenance Tendering", dated 7 November 2000.

The Clerk reported that he had authorised that the report be printed.

M5 EAST TUNNEL VENTILATION

Return to Order

The Clerk tabled, in accordance with the resolution of 28 March 2001, additional documents from the Department of Urban Affairs and Planning, relating to the M5 East ventilation stack, received by him on 2 May 2001 from the Director-General of the Premier's Department and referred to in the resolution of 28 March 2001.

GENERAL PURPOSE STANDING COMMITTEE No. 5

Report

The Hon. Richard Jones, as chairman, tabled report No. 10 entitled "Report on Inquiry into Oil Spills in Sydney Harbour", dated May 2001, together with transcripts of evidence, submissions, documents and correspondence received by the committee and made public.

Ordered to be printed.

The Hon. RICHARD JONES [2.38 p.m.], by leave: I wish to thank David Blunt and Rachel Simpson, the members of the committee and all those who provided statements and gave evidence. One interesting finding of the committee was that the oil spill was handled rather well by the Environment Protection Authority and the Sydney Ports Corporation. They were on the job very quickly indeed. There were one or two minor hiccups but the response to this spill certainly augurs well for the future, when, unfortunately, we are bound to have more oil spills.

The committee found that the major threat to the harbour is not so much the one-off oil spills but a number of minor and continuing oil spills, largely through stormwater. There is a continual dribble of oil and other pollutants into the harbour, which has an ongoing, chronic effect. The committee recommended that gross pollutant traps around the harbour be evaluated to see whether they can be modified to pick up oil in addition to other pollutants. This would certainly help. It was evident that there was no adequate ecological information about the harbour, and there is a need to complete an inventory of biodiversity in the harbour to know exactly what we have. We saw a film showing incredible areas, above and below the water. As everyone knows, the harbour is a very special place, but it may be even more special than we realised. There are a number of species under the water which members may not even know exist. The committee recommended greater protection for the little penguin colony near Manly. I hoped that the committee would be able to accept the concept of greater protection of the harbour through the provision of additional aquatic reserves or even a marine park in the harbour. But all the other committee members decided that that would not be a good idea.

I ask the Minister to look at the consensus statement by 161 international marine scientists, who said that there is an urgent need to conserve 20 per cent of the world's oceans. When an area is conserved there is a spill-over effect in other areas. If no-take zones are conserved, in the event of a catastrophe there is a quicker build-up of populations in adjoining areas. "Catastrophe planning" is talked about. The report contains a number of useful recommendations, which I ask members to read. By and large, the Sydney Ports Corporation and the Environment Protection Authority do their job very well indeed. They learnt the lessons from the *Exxon Valdez* disaster. A lot of damage was done in the clean-up operation. There was scientific evidence that sometimes it is better to do nothing after an oil spill than to do something, because the clean-up can cause more damage. We hope that what was learnt from the *Exxon Valdez* disaster and during the clean-up in the harbour will be remembered when there is another oil spill. As I said, the main problem is not the one-off disasters but the continuing pollution. The harbour, one of our major assets, should be given greater protection.

PETITIONS

Woy Woy Policing

Petition expressing concern about the proposed loss of general duties police officers from Woy Woy Police Station and praying that the House seeks the assistance of the Minister for Police to reinstate those police officers, received from the **Hon. Michael. Gallacher**.

Workers Compensation Legislation

Petition stating that the Workers Compensation Legislation Amendment Bill has been introduced without proper consultation and praying that the House refer the bill to the Workers Compensation Occupational Health and Safety Advisory Council for consideration, received from the **Hon. Ian West**.

Council Pounds Animal Protection

Petition praying that the House introduce legislation to ensure that high standards of care are provided for all animals held in council pounds, received from the **Hon. Richard Jones**.

ADMISSION OF THE TREASURER INTO THE LEGISLATIVE ASSEMBLY

The President reported receipt of the following message from the Legislative Assembly:

MADAM PRESIDENT

The Legislative Assembly requests the concurrence of the Legislative Council for the Honourable M. R. Egan, M.L.C., Treasurer, Minister for State Development, and Vice-President of the Executive Council to attend at the Table of the Legislative Assembly on 29 May 2001 for the purpose only of giving a speech in relation to the New South Wales Budget 2001-2002.

Legislative Assembly — J. H. MURRAY
12 April 2001 — Speaker

Motion by the Hon. Eddie Obeid agreed to:

That standing and sessional orders be suspended to allow the consideration of the Legislative Assembly's message forthwith.

Motion by the Hon. Eddie Obeid agreed to:

That this House agrees to the request of the Legislative Assembly in its message dated 12 April 2001 for the Hon. M. R. Egan, MLC Treasurer, Minister for State Development, and Vice-President of the Executive Council, to attend at the Table of the Legislative Assembly this day for the purpose only of giving a speech in relation to the New South Wales budget 2001-2002.

Message forwarded to the Legislative Assembly advising it of the resolution.

BUSINESS OF THE HOUSE

Questions Without Notice

Motion, by leave, by the Hon. Eddie Obeid agreed to:

That questions commence at 3.00 p.m. today.

GENERAL PURPOSE STANDING COMMITTEE No. 2

References

The Hon. Dr BRIAN PEZZUTTI [2.56 p.m.]: I inform the House that General Purpose Standing Committee No. 2 resolved on 11 April to adopt the following terms of reference:

(1) Quality of care for public patients and value for money in major non-metropolitan hospitals in New South Wales

That General Purpose Standing Committee No. 2 inquire into and report upon the following matters concerning the quality of care for public patients and value for money in major non-metropolitan hospitals throughout New South Wales.

(a) The implementation of quality of care and value for money indicators in public and contracted major non-metropolitan hospitals during the period 1995 to 2001.

(b) Mechanisms for comparing quality of care and value for money between these hospitals.

(c) Progress in improving quality of care and value for money and reducing variability in quality of care in these hospitals during the period 1995 to 2001.

(d) The strategies and measures in place or proposed for improving the quality of care and value for money and for reducing the variability in quality of care in these hospitals for the period 2001 to 2003.

(2) That the Committee report by 15 June 2001.

(2) Disability advocacy funding

That General Purpose Standing Committee No. 2 inquire into the decision of the Minister for Disability Services and the Ageing and Disability Department to subject the funding of grants to peak, advocacy, information and related disability service providers to competitive tender.

The Committee shall take into consideration:

(1) The adequacy of consultations between the Minister and the Department with advocacy groups preceding and following the decision to change the current funding arrangements.

(2) The possible impacts affecting the operation of organisations subject to the proposed funding arrangement.

(3) Any possible impacts on the representative structure of the non-government disability advocacy sector and the effects on people with disabilities and their families in New South Wales.

(4) The implications of implementing competitive tendering in the community services sector, particularly in relation to systemic advocacy.

CRIMES AMENDMENT (COMPUTER OFFENCES) BILL

Second Reading

The Hon. EDDIE OBEID (Minister for Mineral Resources, and Minister for Fisheries) [2.58 p.m.]: I move:

That this bill be now read a second time.

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

Leave granted.

I am pleased to introduce the Crimes Amendment (Computer Offences) Bill. The bill contains new offences designed to protect the community against computer offences both now and in the future. This bill continues the Government's commitment to providing an effective criminal justice system, and also shows the Government's readiness to implement recommendations of the national Standing Committee of Attorneys-General to rationalise the criminal law and make it the same across the various States and Territories. The recommendations are contained in the Model Criminal Code Officers Committee Report [MCCOC] Chapter 4.

The draft bill has been developed in accordance with the model provisions contained in the MCCOC report and there are no substantial deviations from the MCCOC provisions. It contains:

- a definition of data and electronic communication;
- crimes in relation to the unlawful access, modification or impairment of data—including identity theft offences—; and
- crimes in relation to the unauthorised impairment of electronic communication.

The Crimes Act 1900 currently contains "basic" provisions regarding computer crime. These are found in section 309, concerning unlawful access to data in computer, and section 310,concerning damage to data in computer, and are not as specific as the proposed new provisions. These provisions are to be repealed. The proposed new provisions will take into account the latest technological developments and information from all jurisdictions, in order to provide an effective response to computer offences and keep ahead of perpetrators of such crime.

Adoption of the MCCOC provisions will constitute a move towards a uniform approach to computer offences—both nationally and internationally. As stated in the MCCOC report, "there are few areas of current legislative concern in which the need for uniformity of approach in the formulation of criminal offences is more desirable or more pressing". In addition, the consistency of approach to computer offences will clarify the law and assist in the prosecution of offenders. The proposed new provisions in accordance with the MCCOC report are as follows:

New section 308C will create an offence of unauthorised computer function with intention to commit a serious offence. This section will cover the situation I mentioned in this place on 15 August last year where interfering with credit card information with an intention to defraud will carry a five-year penalty. New section 308C applies the maximum penalty applicable as that which applies to the commission of a serious indictable offence—an offence that carries a maximum sentence of five years or more—and would thus cover the fraud offences under current New section 178BA and apply them to the computer context.

I will now go through the other proposed changes to the legislation in some detail. Firstly, unauthorised modification of data to cause impairment—carrying a maximum penalty of 10 years imprisonment,new section308D. There are three broad categories of the offence:

- Firstly, a person with limited authorisation impairs data or programs by engaging in an unauthorised operation on data or programs;
- Secondly, a hacker obtains unauthorised access to and modifies data or programs, causing damage or impairment;
- Thirdly, a person causes damage or impairment by circulating a disk containing a worm or virus etc which infects the target computer data or program via the actions of an innocent agent.

Next, unauthorised impairment of electronic communication to and/or from a computer—carrying a maximum penalty of 10 years imprisonment, new section 308E. This offence has an extremely broad band of application, from harms which are transient and trifling to conduct which results in serious economic loss or serious disruption of business, government or community activities. Next, possession of data with intent to commit computer offence—carrying a maximum penalty of three years imprisonment, new section308F. This is a preparatory offence to allow the prosecutions of individuals who are intending to commit a computer offence and who have taken steps to commit the computer crime by the possession or control of data which would allow the crime to occur, or would allow them to attempt to commit the crime. An analogy would be with a housebreaker having possession of a crowbar in preparation for the offence of housebreaking. This offence also allows a person to be charged who has such data to assist another person to commit the offence.

Producing, supplying or obtaining data with intent to commit a computer offence—carrying a maximum penalty of three years imprisonment (proposed section 308G). This offence is aimed at those who traffic in data which might be used to commit a computer crime. It is a broad offence because of the potentially wide nature of computer crimes. Next is unauthorised access to or modification of restricted data—carrying a maximum penalty of two years imprisonment (proposed section 308H). The formulation of this offence follows the United Kingdom Computer Misuse Act 1990 in placing primary emphasis on the need to ensure the integrity of computer systems and networks against unauthorised access.

Next is unauthorised impairment of data held in computer disk, credit card, et cetera, with amaximum penalty of two years imprisonment (proposed section308I). This offence supplements the law of criminal damage. Cards, tokens and other devices which store electronic data grow daily more sophisticated and their uses more widespread. This summary offence ensures that liability can be imposed whether the card is rendered useless by crude physical attack or by more subtle measures. Lastly, there is also an offence of causing an unauthorised computer function with the intention to commit a serious indictable offence (proposed section 308C). A serious indictable offence is defined in section 4 of the Crimes Act 1900 as an offence carrying a maximum penalty of five years or more imprisonment, or life imprisonment.

The draft bill also proposes a consequential amendment to the Criminal Procedure Act 1986 to enable computer offences to be disposed of summarily unless the prosecuting authority or the accused otherwise elects. All of the offences proposed can be punished by way of fine as well as imprisonment pursuant to sections 15 and 16 of the Crimes (Sentencing Procedure) Act 1999, the maximum fines being 1,000 penalty units in the case of an individual or 2,000 penalty units in the case of a corporation. The bill reflects the combined wisdom of computer experts, experts in criminal law and academics from around Australia and it has utilised the world's best experience in the formulation of such legislation. It places New South Wales in the forefront of criminal law in computer offences in the world. I commend the bill to the House.

The Hon. JAMES SAMIOS [2.59 p.m.]: The purpose of the bill is to update the Crimes Act 1900 in relation to computer offences. The bill will repeal current computer offences and replace them with new offences designed to more appropriately reflect current technology. The offences include crimes in relation to unlawful access to or impairment of data including identity theft offences, hacking, viruses, and unauthorised impairment of electronic communication. The background to this legislation is that basic computer offences have been incorporated into the Crimes Act 1900 for the past 10 years. However, technology has improved markedly, making these provisions largely obsolete.

Many of the current computer crimes that cause serious harm or threats of harm to people and to property including intellectual and corporate property are not adequately covered by current legislation. The bill largely follows the recommendation put forward by the Model Criminal Code Officers Committee of the Standing Committee of Attorneys-General released in February this year. The bill introduces a number of new offences in relation to computer crime and imposes significant penalties for such action. Furthermore, the bill largely follows the model legislation recommended for implementation across all States and Territories. The Opposition has consulted with the office of Senator Chris Ellison, Minister for Justice and Customs, who is responsible for the initiative at the Federal level, and with Andrew Perry, a lawyer from the information and technology area. The Opposition does not oppose the bill.

Pursuant to resolution business interrupted.

QUESTIONS WITHOUT NOTICE

The Hon. Patricia Forsythe: Point of order: As there are only two Ministers instead of the usual four Ministers in the Chamber today, will those two Ministers indicate which portfolios they represent so that Opposition members know to whom they should direct questions today?

The PRESIDENT: Order! That seems reasonable. Will the Acting Leader of the House give that list?

The Hon. EDDIE OBEID: Yes. In addition to the Ministers I usually represent, that is, Minister Scully, Minister Woods, Minister Iemma and Minister Watkins, I will also represent those Ministers usually represented by the Leader of the House, that is, the Premier, Minister Whelan, Minister Knowles and Minister Debus. The Hon. Carmel Tebbutt will represent, as usual, Minister Lo Po', Minister Yeadon, and Minister Debus on environment and emergency services matters and in his role as Minister Assisting the Premier on the Arts. In addition, she will represent those Ministers usually represented by the Hon. John Della Bosca, that is, the Deputy Premier, Minister Refshauge, Minister Aquilina, Minister Amery, Minister Face and Minister Nori.

LAKE MACQUARIE POWERCOAL MINING OPERATIONS

The Hon. MICHAEL GALLACHER: My question without notice is to the Minister for Mineral Resources. Are you aware of significant concerns of Central Coast residents about Powercoal's mining operation

in the Lake Macquarie area? Will you commit funding for a full study of the possible impact of Powercoal's operation in Lake Macquarie? Are you aware that the Department of Urban Affairs and Planning has not completed a comprehensive flood study of the area in question as it was required to do as part of its conditions of consent? Are you concerned that Powercoal claims that it does not have the information to consult with affected residents before it commences the mining operations? Will you or your department investigate this matter prior to operations commencing?

The Hon. EDDIE OBEID: The development consent for the Cooranbong mine extension near Morisset was granted in October 1998 after a commission of inquiry found in favour of the project. The Government approved the mining lease in March 1999. Now known as the Mandalong mine, it is expected that 55 million tonnes of recoverable coal will be mined at up to four million tonnes per annum. This would extend the life of the existing Cooranbong mine by up to 15 years. The biggest environmental concern of the project will be subsidence in the Mandalong Valley. I am advised that Powercoal has conducted extensive studies on this issue. Mining which could cause subsidence, such as longwall mining and pillar extraction, requires further approval under the Coal Mines Regulation Act 1982.

The Government will not approve these second workings if the damage is likely to exceed its safe, serviceable and repairable damage criteria. If repairs are required the cost is fully compensated by the Mine Subsidence Compensation Act 1961. If the operators of the Mandalong mine wish to exceed the damage criteria under dwellings, they must either obtain the owner's consent or purchase the properties. Conditions exist in the development consent to facilitate the purchase of properties where the safe, serviceable and repairable criteria may be exceeded. However, owners are under no compulsion to sell, and if they choose not to, mining will not proceed under their dwellings unless any likely damage meets the damage criteria.

The mine is currently proceeding with detailed mine planning. Tunnels have been built from the existing Cooranbong mine to the mine lease boundary at Mandalong. A resident has raised concerns over the interpretation of a development consent condition. This is a matter for my colleague the Hon. Andrew Refshauge, Minister for Urban Affairs and Planning. Development for the first longwall unit is not expected to commence until mid-2002 and mining will not commence until late 2003. The final layout for initial longwalls has not yet been determined and no second workings approval has been given under the Coal Mines Regulation Act.

The Hon. MICHAEL GALLACHER: I ask a supplementary question. Why has the Department of Urban Affairs and Planning not completed the flood study?

The Hon. EDDIE OBEID: That is a matter for my colleague the Hon. Andrew Refshauge. I am happy to ask that question of my colleague and obtain an answer.

WHITE SPOT SYNDROME VIRUS

The Hon. RON DYER: My question is to the Minister for Fisheries. What are the latest developments in preventing the highly infectious white spot syndrome virus affecting our State's waterways and prawns?

The Hon. EDDIE OBEID: White spot syndrome virus affects not only Sydney Harbour but also our natural resources throughout the State and Australia. This virus is a very serious threat to Australian seafood and our environment. It is reported to have caused losses worth hundreds of millions of dollars in countries where the disease exists, including South-east Asia, India and South America. The disease does not affect humans and is killed by cooking. Make no mistake: while importers are allowed to bring into Australia uncooked or green prawns from those countries and our quarantine laws allow this product to enter without adequate testing, our industry continues to be threatened.

Since 1996 the Commonwealth has permitted the importation of potentially diseased green prawns into Australia. The Commonwealth requires that they be imported only for human consumption. It takes only one unscrupulous person to repackage the prawns as bait and the disease could enter our waterways and cause disease in our prawns and crabs. For instance, Queensland's Fisheries Service recently confirmed that it had destroyed three shipments of imported green prawns infected with white spot syndrome virus; 1.32 tonnes of prawns were destroyed and 7.2 tonnes were placed under quarantine. Those prawns had been distributed to the bait market, risking the health of the marine environment. Even when imported raw prawns make it to a supermarket or fish shop, an angler could easily—and unintentionally—spread the disease by using the prawns as bait. Our appeals to the Federal Government to stop this importation have been ignored. Our appeals for adequate quarantine measures have likewise been ignored.

The Hon. Dr Brian Pezzutti: Point of order: The question related to whether white spot virus was actually imported into Australia. My understanding is that there is no proof that it was. The Minister is misleading the House in his answer with respect to white spot virus and its relationship to Sydney Harbour most recently.

The PRESIDENT: Order! I have warned the Hon. Dr Brian Pezzutti many times that he cannot use points of order simply to make a debating point. There is no point of order. The Minister may proceed.

The Hon. Dr Brian Pezzutti: The honourable member is about to mislead the House and I am trying to save him from doing that.

The Hon. EDDIE OBEID: You did not even listen to the question. The Commonwealth Government's inaction left us with no choice. On 28 March I announced that the virus had been listed as a declared disease under New South Wales law in an effort to prevent it entering New South Wales waterways and prawn farms. This gave the New South Wales Government the power needed to try to fix a mess created by the Commonwealth Government's lax import rules. Indeed, on 12 April our worst fears appeared to have been confirmed. The CSIRO—our country's pre-eminent scientific organisation—officially confirmed that prawns from Sydney Harbour had tested positive, not once but repeatedly. Only two days earlier New South Wales Fisheries was advised by the Federal Department of Agriculture, Fisheries and Forestry that such a test by the CSIRO was considered to be 100 per cent specific for this disease.

I am advised that this means it is not possible to get a false positive reading. Given clear advice from the Commonwealth and the concerns of expert marine scientists in New South Wales, trading in uncooked green prawns caught in Sydney Harbour automatically became unlawful under our State's aquatic disease legislation. The identification of the disease also prohibited recreational fishers from using raw Sydney Harbour prawns as bait.

In my public statement on 12 April I emphasised that only one test had shown a positive result and that this did not mean that all prawns in the harbour were infected. I also advised the community that there was no need to be concerned about buying prawns for the Easter holidays. This was because at that time none of the prawns on sale at the Sydney Fish Market had been taken from Sydney Harbour. These assurances were reported in a responsible fashion by the *Daily Telegraph*. The New South Wales response was a sensible precautionary response to scientific advice provided by the Commonwealth Government. On 12 April I also ordered more comprehensive testing of the harbour, and we are still awaiting these results.

In all, we have provided over 370 new samples for further testing by the Commonwealth laboratories. This Government does not believe a cover-up is the solution to any concerns about diseases in our waterways. This means taking the tough decisions and keeping the New South Wales community informed. Instead of getting on with testing green prawns imported from infected countries, the Commonwealth has chosen to turn this issue into a political football. On 18 May Warren Truss, the Federal Minister for Agriculture, Fisheries and Forestry, intervened and claimed that an all clear had been given to Sydney Harbour.

A second set of tests—of the original positive sample—had been undertaken by a different CSIRO laboratory in Victoria. Those scientists were unable to confirm the repeat positive tests undertaken by the CSIRO laboratory in Queensland. I am advised that this did not justify the announcement of an all clear by the Commonwealth. Such a move was premature given that we needed to receive and analyse the results of more comprehensive testing, which I ordered in April. Since the Federal Minister's intervention, Commonwealth scientific advice about the reliability of the tests undertaken by the CSIRO Queensland laboratory has changed.

In an extraordinary move, the Federal Minister has launched an attack on the credibility of his own scientists and contradicted the advice given by his department to New South Wales Fisheries on 10 April. I have no interest in becoming involved in a dispute between different scientific groups within the Commonwealth bureaucracy or the CSIRO. I suggest that Warren Truss should do the same and take politics out of the scientific process. In New South Wales we are serious about preventing the spread of this disease. We realise that our valuable prawn industry—comprising prawns either caught in the wild or farmed—is too important to risk. Our reputation for pristine waters is under threat from this disease and we will not give up our quest to protect New South Wales. The Commonwealth needs to get on with the job that it is meant to perform. It needs to tighten its lax quarantine laws that daily put our State—indeed, the whole of Australia—at risk. It needs to stop playing politics and protect our environment.

MINISTER FOR LOCAL GOVERNMENT AND REGIONAL MAYORS

The Hon. DUNCAN GAY: My question is directed to the Minister for Mineral Resources, representing the Minister for Local Government. Did Harry Woods refer to country mayors at the recent Country Labor conference on the South Coast by using the collective noun a "mongrel" of mayors? If so, can the Minister explain why he chose to use the word "mongrel", which is defined as "a despicable person or a dog of no definable type or breed considered inferior"? Does the Minister extend that definition to all Labor mayors or just to those who criticise him? Will the Minister apologise to country mayors for this slur on their character or is this the cornerstone of Country Labor's new local government policy?

The Hon. EDDIE OBEID: This question has already been asked in the lower House and I do not propose to get a further answer from the Minister on this subject.

The Hon. Duncan Gay: Point of order: This question has not been asked in the lower House; it is my question that I have asked in this House. The Minister is misleading the House. The Minister for Mineral Resources is a Minister of the Crown who answers questions on behalf of the Government. He should do his job or give it up.

The Hon. EDDIE OBEID: To the point of order: If the question has not been asked in the lower House, that is fine. However, I do not propose to secure from the Minister a more detailed answer to a frivolous question of this type.

The Hon. DUNCAN GAY: I ask a supplementary question. Does the Minister not view this matter with concern? Does his answer not amount to a refusal to ask the Minister for Local Government a question about a matter that greatly concerns local government mayors across this State?

The Hon. EDDIE OBEID: As I am not aware of what the Minister did or did not say, I do not wish to rely on the Deputy Leader of the Opposition's question to make an inquiry of the Minister in another place.

TEENAGE HEROIN USE

Reverend the Hon. FRED NILE: My question is directed to the Minister for Juvenile Justice, representing the Special Minister of State. Is it a fact that heroin use among young people in New South Wales has increased dramatically, with more teenagers using heroin? Is it a fact that more than 11 million free heroin needles were distributed by New South Wales Health Department workers last year, with a large proportion of those needles going on request to teenagers as young as 14 or 15 years of age? Is it also a fact that charges have been laid against heroin drug dealers who were operating a drug supermarket in the building next to the Government's legal shooting gallery in King's Cross and catering to its customers? Will the Government conduct an urgent investigation to establish what impact these 11 million free heroin needles and the King's Cross legal shooting gallery are having on the growing number of New South Wales teenagers who are injecting heroin?

The Hon. CARMEL TEBBUTT: I thank Reverend the Hon. Fred Nile for his question, and I will refer it to the Special Minister of State for a response. However, I must add that my experience as Minister for Juvenile Justice has revealed that, although heroin use among young people is increasing, the significant proposals that came from the May 1999 drug summit that targeted young people have made a significant difference. They will continue to assist young people who are in the throes of heroin addiction and help those young people who are at risk through a range of policies and proposals that seek to increase protection so that young people do not fall prey to drug abuse. Reverend the Hon. Fred Nile has asked a serious question, and I will refer it to the Minister for a response.

TAREE JUVENILE CRIME PREVENTION

The Hon. TONY KELLY: My question is directed to the Minister for Juvenile Justice. Can the Minister inform the House of the Department of Juvenile Justice's latest crime prevention activities in Taree?

The Hon. CARMEL TEBBUTT: I thank the Hon. Tony Kelly for his interest in young people in regional and rural New South Wales—an interest of which I am sure all honourable members are aware. Although I wish to talk about crime prevention activities in Taree, I must preface my remarks by stressing that the majority of young people in Taree are a credit to society and to their communities: They attend school, work

hard and enjoy themselves—as we expect of young people— in a responsible and supportive manner. However, local concerns have been expressed that some young people are getting involved in property offences such as car theft, stealing or burglaries. We must keep those concerns in perspective. In any event, dealing with criminal offences is, in the first instance, a matter for the police. However, I acknowledge also that the Department of Juvenile Justice has a role to play, particularly with crime prevention activities. I am pleased to say that the department is being proactive in providing young people with recreational facilities as part of its approach to crime prevention.

A very practical and imaginative initiative was recently introduced to help stop the temptation to offend by young people in Taree. The program, called Midnight Basketball, is a joint effort by the Department of Juvenile Justice, Taree Police and Community Youth Club and the Koori Youth Network. Midnight Basketball is about getting teenagers off the streets late on Friday nights. It provides them with a healthy and constructive activity before seeing them safely home. The program starts at 10.30 p.m. on Fridays, when a bus provided by the Koori Youth Network's Purfleet Centre, near Taree, drives around the town and seeks out young people on the streets. I emphasise that there is no compulsion for them to take part; it is entirely voluntary. The bus takes the young people to a local youth centre in town where, under the supervision of experienced youth workers, they play basketball, pool and table tennis, and are provided with food and refreshments.

The bus delivers each young person to his or her home at 2.30 in the morning. One might ask: Why Friday night? According to police, that is the peak time for the types of offences I referred to earlier. However, I stress that this does not mean the program organisers believe that those who attend Midnight Basketball are offenders or even potential offenders. The program is simply a welcome initiative that provides opportunities for the enjoyment of young people. Of course, if it leads to quieter Friday nights in Taree, so much the better. Midnight Basketball seeks to provide recreation for young people in Taree who are at a loose end. It is a completely non-judgmental environment and offers young people a safe place, some fun and exercise, and something to eat.

Midnight Basketball has been running only a few weeks and the number of young people involved has already reached approximately 40. I guess that shows that there is a demand for this type of program. As word spreads and trust grows, more people are expected to attend. Of course, it is not claimed to be a major solution to providing late-night recreational facilities for the young people of Taree; it is a simple yet practical measure capable of achieving good results. Midnight Basketball will continue for a few more months and lead into a new program in Taree called Streetbeat. Streetbeat will be run by the Koori Youth Network in conjunction with the Greater Taree City Council and is funded through the Attorney General's Department. Streetbeat will operate three nights a week, in a similar manner to Midnight Basketball.

Some honourable members may be concerned that 2.30 in the morning is quite late, but it must be remembered that Midnight Basketball takes place on a Friday night, and I am sure that young people can manage that! I will be interested to hear how these measures impact on juvenile crime in Taree; they certainly deserve to succeed. I congratulate the juvenile justice officers who started the programs, and the supporting agencies, including the local council. It is a great example of agencies working together and applying commonsense and practical measures to help divert young people to safer late-night activities.

LAND TAX THRESHOLDS

The Hon. DAVID OLDFIELD: My question is to the Treasurer, represented by the Minister for Mineral Resources. By what method does the Treasurer determine the annual increases in the threshold for properties subject to land tax, particularly those properties that are the principal place of residence? Has the Treasurer considered that some areas of the State have land values increasing in excess of 20 per cent per annum, and that some asset rich but cash poor owners are being disadvantaged—and, indeed, some business owners are suffering similarly? Has the Treasurer considered ways of addressing this issue? Would the Treasurer consider determining such thresholds on an area basis, such as local government areas, as opposed to the threshold being the same for the entire State?

The Hon. EDDIE OBEID: I thank the honourable member for his important question. I will seek an answer for him.

NEW SOUTH WALES FISHERIES CONSULTATION PROCESS

The Hon. JENNIFER GARDINER: My question is to the Minister for Fisheries. The Department of Fisheries is undertaking a series of concurrent so-called consultation processes on important issues such as

options for Lake Macquarie and Botany Bay, the designation of recreational fishing areas, the indigenous fishing strategy, commercial fishing management strategy and aquatic reserves. Is the Minister aware that the one theme that is emerging from conservationists, commercial fishers and recreational anglers alike is that the consultation process is a complete and utter shambles? Will the Minister guarantee that his statutory advisory councils and committees will each have the proper amount of time in which to make considered submissions on relevant issues before he determines any issue? Will the Minister step in and try to inject some meaning into his administration's definition of the word "consultation"?

The Hon. EDDIE OBEID: The Hon. Jennifer Gardiner notes in her question that the Department of Fisheries is doing a lot to correct the inactivity of probably 100 years, which spans all governments that failed to do much for our very important fisheries resource. One of the most important decisions I made on first taking over the portfolio was to have independent people appointed to chair all of our management advisory committees. That provided access not only for those represented on the committee but also for any member of the particular fishery to put issues on the agenda, debate them and ask questions about them. The fisheries department has gone a long way to address the issues that concern commercial fishers all along the coast.

I have said in this House on many occasions that for nine months we consulted with communities in every port along the coast about the recreational fishing fee. There is a lot to be done with regard to issues such as recreational fishing areas. We have put the community on notice that there will be a certain period for consultation. Anyone from the community will be able to come forward and be heard, and make a submission. I know that the Hon. Jennifer Gardiner would want to make sure that all sectors of the community are consulted. We place advertisements in newspapers, notify stakeholders and make announcements on radio. As she said in her question, the fisheries department has a lot on its agenda to make sure that we go through the process. I might add that when the Coalition Government introduced the Fisheries Management Act it should have addressed this process of environmental assessments. As an indication of the extent of the process, we need to do it over two or more years.

A certain amount of time needs to be set aside for consultation, as well as for designated recreational fishing areas, aquatic reserves and continued consultation with commercial and recreational fishers through management advisory committees. When the independent chair is looking at a particular zone and all issues relevant to it, the public will be made aware of that process. That can be done only by advertising in newspapers, sending letters to stakeholders, and announcements on radio. Also, we issue press releases. The chairperson visits the area. I believe that the fisheries department is doing a great job. It has a heavy workload, but the forum is being provided for everyone to be consulted; they are all welcome. Of course, it is inevitable that some will plead, "I didn't know. I didn't hear about it. I didn't get the chance to make my submission." Unfortunately, we all have time constraints, and it is important to stick to schedules.

Eight zones along the coast have issues which need to be addressed. Public consultation must take place and all recommendations from that public consultation must go through the Fisheries Resource and Conservation and Assessment Council [FRACAC], which is the body that governs all government agencies, conservationists and indigenous people. We have a lot to do, and I make no apologies for putting time constraints on the consultation process, especially in relation to recreational fishing areas, because we must address those issues that the public expect us to address within a certain time frame.

SCHOOL CLOSURES

The Hon. PATRICIA FORSYTHE: My question without notice is to the Minister for Juvenile Justice, representing the Minister for Education and Training. On whose authority did the Deputy Premier and member for Marrickville tell parents of Marrickville High School students that the school will definitely not close? Does that statement mean the whole process of consultation referred to in the document entitled "Building the Future" is flawed? What advice has been given to Dulwich High School about the nature of its response to the document, in view of the original advice that both schools would merge on the Dulwich Hill site?

The Hon. CARMEL TEBBUTT: It may be that the question should be referred to the Minister for Urban Affairs and Planning, given that it refers to comments he has made. Nonetheless, the honourable member referred to Dulwich High School and the proposal as it relates to that high school. Consequently, I will refer the question to the Minister for Education and Training, and if he thinks it is appropriate he can then refer it to the Minister for Urban Affairs and Planning.

CONSTRUCTION INDUSTRY SUBCONTRACTORS

Ms LEE RHIANNON: I direct my question to the Minister representing the Minister for Industrial Relations. Considering that many principal contractors in the construction industry gain significant financial advantage by engaging subcontractors who are able to reduce their quotes by up to 30 per cent by not fully complying with their workers compensation and payroll tax obligations, will the Minister estimate the annual costs of lost income to both WorkCover and State revenue as a result of this practice? Will the Minister explain to the House what the Government intends to do to address the problem?

The Hon. CARMEL TEBBUTT: Because of its detailed nature I would not attempt to answer the question. I will refer it to Minister Della Bosca for his response.

ROYAL BOTANIC GARDENS CENTRE FOR PLANT CONSERVATION

The Hon. JAN BURNSWOODS: My question without notice is to the Minister Assisting the Minister for the Environment. Will the Minister tell us what the Royal Botanic Gardens is doing to promote plant science both here and overseas?

The Hon. CARMEL TEBBUTT: This question gives me the opportunity to advise the House that yet again the Royal Botanic Gardens has confirmed its worldwide reputation as a leader in plant science and conservation with the opening of the Centre for Plant Conservation, in which I had the pleasure of participating. The centre is a website-based resource that focuses on conservation programs at the garden. It is a really great example of the application of technology to areas such as plant conservation. It also acts as a clearing house for information on plant conservation throughout Australia and our neighbouring regions. The running of the centre will be co-ordinated from the Sydney botanic gardens and Mount Annan Botanic Garden.

Using the Internet the centre will promote the discovery and understanding of New South Wales plant life to the world. It will focus on research, plant collection and education. It will link its activities to other natural resource agencies, as well as the wider community. Such was the interest in the new centre that I was accompanied at the opening by one of the world's leading environmental scientists, Dr Peter Raven, the Director of the Missouri Botanical Gardens in the United States of America. Dr Raven is a leading advocate of, and adviser to government on, maintaining a sustainable environment. It speaks volumes that he took the time to launch the centre before travelling to Canberra to deliver the keynote address at the inaugural Botanic Gardens Congress. It may be a cliché, but it is worth repeating because experts such as Peter Raven continue to do so: Plants are vital for life. To conserve Australia's biodiversity we must protect our plants.

The existence and quality of all living things depend on a remarkable array of trees, grasses, orchids, seaweeds and microscopic plants. That is why the Royal Botanic Gardens are so important. The gardens have served New South Wales extraordinarily well in finding out what plants surround us and what part they play in biodiversity. The staff works tirelessly to protect our flora, and this new Centre for Plant Conservation is a further extension of that work. It is yet another response to the increased need to care for our plant life. Making the right choices requires the best scientific expertise. It requires high-quality education programs, effective delivery of information and close community involvement.

The new centre provides all this and allows the whole world to tap into the resource. As such it will be the nucleus for a broad range of conservation programs in the gardens. Some examples are: scientific research into threatened vegetation types in New South Wales, such as the Cumberland Plain woodland; research into plant species, such as the Wollemi pine in New South Wales; propagation and commercialisation of species to assist their conservation, such as the native Flannel Flower and the Wollemi pine; the recovery and restoration of plant biodiversity through projects such as the seedbank at Mount Annan Botanic Garden; and forgotten flora that play a major role in soil formation and water quality.

The centre will also help to develop new priorities for conservation in New South Wales. These will be based on not just listings of species on the brink of extinction, the existing red lists, but for example on a gold list, which could take into account areas rich in biodiversity as well as the importance of species for evolution and genetic diversity. The Royal Botanic Gardens is taking a leadership role in educating the community both here and abroad about responsible custodianship of biodiversity. Its efforts link New South Wales to the rest of the world in the best form of globalisation, that is knowledge sharing.

TUGGERAH TO KANWAL PACIFIC HIGHWAY TRAFFIC STUDY

The Hon. CHARLIE LYNN: My question without notice is to the Acting Leader of the House, the Minister for Mineral Resources, representing the Minister for Roads. When will the Minister release the study undertaken by the Roads and Traffic Authority into the Pacific Highway between Tuggerah and Kanwal, which was scheduled to be released last year? Is it a case of the Government sitting on a report that will show a desperate need for significant funding to fix the problems that exist on this road, including extensive traffic delays through Wyong? Or is it simply a case of this Government's uncaring attitude towards residents in safe Labor seats?

The Hon. EDDIE OBEID: The assertions made by the Hon. Charlie Lynn are all rubbish. He is trying to put politics into every important project this Government implements. I will convey the important parts of the question to my colleague in the other House and get an answer.

ABORIGINAL CHILD PLACEMENT

The Hon. HELEN SHAM-HO: My question is directed to the Minister for Juvenile Justice, representing the Minister for Community Services. Is it a fact that some Aboriginal children who go into care are still not placed with Aboriginal carers? If so, what steps will the Department of Community Services take to ensure that the Aboriginal and Torres Strait Islander child and young person placement principle, which is enacted in the Children and Young Person's (Care and Protection) Act 1998, is implemented as soon as possible? Given the appalling record in New South Wales of the removal of Aboriginal children from their families, and the fact that Aboriginal children go into care at a rate around eight times higher than the rate at which non-Aboriginal children go into care, will the Minister advise what will be done to ensure that all Aboriginal children in New South Wales who need to go into out-of-home-care are placed according to the Aboriginal placement principle?

The Hon. CARMEL TEBBUTT: I am not in a position to respond with any authority on this matter, although I know that the placement of Aboriginal children with Aboriginal carers relies upon a ready source of Aboriginal families able to provide that foster care. Nonetheless, the Hon. Helen Sham-Ho has asked a question about how the department intends to work towards that aim. I will refer the question to the Minister in the other place and undertake to get a response as soon as possible.

BROKEN HILL MINERAL SANDS PROCESSING PLANTS

The Hon. DOUG MOPPETT: My question is addressed to the Minister for Mineral Resources. Is the Minister aware that one of the companies with a mineral sands prospect in the State's southwest, down near Broken Hill, is considering processing the output of its prospect in Victoria to utilise the larger shipping capacity that exists in Portland? Is he further aware that Australian Inland Energy water and infrastructure is offering incentives to both companies in an attempt to attract them to locate their processing plants in Broken Hill? What specific concessions are being offered to the companies by the Minister and the State of New South Wales to support Inland Energy's efforts to counteract the Victorian incentives?

The Hon. EDDIE OBEID: The honourable member has asked a very important question and I am only to pleased to give him an answer that I hope will satisfy him. This Government is doing everything possible, not only to extract mineral sands in the Murray-Darling Basin but also to retain the benefits to Broken Hill of the processing and accompanying job opportunities. The rich deposits of silver, lead and zinc at Broken Hill have made a remarkable contribution to the economies of New South Wales and Australia since their discovery in 1883. The Broken Hill mine was the last major mining operation in the city.

The Hon. Doug Moppett: There are no mineral sands there, though.

The Hon. EDDIE OBEID: A number of mining companies have exploration rights in the Murray-Darling Basin. The honourable member did not name BeMaX, but it appears to be the company that has located the major quantity of the resource. The Government has given it the right to process a certain amount in order to establish the quality of the mineral sands. As I have said, and as the Premier said when he addressed a forum on mining opportunities investment for New South Wales, if—as BeMaX claims—the reserves are there, the Government will do everything within its power to ensure that mining companies in this part of New South Wales process their output in Broken Hill, thereby providing local job opportunities.

The Hon. Doug Moppett: You ought to check with Eddie Norris.

The Hon. EDDIE OBEID: I am to see people the honourable member is speaking about in a week or a week and a half. They are coming to see me. When they first obtained an exploration licence the Government assured them that if the quantities were commercially viable, after the exploration period the Government would do everything possible to make sure that the product was processed in New South Wales. As to the port from which it will be shipped, that will be a matter of economics but, more than likely, it could be in South Australia. The Government is mindful of how important this will be for the region and of how important is to give the people of Broken Hill every chance to re-evaluate mines that have been exhausted and use new technology in a bid to extract more resources. We have an incentive program in place and the Government will spend $5 million undertaking geophysical surveys to locate additional mineral resources. Broken Hill is an important part of our State. It has given New South Wales and the nation significant economic activity over many years of mining. The Government will do everything it can to help to re-establish mineral resources around the Broken Hill area.

The Hon. Duncan Gay: What concessions are you offering?

The Hon. EDDIE OBEID: The spokesman for mineral resources has asked a most stupid question. Obviously the honourable member has not been listening. Essentially, the company must establish what quantities are available and that there is a commercially viable resource. The Premier and I have said that once that happens, when the company has itemised exactly what it needs from the Government to establish a processing plant in Broken Hill, we will make every effort to assist the company to extract that resource. We will make every effort to enable them to process the output in this State and, hopefully, establish jobs in Broken Hill and surrounding areas. The Deputy Leader of the Opposition did not listen to the question. It was a sensible question from the Opposition, for a change, and the honourable member asked a silly question about what the Government was offering the company. We do not know whether the project is commercially viable or whether the company is prepared to go ahead—

The Hon. Duncan Gay: How come the Premier of Victoria is offering incentives?

The Hon. EDDIE OBEID: I do not know whether the honourable member has been receiving briefings on mineral resources issues, but he will find that another company has exploration rights in the lower part of the Murray-Darling Basin. It also has a pilot processing plant on the other side of the border, in Victoria. That is what the honourable member is talking about, but the bulk of the resource is in New South Wales. BeMaX seems to have exploration rights for the majority of the resource. The Government is looking to ensure that, if the resource is commercially viable, BeMaX has every opportunity to process the output in Broken Hill.

PURPLE SPOTTED GUDGEON

The Hon. IAN WEST: My question is directed to the Minister for Fisheries. What measures is the Government taking to protect and conserve one of our native fish—the purple spotted gudgeon?

The Hon. EDDIE OBEID: Protecting our native fish species and fish habitats is important. Acting on scientific advice from the Fisheries Scientific Committee I recently listed the purple spotted gudgeon as an endangered species. This small freshwater fish was once widespread throughout the Murray-Darling Basin and in some northern coastal streams. Its distribution is now very limited, particularly in the western areas of the State.

The species as a whole has been recognised by Environment Australia as rare, with the western population recognised as severely depleted. Surveyors have located the species only once in the Murray-Darling river system since 1983. This species is presumed extinct in Victoria and South Australia. The decline has been caused by predation from introduced fish, loss of habitat and disturbances to breeding caused by fluctuations in water levels. It is important that we provide threatened species with the best protection possible and that we identify ways to help their recovery. The next step in protecting the purple spotted gudgeon will be the development of a recovery plan. This will also include comprehensive consultation with the community and with stakeholders.

SCHOOL STUDENT FIREARM POSSESSION

The Hon. JOHN TINGLE: My question without notice is addressed to the Minister for Mineral Resources, representing the Minister for Police. Has any action been taken against the apparent owner of a .25 calibre hand gun that was taken to a school at Castle Hill in Sydney by a young boy? If not, will the Minister indicate whether charges of possession of an unregistered hand gun and/or failure to secure firearms have been laid, or are likely to be laid, against any person deemed to have been originally in possession of the firearm that the boy allegedly obtained?

The Hon. EDDIE OBEID: I read with concern, as I am sure others did, a report about the matter in one of the daily newspapers. I will obtain a detailed answer for the honourable member from my colleague in the other House.

SHOVELNOSE SHARKS CULL

The Hon. Dr BRIAN PEZZUTTI: My question is to the Minister for Fisheries. Is the Government aware of the recent illegal cull of shovelnose sharks by spearfishermen at Byron Bay? What steps are being taken by the Government to stop this from occurring again?

The Hon. EDDIE OBEID: For once the Hon. Dr Brian Pezzutti has asked a sensible question. I am not aware of the exact details—

The Hon. Duncan Gay: You have ordered an inquiry.

The Hon. EDDIE OBEID: The honourable member knows there is to be an inquiry. Does he want the details?

The Hon. Michael Gallacher: Yes.

The Hon. EDDIE OBEID: The honourable member wants the details before the inquiry is completed. I am more than happy—

The Hon. Duncan Gay: You should read what you signed.

The Hon. EDDIE OBEID: Ordering an inquiry is not providing details.

The Hon. Dr Brian Pezzutti: You ordered it.

The Hon. EDDIE OBEID: Of course when an inquiry has been ordered, but I have no details as to the—

The Hon. Duncan Gay: You order an inquiry and you have no details?

The Hon. EDDIE OBEID: The Deputy Leader of the Opposition interjects. A Minister orders an inquiry to get the details, to get the facts about an incident that has occurred. When I have received information I will be more than happy to share it with the House.

MINERALS INVESTMENT

The Hon. JOHN JOHNSON: My question is directed to the Minister for Mineral Resources. What is the Government doing to promote minerals investment in New South Wales?

The Hon. EDDIE OBEID: I thank my colleague the Hon. John Johnson for an important question.

The PRESIDENT: Order! There is too much chatter. I am finding it very difficult to hear the Minister.

The Hon. EDDIE OBEID: The Carr Government actively encourages investment in mineral exploration and development in New South Wales. Mining creates jobs and has enormous economic benefits for the State's regional towns and communities. Since Labor took office in 1995, 17 new mines have been commissioned and 11 projects have been approved, and more than 52 potential developments are in the pipeline. They could create up to 4,000 new jobs and would inject up to $4 billion into the State's economy. The forecast for the New South Wales mineral industry is positive due to recent increases in coal prices and sustained growth in metallic mineral production. Our State's mineral production is expected to increase by 15 per cent to $6.8 billion this financial year. This growth was achieved during a time of volatile commodity prices and weakening world economic growth.

The New South Wales Government continues to promote our State's mineral resources at every opportunity. Earlier this month the Premier opened one of the mineral industry's most prestigious gatherings, the Mineral Exploration and Investment 2001 Conference, which is a two-day forum held in Sydney every two

years. It showcases current exploration and developments in mining and mineral processing and investment opportunities in the State. This year's conference was a huge success. More than 230 delegates from Australian and international mining and investment companies attended the forum. Companies attending the forum included Rio Tinto, Newcrest Mining, Pasminco, Triako, Black Range Minerals and the mineral sands explorers BeMaX and Murray Basin Titanium. International companies and organisations were represented by Korea Resources Corporation, Bank of Tokyo, Sumitomo Mining, Mitsubishi Australia, Metals Mining Agency of Japan and Phelps Dodge.

One of the major presentations at the conference focused on the New South Wales Government's $30 million Exploration New South Wales initiative. This seven-year initiative will ensure that our State remains at the forefront of minerals and petroleum exploration. The Government's drive to promote investment in New South Wales means that more than 50 per cent of our State has already been mapped, using the latest geological techniques. The information is being made available to the minerals industry and to exploration companies worldwide. I announced the release of the latest survey for the Wagga Wagga area at the conference. New government surveys are currently being undertaken near Broken Hill and in the Moree area. I look forward to advising the House about further developments in minerals exploration and investment in New South Wales.

PROBLEM GAMBLING

The Hon. Dr PETER WONG: My question is to the Minister for Juvenile Justice, representing the Special Minister of State and the Minister for Gaming and Racing. As 2 per cent of the population of New South Wales are problem gamblers, and given the recent rapid increase in poker machines in New South Wales, does the Government accept that gambling in New South Wales is causing serious and increasing problems? What measures does the Government plan to control gambling in New South Wales? Lastly, the most important question: Does the Government plan to consult with the people of New South Wales before it makes any changes to the gambling regulations?

The Hon. CARMEL TEBBUTT: I will refer the question to the Minister for Gaming and Racing in the other place and undertake to get a response as soon as possible.

ABORIGINAL COMMUNITIES AND MINING INDUSTRY PARTNERSHIPS

The Hon. RICK COLLESS: Is the Minister for Mineral Resources aware of the excellent Federal Government program announced last week to promote partnerships between Aboriginal communities and the mining industry? Is the State Government going to match the substantial $1.2 million contribution of the Federal Government in this regard?

The Hon. EDDIE OBEID: I know that the honourable member is relatively new in this House but I remind him that this State's low impact exploration native title legislation, which has already been approved by the Federal Government, is probably the model for all other States. It quite adequately covers any participation by indigenous communities if exploration occurs within areas covered under their native title rights. We are mindful of the rights of indigenous communities and at all times we will encourage the participation of indigenous people, especially when the resource is within their native title landholdings.

The Hon. Duncan Gay: What about the $1.2 million?

The Hon. EDDIE OBEID: Is the honourable member suggesting that the $1.2 million is an answer to all the grievances in relation to what indigenous communities have suffered over many years? This State has model native title legislation.

The Hon. Duncan Gay: Yes, it was part of the template from the Federal Government. It was not an initiative.

The Hon. EDDIE OBEID: Other States are using our legislation as a model of best practice.

The Hon. Michael Gallacher: You just said that yours was unique.

The Hon. EDDIE OBEID: No, we have the model that other States are using. As a matter of fact, the Commonwealth applauded our model for native title agreements. We are doing our job, as always. Whether it is minerals or fisheries, as far as I am concerned indigenous people deserve every benefit that we can muster in

their interest. In addition to their involvement with minerals businesses, I look forward to the day when I can come into this House and say that we have a policy to attract indigenous communities into fishing businesses, whether it be aquaculture or commercial fishing.

YOUTH ENTERTAINMENT NETWORK

The Hon. JOHN HATZISTERGOS: Can the Minister for Juvenile Justice, and Minister Assisting the Premier on Youth advise the House what the Government is doing to improve access to drug and alcohol-free entertainment for young people?

The Hon. CARMEL TEBBUTT: On many occasions young people raise the important issue of access to appropriate entertainment options. INDENT is a youth entertainment program that was developed by the Government after consultation with young people around the State. Young people say that there is a lack of safe, affordable entertainment opportunities, particularly in rural and regional areas and particularly for young people under the age of 18 years. INDENT also forms part of the Government's response to the Drug Summit. Entertainment opportunities form part of community strategies to divert young people from experimenting with drugs. The program provides funding and support to 15 partnerships involving young people and a host organisation. For this calendar year partnerships have been funded in Leichhardt, Waverley, Gordon, Newcastle, Katoomba, Gosford, Bega, Broken Hill, Lithgow, Wagga Wagga, Armidale, Port Macquarie, Muswellbrook, Taree and Lismore. So there is quite a coverage of the State.

INDENT forums are also being held throughout the year. Forums bring the INDENT youth committees together to share information and expertise as well as formal training. Each committee is given training in resources to put on at least four events over 12 months. INDENT youth committees will organise over 60 individual events this year. The partnerships have so far supported youth festivals, pool parties, all-ages gigs with headline acts, and dance parties. There is a recognition that sometimes the community just needs some one-off money to get something happening, and then other organisations may well pick it up. Last week I was pleased to announce six one-off grants of up to $2,000 for young people in rural New South Wales. Young people in Tamworth from the Coledale housing estate will be staging an all-ages event with local bands.

In Kiama three local youth bands will perform at the Kiama Pavilion with an established Australian act. The event aims to provide all-ages entertainment and to give organisational experience to the performing bands, crew and the INDENT committee. Nyngan and Cobar high schools will get together to celebrate local talent with a band and indigenous dance night in Nyngan. The Bellingen INDENT committee is organising a minifestival with local and regional bands to be held in Jarret Park, Bellingen.

Other activities include a skate competition and demonstrations, disc jockeys, food stalls, circus workshops, drumming and body percussion, and a dance marathon. Lots of fun there, I am sure. In Lake Cargelligo, two local bands, Cypress and Euphoria, will perform for young people in the Lachlan shire. Barraba Central School will host a bands night at that school. The range of activities is vast and reflects that music plays a central part in the culture of young people. I know that young people in these communities will enjoy these events.

I hope that the skills and events experience they gain means that the community will be able to support additional events for young people into the future. INDENT is certainly making its mark across the State, and it is well supported by young people. I will continue to provide information to the House about this successful program.

The Hon. EDDIE OBEID: If honourable members have further questions, I suggest that they put them on notice.

DEFERRED ANSWERS

The following answers to questions without notice were received by the Clerk during the adjournment of the House:

NATIONAL PARKS AND WILDLIFE SERVICE AND ICAC CORRUPTION ALLEGATIONS

On 27 February the Hon. Malcolm Jones asked the Treasurer a question without notice relating to the National Parks and Wildlife Service and ICAC corruption allegations. The Premier provided the following response:

> The ICAC is within the administration of the Premier. The Commissioner of the ICAC has appointed the Hon. John Slattery, AO, QC, to oversight investigations into allegations that an officer of the ICAC acted other than in accordance with his or her official duties. The Hon. Jerrold Cripps, QC, is conducting the hearings into these allegations.

PREVENTION OF CRUELTY TO ANIMALS LEGISLATION

On 27 March the Hon. Richard Jones asked the Treasurer a question without notice concerning the prevention of cruelty to animals legislation. The Minister for Police provided the following response:

I have written to the honourable member directly in relation to this issue.

INTOXICATED PERSONS AMENDMENT LEGISLATION

On 27 March the Hon. Peter Breen asked the Treasurer a question without notice relating to the Intoxicated Persons Amendment Act. The Premier provided the following response:

The Intoxicated Persons Amendment Act empowers police to detain people who are intoxicated with alcohol and/or other drugs and who are acting in a manner likely to harm themselves or others or damage property.

In response to the Act, local protocols are being developed between Police, New South Wales Health and the Department of Community Services to establish co-operative arrangements to assist people to get the assistance they need, including treatment and accommodation services.

In response to the honourable member's questions about the ability of police to prevent the sale of illegal drugs, the honourable member would no doubt be aware of the initiatives that I announced in Parliament on 27 March 2001. Under these initiatives, police will have greater powers to search and close down drug houses, to search individuals for illegal drugs and to move on "go-betweens" trying to arrange sales of illegal drugs. The legislation is currently being drafted, and will come before the Parliament shortly. Given their importance, I want these laws passed in this session of Parliament.

CHILDHOOD CRUELTY TO ANIMALS

On 27 March the Hon. Alan Corbett asked the Treasurer a question without notice concerning childhood cruelty to animals. The Minister for Police provided the following response:

Little research regarding the possible evidentiary link between childhood cruelty to animals and later violence against people has been undertaken in Australia. Officers of the Ministry for Police and the Police Service are currently exploring this issue further.

DIRECTOR OF PUBLIC PROSECUTIONS

On 27 March the Hon. Dr Arthur Chesterfield-Evans asked the Treasurer a question without notice relating to the Director of Public Prosecutions. The Attorney General provided the following response:

I can confirm that the Government is considering the establishment of a Board of Management to oversee the management of the Office of the Director of Public Prosecutions.

The issue of improving the management of the DPP was first raised by the Council on the Cost of Government in its Review of the Office of the Director of Public Prosecutions which was released in November 1998. While the DPP has addressed some of the issues raised in the COCOG report, further measures are needed to improve the management of the office.

It is proposed to amend the relevant legislation to establish a management board. The board will provide expert management and strategic planning advice to the director. The board will also report to the Attorney General on management issues. It will not have the power to direct the director nor to impinge on the independence of the DPP's prosecutorial decision making.

The DPP is concerned that such a board would represent a significant interference with his role and functions as an independent prosecutor. However, it is important to understand that the need for accountability applies not only to the DPP but to other independent bodies such as the courts. In his introduction to the Supreme Court of NSW Annual Review of 1998, the Chief Justice noted an "acceptance by the court of a level of accountability, in accordance with contemporary expectations." His predecessor, the Hon Murray Gleeson, has observed "We live in an age which demands, from all governmental institutions, satisfactory forms of accountability. Accountability and independence are not always easy to reconcile. The principles of independence do not require that courts and judges be left entirely unaccountable."

The professional independence of the DPP is not incompatible with being accountable for the way in which the office spends taxpayers' money.

PARKING PATROL OFFICERS EMPLOYMENT

On 28 March the Hon. John Tingle asked the Treasurer a question without notice concerning the transfer of parking patrol officers. The Minister for Police provided the following response:

I am advised by the Executive Director, Human Resource Services that parking patrol officers have received several written communications on this matter, with the two most recent communications in March 2001 addressing a number of issues the honourable member has raised.

I am also advised that the New South Wales Police Service will appropriately pay the parking patrol officers their accumulated recreation and long service leave entitlements at the date of transfer of the function. The Government has also made it possible for the superannuation entitlements of the parking patrol officers to be portable.

Negotiations are continuing to progress with the Local Government and Shires Associations.

POLICE SERVICE RECRUITMENT POLICY

On 28 March the Hon. Dr Peter Wong asked the Treasurer a question without notice regarding the Police Service recruitment of police officers fluent in languages other than English. The Minister for Police provided the following response:

The recruitment of police officers from culturally and linguistically diverse communities remains a high priority for the Police Service. The Police Service endeavours to recruit from all community groups aiming to have a mix of police officers that is representative of the cultural diversity in our society.

The Police Service has numerous strategies in place to recruit potential officers from non-English speaking backgrounds, some of which include the setting up of stalls at cultural events, career days and schools, liaising with TAFE colleges and universities, advertising within the ethnic community press and the conduct of police open days.

Additionally, the Police Service works closely with the Community Relations Commission on a range of issues, including the recruitment of officers from various cultural backgrounds.

HIH INSURANCE

On 3 April the Hon. Peter Breen asked the Treasurer a question without notice regarding HIH Insurance. The Attorney General provided the following response:

The Solicitor's Mutual Indemnity Fund, provided for under the Legal Profession Act 1987, has considerable reserves. LawCover is planning the use the reserves to meet the shortfall left by the failure of HIH. Under the proposed arrangement, consumers with valid claims against solicitors would have their claims met.

Before agreeing to the use of the fund in this way, the Attorney General will need to be satisfied that:

- 100 per cent of all claims and expenses will be paid by LawCover;
- LawCover will ensure that contributions to the Fund by solicitors will be adequate to ensure that sufficient funds are available;
- decisions are made at arm’s length from the Law Society; and
- there is no legal impediment to implementing the proposal.

When concerns were first raised about HIH earlier this year, the Attorney General's Department initiated urgent discussions with the Law Society and LawCover regarding the development of a contingency plan. These discussions are close to finalisation and steps are being taken to ensure that any plan which is implemented is appropriate and takes into account the interests of consumers.

COMMUNITY RELATIONS COMMISSION CORPORATE PLAN

On 3 April the Hon. Dr Peter Wong asked the Treasurer a question without notice concerning the Community Relations Commission corporate plan. The Premier provided the following response:

The Government has established an implementation committee to address issues raised in the COCQG's program review of the former EAC.

In relation to funding for the Ethnic Communities Council ofNew South Wales, the Community Relations Commission currently assists the council by meeting the costs of employment of certain staff members and by assisting with the establishment of appropriate public financial management and accountability procedures.

The recently completed Report of the Ethnic Communities Council of NSW Advisory Committee (also known as the Roach Report) contains recommendations to improve the operation of the Council. It is understood that the implementation of some of the recommendations will require amendments to the Constitution of the Council and that it is organising a special general meeting of members for that purpose.

Once the Council demonstrates that it can provide adequate accountability, the Commission will be in a position to consider further support for the Council.

HEPATITIS B

On 4 April the Hon. Elaine Nile asked the Treasurer a question without notice relating to Hepatitis B. The Minister for Health provided the following response:

NSW surveillance data indicates that the age specific annual rate of hepatitis B notifications for 2000 is higher in the 31 to 45 year age group (rate 136.8 per 100,000) than in the 15 to 30 year age group (103.4 per 100,000).

Hepatitis B is a blood borne virus which is usually transmitted via direct blood to blood contact, e.g. by sharing injecting equipment, through sexual contact and from mother to child during birth. These modes of transmission are likely to account for the vast majority of these infections. Transmission on the sporting field is likely to be very rare.

Although the risk of transmission of a blood borne virus during sport is very low, the NSW Department of Health is guided by the recommendations of the Australian National Council on AIDS Hepatitis C and Related Diseases (ANCAHRD) Bulletin *HIV, Hepatitis C and other Blood Borne Viruses and Sport*.

Specific recommendations of the ANCAHRD Bulletin include enforcement by players, officials, teams and sporting authorities of the relevant "blood rules" for their sporting activity. "Blood rules" are those rules designed to prevent transmission before, during and after the game. Education of people engaged in contact sport is a shared responsibility of all participants, officials and sporting bodies.

HIH INSURANCE

On 4 April the Hon. Dr Brian Pezzutti asked the Treasurer a question without notice relating to HIH Insurance. The Minister for Fair Trading provided the following response:

The Director-General of the Department of Fair Trading has advised that the Department of Fair Trading has not instructed its staff to provide advice to home owners as stated by the member.

LEGAL PROFESSION DRIVING RECORD DISCLOSURE

On 5 April the Hon. Peter Breen asked the Treasurer a question without notice regarding subordinate legislation. The Attorney General provided the following response:

The *Legal Profession Act 1987* includes power for regulations to be made to require practitioners to provide information to the Law Society Council and the Bar Council, to ensure that the Councils are aware of matters relevant to their fitness to practise.

The Legal Profession Amendment (Notification) Regulation 2001 was gazetted on 9 March 2001. The Regulation requires a legal practitioner applying for a practising certificate to disclose acts of bankruptcy (clause 6 (1) (e)) and any findings of guilt for an offence, other than an excluded offence (clause 6 (1) (d)). Many traffic offences fall within the definition of 'excluded offence', and so do not need to be notified. However, some driving offences may reflect on the character of a person, and on the fitness of a person to practise as a legal practitioner, such as menacing driving, drink driving and culpable driving. That is why these offences need to be disclosed. However, findings of guilt which are spent under the Criminal Records Act 1991 do not need to be disclosed, because of the operation of section 12(c) of that Act.

The Regulation requires a practitioner to provide details of each incident of bankruptcy and a statement as to why the practitioner considers that, despite the incident, the practitioner is a fit and proper person to hold a practising certificate. The Regulation also empowers the Councils to ask for further information from the practitioner, relating to the cause of or circumstances surrounding the incident, within such time as it specified.

Clauses 69D and 69E impose a continuing duty on a barrister or solicitor to notify the Councils of findings of guilt for offences and acts of bankruptcy and to give the Council further information as specified by the Council.

The regulation was made to protect the public from unethical and unprofessional conduct by legal practitioners. The object of the Regulation is to ensure that the Councils are armed with information that is relevant to a practitioner's fitness to practise, so that they can exercise their powers under Part 3 to suspend, refuse to issue or cancel a practising certificate, or initiate a complaint against the practitioner under Part 10, on the ground that the practitioner is guilty of unsatisfactory professional conduct or professional misconduct.

I am not aware that practitioners have expressed concerns in relation to their privacy rights being breached by the regulation. I have been advised that as at 18 April 2001 the Privacy Commissioner has not received any complaints from solicitors or barristers about the requirements to disclose information. I am not aware of any provision in the Privacy and Personal Information Protection Act or the Commonwealth Privacy Act that would prevent the provision of such information to the Law Society Council or the Bar Council. Much of the information required to be disclosed is likely to be already in the public domain, because it relates to findings made in open court. However, I have no reason to think that the Councils will not respect the privacy of practitioners who disclose information to them.

The Regulation requires practitioners to notify the Councils of certain incidents and to provide information about the circumstances of bankruptcy. The Councils can ask the practitioner to provide further information if necessary. The new laws do not deny natural justice to practitioners. The regulation does not prevent the Councils from giving the practitioner a right to be heard. On the contrary, it envisages that such a right will be accorded to the practitioner. Further, if the Councils take any action, the practitioner can exercise his or her right of appeal to the Supreme Court.

There does not appear to be any need to seek advice from the Crown Solicitor about all aspects of the new laws.

CABRAMATTA ANTI-DRUG STRATEGY

On 5 April the Hon. Dr Peter Wong asked the Treasurer a question without notice about the Cabramatta anti-drug strategy. The Premier provided the following response:

The honourable member's concern about increased drug dealing activities in Cabramatta Road west is an operational matter for the Police Service and I have referred this matter to the Minister for Police.

The Government is tackling drugs on a number of fronts on a statewide basis. The proposed new illicit drug laws recently announced by the Premier will give police more targeted powers to search and close down drug houses, to search for drugs, to arrest those who try to stop them from entering premises where drugs are being sold, and to move on "go betweens" trying to arrange drug deals.

The Government's Plan of Action in Response to the Drug Summit Recommendations establishes a multi-faceted approach to the drug problem which does not rely exclusively on law enforcement. Under the plan, treatment services have

been augmented and drug diversion programs established. Those programs, which divert offenders out of the criminal justice system into treatment, aim to address the addiction and other problems of drug dependent users. Over 4 years, $176 million has been devoted to implementing that Plan.

STOCKTON BEACH OWNERSHIP

On 11 April the Hon. Malcolm Jones asked the Treasurer a question without notice concerning Stockton Beach ownership. The Premier provided the following response:

The Government recently announced an agreement with the Worimi Aboriginal Land Council that allows the establishment of Stockton Bight National Park and associated reserves. The agreement allows the Aboriginal Land Claims lodged by the Land Council to be determined, with the area being leased back to the State. The reserves will be managed by the Worimi community, together with the National Parks and Wildlife Service. The agreement will mean the establishment of a 1,905 hectare National Park, a 818 hectare State Recreational Area and a 1,475 hectare Regional Park.

The land is also subject to Native Title Claims. Final determination of the Native Title Claims and the Aboriginal Land Claims will occur after the Traditional Owners have been registered and the lease-back has been negotiated.

The Aboriginal Land Claims and Native Title Claims may amount to interests in the land. It is thus not possible to say who "owns" the land at the present time. However, the legal title to the land remains vested in the State of New South Wales.

SHOALHAVEN HOSPITAL UPGRADE

On 11 April the Hon. Don Harwin asked the Treasurer a question without notice relating to Shoalhaven Hospital upgrade. The Minister for Health provided the following response:

The Shoalhaven Hospital redevelopment has been fast tracked from a 100-week construction period to a 70-week construction period, beginning in October 2001. This reduced construction period will reduce the period of disruption for the hospital and provide redeveloped facilities that much sooner.

As part of the construction program, the pre-operative accommodation for day surgery patients will be relocated to an area currently used for meetings. The meeting rooms will be appropriately refurbished for this purpose.

The operating theatre where procedures are performed will not be affected.

GENETICALLY MODIFIED CROP CONTAMINATION

On 11 April the Hon. Alan Corbett asked the Treasurer a question without notice concerning genetically modified canola pollen. The Minister for Agriculture provided the following response:

The Canadian High Commission in Canberra was not aware of any ban on Canadian honey in European markets. A spokesman indicated that more specific details would be needed for him to check if any shipments had been rejected but he conceded that some importers may not be prepared to accept imported honey without a GMO-free certificate.

Genes are confined exclusively to the protein fraction of plants and animals. As a sugar solution, honey does not contain any protein and therefore does not contain any genes. In this respect it must be considered GMO-free whether the bees were foraging on conventional or genetically modified plants. However, bees carry pollen grains from the nectar source they are foraging back to the hive and these can become a contaminant of the honey. This can be a source of GMO contamination of honey if bees are foraging genetically modified plants.

Normal processing aims to remove such physical contaminants to ensure purity, but some pollen grains may remain in high-grade commercial honey.

Genetically modified canola has not yet been approved for general release. Only controlled trials have been approved and these consist of a number of small plots representing a relatively small area, compared with a commercial, non-GMO crop of about 400,000 hectares in New South Wales. With such large areas of canola for bees to forage these trials make up an insignificant area and any contamination of honey will be minimal.

BADJA STATE FOREST

On 3 April the Hon. Ian Cohen asked the Minister for Juvenile Justice a question without notice regarding the Badja State Forest. The Minister for Forestry provided the following response:

As the Hon Ian Cohen would be aware, the Government has recently made important and far-reaching decisions on the southern forests of which Badja State Forest is part. The Government's Southern Forest Agreement created 328,500 hectares of new national parks as well as 58,000 hectares of new informal reserves on State forests.

Over 9,500 hectares, or more than 53 per cent, of the former Badja State Forest was revoked and added to the adjacent Wadbilliga and Deua National Parks. These revoked areas encompass all of the Identified Wilderness in the former Badja State Forest as well as large areas of old growth and other features with high biodiversity values. Indeed, the Southern Forest Agreement is unique in the level of biodiversity target satisfaction that was able to be achieved, whilst at the same time maintaining sawlog supplies to the timber industry.

The Government is proud of its achievements in the balanced outcomes it has reached in the southern forests and is confident that a world class, comprehensive, adequate and representative reserve system has been created.

The conservation movement made an ambit claim for the whole of Badja State Forest to be included in the expanded reserve system. The Government, however, has based its decision on the array of scientific, economic and social data that was collected over a period of four years by the comprehensive regional assessment process for the southern forests.

The Government is confident that logging can proceed in the remaining areas of Badja State Forest without compromising the achievement of its wilderness, old growth and biodiversity conservation objectives.

TORRINGTON STATE RECREATION AREA

On 4 April the Hon. Malcolm Jones asked the Minister for Juvenile Justice a question without notice relating to the establishment of the Torrington State Recreation Area. The Minister for the Environment provided the following response:

I am advised that NPWS staff from the Glenn Innes Office were invited to attend meetings of the Torrington Regional Reserve Trust firstly on 9 February 1994, and then at approximately monthly intervals until the State Recreation Area was declared in April 1996. The minutes of these meetings are held by the Torrington Regional Reserve Trust.

COMPREHENSIVE, ADEQUATE AND REPRESENTATIVE RESERVE SYSTEM

On 5 April the Hon. Alan Corbett asked the Minister for Juvenile Justice, representing the Attorney General, a question without notice about a comprehensive, adequate and representative reserve system. The Attorney General provided the following response:

The Government is committed to the ongoing development of a comprehensive, adequate and representative (CAR) reserve system across the State. This is a key objective of the NSW Biodiversity Strategy initiated by this Government which was finalised in early 1999. One of the priority actions for achieving this goal is expansion of the protected area system, targeting central and western New South Wales in particular, as they contain ecological features currently poorly represented in the reserve system.

Complementing the State Biodiversity Strategy is a Western Regional Assessment (WRA) process covering the Western and Central Divisions of New South Wales which is being co-ordinated for the Government by the Resource and Conservation Assessment Council.

The WRA has commenced with a study of the Brigalow Belt South bioregion. One outcome being pursued through the process is the protection, reservation and management of biodiversity and cultural values through a range of options that will contribute to the development of a CAR reserve system.

OPPOSITION YOUTH CRISIS CENTRE CLOSURE

On 3 April the Hon. Dr Arthur Chesterfield-Evans asked the Minister for Juvenile Justice a question without notice about Mission Australia's youth crisis accommodation at Kings Cross. The Minister for Community Services provided the following response:

Yes. The closure of The Opposition Youth Centre is temporary. Mission Australia is working to re-configure the service model to better meet the needs of homeless youth in Kings Cross. Mission Australia has taken this decision, as it believes a change in service delivery to better meet the needs of youths in crisis is required.

This temporary recess will give Mission Australia the time to consult with DOCS and the youth services in the area, on the best way to redevelop The Opposition into a service model that is integrated and well coordinated within the youth services system. This will reduce duplication and gaps in services.

Interim arrangements have been made in consultation with DOCS and the other service providers (25 in total). The Salvation Army will provide extra places as an interim measure to assist young people seeking accommodation and support. Mission Australia is supporting the Salvation Army with an additional 60 hour per week staffing resource and an arrangement with the Salvation Army to renegotiate the level of support as required.

Mission Australia advise that they continue to have a manager "on site" at The Opposition premises to provide information, assessment and referral services to young people who may approach the service.

Data indicates that The Opposition has been operating for long periods at around 50% of its full capacity. Mission Australia has undertaken a survey that showed the demand for crisis beds is lessening in the Kings Cross area.

Over the past year, the NSW Drug Summit Government Plan of Action has committed $240,000 per annum additional funds to place two streetworkers in the Kings Cross and Darlinghurst area. These workers along with the Kings Cross Adolescent Unit (a long-term commitment by DOCS to support young people in the Kings Cross area), have been working to support the return of young people with their families. Indications are that these service models are a more effective way to support people with complex needs.

Mission Australia **does not** receive "untied grants". Every organisation receiving financial support from DOCS is subject to well-defined accountability requirements. These include requirements to:

- Enter into an annual funding and performance agreement;
- Submit annual planning documents for approval;
- Provide an annual report on achievements;
- Provide an annual independent financial audit;
- Gain specific approvals from the Area Director for significant changes to their service (such as the present situation with the Opposition).

DOCS continues to provide services to young people in Kings Cross. For example 46% of the resources of the Supported Accommodation Assistance Program (SAAP) are specifically directed to supporting young people and, as previously mentioned, additional resources have been specifically directed to supporting young people in Kings Cross through the Drug Summit strategy.

ELECTRICITY TARIFF EQUALISATION FUND

On 29 March the Hon. Dr Arthur Chesterfield-Evans asked the Special Minister of State, a question without notice concerning the Electricity Tariff Equalisation Fund. The following response was provided:

The NSW Electricity Tariff Equalisation Fund (ETEF) is a simple administrative arrangement allowing State-owned electricity retailers to offer their small customers an independently regulated price for power, without financial risk. The ETEF only applies in New South Wales.

The ETEF does not alter wholesale pool prices. Rather, the ETEF uses the New South Wales wholesale pool price as a reference point to work out when retailers have paid more or less than is necessary to meet the costs of supplying small customers protected by a regulated tariff as determined by IPART.

High wholesale prices in South Australia since the operation of the ETEF from 1 January 2001 result from a lack of competitive generation capacity in South Australia, which has been exacerbated by the lack of an interconnector with New South Wales.

Likewise, wholesale prices since the operation of the ETEF have been higher in Victoria than in New South Wales because of generation availability issues and lack of investment in new capacity following several years of low prices.

Given that New South Wales sits in the middle of the National Electricity Market, relatively high prices in the adjacent markets in Queensland, Victoria and South Australia have inevitably spilled over into New South Wales.

It is illogical to conclude that the ETEF has increased prices in the national market. This is especially so given that New South Wales is the only jurisdiction in which the ETEF operates and yet New South Wales maintains the lowest average wholesale prices in the national market.

HIH INSURANCE

On 27 March the Hon. Charlie Lynn asked the Minister for Mineral Resources a question without notice concerning HIH Insurance. The Minister for Fair Trading provided the following response:

The New South Wales Government recently announced that people required to take out replacement insurance in the next three months, because of the HIH collapse, will be given a full stamp duty exemption. This three-month period will end on 15 June 2001.

POLICE OFFICERS MANDATORY DRUG TESTING

On 27 March the Hon. Elaine Nile asked the Minister for Mineral Resources a question without notice concerning mandatory drug testing for police officers. The Minister for Police provided the following response:

Every police officer knows that, on any day, there is the possibility of a drug or alcohol test. Each time the job of a police officer places them in a critical incident (e.g. when they are forced to draw their weapon, or if they are involved in a pursuit), the officer is subject to testing. The honourable member may be assured that the Police Service and Police Association are cooperating to ensure the best programs are in place to work toward a drug and alcohol free Police Service.

BOXING REGULATIONS

On 10 April the Hon. Elaine Nile asked the Minister for Mineral Resources a question regarding boxing in New South Wales. The Minister for Sport and Recreation provided the following response:

1. The subject of injuries sustained by boxer Ahmad Popal is a matter for a coronial inquiry.

2. Under New South Wales legislation—the Boxing and Wrestling Control Act 1986—it is mandatory for all amateur boxers to wear headgear in boxing matches. Professional boxing is also covered by the Boxing and Wrestling Control Act 1986. That legislation is currently under review. Copies of the Issues Paper are available from the Department of Sport and Recreation.

CONRAD MINE COPETON DAM CONTAMINATION

On 11 April the Hon. Rick Colless asked the Minister for Mineral Resources a question without notice. The Minister provided the following response:

The Government through the Environmental Trust has provided funding of $1,155,000 for the rehabilitation of the Conrad mine. Weathering of exposed rocks on the site has produced acid water with elevated levels of metals.

A remediation action plan has been prepared for the site. One of the main objectives of the remediation plan is to contain residues on site. This will involve the construction of sediment catchment dams and diversion dams to both prevent surface water from leaving the site and divert clean water from entering the site. Acid producing rocks will be isolated and sealed.

Other works on site include the protection of items of significant heritage value.

PARRAMATTA TO CHATSWOOD RAIL LINK

On 28 March, the Hon. Helen Sham-Ho asked the Minister for Mineral Resources a question regarding the Parramatta to Chatswood rail link. The Minister for Transport provided the following response:

> Major factors in the revised timing include the additional period to assess the 4,000 EIS submissions and further development of conceptual design and construction planning. Planning approval will be sought for the whole project, with completion of the Parramatta Transport Interchange in 2006 and the Epping to Chatswood section in 2008 as Stage 1. Planning for Stage 2 is under way and its timing will be announced once this activity is complete. It is premature to speculate on final costs until approval conditions are set and the tendering process is complete. The strong response from the construction industry should ensure a competitive tendering process to maximise value for the community.

STAR CITY CASINO BUS SERVICE

On 29 March the Hon. Elaine Nile asked the Minister for Mineral Resources a question without notice regarding the Star City Casino Hornsby bus service. The Minister for Transport provided the following response:

> I am advised that the Department of Transport is aware of operators conducting "tourist services" to the Casino from six areas of Sydney (Hornsby, Fairfield, Bondi, Strathfield, Bankstown and Malabar).
>
> The Passenger Transport Act 1990 permits the operation of "tourist services", "being a service designed for the carriage of tourists where all passengers' journeys have a common origin or a common destination".
>
> Under this provision, I am advised that the Department has no powers to regulate the route or operation, provided that all patrons boarding the service are conveyed to the final common destination (i.e. the Casino) on the forward journey, and from a common destination (the Casino) on the return journey.

STATE TRANSIT AUTHORITY POLITICAL ADVERTISING POLICY

On 5 April the Hon. John Ryan asked the Minister for Mineral Resources a question without notice regarding the political advertising policy of the State Transit Authority. The Minister for Transport provided the following response:

> One State Transit bus was chartered at commercial rates by the Hon. John Johnson on 25 March for transport to Penrith. It was not, "heavily festooned with signage promoting the Labor Party".
>
> It is State Transit's policy to contract out the advertising rights on its buses. Currently, the advertising rights are with the advertising company, Buspak, and any advertisements must be arranged through that company.

CABRAMATTA ANTI-DRUG STRATEGY

On 29 March the Hon Peter Breen asked the Special Minister of State, representing the Premier, a question without notice regarding Cabramatta anti-drug strategy. The Premier provided the following response:

> The proposed illicit drug laws are intended to target drug dealers. The police will also be given powers to move on "go-betweens", such as those around Cabramatta railway station, who are trying to arrange drug deals.
>
> Drugs are a complex problem. The Government is tackling that problem through the multi-faceted approach established in the Government's Plan of Action in response to the Drug Summit Recommendations. $176 million over four years has been devoted to implementing those recommendations.
>
> In keeping with that multi-faceted approach, police have been given additional resources as well as targeted police powers. The Cabramatta Police Station has become a grade 1 station, 90 officers from the Greater Hume Tactical Action Group will be dedicated to Cabramatta, as will 10 extra drug detectives, 6 extra bicycle patrols for rapid street level and alleyway response, and a team of drug detection dogs.
>
> Greater police numbers and police powers will result in more contact with drug users and new powers of referral of users into treatment will be used in Cabramatta. Attendance at treatment will be made a condition of police bail where appropriate. The establishment of the Magistrates Early Referral Into Treatment Scheme in Cabramatta is being brought forward to 1 July. That scheme, recommended by the Drug Summit, allows magistrates to impose treatment, generally over a three-month period, as a condition of bail.
>
> The introduction of the new laws will not be delayed.

CAGED HEN EGG PRODUCTION

On 29 March the Hon. Ian Cohen asked the Special Minister of State, representing the Minister for Agriculture, a question without notice regarding caged hen egg production. The Minister for Agriculture provided the following response:

> National Standards for Egg Labelling were endorsed at Agriculture and Resource Management Council of Australia and New Zealand Meeting No. 19 held on 7-9 March 2001. The standards specify that the method of production must be displayed on the front of the carton, facing the consumer, in print no less than 6mm high. A full definition of the production system is to be included on the underside of the top of the carton.

COOLAH SHIRE COUNCILLORS SYDNEY MEETING

On 29 March the Hon. Doug Moppett asked the Special Minister of State, representing the Minister for Police a question without notice regarding Coolah Shire Council Sydney meeting. The Special Minister of State provided the following response:

I am advised that it is the understanding of the Minister for Police and his office that no arrangements were made for the Minister to be present at the meeting with the Mayor and General Manager of Coolah Shire Council. A member of the Minister's staff and a representative of the Ministry for Police attended the meeting, and subsequently briefed the Minister fully on the views expressed by the mayor and general manager. The meeting was chaired by the Hon. Tony Kelly .

COMPUTERS IN SCHOOLS PROGRAM

On 29 March the Hon Helen Sham-Ho asked the Special Minister of State, Minister for Industrial Relations and Assistant Treasurer representing the Minister for Education and Training a question without notice regarding computers in schools program. The Minister for Education and Training has provided the following response:

(1) The Computers in Schools Program was introduced by this Government on taking office in 1995 as a key initiative to enhance the quality of school education services and to prepare students for the global and technological challenges of the 21st century. This innovative program featured a range of specific initiatives designed to meet the Government's clearly defined objectives.

The program has provided for:

- 90,000 computer entitlements to schools
- training of 20,000 teachers in the use of technology in the classroom
- the appointment of 40 technology advisers to District Offices
- the connection of all schools to the Internet
- the development of curriculum support materials to support teachers in integrating technology into their teaching practices
- computer coordination support for schools.

Over the next two years, further funding will be provided for cabling and teacher training. By 2003, around 40,000 teachers will have been trained in the use of technology. In addition, a further 22,000 computer entitlements will be provided to Government schools.

The allocation of computer entitlements is undertaken according to the number of students in each school and allows schools to select computers or other technology according to their priorities and to meet student needs.

(2) The Performance Audit Report highlighted the significant achievements made by the Department in providing access to hardware, software and the Internet for students and teachers. The audit made a number of recommendations related to monitoring variations between schools and levels of support provided to teachers to improve learning outcomes for students. The Department has established a high-level steering committee to guide the implementation of these recommendations.

(3) On March 19, 2001 the Premier announced the New South Wales Information and Communications Technology Skills Action Plan, entitled "Skilling people for an information society". The establishment of a School of the Future at the Australian Technology Park, Eveleigh is one of 10 action items contained in the action plan that form a comprehensive strategy for addressing the information and communications technology skills shortage.

The Department of Education and Training is currently developing plans for the School of the Future. It is anticipated the school will commence operating in 2003. Since the introduction of the Computers in Schools program by the Government in 1995, the levels of computer hardware, and teacher support and development, have substantially increased in all schools. As a consequence, no school will be disadvantaged by the establishment of the School of the Future.

CRESCENT HEAD PRAWN HATCHERY

On 5 April the Hon. Ian Cohen asked the Special Minister of State and Assistant Treasurer, representing the Minister for Urban Affairs and Planning, and Minister for Aboriginal Affairs a question without notice regarding Crescent Head proposed prawn hatchery. The Deputy Premier, Minister for Urban Affairs and Planning, Minister for Aboriginal Affairs and Minister for Housing, has provided the following response:

(1) Yes

(2) The Department of Urban Affairs and Planning is currently assessing the development application. As part of the assessment process, the department is considering the issues raised in submissions being made by members of the community and government agencies, including the issues identified by the honorable member. It should be noted that the proposal is located within the area covered by the NSW North Coast Sustainable Aquaculture Strategy.

(3) It is the responsibility of the applicant to undertake this consultation during the preparation of the Statement of Environmental Effects which accompanies the development application. The Department of Urban Affairs and Planning has requested that the applicant provide further information on the level of consultation that has been undertaken with the Aboriginal community.

GRAINCO AUSTRALIA OPERATIONS

On 5 April the Hon Malcolm Jones asked the Special Minister of State, representing the Minister for Agriculture, a question without notice regarding NSW Grains Board/Grainco. The Minister for Agriculture has provided the following response:

First, I must point out that the NSW Grains Board and Grainco were, and still are, separate organisations.

In accordance with section 39 of the Grain Marketing Act 1991, however, the Board has appointed Grainco as its agent to undertake its marketing functions.

The financial liabilities and obligations of the NSW Grains Board therefore remain with the Board, and are totally unrelated to the financial position of Grainco.

In relation to the latest information on the Board's financial position, the Board's Administrator (*Murray Smith - KPMG - appointed 10 November 2000*) has found the Board's losses to be substantially higher than previous estimates, with unaudited losses to August 2000 estimated to be in excess of $90M.

He has also advised that further substantial losses are projected to August 2001, which cannot yet be accurately quantified.

The Administrator states that the losses were the result of the Board significantly increasing bank debt in 1999-2000 in order to fund:

- operating losses;
- advances to joint venture partners; and
- additional stock purchases.

According to the Administrator, the deterioration in the Board's financial position since 30 October 2000 when the current arrangements were established has now put the Board in the position of having to consider entering into a Scheme of Arrangement with creditors, pursuant to Section 80 of the Grain Marketing Act. If such a scheme is not entered into, the Board will need to be wound up.

Consequently, after advising major stakeholders of these developments, the Administrator filed a winding up application with the Supreme Court of NSW on 9 February 2001. If a compromise or other arrangement can be entered into, however, the winding up application will be withdrawn.

Importantly, any compromise or other arrangement that is pursued will retain arrangements for completing the 1999-2000 pool payments to growers. Advice received recently from the Administrator is that for the 1999/2000 pools that were conducted by the NSW Grains Board and that still have a positive equity in them, this equity amounts to around $3.5 million. The associated payments to growers are expected to be made as soon as possible after there is a resolution of whether the Board will be entering into a Scheme of Arrangement with its creditors or be wound up. It is hoped that this will occur before the end of June.

HIGHER SCHOOL CERTIFICATE RESOURCES

On March 29 the Hon. Patricia Forsythe asked the Special Minister of State, representing the Minister for Education and Training, a question without notice regarding Higher School Certificate resources. The Minister for Education and Training provided the following response:

(1) Yes. Each year all high school principals sign off on the Higher School Certificate (HSC) that all students have been taught in accordance with curriculum requirements and all students seeking a University Admissions Index (UAI) satisfy eligibility requirements.

(2) The Department of Education and Training (DET) works with school communities to ensure that students have the necessary resources to meet curriculum requirements for the HSC.

(3) and (4) The Open Training and Education Network – Distance Education (OTEN-DE) has implemented special strategies to deal with any issues that may arise as a result of the introduction of the new HSC. If the DET becomes aware that a student is experiencing particular difficulties it will ensure that appropriate assistance is provided.

HIH INSURANCE

On 27 March the Hon. Greg Pearce asked the Special Minister of State, a question without notice regarding HIH Insurance. The following response has been provided:

In addition to the response I gave the Hon. Greg Pearce on 27 March 2001 I can now add: the week beginning 10 October 2000.

HOLMAN PLACE SPECIAL SCHOOL

On April 10, the Hon David Oldfield asked the Special Minister of State, representing the Minister for Education and Training a question without notice regarding Holman Place special school. The Minister for Education and Training provided the following response

Charges were laid in respect to breaches of discipline at Holman Place Special School.

Disciplinary action was taken under the *Teaching Services Act 1980*. It would be inappropriate to make further Parliamentary comment on individual disciplinary action.

NATIVE VEGETATION CLEARING APPROVALS

On 11 April, the Hon. Richard Jones asked the Special Minister of State, representing the Minister for Agriculture, a question without notice regarding native vegetation clearing. The following response was provided:

The Minister for Agriculture has advised me that one of the documents tabled to the Parliament on 27 March 2001 did include reference to these figures. I understand that the Minister has also provided previous advice to the honourable member not only on the circumstances of these documents but also on the clearing statistics that the honourable member chooses to quote.

These figures refer to a work in progress capturing and entering data into a spatial database for activities in relation to native vegetation clearing. The anticipated completion date for this work was July 2001. A working document based on incomplete data and analysing clearing statistics between the period January 1997 to August 1999 was also drafted and these figures had not yet been publicly released because they were simplistically reported and open to misinterpretation.

Under the new automated reporting system recently developed by the Department of Land and Water Conservation, New South Wales now leads the nation in reporting and analysing native vegetation application and approval statistics. Minister Amery has advised me that figures for the 2000 period are publicly available on the Internet.

Concerning the high approval rate quoted by Mr Jones, this reflects the considerable time and effort invested by departmental officers into assisting and advising land-holders prepare their application. Applications are then realistic in terms of area likely to receive approval for clearing, based on advice from departmental officers.

Finally, Minister Amery advises me that Mr Jones has already been made aware of the prosecution issue, that prosecution is not a path the department chooses to follow lightly. Minister Amery seeks a response to alleged breaches of the Native Vegetation Conservation Act that will provide the best outcome for the environment without compromising the provisions of the legislation, and this may not include prosecution. Prosecution can result in imposing a criminal record for a person, payment of a substantial penalty and the requirement to carry out costly remediation.

Nevertheless, Minister Amery advises me that some 200 cases of alleged breaches are still under investigation by the department.

NON-GOVERNMENT SCHOOLS FUNDING

On 28 March Ms Lee Rhiannon asked the Special Minister of State, representing the Minister for Education and Training a question without notice regarding non-government school funding. The Minister for Education and Training provided the following response:

(1) Based on a comparison of full-time equivalent enrolment data for the first term of 2001, there are 98 private secondary schools smaller than Maroubra High School, the smallest of the four schools named in the question.

(2) An amount of $443 million was allocated to support students in non-government schools from the 2000/2001 State Budget. Over the same period, the Commonwealth Government provided a total of $1014 million to non-government schools in New South Wales..

(3) Non-government schools are not located in districts and, as such, district specific funding information is not possible to accurately calculate.

POLYURETHANE CASTS

On 29 March, the Hon Alan Corbett asked the Special Minister of State, representing the Minister for Health, a question without notice relating to polyurethane casts**.** The Minister for Health provided the following response

The Children's Hospital at Westmead has advised that its current hospital practice is best practice and requires that vacuum dust extractors are used on all cast saws. Masks are not used for children and therapists to avoid frightening the children and jeopardising their treatment. As recommended by the product manufacturers, the room in which casts are applied is well ventilated by air-conditioning.

Advice from the manufacturers, 3M and Smith and Nephew, indicates that "no adverse health effects are expected from inhalation exposure. People with bronchial problems or with isocyanate sensitivity may react to low isocyanate concentrations although no known incidents have occurred with this product". In addition, "the resin vapour level at room temperature will not be sufficient to cause any health problems."

The risk to others present is the same as for patients and staff. Staff wear gloves to avoid skin contact with unset resin. The patient does not come into contact with the resin

If the honourable member is aware of specific incidents of adverse reactions to polyurethane casts, he should make the details available.

NATIVE VEGETATION CONSERVATION LEGISLATION

On 27 March, the Hon. Ian Cohen asked the Special Minister of State, representing the Minister for Agriculture, a question without notice regarding the prosecutions for alleged breaches of Native Vegetation Conservation Act. The Minister for Agriculture provided the following response:

> No, Minister Amery has never instructed DLWC staff not to pursue prosecutions for alleged breaches of the Native Vegetation Conservation Act.
>
> A range of solutions including prosecution, are available to address incidents of illegal clearing in New South Wales, and these include the issue of a warning letter, statutory notice requiring rehabilitation, a stop work order, and where warranted a prosecution notice.
>
> The Government is not penalising law-abiding farmers who abide by the legislation. Minister Amery's primary interest is to achieve a satisfactory environmental outcome without compromising the provisions of the legislation. The response taken by the department is therefore deliberately chosen to achieve such an outcome and prosecution may not always be the best response. Additionally as a prosecution can result in a person having to pay a substantial penalty, carry out costly remediation works and have a criminal record, it is not a path the Department of Land and Water Conservation chooses to follow lightly.

RATHMINES PUBLIC SCHOOL

On 4 April the Hon David Oldfield asked Treasurer, representing the Minister for Education and Training, a question without notice regarding Rathmines public school. The Minister for Education and Training provided the following response:

> In 1994/95, a number of new facilities were constructed for Rathmines Public School. As a follow on project, existing buildings were refurbished for the IO/IS unit. In August 1996, the School Council wrote to the Department of Education and Training's Properties Directorate requesting that kitchen facilities, a laundry and a shower/toilet be included as part of the project. The correspondence made no mention of ramping being required. The need to provide kitchen facilities had already been acknowledged by the department and this facility was provided in late 1996. A shower/toilet facility and laundry with hot water service and tub were also provided.
>
> It has recently been brought to the attention of the department that the IO/IS Unit requires a washing machine and dryer and arrangements have been made to transfer funds to the school to purchase and install this equipment in term two, 2001.
>
> Provision of ramping to the IO/IS Unit was not part of the original brief for this facility. This need has now been brought to the attention of the department by the school and arrangements have been made for department officers to visit the school in term two this year to assess this requirement.

WOY WOY HIGH SCHOOL

On Thursday 5 April the Hon. Patricia Forsythe asked the Special Minister of State representing the Minister for Education and Training, a question without notice regarding Woy Woy High School. The Minister for Education and Training provided the following response:

> Yes, a years 5 to 8 school has been proposed. This option has not been rejected. Consultation in the communities of Woy Woy and Umina is continuing.

Questions without notice concluded.

BUDGET ESTIMATES AND RELATED PAPERS

Financial Year 2001-02

Copies of Budget Paper No. 1, Budget Speech, Budget Paper No. 2, Budget Statement, Budget Paper No. 3, Budget Estimates Volumes 1 and 2, and Budget Paper No. 4, State Asset Acquisition Program tabled.

Ordered to be printed.

The Hon. EDDIE OBEID (Minister for Mineral Resources, and Minister for Fisheries) [4.01 p.m.]: I move:

> That the House take note of the Budget Estimates and related papers for the financial year 2001-02.

Madam President, the 2001 Budget is socially responsive and financially responsible: in other words, it's a Labor Budget through and through.

Like the six Budgets before it, this Budget aims to strengthen the protection and security and enhance the opportunities afforded to all our families and citizens.

This Budget has been framed against a backdrop of a number of recent unexpected and adverse factors. These include:

- the slowdown in global economic activity;

- the debilitating impact of the GST on the building industry and small business particularly and on business confidence generally;
- the collapse of HIH Insurance and its repercussions throughout the economy; and
- the recent decision of the Federal Government to take an additional $110 million away from NSW to subsidise the other States.

On the positive side of the ledger, we have:

- fundamentally sound national and state economies that are not threatened by any imbalance requiring harsh corrective measures;
- signs that the Australian economy will return to robust growth later in the year, with low interest rates encouraging both consumption and investment, a fortuitously timed low exchange rate offering enormous opportunities to our exporters, inflation under control, and high levels of home lending providing a pick-up in the building industry later in the year;
- signs that the US economy, despite some risks, will avoid a deep or sustained slowdown; and
- very importantly, a NSW public sector financial position that has never, ever been in better shape, with five budget surpluses behind us, a reduction in General Government net financial liabilities of around $9 billion, and our net assets about to reach the $90 billion mark.

We're the first government in the State's recorded financial history to reduce the State's debt and liabilities rather than add to them.

We're the first government to pay all of the Budget's bills, rather than put some on the bankcard.

We're the first government in the State's history not only to pay our way each year, but also to put something aside for a rainy day.

The last six years have been a preparation for uncertain times like these.

And the result?

A State that can be confident about the future, ready for any rainy day, well prepared to meet any challenges or uncertainties that come our way.

The result of six years of financial prudence during robust times, the result of paying for the Olympics up-front, of reducing our Budget debts and liabilities from 19.7 percent of the Gross State Product to only 9.4 percent, is a Budget that:

- funds the biggest public works and capital investment program in the State's history;
- funds substantial improvements for our schools, hospitals, transport and other public infrastructure and services;
- delivers, for the fourth year in a row, substantial tax cuts – unprecedented in the State's history; and
- for the sixth year in a row, is in surplus.

EXPENDITURE

I now turn to the Government's expenditures during 2001-02.

Operating Expenses

General Government expenses during 2001-02 are expected to total $30,696 million. This represents an 8.2 percent decrease on estimated expenses for the current financial year, but after the exclusion of once only items,

is an increase in underlying expenses of 4.9 percent. In real terms, after adjustment for inflation, we are budgeting for a 2.5 percent increase in underlying expenses in 2001-02, allowing significant service delivery initiatives in a number of key areas.

New Public Works and Investments – A record level

In addition to General Government operating costs, 2001-02 will see the biggest capital works asset acquisition program ever undertaken in New South Wales, or probably by any government, state or federal, in Australia's history.

The total State Asset Acquisition Program will total $5,581 million – an increase of $577 million or 11.5 percent on 2000-01 levels, and sustaining approximately 85,000 direct and indirect jobs in 2001-02.

Of this $5,581 million, $4,563 million will be spent on works in progress, with a record $1,018 million being allocated to new works with a total estimated cost of $3,314 million.

In the General Government sector, $2,625 million is being allocated to non-income earning, but nevertheless vital social and economic infrastructure, such as new schools, new hospitals, new roads and non-commercial public transport improvements.

Like the Olympic venues and infrastructure, we plan to pay for all of these new public works in cash, up-front, without a single cent of debt.

Our $2,625 million General Government Public Works Program in 2001-02 compares with Victoria's record $1,842 million and the Commonwealth's gross fixed capital expenditure of only $231 million.

I will provide further details of the public works program when dealing with major portfolio areas later in the Budget Speech.

In addition to the General Government Public Works Program, our government owned business enterprises will undertake $2,956 million of new commercial, income-earning investments, mainly in electricity, transport, water and housing.

These income earning investments will be financed approximately 86 percent by grants and the businesses' own cash flows and financial assets and 14 percent from commercial borrowings.

Education and Training

The education and training area is the big winner of this year's budget.

Total spending on education and training will this year exceed $7,630 million, an increase of more than $1,840 million, or 32 percent since we came to office.

Over the last six years we have spent over $1.1 billion investing in new school facilities.

Our new schools are the world's best. Nothing in this country or elsewhere can beat them.

But it's now time, not only to press ahead with an expanded new schools program, but also to bring our old schools up to new school standards.

I announce today the commencement of a ten year Schools Improvement Plan.

Over the next four years alone, we will commit $1.1 billion – $400 million more than the previous forward capital program. Over $257 million is being allocated this year, an increase of $80 million on last year's allocation.

The next four years' program includes:

- $240 million for 23 new primary schools and eight new high schools in growth areas including the Tweed, Camden, Kellyville, the Hawkesbury, the Central Coast and the Hills District;

- $80 million for new school halls;

- $50 million to replace 330 demountable classrooms with permanent facilities;
- $45 million for landscaping, new fencing and general improvements at older schools;

- $130 million to improve facilities for students, teachers and school staff, including $50 million for better disabled access; and

- $70 million for upgrades to classrooms, libraries and security at 1,000 existing schools.

$86 million will also be spent in 2001-02 on 38 new TAFE projects including new facilities at Dubbo, Cessnock, Kurri Kurri, Miller and Ultimo campuses and major refurbishments at Gymea, Wollongong and St George campuses.

The capital program is, of course, only part of our commitment to ensuring that young people get a head start in life.

By far the largest part of the education and training budget is spent on the annual expenses. We are educating 760,000 students in 2,200 schools and over 800,000 students in vocational education and training and adult education at 130 TAFE campuses and other facilities.

This year the annual expenses allocation will exceed last year's allocation by $336 million, or 4.9 percent, bringing this year's total to $7,192 million.

This will enable an expansion of the State Numeracy and Literacy Plan with $117 million to be spent in 2001-02, an expanded school maintenance program of $157 million, and over the next four years the replacement of 90,000 school computers and provision of an additional 25,000 computers.

$160 million will also be made available over four years for targeted student welfare programs.

Within the overall student welfare program, $46 million will be made available over the next four years to launch a new program to deal with seriously disruptive children.

A wider range of placement and support options will enable them to be removed from normal classrooms, not only for their own benefit but also for the benefit of other students and teachers.

These are all very important initiatives by a Government committed to providing first class public education.

But today, on behalf of the Government, I also announce a major initiative in the field of e-learning.

Over the next four years the Government will provide $14.3 million to introduce a Computer Skills Assessment in Year 6 for all government school students and in Year 10 as part of the requirements for the School Certificate.

The Computer Skills Assessment will make sure that every student knows how to use information and communications technology for learning, for life and for work.

But knowing how to use ICT is only part of the picture.

It is now time to revolutionise how students learn.

The Budget provides the first instalment towards this revolution.

Over the next four years, $21.6 million will be made available for the staged introduction of email addresses and internet accounts for every student and teacher in a government school – in other words, individual e-learning accounts.

By dialling up from school or home and logging on via the internet, students will be able to:

- use learning materials and library resources on the Education Intranet;

- communicate with their teachers and classmates by email;

- participate in collaborative workgroups within their school and across the State; and

- have filtered access to relevant educational resources on the internet.

Parents and teachers will also be able to communicate by email, obtaining reports on a student's progress, reading Board of Studies syllabuses, keeping in touch about attendance, and generally more fully participating in school life.

Together, with the individual e-learning accounts, this means that every student will be able to use learning resources anywhere, any place, any time.

Health

The Health Budget this year will receive a total allocation of $8,302 million – an increase of $406 million over last year's allocation, and an increase of $2,537 million since we came to office.

The Government remains committed to a three year rolling health budget, enabling clinicians and managers to plan for growth in demand and ensure equity in high growth areas such as the Northern Rivers, Mid North Coast, the Central Coast and South Western Sydney.

This year our 206 hospitals and almost 300 other health centres are planning for:

over six million visits to out-patient clinics;

- over 1.8 million people being treated in emergency departments;

- over 1.3 million admissions to hospitals;

- over 650,000 ambulance calls;

- 70,000 births; and

- over 200,000 home nursing visits.

This year's budget also guarantees almost $2 billion over four years for new hospital and health facilities – $529 million this year, and $480 million in each of the three following years.

This year's allocation of $529 million will enable:

- commencement of the $100 million redevelopment of Gosford Hospital;

- commencement of the $80 million redevelopment of Wyong Hospital;

- significant investment in health facilities in regional and rural New South Wales;

- continuation of major redevelopments across the State including Central Sydney, Coffs Harbour, Macarthur, Wollongong, Shoalhaven, Royal North Shore, Sutherland and Tweed Heads;

- a $7 million enhancement of rural information technology infrastructure;

- a $7 million refurbishment of the Prince of Wales' Parkes Block;

- $46.6 million for Ambulance infrastructure work including enhancements to clinical care and information systems, medical equipment and fleet replacement; and

- $25 million for mental health capital works.

Tackling the Drug Problem

The Government will spend over $50 million in 2001-02 to implement the Drug Summit Plan of Action.

In addition, the Government will commence the Cabramatta Anti-Drug Strategy, spending $6.7 million in 2001-02 and a total $18.8 million over the next four years.

The Strategy will involve:

- enhanced Police powers in relation to drug houses and searches;
- establishment of a City Watch program to bring local businesses and Police together to develop solutions to local crime;
- compulsory treatment for drug users arrested in Cabramatta and expansion of drug rehabilitation and treatment services in South Western Sydney; and
- expanded early intervention and prevention programs, including community drug education.

The Government will also extend the Adult Drug Court Trial at a cost of $14.3 million.

Significant Drug Summit projects in 2001-02 will include:

- expansion of the methadone program and the home detoxification program;
- a new 15 bed detoxification unit at Nepean Hospital at a cost of $1.7 million per annum;
- a 15 bed drug treatment unit at Wyong Hospital at a cost of $1.3 million per annum;
- a new heroin overdose plan costing $670,000; and
- opening of residential rehabilitation facilities for young offenders at Dubbo and Coffs Harbour costing $4 million over two years.

Community Services and Disability Services

One of the most enduring truths of Australian government is that people in need can count on a Labor Government to give them a helping hand.

The facts speak for themselves.

In 1994-95, the last Budget before the Carr Government took office, the allocation for the community, aged and disability portfolio was $981 million.

It is now more than $1,791 million – even after allowing for this year's transfer of $55 million of pensioner electricity subsidies to the Ministry of Energy and Utilities. After allowing for the transfer, this year's allocation represents an increase of $195 million or 11.8 percent over last year's.

Some of the major features include:

- $121.2 million – a 9.7 percent increase – for the protection of children from abuse and neglect. This will allow for the employment of an additional 60 caseworkers this year, helping the Department of Community Services cope with more than 100,000 reports in 2001-02;
- $166 million for out-of-home and foster care for almost 15,000 children;
- $105 million for childcare and related services;
- $318 million for Home and Community Care services – an increase of 9 percent – including funding allocated direct to the Department of Health;
- $390 million – an increase of $30 million – for disability services; and
- $12 million in capital grants for supported accommodation, seed funding for the relocation of disabled people from large residential facilities and for the purchase of equipment for people with disabilities.

And, as I mentioned earlier, the education budget will allocate $50 million over the next four years for better disabled access in our schools.

The pensioner electricity rebate scheme will be standardised and responsibility for its administration transferred from the Department of Community Services to the Ministry for Energy and Utilities.
At present, the pensioner rebate varies from retailer to retailer, with separate gas and electricity rebates

From 1 January next, a single, uniform rebate will be introduced with a total cost of $67.5 million in 2001-02.

The new rebate will be set at $107 per annum. No pensioner will be worse off, and over 600,000 pensioners will be better off by between $8 and $31.

For example: Energy Australia's 250,000 pensioner electricity customers will benefit by $22. Integral Energy's 122,000 will benefit by $14, and 38,000 former customers of Great Southern Energy will benefit by $29.

Transport and Roads

The provision of an efficient road network and safe and reliable public transport is a massive undertaking – 20,000 kilometres of roads for around four million vehicles, a rail network of 8,700 kilometres, and almost 500 million passenger journeys on Government services each year.

The problems experienced on the rail network, particularly prior to the Sydney Olympics, were completely unacceptable to the Government.

That's why we allocated an additional $296 million to the rail system during 2000-01, and that's why the Budget provides an increase in rail funding of $1 billion over the next four years. This billion-dollar injection will provide:

- $50 million for new passenger cars for the Newcastle and Hunter region;
- $270 million for an additional 60 Millennium passenger carriages, in addition to the 81 already under construction, and 40 new inter-urban cars;
- a $122 million increase in train maintenance, including an increase of $38 million to $153 million in 2001-02;
- an increase in track maintenance of $320 million;
- $147 million on new signalling and other safety works; and
- $41 million for additional tracks within the Sydney network.

The budget for this year's Roads Program amounts to $2,289 million, compared to $2,200 million in last year's budget.

$116 million will be spent in 2001-02 to complete the M5 East, allowing for continuous motorway conditions between South Western Sydney, the Airport and the city.

$47 million will be spent in 2001-02 as part of a five year $323 million program to upgrade Windsor Road to four lanes along its entire length.

The Government will continue upgrading the Pacific Highway at a cost of $160 million in 2001-02.

The Princes Highway will be improved with a further $26 million to be spent on the North Kiama By-pass and $7.6 million on road construction south of Bega.

Rural highways and roads, including the Great Western, Newell, Castlereagh and Mid-Western will benefit from major works spending of over $40 million in addition to ongoing maintenance.

Environment

For six years now, New South Wales has had the greenest government in Australia. No state has done more to secure the preservation and protection of its natural environment, with massive additions to our network of national parks, and significant funding increases for the National Parks and Wildlife Service and the Environment Protection Agency.
The Government is especially proud of the work we are doing with our farmers, not only to preserve the beauty of our land and rivers, but also to forge a sustainable future for our agricultural and other rural industries.

New South Wales has become a national and world leader in the development of market mechanisms to encourage forestry investment to help meet our greenhouse obligations and tackle salinity control, land repair and mine site rehabilitation.

Some of this year's Budget initiatives include:

- an allocation of $13 million, spread across several agencies to implement the second phase of the Government's water reforms;

- expenditure of around $13 million under the NSW Salinity Strategy, part of a $52 million program over four years;

- expenditure of $67 million for backlog water and sewerage schemes in country areas;

- provision of $5 million for the native vegetation management fund;

- an allocation of $15 million for water savings projects to increase water flow in the Snowy. This is part of a New South Wales' contribution of $150 million towards a $375 million ten-year program to make the great Snowy River flow again;

- a contribution of $22 million to the Zoological Parks Board for various purposes, including a major ten-year program, details of which will be announced later in the year, for the rebuilding and modernisation of both the Western Plains Zoo and Taronga Park Zoos;

- expenditure of $57 million on waste minimisation and management; and

- almost $45 million for the National Parks and Wildlife Service to acquire additional lands with high conservation values and other purposes.

Protecting the Community

After allowing for the one-off costs associated with the Olympic Games, the Budget's allocation to the Police Service will increase by $58 million.

This will help fund the third stage of the Government's plan to recruit additional police and release existing police for operational duties. The commissioning of the Police Assistance Line, with centres at Tuggerah and Lithgow, has already released 500 police officers for operational duties.

The Budget also provides the Police Service with a $66 million capital allocation to fund state-of-the-art technology, progressing the plans of the Commissioner and the Government to transform every operational police car into a virtual police station giving officers instant access to police intelligence anywhere, anytime.

The Budget also allocates $59 million for three new gaols that are under construction at Kempsey, Parklea and South Windsor.

The NSW Fire Brigades will receive a capital allocation of almost $39 million for major improvements to its equipment and facilities, including $13 million for acquisition and replacement of fire fighting appliances and pumps.

The Rural Fire Service will be allocated $115 million – a 127 percent increase since the Government came to office – and the State Emergency Service will be allocated $27 million – an 88 percent increase since the Government came to office – to assist the great work of the 80,000 volunteers who risk life and limb to protect property and lives throughout our State.

Country and Regional New South Wales

At the instigation of Country Labor, the Carr Government is the first Government in New South Wales to produce a separate Budget Paper for rural and regional areas.
It's a very valuable initiative that helps focus the attention of the Government, the Parliament and the media on the special needs of country and regional New South Wales.

Forty-two percent of New South Wales' residents live outside Sydney. I'm pleased to report to them that this year's budget provides them with 48 percent of all of the State's public works and road maintenance expenditure.

Twenty-eight percent of our State's residents live outside Sydney, Newcastle, Wollongong and the Central Coast. This Budget provides them with 34 percent of all the State's public works and road maintenance expenditure.

In addition to major funding for country and regional NSW in roads, education and health, this year's Budget also provides a record allocation of $875 million to the agriculture, land and water resource portfolios – an increase of $49 million over last year's allocation.

Sydney Olympic Park

The Sydney 2000 Olympics dazzled the world.

Success is no stranger to Australia or Australians. Yet an enduring feature of the Australian psyche, I believe, is our constant tendency to underrate ourselves, always believing we're likely to fail, and yet always surprising ourselves by our ultimate success.

Sydney Olympic Park will always be etched in our minds as the site of one of Australia's greatest triumphs.

But it has much greater potential than being just a memory. It is already a magnificent location for major events, including the annual meeting of city and country at the Royal Easter Show.

But we need to build on the 12,000 visitors who already visit it daily if it's to become a major 365 day a year attraction – a major commercial and residential centre, and a major sporting and recreational centre not just for the people of Western Sydney but also for visitors from all parts of Australia and the world.

This Budget provides a capital allocation of $30 million for it to begin its future commercial development.

All Australians will long be in the debt of the 60,000 Olympic and Paralympic volunteers.
They magnificently displayed the Australian spirit to the world.

Within the next twelve months I intend to see that all of those 60,000 volunteers have their names permanently displayed on a wall of honour, or in some other suitable way, at Sydney Olympic Park.

Preparing for the new economy

Australia has led the pack of developed economies in the past decade.

Our economy grew by an average 3.5 per cent a year in the 1990s –faster than the United States and streets ahead of most of Europe.

The key to growth was rising productivity. It made possible sustained economic expansion, higher wages, low inflation and low interest rates.

The economic policies of governments, both State and Federal, during the past 20 years have equipped modern Australia for prosperity.

To secure our success as a society and an economy we must do a top class job of educating and training our children, and ourselves.

And we must incorporate new information and communication technologies into every nook and cranny of our economy and society.

Government must do its bit, both in using new technologies to provide better services and in helping the community to more rapidly take up and benefit from these same technologies.
As well as the education initiatives I have already announced, other areas of government will continue a massive investment in technology:

- $19 million to usher in faster and better healthcare by giving patients a single electronic health record that can be shared by hospitals, community health centres and general practitioners;

- an $82 million investment over five years – $9 million this year – to change the way we plan and coordinate public healthcare in NSW by giving health administrators detailed demographic information on all patients at the stroke of a computer key;

- $4 million to boost the use of Telehealth services which give rural doctors immediate access to expert advice from specialists;

- $32 million - $8 million this year - to slash business paperwork by putting business licensing online;

- $5 million to give small country communities computers, scanners, teleconferencing, email, business opportunities, online education and IT training through a network of Community Technology Centres;

- $1 million for country libraries so they can provide cheap and easy access to the internet and online services; and

- a massive investment in computing power by our electricity retailers to make it possible for families and small business to shop around for power from 1 January next year.

Taxes and Revenues

Prior to the 1999 election, on the 27th February, I was asked to give a commitment that there would be no new taxes or tax rises during this Parliament.

The media reported my answer as follows:

> "I'm not going to commit myself to a reduction in taxes, nor will I commit myself to no change at all. I certainly don't see any need going forward for tax increases and I think, in the longer-term, the more likely outcome is some reduction in taxes."

It was a responsible answer, and the prediction I made has been borne out.

In my last two Budgets I announced tax rate reductions at a cost to revenue of $393 million in 1999-2000, $669 million in 2000-01, $795 million in 2001-02 and $957 million in 2002-03.

Today I announce further tax changes with a *net* cost to revenue of $1,215 million over the next four years – $168 million in 2001-02, $351 million in 2002-03, $349 million in 2003-04 and $347 million in 2004-05.

Members will already be aware that the Government has announced a new tax on insurance companies that will raise $69 million per annum, hypothecated to the soon to be established New South Wales Policyholders' Protection Fund.

The next three measures I announce today involve only a small budgetary cost, but will reduce the time, effort and cost to businesses of meeting their tax obligations. Small businesses particularly will benefit.

The threshold at which lease duty becomes payable will be increased from $3,000 to $20,000 and business franchise agreements will no longer be subject to lease duty. These measures are expected to more than halve the number of leases subject to duty, at a cost to revenue of $3 million per annum.

The monthly duty free threshold for hire of goods duty will also be increased from $6,000 to $14,000, freeing many small businesses from this tax. This will involve a cost to revenue of $2 million per year.

Stamp duty on the establishment or amendment of superannuation trust deeds will be abolished, reducing compliance costs for the superannuation industry. This will cost the revenue $1 million per annum.

Members will be aware that prior to the Government's reforms of the electricity industry the wholesale price of electricity was $54 per megawatt hour, or about $63 per megawatt hour in today's prices.
With the introduction of a competitive market and enormous oversupply in the industry, wholesale prices collapsed to well below new entrant prices, with serious impacts on the profitability of taxpayer-owned generators. To cushion taxpayers from these financial costs, the Electricity Distributors Levy was introduced in 1997 to raise $100 million per year from large electricity users in the competitive sector of the market.

Recent trends in the market have seen wholesale prices reach more sustainable levels of around $40 per megawatt hour, still about 37 percent lower than the level of real prices in 1995, and considerably lower than prices in other States.

With wholesale prices now at reasonable levels, the Government has decided to suspend the levy. This $100 million per annum cost to revenue has been factored into each of the forward estimate years. A review of electricity prices and generator profitability will be conducted prior to the 2003-04 Budget to determine whether the levy can be permanently abolished.

One of Australia's worst taxes is Debits Tax which is imposed by every State.

It's levied on every bank and credit card account linked to cheque drawing facilities, and Australian business groups have long sought its abolition.

It's also one of Australia's most regressive taxes. A pensioner withdrawing $10 from a bank account gets slugged 30 cents, a billionaire withdrawing $100,000 only pays $4.

The Debits Tax is scheduled under the Inter-Governmental Agreement between State and Federal Governments to be abolished by July 2005.

Provided we obtain an assurance from the Federal Government that New South Wales will not be disadvantaged by early abolition of this tax, I announce today that the Debits Tax will be abolished completely in New South Wales from 1 January next.

This will cost $131 million in 2001-02, and over $315 million in a full financial year.

As announced previously, Financial Institutions Duty is being abolished on 1 July under the Intergovernmental Agreement. This means that from New Year's Day next, New South Wales will be the only State without any tax on banking or credit card transactions.

The abolition of these two taxes amounts to a reduction of over $900 million in a full year in New South Wales' taxes on individuals and businesses. That's equivalent to $146 for every man, woman and child.

This is the fourth year in a row that NSW has reduced its tax rates. No other State Government has ever done it.

Next year will be the fifth year, with payroll tax being reduced on 1 July 2002 from the current 6.2 percent to 6.0 percent at a cost of $130 million per annum – a reduction of twenty-five percent from the Greiner Government's 8 percent top rate in 1990.

Total General Government revenues in 2001-02 are expected to reach $32,170 million – an increase of 1.2 percent, considerably less than the nominal rate of GSP growth of 5.6 percent.

BUDGET RESULTS

I now turn to the Budget results.

All States and the Commonwealth now report their budget results on the same basis. There are three measures.

The first is the operating result. It's akin to a company's profit or loss statement. It tells you whether the year's operations have added to or reduced your net worth.

The second is the net lending result, which New South Wales regards as the main budget financial result. A surplus tells you by how much the year's operations have contributed to a reduction in net financial liabilities.

The third result is the cash result. It tells you by how much the year's operations have added to or reduced your debt.
It is, of course, possible to reduce your debt, but increase your liabilities.

It's also possible to reduce your net financial liabilities, but run down your net assets or worth.

For example, the Commonwealth Government this year has a cash surplus, but is in deficit on the other two measures. In other words, it's reduced its debt, but has only done so by running up its net liabilities and running down its assets.

In 2001-02 New South Wales is likely to be the only Australian government to budget for a surplus on all three measures.

On the key net lending measure, this year's budget result is a modest, but still solid surplus of $368 million.

Since June 1997 the General Government sector's net financial liabilities have been reduced by $6.5 billion, from $28.9 billion to an estimated $22.5 billion at June 2001.

Since coming to office we have nearly halved General Government Sector Net Debt and reduced unfunded superannuation liabilities by more than one third.

In the coming year net financial liabilities are projected to fall by a further $537 million, to only 8.7 percent of Gross State Product.

Meanwhile, General Government net assets continue to grow and now exceed $89 billion.

During 2001-02, we expect to crash through the $90 billion mark, adding $2.6 billion to General Government net worth by June 2002.

This compares to the Commonwealth Government's net worth of a negative $34 billion.

For six years we've worked hard.

As I said last year, we can't promise never to make a mistake, and we can't promise to solve each and every problem that arises.

But what we do promise is to keep on listening, to keep on trying, and to keep on working to make sure that New South Wales is the best State, in the best country, in the world.

That's our commitment, that's Labor's commitment to this generation and the next.

Debate adjourned on motion by the Hon. John Jobling.

EXAMINATION OF BUDGET ESTIMATES

Financial Year 2001-02

Motion by the Hon. Eddie Obeid agreed to:

(1) That the Budget Estimates and related documents presenting the amounts to be appropriated from the Consolidated Fund be referred to the general purpose standing committees for inquiry and report.

(2) That the committees consider the Budget Estimates in accordance with the allocation of portfolios to the committees.

(3) For the purposes of this inquiry any member of the House may attend a meeting of a committee in relation to the Budget Estimates and question witnesses, participate in the deliberations of the committee at such meeting and make a dissenting statement relating to the Budget Estimates, but may not vote or be counted for the purpose of any quorum.

(4) The committees must hear evidence on the Budget Estimates in public.

(5) Not more than three committees are to hear evidence on the Budget Estimates simultaneously.

(6) When a committee hears evidence on the Budget Estimates, the Chair is to call on items of expenditure in the order decided on and declare the proposed expenditure open for examination.

(7) The committees may ask for explanations from Ministers in the House, or officers of departments, statutory bodies or corporations, relating to the items of proposed expenditure.

(8) The report of a committee on the Budget Estimates may propose the further consideration of any items.

(9) A daily Hansard record of the hearings of a committee on the Budget Estimates is to be published as soon as practicable after each day's proceedings.

(10) The committees have leave to sit during the sittings or any adjournment of the House.

(11) The committees present a final report to the House by Thursday 6 September 2001.

CRIMES AMENDMENT (COMPUTER OFFENCES) BILL

Second Reading

Debate resumed from an earlier hour.

The Hon. DON HARWIN [4.45 p.m.]: The Crimes Amendment (Computer Offences) Bill is a timely response to the report of the Model Criminal Code Officers Committee of the Standing Committee of Attorneys-General, which was published in February of this year. The bill seeks to codify a number of new computer offences as well as replace others already contained in the Crimes Act with updated and strengthened provisions.

In the decade or so that has passed since basic computer offences were introduced into the Crimes Act in New South Wales there have been fundamental changes in the way that we approach information technology [IT]. Without doubt, the most significant shift in focus of our use of IT has occurred in the area of networking and the interconnectability of computers—most obviously in the form of the Internet. As more and more individuals, corporations and government bodies connect their computers and networks to the Internet, the scope for computer crime and the scale of potential damage as a result increases dramatically. When the Crimes Act was amended just 10 short years ago who could have envisaged the massive disruption to computer systems and the financial losses that would be inflicted on corporations worldwide by email-based viruses such as the infamous love bug?

There can be no question that prosecuting certain offences committed on the Internet can be difficult, often because there are problems with establishing in which jurisdiction the crime was committed or perhaps the jurisdictions where the offenders and victims are located do not have adequate legislation in place to prohibit such crimes. This legislation is an important step towards protecting the people and corporations of New South Wales from cybercrime. Indeed, the more jurisdictions both within and outside Australia that enact similar legislation, the fewer places there will be for hackers to hide. Only when cybercriminals know that their crimes can and will be punished severely in multiple jurisdictions will they be deterred from their damaging actions.

New section 308C of the bill makes it an offence to access, modify or impair a computer system or data with the intent of committing a serious indictable offence. The offence intended may take the form of serious fraud or some other offence not directly related to computers or data, but the manipulation of data alone will make the offence punishable even if its commission would have been impossible. New section 308D prohibits unauthorised modification of data with intent to cause impairment. This new section will cover things such as the "love bug" virus, which had the dual effects of modifying computer users' files and impairing electronic communication, which is covered in the next part of the bill.

The Hon. John Ryan: It may prevent the Labor Party from interrupting the Liberal Party's Internet site.

The Hon. DON HARWIN: The Hon. John Ryan reminds me that that may be a very timely amendment as we approach a Federal election. New section 308E prohibits the impairment of electronic communication. It will make punishable by a maximum penalty of 10 years imprisonment so-called denial of service attacks, when an electronic mail server is bombarded with unsolicited emails to such an extent that it cannot send or receive legitimate electronic communications. The proliferation in recent years of using emails to conduct business and personal affairs has to date not been followed up with sufficient legislative means of protecting that mode of communication. New sections 308F and 308G make it an offence to possess, produce,

supply or obtain data with the intent to commit a computer offence. These new sections would, for example, expose the writers and distributors of computer viruses to legal liability.

Finally, new sections 308H and 308I create the summary offences of unauthorised access to or modification of restricted data held in a computer, and unauthorised impairment of data held on a disk, credit card or other device. This bill is an important legislative measure that keeps up with the fast pace of advances in information technology and the associated new and ever-broadening opportunities for cybercrime. The Opposition does not oppose it.

Reverend the Hon. FRED NILE [4.50 p.m.]: The Christian Democratic Party is pleased to support the Crimes Amendment (Computer Offences) Bill. The bill implements new offences similar to those contained in the Model Criminal Code recommended in chapter 4, computer offences, of the report by the Model Criminal Code Officers Committee of the Standing Committee of Attorneys-General. One of the main values of the bill is that it will assist uniformity of legislation throughout Australia, a matter of great importance given this country's Federal and State structures. Similar offences and penalties will exist in all States and this bill will provide that uniformity in the criminal law of this State. The development and drafting of computer offences has been a co-operative venture under the auspices of the Model Criminal Code Officers Committee [MCCOC], with which New South Wales fully and actively participated. The Director of the Criminal Law Review Division is the New South Wales representative on the MCCOC, which is chaired by Judge Howie of the New South Wales District Court.

On other occasions our party has been concerned about recommendations from the Standing Committee of Attorneys-General, but we are happy with the recommendation in this particular case. The bill details the definition of data and electronic telecommunication; crimes relating to unlawful access to and modification or impairment of data, including identity theft offences; and crimes relating to the unauthorised impairment of electronic communication. These offences will become part of the New South Wales Crimes Act. The point was made in the other House that the Government must also maintain close supervision of other abuses of computer technology, particularly via the Internet, to access child and adult pornography. We have many strict laws controlling the display of obscene material in newsagencies and other places, but in many ways modern computer technology innovation allows users to bypass some of those laws. Though I have never accessed the material, I believe a variety of obscene material can be accessed through computer technology via the Internet.

Another cause for concern, according to recent reports, is that people the subject of apprehended violence orders have been contacting the other party. For example, only this week I read of a husband, who had violently attacked his former wife and was the subject of an AVO, contacting her via the Internet. He conducted conversations over the Internet until she was alerted to similarities in use of words that reminded her of her husband. Her husband was seeking to approach her through the Internet despite the AVO against him. Perhaps legislation relating to the conditions of an AVO should be checked to determine whether the addition of an offence relating to the Internet is required or whether this bill encapsulates that abuse.

The final matter causing immense concern is the expansion of gambling in this State, particularly the potential explosion through Internet gambling. We are pleased that the Federal Government, with the co-operation of State governments, will introduce legislation to prevent that. However, according to media reports it seems to be quite easy for people to access Internet gambling overseas. An Australian Democrats Senator argued on television that Internet access enabling people to gamble overseas made a mockery of Federal law seeking to block Internet gambling in Australia. There must be some way that either the Federal Government or the State Government could investigate the possibility of creating penalties against any Internet provider that allows its particular network to be used by its clients to access overseas Internet gambling when Internet gambling is prohibited in Australia.

Perhaps offences could be introduced so that a provider would lose its licence and face penalties for allowing its clients access to Internet gambling in places such as Nevada or a South Pacific island. There have been reports of Mr Packer investigating the opportunity of setting up Internet gambling in an overseas location and thereby deliberately bypassing proposed Australian legislation. I urge the State Government, in co-operation with the Federal Government, to see what can be done to block the opportunity for people to access Internet gambling overseas once such gambling is illegal in Australia. We support the bill. The examples I have given remind us of the need to maintain constant surveillance of this area of crime and to update legislation where necessary.

The Hon. RICHARD JONES [4.56 p.m.]: The Crimes Amendment (Computer Offences) Bill seeks to implement chapter 4 of the report of the Standing Committee of Attorneys General Model Criminal Code Officers Committee [MCCOC], which was released in February. The bill defines data and electronic communications; details crimes in relation to unlawful access to and modification or impairment of data, including identity theft offences; and details crimes in relation to unauthorised impairment of electronic communication. Sections of the bill, when scrutinised, have come under criticism, as have the codes and conventions on which they were based. New section 308F creates the offence of possession of data with intent to commit a computer offence. New section 308G creates the offence of producing, supplying or obtaining data with intent to commit a computer offence. New sections 308F (3) and 308G (3) both state:

> A person may be found guilty of an offence against this section even if committing the computer offence concerned is impossible.

A maximum penalty of three years imprisonment applies to each offence. Generally at law the prosecution must prove both that there was an intention to commit an offence, mens rea, and that a wrongful act, actus reus, was committed. Without both elements an offence cannot be said to have occurred. These new sections in the bill will do away with one of the essential elements of the criminal justice system, that is, an intention to commit an offence, of itself and without commission of a criminal act, is not a crime. Difficult issues arise in relation to preparatory offences such as those envisaged in the bill where the element of intention is relied upon to convert an otherwise lawful physical act to an unlawful act. The New South Wales Law Society has stated:

> The Criminal Law Committee is generally not supportive of preparatory offences such as this because of their potential to be open to abuse and to the needless public expense caused by prosecutions that will fail.
>
> For example, a person in possession of items that have intrinsic harmful qualities may boast or threaten an act of damage, which would render an otherwise innocent person liable to prosecution if the statement is maliciously or mischievously reported to police. However, this offence goes further because the data itself may not have any intrinsic harmful qualities: Section 308F (3) proposes that a person may be found guilty of an offence even if committing the computer offence concerned is impossible.

According to the Nielsen Net Ratings, as at November 2000 approximately 8.42 million people in Australia, or 43.94 per cent of the population, were online. In September 1997 there were 1.21 million people online, or 6.7 per cent of the population. In three years that is an increase of more than 600 per cent. The Nielsen Net Ratings show that Australia has a greater percentage of people online than Austria, Belgium, Canada, Finland, France, Germany, Italy, Japan, Switzerland and the United Kingdom. Access to the Internet is easy and inexpensive. With so many other people online and so much material available, it is effortless to move from web site to web site and unknowingly pick up, download or view computer viruses or other types of data with harmful qualities. An Internet search on computer hacking yielded 181,000 sites in 0.07 seconds, the first site being *www.hackershomepage.com*, which states:

> Welcome to the Hackers Home Page. If you're looking for cutting edge hacking products you've come to the right place.
>
> All products are designed for testing and exploring the vulnerabilities of CUSTOMER-OWNED equipment, and no illegal use is encouraged or implied. We WILL NOT knowingly sell to anyone with the intent of using our products for illegal activities or uses. It is your responsibility to check the applicable laws in your city, state, and country.

It is important to have laws in relation to computer crime, but it is also important that computer users are protected when assessing, producing, supplying or obtaining data with harmful qualities. These new sections intend to create an offence relying upon intention, which could easily be misconstrued by disingenuous parties. The Australian Institute of Criminology's "Computer Crime: A Criminological Overview" states:

> Estimating the incidence, prevalence, cost, or some other measure of computer-related crime is a difficult challenge.
>
> Even qualitative descriptions can be illusory. Many people, regardless of their calling, are inclined to accentuate the problem, including boastful hackers, moral entrepreneurs, victims or commercial entities with a vested interest, not to mention the news media.

New sections 308F and 308G were included in the MCCOC report following representations on behalf of the New South Wales Police Service and the Australian Federal Police. The offences derived from the Council of Europe Draft Convention on Cyber-Crime. The amendments I will move in Committee seek to remove these sections from the bill as recommended by the Law Society of New South Wales, with the support of the New South Wales Council for Civil Liberties. The Council of Europe draft upon which both offences were based has itself not been finalised. The United States Department of Justice, on its web site, stated:

> The Convention and the mandatory memorandum will … be forwarded to the Council of Europe's Committee on Crime Problems, and thereafter to its Committee of Ministers for consideration before it is opened for signature to Council members, other States participating in the negotiations, and any other States that have been invited to accede to the Convention. On the present schedule, the Convention could be opened for signature before the end of 2001.

If new sections 308F and 308G of the Crimes Amendment (Computer Offences) Bill are intended to be consistent with the Council of Europe Draft Convention on Cyber-Crime, why is the Government not waiting until the convention is finalised? Information accessed from the Internet suggests that as at December 2000 draft 25 was current. The MCCOC report only makes reference to draft 22. To view draft 22 the MCCOC footnotes referred the reader to web site *http://conventions.coe.int/treaty/en/projets/cybercrime.htm*. But this address takes one to draft 19 only! From all appearances, the ones guiding the legislation are less than literate users. It seems that Australia has played no part in drafting the Council of Europe Draft Convention on Cyber-Crime and is not committed to signing the convention. The New South Wales Government is prepared to legislate for the work in progress of the convention before even the convention does.

The Government has repeatedly stated that the bill is a substantial deviation from the MCCOC provisions. Governments, however, do not always conform to Federal models. The New South Wales Government did not conform last June, for instance, in relation to the Crimes (Forensic Procedures) Bill. Moreover, the drafting of the Federal legislation in relation to the MCCOC has not been completed yet, let alone introduced, debated and passed.

Is this legislation a feel good, get tough on crime harbinger for the budget? The *Sunday Telegraph* gleefully reported the Government's intention to spend $800 million on cutting-edge technology, including the "roll-out of revolutionary crime-fighting equipment". I urge honourable members to be cautious in jumping on the law and order bandwagon. Preparatory offences such as those outlined in this bill can turn legitimate, lawful actions into unlawful actions by relying upon the element of intention.

Ms LEE RHIANNON [5.03 p.m.]: The Greens have a number of concerns about the Crimes Amendment (Computer Offences) Bill. We understand that the bill implements the recommendations in chapter 4 of the Report of the Model Criminal Code Officers Committee, stemming from the national Standing Committee of Attorneys-General. We understand that it is part of a national process. Nevertheless, the Greens see many problems associated with aspects of the bill. The bill is drafted widely and is in need of amendment. The Greens will support the amendments to be moved in Committee by the Hon. Richard Jones.

Computer offences are a growing issue as computers become more and more integrated into society and more powerful. There is a need for clarification of the legal mechanisms in existence to deal with the problem of computer crime. Computer viruses can cause billions of dollars worth of damage, shutting down whole network systems. We have all experienced, on a number of occasions, problems with viruses and we are aware of the inconvenience suffered as a result of those viruses. Therefore, we can imagine the resultant disaster to whole networks, which can be extremely costly.

Although viruses are inconvenient, we need to consider the level at which the offences are placed. The Greens believe that the offences do not warrant the kind of penalties set out in the bill. Long gaol sentences seem quite disproportionate to some of the crimes set out. These concerns are enhanced by new sections 308F and 308G, which seek to create the offences of possession of data with the intent to commit a computer offence and producing, supplying or obtaining data with intent to commit a computer offence respectively. Both these sections state:

> A person may be found guilty of an offence against this section even if committing the computer offence concerned is impossible.

I emphasise that it is impossible to commit the offence. Both these proposed offences carry a maximum penalty of three years imprisonment and are actually quite extreme. They do away with one of the pillars of our criminal justice system, that is, that intention to commit an offence is not a crime of itself. That principle will be overturned with the passing of this legislation, and that should be addressed. The Greens are of the view that the measure is dangerous and open to abuse. For example, a person may be in possession of a computer disk containing a virus. That person may boast or threaten to commit a computer offence when in fact he or she has no intention of doing so. The situation could render an otherwise innocent person liable to prosecution if the statement is maliciously or mischievously reported to the police. A person who had not damaged any computer or computer network in any way could end up in gaol. The Greens believe that is not right.

As I mentioned before, a person could be guilty of an offence even if the computer disk is blank. New sections 308F (3) and 308G (3) state that an offence can be committed even if the computer offence in question is impossible. This is getting into very dangerous territory. Obviously, I am not advocating that people should

go around with blank disks boasting about what they will do to someone's computer. Spreading misinformation is serious but people should not go to gaol for it. People could go to gaol for up to three years for an offence that they did not commit, that they had no intention of committing, and that in fact was impossible to commit. It is hard to think of a more stupid, unreasonable or poorly thought through piece of legislation. The bill, if it becomes law, will overturn a key pillar of our criminal justice system. I urge the House to support the amendments to be moved in Committee.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS [5.09 p.m.]: I give qualified support to the bill. Obviously, computer crime is an increasing problem that needs to be steadily discouraged. But on the other hand we must not overly react and put people in gaol for offences that are impossible to commit or that have not been committed. The intent is not sufficient of its own. The Crimes Amendment (Computer Offences) Bill amends two Acts. Schedule 1 repeals the Crimes Act 1900 and schedule 2 makes a consequential amendment to the Criminal Procedure Act 1986. The bill inserts new definitions of data, technologies and offences from chapter 4 of the Model Criminal Code Officers Committee [MCCOC] 2001 report. The formulation of the offences outlined in the bill closely follows that of the United Kingdom Computer Misuse Act 1990.

Schedule 1 to the bill inserts in the Crimes Act a new part which includes new definitions of "computer offence", "data", "data storage" and "electronic communication". The model criminal code is an attempt to establish a uniform criminal code between the States and Territories of Australia, and the Australian Democrats support any move towards the prevention of white-collar crime and criminal activities relating to information technology. Under schedule 2 to the bill magistrates can rule on indictable offences under the new part. However, the case can be referred to a higher court if the prosecuting authority and the defendant elect otherwise. The Attorneys-General committee argues that the bill has a broad scope of application so as to reflect the continuously changing legal and technological complexities of computer crime. The bill serves as a base on which to build by increment a more comprehensive criminal code in dealing with computer-related crime. New sections 308A and 308B can be read to apply to the impairment of web sites and their infrastructure. New sections 308A (1) and 308A (2) outline how access to and the modification of data held in the computer is defined under this part, and new section 308A (3) defines the impairment of electronic communications to or from a computer. The MCCOC report on the model code noted:

> Though it is necessary to extend the scope of the offences in this way, the extension amplifies uncertainty over the meaning of the word "computer". There are many ways which one can "cause a computer to perform a function" which do not require one to do anything that might be described as "using a computer". So, for example, a person who sets off a computer operated burglar alarm causes a computer to perform a function. The mere act of driving a motor vehicle equipped with the most recent electronic control systems might be described as causing a computer to execute a function. The potential scope of the offences in this Part will depend on the development of a case law jurisprudence which determines the limits of what can and cannot amount to a "computer". Though the Code is no different from existing law in that respect, the breadth of the interpretive task assigned to courts is a cause for concern.

The Democrats are concerned that people with no malicious intent to commit a serious indictable offence may be charged with an offence as defined in the bill. New section 308C (3) extends the application of State and Territory prohibitions beyond the geographical limits of the respective jurisdictions. This is actually a positive move because jurisdiction has been a major problem for prosecuting test cases involving the Internet. New section 309D "Unauthorised modification of data with intent to cause impairment" requires proof of the defendant's modification and intent to impair data or recklessness to cause such impairment.

In a way the bill is reflective of a relatively new type of criminal activity in the information age. Hacking into data bases and computer viruses transferred by emails have become the scourge of information technology dependent public and private sector organisations all over the world. The "I love you" bug is estimated to have caused approximately $6.7 billion of damage globally. The diligent people in the IT support service in Parliament are constantly warning us of new viruses on the network, and removing them. In a press release dated 12 February 2000, the then Minister for Justice and Customs, Senator Amanda Vanstone, said:

> Existing computer offences are less than 10 years old and yet many are already seriously outdated. The recent hacker attacks on AOL and Yahoo web sites, both major Internet portals, have highlighted the need for the criminal law to address the actions of those who intentionally impair electronic communications to or from a computer without authorisation.

In 1999 KPMG conducted a survey of 367 large Australian businesses and government organisations, and found that there is a perception that fraud is on the increase. Some 57 per cent of respondents reported experiencing at least one incident of fraud in the previous two years. Some 78 per cent of the reported fraud against companies and organisations was committed internally by individuals who have access to relevant information systems

about financial, banking and customer details. The rapid development of new information technologies, the speed of telecommunications infrastructure, access to the Internet and the deregulation of financial markets are factors that have led to the greater utilisation of information technology for criminal purposes. It is hoped that this bill will go some way to deter it. However, there are some points of concern to be raised. The Democrats appreciate the intention of the bill. However, we share the concerns of the Law Society, as communicated to me by a fax received on 11 April, which states:

> The Society's Criminal Law Committee may, however, have reservations about the proposal to create the preparatory offence of possession or control of data with the intention of committing, were facilitating the commission, of a computer offence (section 308F).
>
> The Criminal Law Committee is generally not supportive of preparatory offences such as this because of their potential to be open to abuse and to the needless public expense caused by prosecutions that will fail.

New section 308F (4) states:

> It is not an offence to attempt to commit an offence against the section.

Does that not contradict the intention of the section to penalise those who demonstrate intent to commit an offence? The scope of the bill is good. Its wording reflects a need to be broadly applicable to a variety of circumstances as technologies develop. That is how I read new section 308F (3), which states:

> A person may be found guilty of an offence against this section even if committing the computer offence concerned is impossible.

But I would like to ask the Minister: If this assumption is correct does this mean that a person can be found guilty of an offence that does not even exist? The bill can capture a broad class of people involved in activities not necessarily of criminal intent. For example, will a computer science student or novice who is working on a virus as a project be guilty of an offence if the bill is passed? How will a magistrate or judge determine intent? The people who operate web sites and instant hypertext links to other sites without the second parties knowledge be guilty of an offence, especially if the link was established with no malicious intent and set up as a convenience for web surfers to find other sites on similar matters?

Government amendment No. 1 will delete the current definition of "computer offence". Amendment No. 2 provides that a computer offence will be defined as an offence committed against sections 308C, 308D or 308E and the extended jurisdiction provisions will apply. Amendment No. 3 is purely housekeeping and omits "computer offence" wherever it occurs and inserts instead "serious computer offence". I propose to support those amendments. The amendment of the Hon. Richard Jones deletes the preparatory offence of new sections 308F and 308G. The Law Society has expressed concern about this. However, the need for evidence to prove intent would have to be adequately addressed in the courts. We support the idea of a uniform criminal code in this area, but merely because one wants flexibility for new technology one should not abandon the basic principle of criminal law that criminal intent must be linked to a criminal act.

The Hon. Dr PETER WONG [5.18 p.m.]: I will support the Crimes Amendment (Computer Offences) Bill introduced by the Government and its amendments to be moved at the Committee stage. The legislation will bring New South Wales into line with other States and overseas legislation with regard to computer-related offences. Such legislation is clearly necessary today in any area in which electronic communication is involved. In fact, it will be increasingly difficult for legislation to keep pace with technological advances. The bill will improve legislation in dealing with computer offences, particularly when an individual causes damage to data or programs. In many modern organisations and businesses electronic data is the most valuable possession and therefore it must be adequately protected.

The bill also deals with other offences that can be committed by electronic means or through unauthorised computer functions, some of which are new and some, presumably, are yet to be thought of. It may be ironic that by making banking quicker and easier for those with computer access, the banks have also opened up the opportunities for quicker and easier bank theft with the aid of a computer and modem. I will support the bill. I will also consider amendments which I believe will be moved by the Hon. Richard Jones.

The Hon. EDDIE OBEID (Minister for Mineral Resources, and Minister for Fisheries) [5.20 p.m.], in reply: I thank honourable members for their contributions to the debate. The antiquated laws we have discussed here today need updating. The digital world demands that we stay up to date when it comes to computer offences and this bill represents a timely change. We are therefore renovating the Crimes Act with this bill to ensure that we stay ahead of cyber criminals. The bill is quite clear that larger, maximum penalties will apply to unauthorised modification with intent to cause impairment—in essence, a sabotage offence—and, similarly, the unauthorised impairment of communication to or from a computer. They are potentially serious offences and the Model Criminal Code Officers Committee recognises that seriousness in the detailed report it has prepared on

this issue. Naturally, it is a matter of the circumstances of each case and the facts before the court as to the penalty that will apply, but serious offences warrant serious penalties. I am glad to have had the opportunity to reiterate these matters and I commend the bill to the House.

Motion agreed to.

Bill read a second time.

In Committee

Clauses 1 to 4 agreed to.

Schedule 1

The Hon. EDDIE OBEID (Minister for Mineral Resources, and Minister for Fisheries) [5.23 p.m.], by leave: I move Government amendments Nos 1 and 2 in globo:

No. 1 Page 3, schedule 1 [1], proposed section 308, lines 8-12. Omit all words on those lines.

No. 2 Page 3, schedule 1 [1], proposed section 308. Insert after line 27:

serious computer offence means:

(a) an offence against section 308C, 308D or 308E, or

(b) conduct in another jurisdiction that is an offence in that jurisdiction and that would constitute an offence against section 308C, 308D or 308E if the conduct occurred in this jurisdiction.

These are minor amendments designed to remove any doubt as to the scope of the proposed offences. The bill clearly sets out a range of serious indictable offences in those circumstances. Where there is criminal behaviour of less seriousness the bill provides for summary offences. This bill is the result of detailed consultation and discussion by the Model Criminal Code Officers Committee, of which the Government was a part and to which it made detailed submissions. It was always the intention of the drafters of the model criminal code and this Government that the preparatory offences contained in new sections 308F and 308G are to apply only to indictable offences. This amendment makes that intention more abundantly clear.

The Hon. JAMES SAMIOS [5.24 p.m.]: The Opposition supports the amendments.

Amendments agreed to.

The Hon. RICHARD JONES [5.25 p.m.], by leave: I move my amendments Nos 1 to 3 in globo:

No. 1 Page 7, schedule 1, proposed section 308F, lines 1-21. Omit all words on those lines.

No. 2 Pages 7 and 8, schedule 1, proposed section 308G, lines 22-34 on page 7 and lines 1-5 on page 8. Omit all words on those lines.

No. 3 Page 10, schedule 2, lines 9 and 10. Omit ", 308E, 308F or 308G". Insert instead "or 308E".

As I foreshadowed earlier, the Crimes Amendment (Computer Offences) Bill currently contains many inadequacies. My amendments address the concerns expressed by bodies such as the New South Wales Law Society, the Council for Civil Liberties and the Public Interest Advocacy Centre. New section 308F creates the offence of possession of data with intent to commit a computer offence. New section 308G creates the offence of producing, supplying or obtaining data with intent to commit an offence. New sections 308F (3) and 308G (3) both state that a person may be found guilty of an offence against the section even if the commission of the computer offence concerned is impossible. A maximum penalty of three years imprisonment applies to each.

It is important that one of the essential elements of the criminal justice system—that is, that the intention to commit an offence of itself and without the criminal act is not a crime—is not disregarded simply out of Luddism. The Internet age shows no signs of wavering and it is important that the laws are fair and feasible right from the beginning. I urge the members of this House to support these amendments so that we can at least wait until the Council of Europe has finished drafting its convention on cyber crime and the Federal Government has finished drafting its legislation in relation to the Standing Committee of Attorneys-General Model Criminal Code Officers Committee on computer offences. Given the concerns raised during debate on this bill, I sincerely hope that consideration will be given to these matters, which will only increase in importance as the years go by.

The Hon. EDDIE OBEID (Minister for Mineral Resources, and Minister for Fisheries) [5.26 p.m.]: The Government does not support these amendments. The bill is designed to be consistent nationally and these amendments would erode that consistency. The Government cannot support the amendments.

The Hon. JAMES SAMIOS [5.26 p.m.]: The Opposition does not support the amendments.

Reverend the Hon. FRED NILE [5.27 p.m.]: The Christian Democratic Party agrees that it is important to have uniform legislation wherever possible. The Government's amendments seem to have removed some of the concerns that the Hon. Richard Jones referred to. We must remember that once a computer offence has been committed it may be very difficult to prove who carried out the crime. The Hon. Richard Jones quoted the view expressed by the New South Wales Law Society on this innovative measure, but it may be that one has to find a different way to address computer crime. It may be that evidence of intention to commit a crime will be just as important as evidence after the crime. In fact there may be no evidence after the crime even though a person has caused massive economic damage.

Amendments negatived.

The Hon. EDDIE OBEID (Minister for Mineral Resources, and Minister for Fisheries) [5.28 p.m.]: I move Government amendment No. 3:

No. 3 Pages 7 and 8, schedule 1 [1], proposed sections 308F and 308G, lines 1, 3, 5, 18, 23, 25 and 27 on page 7 and line 4 on page 8. Omit "computer offence" wherever occurring. Insert instead "serious computer offence".

For the reasons that I gave in respect of amendments Nos 1 and 2, this amendment makes the intentions more abundantly clear. I commend the amendment to the Committee.

The Hon. JAMES SAMIOS [5.28 p.m.]: The Opposition supports the amendment.

Amendment agreed to.

Schedule 1 as amended agreed to.

Schedule 2 agreed to.

Title agreed to.

Bill reported from Committee with amendments and passed through remaining stages.

INDUSTRIAL RELATIONS AMENDMENT (LEAVE FOR VICTIMS OF CRIME) BILL

Second Reading

The Hon. IAN MACDONALD (Parliamentary Secretary) [5.31 p.m.]: I move:

That this bill be now read a second time.

Honourable members may be aware that the Premier, the Hon. Bob Carr, announced on 21 December 2000 that a new law would be introduced in this session of Parliament to allow victims of serious crime to attend court without fear of losing their job. As the Premier noted when he made this announcement, the court process can be tough, and it is wrong for victims of crime to have the added burden of worrying about the safety of their job and income. Representatives of the Homicide Victims Support Group were with the Premier when he made this announcement on 21 December last year, and they are very supportive of these reforms. The Hon. John Della Bosca, as Minister for Industrial Relations, was with the Premier at the announcement, and he also addressed the proposed reforms.

In 1995 this Government undertook to tilt the balance in favour of victims of crime. After enacting a Victims Rights Act, providing for victims impact statements and establishing a Victims of Crime Bureau to provide help to victims of crime, this bill is the next logical step in the support of victims of crime at a most traumatic time. I am therefore pleased to introduce the Industrial Relations Amendment (Leave for Victims of Crime) Bill 2001.

This bill will amend the Industrial Relations Act 1996 to provide a right to unpaid leave for victims of serious crime to attend court proceedings arising from the relevant crime. The main purpose of the bill is to

create a right for an employee returning to work after a period of victims leave to be employed in the position held by that employee immediately before proceeding on leave. The Industrial Relations Commission of New South Wales will have the power to order the reinstatement of any employee who has taken victims leave and not been able to resume his or her former position. An exception will exist if it can be established to the satisfaction of the commission that the position has genuinely ceased to exist, for example, through employer insolvency.

It is also proposed that the commission will be able to order the employer to pay to the employee an amount equal to the remuneration that the employee would have received before being dismissed due to exercising the right to take victims leave. The bill provides that victims leave would be available to victims of a serious indictable offence involving violence, including sexual or indecent assault. The parent or guardian of a child victim will also be eligible for victims leave. When a child victim is required to attend court proceedings the parent or guardian will often be able to provide support and comfort in what is likely to be a traumatic experience for the child. In addition, it is proposed to provide eligibility for victims leave for immediate family members of a victim who, tragically, died as result of the crime.

It is proposed that victims leave be available for court proceedings involving the relevant crime that take place before a New South Wales court. Court proceedings will be defined to include committal proceedings, trial proceedings, proceedings on appeal and proceedings on a backup offence or related offence. It will also be possible for regulations to be made to include proceedings such as pre-trial conferences. An extra day's travelling time can be taken as leave where court proceedings are taking place more than 100 kilometres from the usual place of residence of the victim. There will be an obligation, where reasonable, for an employee seeking victims leave to give at least one week's written notice of intention to take victims leave, and the likely date on which the leave will be required.

The bill provides that if the employer requests some form of certification of the entitlement to victims leave the employee is to provide a certificate from a police officer or a prosecutor. In order to protect privacy, the certificate will confirm only that the employee is a victim of crime within the meaning set out in this bill and indicate the particular dates on which the relevant court proceedings will be held. It is also important to note that the bill provides that victims leave will not break an employee's continuity of service. Further, an employee who is a victim of crime may take any annual, long service or other leave to which the employee is entitled instead of or in conjunction with victims leave. I repeat that the bill is a further example of this Government's commitment to the support and protection of victims of crime as well as to the provision of fair entitlements to the working men and women of this State.

In concluding, I thank the honourable member for Kogarah for proposing Government amendments in the other place which are now part of the bill before this House. The first Government amendment agreed to in the other place will enable a grandparent to accompany a child victim to court proceedings. This is necessary because, as many members would be aware, in many circumstances a grandparent may be the primary carer of a child. The second and third Government amendments agreed to in the other place will include grandparents, step-grandparents and grandchildren or step-grandchildren in the definition of "member of the immediate family". The amendments will enable these family members to access victims leave in the tragic event that the immediate victim of the crime died as a result of the crime. I commend the bill to the House.

The Hon. MICHAEL GALLACHER (Leader of the Opposition) [5.37 p.m.]: The Opposition does not oppose the Industrial Relations Amendment (Leave for Victims of Crime) Bill. The provisions of this important bill will be increasingly used in the years to come. Under this Government violence in the community is increasing and there are fewer and fewer police on the streets. There is a growing lack of confidence in the Government. People have a perception that they will be victims of crime, and the Government is not listening to their concerns. Between now and 2003, when this Government will be removed, more and more people will become the victims of violent crime. Last night I went to a lovely part of the Hunter region known as Medowie, an area that I am sure many members have not heard of. It is near Raymond Terrace. The Hon. John Johnson, who is in the chair, and most members on this side of the Chamber may have heard of Medowie.

The Hon. John Jobling: Oh!

The Hon. MICHAEL GALLACHER: Mr Deputy-President, you and most members on this side of the Chamber may have heard of Medowie.

The Hon. Eddie Obeid: They play polo there.

The Hon. MICHAEL GALLACHER: The people there are not from Hunters Hill; they are battlers. They are my kind of people, working-class people. Honourable members should not be flippant about the people of Medowie. Last night in the pouring rain more than 30 people from that little town turned up at the local progress hall to hear about law and order. The group was composed overwhelmingly of victims of crime, people who would be covered by the bill. Those who were not victims of crime held very grave fears that they would be or that their children would be. Very interesting statistics were produced to that gathering last night. I will not labour the point this evening but I will provide details to the House at a later stage.

In areas such as Medowie in the Hunter Valley there is a growing perception that residents and their children are likely to be the victims of violent crime. Last night's neglected group comprised business people, pensioners, retirees and a social worker. A number of police officers were also present at the meeting and they tried to put their case as well as they could. I pay tribute to those local police, who were as diplomatic as possible in attempting to allay the concerns and fears of the gathering. However, there was one sticking point: The presence and the participation of the honourable member for Port Stephens added to the confusion that nothing is being done in this area of law enforcement. Every time he opened his mouth he convinced the gathering of the gravity of the situation. His comments were extremely interesting.

That group of 30 concerned residents turned up in the wind and rain to a meeting in the little community hall in Medowie, wanting to hear what their local member of Parliament planned to do to secure additional police resources for Medowie and Raymond Terrace. In response, the honourable member for Port Stephens said, "My role is pretty clear: I look after the legislative requirements and funding." The words "legislative" and "funding" rang clearly through the room. The honourable member showed not a scintilla of emotion or commitment to the people; there was nothing to suggest that he intended to fight for those who believe they may become the victims of crime. He said not one word about fighting to secure additional police resources to ensure that people feel safer in their homes and on the streets of Medowie and Raymond Terrace. They might as well have sent someone from the eighteenth floor of police headquarters who had no relationship with the town because the performance of the local member of Parliament was lame to say the least.

The honourable member for Port Stephens left the gathering saying that he had to attend a meeting in Sydney and that he had things to do before Tuesday's parliamentary sitting. I was quite happy to stay until the end of the meeting, approximately one hour later. The concern and angst of those 30 residents did not dissipate when the honourable member for Port Stephens walked out the door. They were cognisant of the fact that the honourable member had to shoot through to Sydney to attend the Legislative Assembly—which sat today at 2.15 p.m.—but that I was prepared to stay until the meeting closed, an hour later, although I also had to attend Parliament today. It is that lack of commitment in areas such as Medowie that leads me to state, as I said earlier, that if the New South Wales Government continues on its current path—and there is no suggestion that it will change direction—it will not be in power beyond March 2003.

The Industrial Relations Amendment (Leave for Victims of Crime) Bill is important to the unfortunate victims of crime in New South Wales. However, several employer groups have expressed concerns about the bill. I have spoken to several of their representatives, who referred me to certain aspects of the bill, and it is important that I take this opportunity to air their views. Page 3 of the bill contains several definitions. I recognise that the Hon. Ian Macdonald will probably not be in a position this evening to provide some explanatory details about these points, but it is important that we record these concerns at an early stage to ensure that the Government is aware of the issues. The bill defines court proceedings that are relevant to this legislation as being committal proceedings, sentencing proceedings, proceedings on appeal and proceedings on a back-up offence or related offence.

However, new section 72AB (1) (e), which refers to "any other proceedings prescribed by the regulations" is a concern. It would be helpful if the Parliamentary Secretary who is assisting in this matter could clarify exactly what is meant by that definition. That important point needs to be addressed. The definition of "victim of crime" mentions a number of individuals, including the parent or guardian of a child who has suffered harm. However, the legislation may need to take account of what is commonly known as the victim of first complaint in sexual assault cases. The honourable member who has carriage of the bill this evening is probably not au fait with this unique aspect of criminal law.

The first person to whom a victim of sexual assault speaks and spells out the details of that sexual assault—it is often a family member, but may also be a friend, confidant or co-worker—is known in law as the victim of first complaint. To the best of my recollection, that is the only occasion when a witness in a criminal proceeding can give hearsay evidence. When a victim of sexual assault sits down with a friend or confidant and relates in some detail the circumstances of the sexual assault, that witness may be interviewed, a statement may be taken and he or she may then be called to give evidence in court. Even though that person did not witness the

commission of the criminal offence, he or she is known in law as a victim of first complaint and is entitled to give hearsay evidence in a criminal proceeding. It may well be that such a person is covered under this legislation, but I fail to see how the bill will apply in those circumstances. Perhaps that issue should be considered later. Employer groups also raised with the Opposition the purposes for which victims leave may be taken. They rightfully identify the part of the legislation that says that victims leave may be taken:

> … for the purpose of attending court proceedings scheduled in relation to the violent crime (whether or not as a witness)

That is quite interesting. New section 72AE refers to the notices and documents required to be given to an employer and states:

> … if requested by the employer, the employee is to provide to the employer a certificate from a police officer, prosecutor or other relevant official confirming that the employee is a victim of crime.

The situation in that regard is a little unclear. The legislation states that a person may attend court whether or not he or she is required to appear as a witness. Although the police may not require a person to appear as a witness in a court proceeding, the bill appears to give an individual the right to attend court.

It is then a matter for discussion between the employer and employee as to whether that person has a rightful role. One employer group raised with me the situation of a person witnessing an event but not being called as a witness because others could provide a more informative account. That inquiry related to whether a person who claimed to be affected by witnessing a criminal offence on television would be allowed to attend court even though that person was not required as a witness. It may sound flippant, but the definition is not clear. If it could be clarified, employers may be assured that the Government is conscious of the wording, and in the example I have given the person would not be allowed to attend court.

New section 72AE provides for notices and documents to be given to the employer. It states that an employee is to give at least one week's notice of the intention to take victims leave. The Justices Act makes it quite clear that for matters involving summary offences police must provide the defence with a brief of evidence within 14 days. For indictable offence matters the brief must be provided within 21 days. Many indictable offence cases take some time before they work their way through the court system. To avoid employers being given one week's notice on every occasion, the State Government will have to work closely with the legal fraternity to ensure that the police prosecution team is notified as to which witnesses are required for pending court matters.

The Hon. Helen Sham-Ho: But section 72AE (2) relates to giving notice.

The Hon. MICHAEL GALLACHER: I look forward to the contribution of the Hon. Helen Sham-Ho. I was involved for many years in providing briefs on indictable offences to legal representatives. Quite often the police are not advised which witnesses are required until the last few days of a court proceeding—and sometimes within 24 hours. Therefore, for that provision to be effective the legal fraternity must expedite its decision as to which witnesses are required. If a witness is notified at the last moment that he or she is required to attend court, the employer has the onerous responsibility of filling that person's position for the duration of the court case. That raises the question of witnesses being required for lengthy trials. The trial relating to the Milperra massacre, as it was known, lasted for about nine months—perhaps even longer.

If a witness is required, or seeks leave, to attend court for a lengthy period of time—which would appear to be a right under this legislation—what happens when his or her employer wants to fill the vacancy? A person cannot be brought in as a casual. Do awards under the industrial system allow a replacement to be employed on a short-term contract? The confusion on this aspect has the potential to impact on employers who have had little dialogue with the Government, including small enterprises, on how it will affect them. I am primarily concerned with small businesses which have fewer than nine or 10 employees, each of whom is valuable to the ongoing survival of the business. If an employee has to attend court for an extended period, what right does the employer have to fill the void, possibly for up to 12 months? It could be difficult to replace the employee and ensure that the replacement does not later claim unfair dismissal or create other problems which may result from that employment either being extended or shortened pursuant to the outcome of court proceedings.

Some significant issues in this legislation still need to be determined. The general thrust of this legislation is to protect the rights of victims. Most people recognise the need to ensure that victims of violent crime are protected at every level in the judicial system. The spin-offs that could result from the passage of legislation require clarification by the Government. If the Minister were present he would allay the fears of the

Opposition and, indeed, the employer representatives to whom I have spoken. I trust that the Parliamentary Secretary representing the Minister will be in a position to do so expeditiously.

Ms LEE RHIANNON [5.57 p.m.]: The Greens support the notion that victims of crime should have leave from their employment for the purpose of attending court or related legal proceedings. It seems reasonable that anyone who is required to attend court to participate as a witness or who wishes to attend to obtain a degree of closure subsequent to a crime should not lose his or her job for doing so. The Greens clearly see that as an advantage of this bill. Therefore, we support the idea that victims of crime—and possibly a friend, relative or support person of the victim—should have unpaid leave from employment, because we approach it as an industrial relations issue. This is where we part company with the Government.

From an analysis of the bill, the Government regards this as a law and order matter. From an industrial relations perspective it seems reasonable that victims of crime should not lose their job for simply attending court proceedings. Our concerns with this bill and with the Government's approach to this issue in general derive from the fact that we believe that the Government does not approach this as an industrial relations issue. It would have been much healthier and clearer if it had done so. For the Government this bill is about appearing sympathetic to victims of crime in order to counter any public perception that the criminal justice system is too soft on criminals and too hard on victims.

This bill is not about the victims of crime; it is about tabloid spin, which so characterises the Government's approach on many matters. In fact, too often it was also the previous Government's approach to the justice system. This bill is far more about spin than substance. Of course, it should be noted that many, if not most, employers currently would give an employee time off to attend court if the employee was a victim of a serious crime. It would be a heartless and mean employer who would deny such a privilege to an employee.

This bill will only assist those employees unfortunate enough to have such a boss. One wonders if such employers will take any notice of this bill anyway. I understand that the Hon. Peter Breen will move a number of amendments to expand the definition of "crime" and to include in the provisions reference to a victim nominated support person. The Greens will be interested to hear the debate in Committee about this important matter and, following that consideration, we will determine our position.

The Hon. Dr PETER WONG [6.00 p.m.]: This bill deserves the support of the House because it sets out to protect the job security of victims of crime. The bill allows victims of crime or the guardians of child victims to receive unpaid leave from their employers to attend court proceedings arising from an offence. When a victim dies as a result of a crime, such leave will be available to members of the immediate family of the victim.

Victims of crime already suffer considerable mental and physical anguish. In many cases the court system only adds to their suffering. Although the hurt cannot be undone, at least this bill will try to take some of the stress out of the whole process. I am sure honourable members would agree that the last thing victims want to worry about is job security as a result of having to attend court proceedings related to the crimes. Unity supports the bill.

The Hon. HELEN SHAM-HO [6.01 p.m.]: I am pleased to speak on the Industrial Relations Amendment (Leave for Victims of Crime) Bill, which seeks to amend the Industrial Relations Act 1996 to provide an entitlement to unpaid leave for victims of indictable crimes to attend court proceedings arising from the relevant offence. The bill provides that employees returning to work after a period of such unpaid leave have a right to resume the duties they performed immediately before taking leave. A short time ago the Leader of the Opposition referred to new section 72AE, which deals with notices and documents required to be given to employers. I interjected because he expressed concern that employees had to give at least one week's notice, which may not be possible. It appears that he has neglected to consider new section 72AE (2), which states:

> An employee is not required to comply with this section if the employee is not notified of the court proceedings in sufficient time to give the required period of notice or if it was not otherwise reasonably practicable to comply in the circumstances.

I hope that will allay the concerns of the Leader of the Opposition. I now make some general comments about the bill as it represents a positive step forward with respect to the rights and needs of victims of crime in New South Wales. In the past, victims of crime tended to be the forgotten participants in the criminal justice system. However, since the early 1980s, with the emergence of the victims' rights movement in Australia, an array of support services and policies have been established to deal specifically with victims' issues. In line with society's

recognition of the needs of those victimised by crime, legislation has been introduced in this State to provide for victims' rights, victim impact statements and criminal injuries compensation.

I take this opportunity to congratulate the Minister for Industrial Relations, the Hon. John Della Bosca, on undertaking to further support victims of serious crime through the protection of their jobs and livelihoods during what is undoubtedly a traumatic time in their lives. It is pleasing that this bill is just one of a number of recent initiatives and support services relating to victims of crime. To give one example, just last month the Minister for Corrective Services, the Hon. John Watkins, announced the introduction of a permanent adult victim-offender conferencing program as part of the department's Restorative Justice Unit. This means that victims of crime are now able to confront offenders who have committed crimes against them or members of their family. As honourable members would be aware, such conferencing programs have been shown to help victims of crime come to grips with the trauma of their experience, whilst enabling offenders to gain an understanding of the devastating impact of their crimes.

Also, last month the Attorney General, the Hon. R. J. Debus, unveiled a new Internet site that allows victims of crime to access online counselling and legal services. These reforms will obviously greatly assist the many victims of crime in this State. It is not known exactly how many people in Australia have been victims of crime. According to recent crime statistics, over one million people in Australia are victimised by crime each year. In 1998 almost one in every 100 persons was a victim of crime against the person and just over six in every 100 persons were victims of crime against property. However, these figures do not include the friends and family of the victims or the community in general, all of whom suffer as a result of crime. We should also keep in mind that most statistics tend to underestimate the true extent of crime in Australia as they only represent the level of reported crime.

The consequences of crime for victims can involve financial loss, property damage, physical injury and death. Less obvious, but sometimes more devastating, are the psychological and emotional wounds left in the wake of victimisation. The impact of the crime on the victim also varies. For some there may be long-lasting damage; for others, the effects will only be short term. Many will find the psychological impact the hardest; for others it may be the physical injuries. It is my experience as a social worker that each victim will react differently according to his or her life experience. People vary widely in their ability to cope with being a victim, as they do with all crises. People have widely different personality attributes, social skills and other resources, all of which may bear on their ability to cope in the aftermath of a crime. Some of the factors that may affect a victim's resilience and coping ability include age, gender, financial and social resources, cognitive and emotional development, perceptions of the world and previous life experiences.

Regardless of the impact of the crime on victims and the way in which they cope with the experience, there is no doubt that interaction with the criminal justice system can be stressful for victims and often exacerbates their trauma. As a former lawyer, I am well aware of the fact that the experiences of victims with the criminal justice system may be so traumatic that they effectively constitute revictimisation at the hands of the State. During court appearances victims must relive the facts of the criminal incident itself. The very recounting of the trauma, especially in that setting, often triggers a re-experiencing of the crisis and all its manifestations. This bill will prevent victims of crime from experiencing further victimisation on return to their employment.

I am pleased that the phrase "victims of crime" in the bill is taken to include the person who suffers harm as a result of the crime, the parents or guardian of a child who suffers harm, and a member of the immediate family of a person who dies as a result of crime. This is in line with the United Nations Declaration of Basic Principles of Justice for Victims of Crime and Abuse of Power of 1985, which defines victims as "the immediate family or dependants of the direct victim or persons who have suffered harm in intervening to assist victims in distress to prevent victimisation". As I stated earlier, the trauma of crime impacts upon many people, not just the victim in isolation.

At this point I foreshadow that I will support the amendments of the Hon. Peter Breen with respect to the inclusion of a victim nominated support person, who may be a relative or friend. The importance of social support following crime victimisation is well recognised. However, in some cases the partner or immediate family of the victim may not be physically available to attend court proceedings. It may also be the case that family members and those in primary relationships with victims, such as spouse, parents, siblings and children, will experience their own intense distress about what has happened to victims and, therefore, may not be emotionally available to attend court with them. It is my view that this bill will continue to provide for the needs

and rights of victims of crime in New South Wales and at the same time ensure fair entitlements and conditions for the workers of this State. I commend the bill.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS [6.09 p.m.]: The Democrats support the socially responsible Industrial Relations Amendment (Leave for Victims of Crime) Bill. Although the Government is often guilty of irresponsible acts, such as the recent acts of the Minister for Education and Training, the closure of the Hawkesbury-Nepean Catchment Management Trust and woodchipping, we have to give credit to the Government when it does something worthwhile. I would like to think that this bill would progress our thinking from crime and punishment to victims of crime and prevention of crime. The contribution of the Leader of the Opposition and his absolute confidence that the number of people who will be victims of crime will increase was worrying. Yet, nothing in his contribution suggested that the Opposition had a strategy for crime prevention. His answer was all about police numbers, as were his anecdotes of the meeting at Medowie, rather than crime prevention strategy alternatives.

I was disappointed by his contribution, because I try to view crime issues as I view health matters: from the preventive focus. As occurs in health, the focus on crime is too much on the later stages and what needs to be done, rather than on the preventive stages when far better outcomes are achieved. My lasting memory of the Drug Summit is Commissioner Ryan saying to members of the police working party, "For goodness sake, please define what you want us to do. Do you want us to be social workers in prevention or do you want us to be serious enforcers at a criminal level? It is very difficult to be both." He did not put it that bluntly, but in his continual striving for the definition of what police were to do in various situations his motive was very clear. I have no doubt that he was concerned that the Government had not clearly defined its approach to crime, but neither has the Opposition. Just as the best outcome with regard to accidents is no accidents, the best resolution with regard to the commission of crime is no crime.

The bill provides unpaid leave for people who, previously, would have been able to negotiate such leave with their employers but who may have been reluctant to do so or whose leave applications may have been refused. It involves employers in the problems associated with crime and, hence, the type and number of people involved is widened. It might be argued that employers would not get much work out of employees who are affected by follow-up legal proceedings to crime. As anyone who has dealt with the court system knows, it mucks people around appallingly. As the Leader of the Opposition alluded to, witnesses are called almost at random, which makes it difficult to give notice to an employer. Although it does not cost the employer, it is difficult at short notice to fill the job of a person taking leave without pay with someone who is capable of doing the job and maintaining the integrity of the organisation and its output.

Those responsible for the legal system should make a concomitant effort to disrupt as little as possible the lives of those who are involved in it. Unfortunately, my experience is that not much progress has been made in that regard. The Government ought to pay attention to these aspects as well as display the largess that is apparent in the bill. The bill amends the Industrial Relations Act 1996 and has two main purposes. It will provide entitlement to unpaid leave for employees who have been victims of violent crimes and who are involved in court proceedings. Parents, grandparents or the guardian of a child who suffered harm as a result of an alleged offence will also be entitled to leave under certain circumstances. New section 72AF gives an employee the right to return to the position he or she held immediately before leave was given or, if the position no longer exists, the employee is entitled to be re-employed by the same organisation in any other position that is comparable in status and pay.

The bill will also give the Industrial Relations Commission of New South Wales the power to issue reinstatement orders under section 89 of the Industrial Relations Act for an employee who has taken victims leave. The Government moved amendments in the other place to expand the definition of a victim of crime in part 4B to include grandparents, step-grandparents, step-parents and stepchildren—reflecting the contemporary reality of modern families. Victims of crime, especially violent crime, experience a lot of trauma, particularly when they have to go through the court system. It can be a very intimidating and emotionally draining experience. People going through the process need considerable emotional support from their loved ones, family and friends. This applies not only to victims of violent crimes; it applies also to victims of crimes that take away one's livelihood, such as company fraud insurance problems. The amendments foreshadowed by the Hon. Peter Breen, which we support, reflect this situation. We acknowledge that the contribution of employers must be recognised. Disruption to timetables should be addressed by victims receiving more advance notice that they are required to attend court. In general, the bill recognises victims of crime. We hope that the bill is part of a greater recognition of the need for a more strategic, and less punitive, approach to crime.

Reverend the Hon. FRED NILE [6.15 p.m.]: The Christian Democratic Party supports the Industrial Relations Amendment (Leave for Victims of Crime) Bill, which will amend the Industrial Relations Act 1996 to

provide an entitlement to unpaid leave for victims of serious and violent crime to attend court proceedings arising from the relevant offence. under the bill the definition of "victim of crime" includes the person who suffered harm, or the parent or guardian of a child who suffered such harm and a member of the immediate family of a person who dies as a result of the crime. That definition is adequate at this stage. I am aware that amendments have been foreshadowed that seek to widen the definition. But no-one is certain of the impact of the bill on the economy, especially on small business. We should take it one step at a time. If the implementation of the bill succeeds in helping victims of crime, and if the provisions of the bill impact favourably on small business, then we can consider whether it should be expanded to include other persons and other crimes.

Once we start to expand the definition we could take it right down the line and have the definition include people issued with speeding offences, or drink-drive offences resulting from a random breath test. Where do we draw the line? As honourable members know, the legislation is the result of concern by the Government and the community to change the balance in our society from an emphasis on criminals to a focus on victims of serious crime. We support this approach. The Homicide Victims Support Group supports the bill and has worked with the Government on its introduction. The bill does not deal with all persons charged with an offence. I support the bill in its current form for a trial period to determine whether it should be amended to include other victims of crime. It has been suggested that the victims of domestic violence should be covered by the bill. All of us feel compassion for such people, and normally we would expect employers to provide the victims of such violence with support when there is a need. If there is evidence that victims of domestic violence are suffering discrimination, we would support an amendment relating to them in the future.

The Hon. PETER BREEN [6.19 p.m.]: I support the thrust of the Government's Industrial Relations Amendment (Leave for Victims of Crime) Bill. I note the comments of Reverend the Hon. Fred Nile in relation to the definition of violent crime and the dangers inherent in expanding that definition to include lesser crime. Some of the points he made were certainly valid in relation to that aspect. The bill is intended to protect the jobs of victims of violent crime. As it stands it may seem that there is no reason for extending the definition. It is encouraging to note that the bill has the general support of Employers First, formerly known as the Employers Federation of New South Wales, which for some time has been involved in the consultation process with the Government.

Although I support the intent of the bill, I contend that it fails to address the problem that Reverend the Hon. Fred Nile alluded to, that is, restriction on the unpaid leave provisions that extend only to victims of violent crime. Violent crime is defined as "an indictable offence involving violence, including sexual or indecent assault, that is punishable by imprisonment for life or for five years or more". Regrettably, the definition of violent crime in the bill will exclude most domestic violent matters, which tend to be heard in the Local Court and carry penalties of less than two years imprisonment. Many victims involved with ongoing litigation will therefore still be vulnerable to job loss if they attend court, under the provisions of the bill as it stands.

The question I ask is: Why not extend the definition to include victims of domestic violence? After all, according to the Government briefing note, this bill was inspired by United States of America legislation that was developed to protect employees entitlements where they had been the victims of domestic violence and were obliged to take time off work in order to attend court proceedings. My amendment in relation to that, which I will refer to at the Committee stage, has the effect of extending the bill's operation so that unpaid leave is potentially available to all victims of crime, not just those victims of serious and violent crime, so long as the leave is sought for the purposes of attending court for any proceedings relating to those matters.

The second amendment I foreshadow relates to the relationship between the victim of a serious and violent crime and any person needing to take time off to attend court. I suggest that that definition is too narrow. My concern is that while victims and their immediate families are afforded the proposed benefits of the section, it does not extend to distant or less involved family members. Currently, the bill restricts the unpaid leave provisions and employment security to a victim of violent crime; a parent or guardian of a child under 18 who suffered harm as a result of a violent crime; or an immediate family member of a person who has died as a direct result of an act committed, or alleged to have been committed, in the course of a violent crime.

I would argue that the definition of "immediate family" needs to be extended to cover a family member or support person nominated by the victim of such an offence, in recognition of the fact that not all victims of crime have immediate family or a partner to whom they could turn during court proceedings. This is particularly problematic where the alleged offender is a family member. In those cases the victim ought to be able to nominate a person who then would have the protection of the section if it were necessary for that person to take time off work to attend court.

The amendment I have foreshadowed seeks to extend the category of those who can apply for unpaid leave to include a support person, who may be a relative or friend, nominated by the victim. This is in recognition of the fact that not all victims of crime have immediate family or a partner to whom they could turn during the difficulties that court proceedings necessarily involve. In some cases, it will be more appropriate for another person to attend court to assist the victim of a crime—for example, where the alleged offender is a family member and the victim's account of the crime is not supported within the family. In those cases the victim ought to be able to nominate a person who then would have the protection of the bill if it were necessary to take time off work to attend court proceedings to support the victim.

These amendments have been canvassed with Employers First. I was interested to note that Mr Gary Bracks had some observations to make in support of the bill. As I said earlier, he has been involved in the consultation process with the Government over the content of the bill and, overall, he supports its intent and its objectives. He did, however, raise some interesting considerations.

Debate adjourned on motion by the Hon. Peter Breen.

[The *Deputy-President (The Hon. John Johnson) left the chair at 6.25 p.m. The House resumed at 8.15 p.m*.]

LOCAL GOVERNMENT AMENDMENT (GRAFFITI REMOVAL) BILL

Second Reading

The Hon. IAN MACDONALD (Parliamentary Secretary), on behalf of the Hon. Eddie Obeid [8.15 p.m.]: I move:

That this bill be now read a second time.

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

Leave granted.

Briefly, its provisions are designed to facilitate agreements between councils and owners or occupiers of private land for the timely removal of graffiti. In the last 20 years or so what is broadly described as graffiti has become a prominent feature of the landscape of cities in Europe, North America and Australia. Graffiti is now seen by many as a significant social and environmental problem. In response, a range of anti-graffiti laws and other measures have been introduced. The majority in the community believe there is no justification and certainly never any right for someone to change the appearance of someone else's property without permission. It has been said often that the only difference between vandalism and art may be permission. Illegal graffiti on public and private property is estimated to cost the Australian community between $50 million and $100 million per annum. Unwanted graffiti can seriously affect property values, community wellbeing and civic pride.

Graffiti is done in many forms by a wide range of people with an equally wide range of motives. Consequently, there is a need for a range of strategies to address illegal graffiti. Local communities often look to councils to fix concerns about graffiti. In recognition of this, the New South Wales Government is keen to assist councils address graffiti. Some of the initiatives that involve councils are as follows. The establishment of the graffiti strategy task force is a whole-of-government approach to addressing graffiti that oversees the implementation of the New South Wales Government's graffiti solutions program. Under the Beat Graffiti Grants Scheme, $900,000 is available over three years commencing in 1999 for councils, police and community youth clubs, and community organisations to address graffiti at the local level. Thirty projects received funding in the first year of this three-year scheme.

In 1999-2000 grants between $2,500 and $15,000 were available from a total fund of $300,000 for projects developed by communities where there is a significant problem with illegal graffiti. Seventeen of the 30 projects—or 57 per cent—approved for funding in 1999-2000 involve councils, representing a total amount of $173,000. In the main, the projects entail the engagement of artists and young people in education programs, providing opportunities to create murals in appropriate spaces, development of graffiti prevention plans, and removal of graffiti from business and residential property. In the 2000-2001 funding round, 25 of the 54 projects—or 46 per cent—approved for funding involve councils, representing a total amount of $197,000.

Under the community service order [CSO] scheme, 66,000 CSO hours are available to councils for the removal of illegal graffiti. Fourteen councils are currently participating in the scheme—Auburn, Blacktown, Blue Mountains, Campbelltown, Dubbo, Fairfield, Gosford, Leichhardt, Maitland, Shellharbour, Wagga Wagga, Wollongong, and Woollahra. The teams are working on a range of sites including council properties, private residences, bus shelters, shopping centres, parks and playgrounds. Some teams are involved in painting murals on significant graffiti sites. For example, a very successful project has been completed in Shellharbour that involved the painting of a mural. The site has not had any incidents of graffiti since the mural was completed and the project has had a very positive impact on the offenders who were involved. Other councils are being encouraged to set up graffiti clean-up teams.

Through the graffiti blasters project the New South Wales Government is funding the purchase of equipment and materials to remove graffiti; and councils are meeting the costs of staffing, administration and insurance. The project was piloted with Newcastle and South Sydney councils, with a further 13 councils—Auburn, Bankstown, Blacktown, Blue Mountains, Campbelltown, Gosford, Hornsby, Hurstville, Lake Macquarie, Penrith, Ryde, Sutherland, and Wollongong—in the process of

being provided with blasting equipment. The New South Wales graffiti information web site contains information about graffiti. The graffiti solutions handbook provides advice for councils, planners and developers about addressing graffiti. The handbook is designed to complement information already available on the New South Wales graffiti information web site at www.graffiti.nsw.gov.au.

There is the crime prevention resource manual. The Department of Local Government has also assisted councils address the issue of graffiti through its involvement in the production of the crime prevention resource manual for councils, which includes a range of strategies to address graffiti in public places. Councils are also implementing their own initiatives in response to community concern about graffiti. For example, a number of councils have established graffiti hotlines for the reporting of graffiti; they remove graffiti from council property and public places; they provide information and advice and, in some cases, materials to residents so that they can remove graffiti from their property; and they have established legal walls where "graffiti" is acceptable. There are a number of factors that can reduce the occurrence of illegal graffiti, including urban design; providing legitimate venues of public communication; making observation easier and more likely; generating activity in public spaces; and eliminating the incentive by speedy removal of the graffiti and continuing to remove it if it recurs. It is this last factor that the amendments are seeking to facilitate. The advantages of removing graffiti as soon as possible are: It is much easier and less costly to remove graffiti if it is done within 72 hours or before it has had time to fully dry and harden and the graffitist gets the least recognition from others the sooner the "work" is removed. At present councils are able to make voluntary agreements with landholders of private property to remove illegal graffiti, and some have already done so.

However, the explicit legislative support for agreements will provide impetus to councils to make agreements having an ongoing effect. It is intended that councils will work with landholders of property which is particularly susceptible to illegal graffiti so that timely removal and efficient use of resources will, in conjunction with community support, provide an effective deterrent to graffiti. These amendments are part of the wider government strategy to prevent graffiti and encourage councils to take an active and participatory role in graffiti prevention. The new legislative provisions proposed will empower councils to enter into agreements with owners and/or occupiers of private property to allow councils to enter private property and carry out work to remove "graffiti". Property owners need to be given an opportunity to enter into agreements to remove graffiti as they may be asked to clean up property damage caused by another person.

Council employees cannot just enter private property or interfere with it without the owner's permission. An agreement would allow the owner to give permission for council employees to remove graffiti whenever it occurs rather than having to obtain permission on each occasion. This will enable the timely removal of graffiti, which has been found to be important. However, the agreement may include that the owner be advised by council on the exercise of authority under an agreement. The agreement may: Permit council staff or contractors to enter property whenever graffiti is present; permit the use of water, electricity or tools/equipment on the property to remove the graffiti; require council staff to leave the property as it was and make good any damage; provide for a contribution from the landowner/occupier towards the graffiti removal costs; contain notification requirements so council must notify if possible of the intention to enter and remove graffiti; provide for reporting and other notification so the landowner/occupier is informed about the work carried out on the property; and contain provisions concerning leases and other arrangements.

Section 67 of the Local Government Act imposes conditions on councils for performance of work on private land. This section will not apply to agreements with landholders for the removal of graffiti. Section 356 of the Act places obligations on councils when providing financial assistance for the purposes of exercising its functions. It is intended that the public notice requirement will not apply where graffiti is removed from private property under an agreement with council as part of a program of graffiti prevention and removal. That is, the public interest character of graffiti removal will allow councils to subsidise the cost of removal of graffiti in part or in total, subject to the terms of the agreement with the landholder. Council will need to have passed a resolution for a program to contribute money or otherwise grant financial assistance for removal of graffiti under section 356 (1) of the Act. Once this has been done, and agreements providing for financial assistance are consistent with the program of graffiti removal, the public notice requirement in section 356 will not apply.

There is a need to ensure accountability where council subsidises work is carries out on private property. Consequently, proposed section 67A (2) provides that a register of graffiti removal work carried out in accordance with agreements will need to be kept. The register will itemise expenditure identifying the person for whom the work was carried out, the nature of the work, and the amount of any subsidy in relation to graffiti removal. This ensures that subsidies provided are available as a matter of public record under section 12 of the Act.

In conclusion, different groups are involved in different types of graffiti for different reasons. In recognition of this complexity, a range of initiatives aimed at preventing graffiti in the first place or removing it if it occurs are required and have been put in place. A number of these initiatives as outlined previously involve councils. In addition, councils themselves are taking the initiative to implement strategies in response to community concern about illegal graffiti. Evidence indicates that the timely and persistent removal of graffiti is an effective deterrent. The current proposal is part of a suite of strategies being used by the Government to deal with illegal graffiti which will assist councils in this quest. It will encourage councils and the community to work together to address the issues relating to illegal graffiti. In turn, communities should feel less degraded, and their sense of wellbeing and civic pride will be restored. I commend the bill to the House.

The Hon. DUNCAN GAY (Deputy Leader of the Opposition) [8.16 p.m.]: The second reading speech in the other place covered a wide range of ideas and issues about graffiti. Some dealt directly with graffiti as a problem and others highlighted preventive programs and controls, suggesting the need for further research and development in this area. Graffiti is a clear sign that New South Wales communities are in a state of decay. The Coalition believes prevention is better than cure and, while we acknowledge that the proposed amendments to the Local Government Act are more about a cure than a program of prevention, we must not idealise the approach to removing graffiti but address the problem as it relates to the proposed legislation.

It is simple: Graffiti affects everyone because it is appearing everywhere. The bill proposes to amend those sections of the Local Government Act that, due to their current construction, make the timely removal of graffiti virtually impossible. We all know that if graffiti is not removed within a certain time, it is virtually impossible to remove. Therefore, the Government has, quite sensibly, come up with this helpful measure. It is agreed that the timely removal of graffiti is the most effective way of combating existing and recurring graffiti. However, with this in mind, the Opposition is concerned about with whom the added responsibilities will lie—namely, with local government. As the shadow Minister for Local Government, I feel that I must raise the concerns expressed by councils that the bill endeavours to put pressure on local government by raising the public's expectations of councils' responsibilities with respect to graffiti removal on private property.

The Opposition agrees with the Government's rationale that the timely removal of graffiti is an effective means of quashing the pride of these so-called artists who choose to exhibit on our fences, walls and buildings. I concur with the conclusion that the best way to deal with the ongoing problem of graffiti is to ensure that it is removed quickly. New section 12 (1) introduces a register of graffiti removal work in accordance with new section 67A, which states:

> … specific information pertaining to council be accessible to the public.

If a register is to be introduced, we believe it is absolutely essential for it to be accessible to the public, particularly as the register will contain information that relates directly to the private landholders who will enter into voluntary agreements with councils regarding the removal of graffiti on their property. Therefore, we see no reason why new section 12 (1) should be opposed. New section 67 (6) states that, with respect to the removal of graffiti, section 67 of the Local Government Act does not apply. The Government claims that this will free councils from the usual restrictions they face when carrying out private work, including the resolution and public notice process. The New South Wales Government hopes that it will result in the timely removal of graffiti. The Opposition acknowledges that new section 67 (6) will relieve councils of the restrictions affecting the delivery of the desired result. However, it is also the Government's responsibility to recognise that achieving the timely removal of graffiti through such an amendment may result in increased pressure on local government due to the raised public expectations concerning councils' responsibilities. It concerns us that people might believe that the sole responsibility for removing graffiti rests with their local council. The Opposition wishes to highlight this point in relation to section 67A (1), which states:

> A council may, by agreement with the owner or occupier of any private land, carry out graffiti removal work on the land.

Coalition members and councils have raised valid concerns that the provisions of this bill will increase pressure on councils directly resulting from the voluntary agreements entered into by councils and private land-holders, thus raising the public's expectation of council responsibilities. Once again the boundaries of council responsibilities are widened further by the Carr Labor Government placing more pressure on their limited resources. If the Minister decides to shift these costs to local government, as he has done in the past, the situation will become potentially explosive.

The Minister would argue that the added responsibilities are justified due to the Government's commitment to fund graffiti removal programs and machinery, within reason. However, due to the Carr Government's track record in cost shifting within local government budgets, the future of this funding looks grim. What is local government left with—little or no funding and the residents and ratepayers are left with an expectation that the council will honour the commitment to remove graffiti from private property? Therefore, whilst we do not oppose the bill, we ask the Government to provide an assurance to local government that it will continue to commit funding to councils for the removal of graffiti from public and private land.

New Section 67A (2) describes the purpose of the register. The Opposition agrees that we need a register to openly monitor the process of work: for whom, what, where, and, of course, how much. For councils to become exempt from the usual regulatory process that applies to other works, this register must be in place for the clarification, classification and justification of those involved at community, local and State levels. Whether these voluntary agreements will address the cost of removal as the Government suggests is another matter. The Opposition believes that the broad nature of these many agreements may blur the lines of accountability for local government and private land-holders who are victims of graffiti. The Government's answer is that commonsense will prevail. Does the Government expect us to believe that these voluntary agreements will not fall victim to confusion and ultimately result in councils and private land-holders becoming entrenched in disagreement over costs?

What if the occupier were to renege on the cost of the removal because the landlord would not reimburse the cost and, therefore, council was left with the full cost of the removal? Council would be unable to do anything to retrieve the cost because it removed the graffiti within the 72-hour time frame in order to keep

costs down for both council and private land-holders. As we know, commonsense is subjective and discretionary at the best of times and is not a tool to be relied on solely for interpreting legislation. Surely the Government can do better. Therefore, whilst we do not oppose section 67A we ask that the Government protect local government and private land-holders by using this register to review the specifics of charges and payments made by council and private land-holders. We believe that this will ultimately reflect the funding available by the New South Wales Government and for which it is accountable.

In the other place Government members said, "The Carr Government is all about accountability." Just as council is accountable to the public by providing a register to account for the work carried out and funding provided, so too is the Carr Government accountable to councils to ensure that increased funding for the removal of graffiti continues to match the increased public expectation of the responsibilities of local councils. Section 356 states that public notice is also not required if the financial assistance is part of the program of graffiti removal on private land. The Opposition agrees that exempting councils from the 28-day public notice period will prove to be more cost effective for council. Exemption from public notice will result also in the timely removal of graffiti and, as I have already stated, will deter vandals from using private property as their personal exhibition area.

The Opposition wishes to bring to the attention of the Government that a tag is a signature of an individual or gang. Undoubtedly, there are links with these individuals and gangs to other types of crime. The Opposition contends that graffiti is a form of communication between vandals, and therefore its interpretation is a vital key in identifying the movements and whereabouts of gangs that operate within our communities. Initiatives such as those undertaken by Sutherland shire aim to do just this. They plan to fund a surveillance program of high-crime areas, which will be monitored by trained civilians. However, if the Carr Government continues to cut local government funding, this type of broader crime prevention strategy is in danger of disappearing, pushing further out of reach the goal of eliminating graffiti from our communities.

The Opposition welcomes the content of the bill as an important step in providing an avenue for the timely removal of graffiti from not only public but also private land. The bill is not a measure for prevention. It is all about removing graffiti after it occurs. It is also another example of the Government's continual shift of responsibilities from State to local government. Therefore it is our hope that the Government will remain committed to funding the process of graffiti removal, and that it will continue to research and develop preventive programs which, in conjunction with this bill, will result in the elimination and timely removal of graffiti from our communities.

The Hon. IAN COHEN [8.31 p.m.]: The Greens support this bill, and welcome any bill that focuses on non law and order approaches to graffiti. The Government is currently doing some very good work on graffiti. In particular, the Attorney General's department is taking a sensible approach to graffiti. One must ask: Why does graffiti occur and how can it best be minimised? For many people graffiti, whether it is legal or illegal, is an aspect of cultural expression. It is often said that the only difference between art and vandalism is permission. Andrew Collins wrote an interesting article on graffiti entitled "Hip Hop Graffiti Culture: Addressing Social and Cultural Aspects" which states:

> Graffiti is evident in all communities throughout Australia and manifests itself at every level of society. Graffiti can be defined as occurring in four distinct forms, toilet, community, political and gang related. There is only one such manifestation that typically draws a reactive commitment from police and the community, that being graffiti committed by young people.

Traditional law and order approaches to dealing with graffiti do not work; they fail to address the many reasons why individuals carry out graffiti.

Law and order approaches fail to address the cultural and social aspects of graffiti. An article written by Jenny Bargen when she was a lecturer at the University of New South Wales entitled "Law Enforcement: Court—The Last Resort" discusses graffiti as a symptom of broader problems. She identifies employment, homelessness, boredom and alienation from traditional education as some of the factors that contribute to graffiti. Ms Bargen points out that the most sensible approach to dealing with graffiti is to address the motivation of young people to engage in graffiti and the opportunities available to do so. Further, she argues:

> Rather than process all young graffiti "artists" through the criminal justice system, police should work with community members who are affected by graffiti and with young people who engage in graffiti-related activities.

Certainly, the Greens could not agree more. Any effective response to graffiti activity has to include the community and those who carry it out.

The Attorney General's Department administers the Beat Graffiti Grants scheme in which $900,000 is available over three years or $300,000 per year. The grants are awarded to councils and community groups that come up with innovative projects for ways to alleviate graffiti. Innovative programs seem to be the only sensible way to deal with graffiti. One such innovation is the painting of murals on walls that are predominantly used for graffiti. It seems that when the whole community is involved the program has much more chance of success.

One success story was a project conducted by the Department of Housing in Seven Hills, where a new development was built next to the main western railway line. As the development was only 50 metres from the railway line, a large soundproof wall had to be erected between the development site and the railway line. The wall, which was 130 metres long and two to three metres high, was irresistible to graffiti artists. As Phil Bockos, Project Manager for the Department of Housing in the Blacktown area, wrote in an article on the project entitled "How to Increase Your Graffiti Problem", the solid brick wall presented a magnificent canvas that was an open invitation to all taggers and aerosol artists.

The project to mitigate the graffiti involved painting a mural on the large wall. The department held a meeting with all prospective stakeholders, including police, the local council, Integral Energy, the Department of Community Services, Juvenile Justice the Sydney University and the media. The committee had input into the mural and its design. It was agreed that the wall should be painted by aerosol artists, possibly the same artists who illegally painted the wall. This aspect of the project was crucial. Getting those who have already participated in illegal graffiti to engage in legal graffiti is important for two reasons: first, that which was not illegal becomes legal; and, second, it seems to have beneficial impacts for long-term viability of the mural.

More than 30 scribblers were involved in painting the mural, the direction of which was overseen by two lead artists. The mural cost around $19,000, and the majority of that amount paid for the protective coating. The article was written four months after the mural was painted, and only very minor tags had been applied to it. These were removed immediately at no cost and with no damage to the protective coating. The mural has been a huge success. It seems that murals generally have the effect of reducing the incidence of graffiti. The bill deals with another aspect of the Government Graffiti Solutions program, and that is to remove graffiti as quickly as possible.

It is generally thought that this approach, combined with others, is effective. If graffiti is removed within 24 hours of its application it is much easier to remove and does not allow the artist the satisfaction of having his or her work displayed for all to see for a long time. From my experience as a graffitist with the BUGA-UP campaign against tobacco producers I know that it is rather disappointing to see something painted over or removed in a short time. If it is changed quickly it is dispiriting. The bill will allow agreements to be drawn up between councils, and owners and occupiers of private land so that graffiti can be removed quickly by the council.

Rapid access to private land has been a problem, but the bill should help to alleviate the problem. The agreement will no doubt specify who is financially liable for the clean-up. This will be assessed on a case-by-case basis. The Greens are pleased to see approaches to issues that are of great concern within the community and which cause a great many problems to property owners. If the graffiti artist is able to pursue his or her art in a way that is sponsored by the community, we will see artists grow out of young people who are regarded as criminals in the community. It is an appropriate way to go, and I commend the Government for it.

The Hon. IAN MACDONALD (Parliamentary Secretary) [8.38 p.m.], in reply: I thank all contributors to the debate. The bill simplifies the process for all councils to remove graffiti from private property by allowing them to subsidise the cost of removal so that those who have been the victims of graffiti will not necessarily be penalised financially for the cost of its removal. The bill does not place any additional obligations or burdens on councils to remove graffiti. Councils may enter an agreement to remove graffiti from government buildings. Government agencies are able to enter into agreements with local councils or any other service provider to remove graffiti from buildings, premises or other property. However, the other programs entered into by councils, such as the Graffiti Blasters project, will mean that contractual agreement with councils should be cost effective.

Funding for graffiti removal is received under separate programs as referred to in the second reading speech. The bill is simply meant to make it more efficient for councils to remove graffiti. Fourteen councils are currently participating in the community services order scheme. The teams are working on a range of sites including council properties, private residences, bus shelters, shopping centres, parks and playgrounds. That

is—and I will say this slowly for the benefit of those opposite—councils can use the community service order scheme for the removal of graffiti. This may mean that the cost of the removal of graffiti may be lessened by utilising people to remove antisocial graffiti. I commend the bill to the House and urge all members to support this great initiative.

Motion agreed to.

Bill read a second time.

In Committee

The Hon. DUNCAN GAY (Deputy Leader of the Opposition) [8.42 p.m.]: During the course of the second reading speech I asked a question by way of interjection regarding a commitment by the Government for ongoing funding for the removal of graffiti. Whether or not it was an accident, the Parliamentary Secretary failed to answer the question. I would like to know whether the Government will give a guarantee that funding at the level that has been indicated will continue. Local government seeks an assurancethat, having been given this extra responsibility, funding will continue. The Opposition is looking for a simple "yes", that the funding will continue. It is a most important question that local government is asking with regard to its role in graffiti removal.

The Hon. IAN MACDONALD (Parliamentary Secretary) [8.44 p.m.]: The Government has considered the question raised by the Deputy Leader of the Opposition. Funding is available in a number of agencies for graffiti removal—for instance, the Minister for Juvenile Justice advises that funds of the order of $170,000 per annum are made available to her department for graffiti removal. That is in one program. The Government cannot give guarantees of funding for each agency.

The Hon. DUNCAN GAY (Deputy Leader of the Opposition) [8.45 p.m.]: I think the Parliamentary Secretary summed it up when he said he cannot guarantee that the funding will continue. With regard to the figure of $170,000, there are 170 councils in New South Wales. I asked a simple question. This is an important bill. I believe the Government has done the right thing to facilitate the removal of graffiti, but the concern is that the Government has referred another obligation to local government. I am seeking a guarantee that there will be continued funding in this area for local government—just a simple "yes" or "no".

Clauses 1 to 3 agreed to.

Schedule 1 agreed to.

Title agreed to.

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

GAS SUPPLY AMENDMENT (RETAIL COMPETITION) BILL

Second Reading

The Hon. CARMEL TEBBUTT (Minister for Juvenile Justice, Minister Assisting the Premier on Youth, and Minister Assisting the Minister for the Environment) [8.48 p.m.]: I move:

That this bill be now read a second time.

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

Leave granted.

The Gas Supply Amendment (Retail Competition) Bill 2001 is an important part of the Carr Government's energy reform package. The bill amends the Gas Supply Act 1996 in order to provide the legislative foundations to complete the gas retail reforms—reforms that have already delivered significant benefits to the community of New South Wales. Gas retail competition allows customers to switch from one retailer to another, and that is what this bill is all about: giving gas customers choice.

In particular, the amendments will enhance customer protection in the fully competitive gas retail market. The bill will extend the ability of the Government to regulate all entities involved in the gas retail market, not just to authorised gas network operators and retailers. This is in order to protect customers and to ensure the effective operation of the fully competitive gas retail market.

In addition, the bill will also promote convergence between the gas and electricity sectors, in order to further protect customers and to streamline administrative arrangements for customers.

I will address each of these issues in detail, however I would first like to point out that these amendments are part of the Carr Labor Government's ongoing and comprehensive program of reforms to the gas industry. And they also follow earlier legislative reforms to the electricity industry. The aim of the reform program is to introduce a competitive market in natural gas in New South Wales that is of benefit to the whole community. The Government is putting in place a strong consumer protection framework while delivering a competitive and efficient gas industry.

Traditionally, nearly all the natural gas sold in New South Wales has been produced and sold by a single group of producers at Moomba in South Australia. It has been transported to the main markets in the State via a single long-distance gas transmission pipeline, and then distributed to customers through gas distribution networks owned by a single operator and then sold by a single associated large retailer. Gas customers had little or no choice at every stage in the supply chain, from production, to transportation, to distribution, to retail.

Since 1995, the Carr Government has overseen a comprehensive package of reform including the Gas Supply Act 1996 that established an interim code regulating access by third parties to gas distribution pipeline systems. This interim access code applied to gas distribution systems in New South Wales while the national access code was being developed. The result was that New South Wales was the first State in Australia to provide access to third parties to gas distribution systems.

We also introduced the Gas Pipelines Access (New South Wales) Act 1998 which implements the national access code in New South Wales and extends third party access rights to transmission pipelines. Third party access to long distance transmission pipelines is of critical importance to New South Wales gas customers. This is because nearly all the natural gas sold in New South Wales is produced by a single producer at Moomba, transported via a single long-distance gas transmission pipeline, and then distributed to customers through networks owned by a single operator and sold by a single associated large retailer.

This situation is now changing. It is changing because of the reforms put in place by the Carr Labor Government. In September 1998, the Interconnector pipeline connecting New South Wales with Victoria was completed. The Interconnector was built because access to existing markets in New South Wales for new supplies of gas is guaranteed by the Government's gas reforms - initially by the interim third party access code established by the Gas Supply Act 1996, and then by the Government's implementation of the national third party access code.

The Interconnector allowed natural gas from the Bass Strait to be brought for the first time to markets in New South Wales, providing the first opportunity for New South Wales gas consumers to benefit from competition between gas producers in South Australia and the Bass Strait. But it doesn't stop there. In July 2000, Duke Energy International's Eastern Gas Pipeline commenced operations. This major project brings Bass Strait gas directly to Sydney and represents one of the major infrastructure investments in recent times.

Like the Interconnector, the Eastern Gas Pipeline was built because access for new supplies of gas to existing markets in New South Wales is guaranteed by our reforms. And it is not just gas customers that are benefiting from this competition, but the whole community. The reforms have seen a growing list of regional towns and centres with access to gas for the first time.

However, the third party access reforms are not the only reforms. Retail competition will mean all gas consumers will be able to choose their gas retailer. The Carr Labor Government led the way in introducing third party access rights, and we are leading the pack in retail competition also. Under the National Third Party Access Law and Code, each State and Territory is responsible for setting its own timetable for opening its gas market to retail competition. New South Wales' timetable is ahead of all others in Australia.

In July 1997, third party access rights were granted to retailers supplying very large industrial customers, those with an annual consumption of 100 terajoules or more as well as to those customers themselves. Madam President for the benefit of members of the House, I should explain that 1 terajoule is the equivalent to an annual gas bill of around $12,000. One year later, third party access rights were extended to those gas customers whose consumption is 10 terajoules or more, and to retailers to supply them. Then, in October 1999, third party access rights were extended to small industrial and commercial customers, those with an annual consumption of 1 terajoule or more.

Since retail competition was first introduced to these customers, I am advised that customers responsible for around 30 per cent of the volume of the industrial gas market in New South Wales have switched their gas supplier and are now supplied with gas from Bass Strait. These firms are experiencing the benefits of competition. And so are those who elected to stay with the incumbent retailer because the possibilities opened up by a competitive market have meant that traditional suppliers have been forced to compete for customers. And this means lower energy costs for businesses. And with this comes improved employment opportunities for the New South Wales community.

The industrial gas market is already experiencing the benefits of retail competition in the gas market. The Carr Labor Government is now acting to ensure that the benefits of competition flow through to the other sectors of the gas market, including households. Since 1 July 2000, there have been no legal or regulatory barriers in place which prevent any gas customer in New South Wales from taking advantage of competition in the gas retail market. In order to make this legal situation a marketplace reality, the gas industry is presently working to put in place the retail market business systems that will allow large numbers of customer transfers to take place.

The Carr Government has pursued these competition reforms in the gas industry because we believe that a competitive gas market will provide benefits to customers in the form of greater customer choice, downward pressure on prices and improved quality of service and supply. We also recognise the achievements of the gas industry and retailers seeking to compete in a contestable market. To date there are a number of achievements which are critical to the commencement of retail contestability: first, the market trading system has been designed and the rules of business have been written and agreed; second, the entity responsible for facilitating retail market trade—the Gas Retail Market Company—was established late last year; third, the Gas Retail Market Company has chosen the companies who will provide the IT and market management support; fourth,

authorisation conditions have been placed on all licensed gas suppliers and reticulators requiring them to become members of an approved market entity scheme; and, fifth, deed of agreement between the Gas Retail Market Company and myself as the Minister for Energy has been prepared and is expected to be executed in the near future.

There has been much work done in preparing for the introduction of full retail competition. And there is much more to be done, particularly in ensuring market participants are ready. In order to ensure that all market participants are ready, the Government has signalled its intention to place an additional authorisation condition on authorised reticulators and suppliers. It is fundamental that network operators and retailers have systems which facilitate the transfer of customers.

In January 2001, the Chairman of the Gas Retail Market Company advised the Government it believed the IT systems would be complete and ready to implement late this year. This means the industry is unable to meet the current commencement date of 1 July 2001. It is of fundamental importance to the Government and the gas industry that the IT systems and market design are accurate, workable and have been tested in simulation environments. Full retail competition will therefore be introduced on 1 January 2002 to coincide with the commencement of competition in the electricity industry. This is clearly an optimal outcome for customers – who, for the first time, will be given choice about their energy requirements generally.

The Government is meeting its end of the bargain by delivering the regulatory framework before retail competition commences on 1 January 2002. I now turn to the provisions of the Gas Supply Amendment (Full Retail Competition) Bill 2001. The prime purpose of the Gas Supply Amendment (Full Retail Competition) Bill 2001 is to amend the Gas Supply Act 1996 to provide the legislative foundations to complete the gas retail reforms. Gas retail competition allows customers to switch from one retailer to another, and this bill is all about facilitating customer choice.

While reforms are designed to provide benefits, we also want to ensure that consumers are protected, particularly as small customers get used to the newly competitive market. The bill addresses this most important issue. It creates an obligation to supply; it introduces standard form supply contracts with minimum terms and conditions; it requires compliance with a marketing code of conduct; and it introduces requirements associated with the resolution of disputes between customers and their retailer.

At the moment, there is no legislative obligation on any retailer to supply gas to any customer. However, gas customers may have made a considerable investment in gas appliances, such as gas heaters. The introduction of full retail competition may see a potential for gas retailers to discontinue supply to customers that they deem to be commercially unattractive, such as tenants and low income users. The Government will not allow such customers to be stranded. The bill effectively creates an entitlement for small retail customers connected to the distribution network to be supplied with gas under a standard form contract.

In the fully competitive gas retail market, small gas customers will be free to choose from competing gas retailers. Some of them will choose to move to a new retailer. It is likely that those who do choose to move to a new retailer will do so because of advantages in terms of price or standards of service offered by the new retailer. On the other hand, other small gas customers may choose to stay with their current retailer. The Government is determined to protect the interests of those small gas customers.

For these reasons, the bill allows small gas customers to choose whether to obtain supply from the competitive market, or whether to obtain supply at a price regulated by the Independent Pricing and Regulatory Tribunal [IPART]. And perhaps one of the more important parts of the legislation is the right to opt back. In order to encourage consumers to try out the competitive market, if you don't like it, you can opt to move back to supply with a price regulated by IPART. The bill provides for all small gas customers to be entitled to supply on the regulated terms and conditions of a standard form customer contract.

The existing gas supply incumbent will provide gas to customers under the standard form contract and will be known as the standard supplier or default supplier. The standard form contract will contain minimum terms and conditions which are to be regulated. This includes a tariff regulated by IPART. It is has been the intention of the Government, as stated in the policy framework released in December 2000, that tariffs and charges levied under a standard contract are to be regulated. The Government therefore proposes in this bill amendments to the powers for IPART to make gas pricing orders.

The existing legislation already gives IPART the ability to regulate prices through a gas pricing order, similar to a pricing determination for electricity. However an order has never been issued as AGL has worked cooperatively with the IPART to agree on voluntary pricing principles. And I congratulate AGL and IPART for the process they have developed. These amendments support the current voluntary pricing principles agreement between IPART and the incumbent retailer AGL, but provide a transition to a regulated tariff and charges environment.

It is the Government's intention that the voluntary pricing principles agreement will continue to operate for a period of 12 months. During this time, the Government will work with IPART and industry, including AGL, to review the process for making a gas pricing order. There are a number of elements that will be the focus of the review, including the length of an order and the appeal or review process. Currently the legislation gives the retailer the ability to ask for a review of a pricing order on a merit basis. This is unlike electricity where electricity businesses can only ask for a review on the basis of legality of the determination by IPART.

It should also be made clear that if for some reason the voluntary pricing principles do not work through the transition 12 month period, a gas pricing order will be issued to ensure ongoing price regulation for small default customers. In addition to the terms and conditions of the standard form contract, there will be a core set of minimum terms and conditions that must be incorporated into all small customers' supply contracts. This will ensure that small customers do not lose basic customer rights when negotiating their own supply arrangements. The inclusion of minimum terms and conditions in supply contracts is designed to allow small customers to concentrate on negotiating key aspects of their supply agreement, such as price and the length of the contract.

The core set of minimum terms and conditions will cover such things as the methods for calculating gas consumption and charges; standards of service to be provided to customers; circumstances under which customers can be disconnected; and procedures for making inquiries and for managing customer disputes. It should be clear that the existing conditions, particularly for disconnection, will not be watered down. This core set of minimum terms and conditions will be established through a regulation which is being developed in consultation with stakeholders.

In addition the Government will introduce a Retailer of Last Resort. It is proposed that this function be fulfilled by the incumbent. A Retailer of Last Resort is essential to ensure that, in the event of a retailer's insolvency, customers will continue to be provided with gas. While the core set of minimum terms and conditions will provide protection for customers when they have a contract with a gas retailer, it is just as important for the Government to define how it expects gas retailers and other gas marketers to behave when they are offering contracts to customers.

This will be through a marketing code of conduct, which will regulate how gas retailers and marketers must behave when approaching customers to offer them different supply options. For example, the marketing code of conduct will describe what information must be made available to customers so that they may make informed choices about who supplies them. The code is being developed jointly by Government, customers, industry and regulators. It will be subject to ministerial approval and authorised retailers will be bound to comply with the Code.
The code is being developed with the intention of applying it to both gas and electricity marketers. The marketing code of conduct already applies to electricity marketers through recent amendments to the Electricity Supply Act 1995 and the bill extends the application of the code to gas marketers. The bill makes authorised gas retailers responsible for the actions of marketers who have acted on their behalf. The bill makes breaches of the code an offence.

The Government recognises that introducing nearly 800,000 customers to a new, competitive gas retail market will mean that there is the possibility of an increase in the number of disputes between retailers and customers. In order to address this, small customers will have free access to an ombudsman. The bill requires gas retailers to join an external dispute resolution scheme approved by the Minister. Gas retailers and marketers will be bound by decisions of the ombudsman for small customers. In short, it will be an offence by a gas retailer or gas marketer to fail to comply with a decision by the Ombudsman.

The bill is clear evidence that the Government will not compromise the protection of customers in the pursuit of competition reforms. The aim of the gas reforms is to introduce a competitive market in natural gas in New South Wales that benefits the whole community. This bill translates this aim into reality. The amendments that I have just referred to relate, in a direct manner, to the protection of customers. The bill also includes a number of amendments which also relate to the protection of customers but in a slightly less direct manner. This set of amendments—to which I will now turn—protects customers through ensuring that the fully competitive market operates effectively.

Only when the fully competitive market is operating properly can customers fully benefit from gas retail competition. It is important to ensure that the operation of the market does not work in a way that gives any market participant an unfair advantage, thereby limiting customer choice. For this reason, the bill includes powers to regulate the effective operation of the competitive gas retail market. There are two aspects to this: powers to regulate all the participants in the market; and powers to regulate the rules under which the market will operate.

Let me first comment on the need to regulate all market participants. The existing framework for regulating the gas industry is based on the Gas Supply Act's authorisation regime that provides for conditions to be placed on authorisations held by gas network operators and gas retailers. Full retail competition will introduce new gas businesses to the market which are not subject to the existing authorisation regime because they are neither gas network operators nor gas retailers. These include businesses which provide retail market services, and self-contracting users.

The Government is varying the conditions on the authorisations held by gas reticulators (network operators) and gas suppliers (retailers) to require them to participate in a scheme to develop, administer and implement appropriate business rules and retail market business systems to support full competition in the gas retail market in New South Wales. The scheme must be one that is approved by the Minister for Energy. Authorisation holders will be required to comply with the business rules and to provide information about the operation of the approved scheme.

In response to these requirements, the New South Wales gas industry has decided that the most efficient and cost-effective way of implementing retail market business systems and information technology systems is through establishing a new participant-owned company, the Gas Retail Market Company. Honourable members should note that while the individual members of the Gas Retail Market Company are subject to the Gas Supply Act's existing regulatory framework, an organisation such as the Gas Retail Market Company is not, because it does not hold a gas reticulator or a gas supplier authorisation.

The bill therefore provides reserve powers for the Government to directly regulate any entity that provides retail market services to the NSW gas market, such as the Gas Retail Market Company. Other gas market participants that are not covered by the existing regulatory regime are those gas users which do not use the services of authorised gas retailers. Rather, they purchase their gas on the wholesale market and manage their own gas transportation arrangements. It is important to have the power to regulate such entities because their actions will impact on other gas market participants. This is particularly important in regard to their activities in the area of gas nominations and balancing. The bill therefore extends the regulatory framework to include self-contracting users.

I said before that only when the fully competitive market is operating properly can customers fully benefit from gas retail competition. It is important to ensure customer choice is not limited by the market operating in a way that gives any market participant an unfair advantage. Therefore, as well as extending the regulatory framework to cover all market participants, the Government is determined to ensure that any industry codes that are developed to support full retail competition are fair and do not disadvantage any market participants or customers.

To ensure the orderly operation of the new fully competitive gas retail market, it is essential that market participants be bound by a common set of rules. New rules for transactions between gas businesses are required to cater for full retail competition, and the Government will need the ability to approve industry rules relating to market operation and the ability to apply those rules to any market participant. It is hoped that the industry develops codes that are fair and that the Government will not need to use the power provided in the bill. However, it is important that the power exists, in case it is needed. This power sought in the bill is similar to that in the Electricity Supply Act 1995.

So, the bill contains a number of amendments to protect customers directly. It also contains a number of amendments that protect customers in a slightly less direct manner through ensuring that the fully competitive market operates effectively. These amendments protect customers and facilitate customer choice by extending the regulatory framework to cover all market participants so that no market participant can act in a way that detrimentally affects customer choice. These amendments also protect customers by giving the Government the power to approve industry business rules and to apply those rules to all market participants. As noted, these reserve powers parallel those in the electricity industry.

And I am sure that members will agree that it is desirable that the arrangements applying to full retail competition in electricity are similar to those that the Government is putting in place for the fully competitive gas retail market. In introducing these reforms to the gas industry, the Government is strongly committed to ensuring consistency between the regulatory frameworks for gas and electricity. Similarly, the Government is also strongly committed to streamlining the administrative arrangements for gas and electricity customers and retailers.
For this reason, the bill seeks the power to approve simultaneously a Marketing Code of Conduct for the purposes of both gas and electricity. The code has been drafted to apply equally to both gas and electricity marketers, and the proposed amendment allowing the Minister to approve the Code parallels a similar provision in the Electricity Supply Act. For the same reason, the bill provides for the ability to simultaneously approve a dispute resolution scheme for both electricity and gas. The proposed amendment allowing the Minister to approve an external dispute resolution scheme parallels a similar provision in the Electricity Supply Act 1995. Related to this is a proposal to enable the approval of an external dispute resolution scheme for the purposes of both Acts simultaneously.

In a competitive market, it is likely that a single retailer will offer both gas and electricity to customers. Certain minimum contract provisions, with the aim of protecting small customers, are to be contained in Regulations under the Electricity Supply Act 1995 and the Gas Supply Act 1996. In order to streamline administration for both customers and retailers, the bill ensures that minimum contractual provisions required under regulations under both Acts can be fulfilled in a single gas/electricity combined document. The bill ensures consistency between the regulatory frameworks for gas and electricity, and streamlines the administrative arrangements for gas and electricity customers and retailers. It also amends the Gas Supply Act to remove uncertainties, and to streamline the protection of customers.

The annual fees paid by holders of gas reticulator and gas supplier authorisations are determined by reference to the cost to the State of administering the Gas Supply Act and the Gas Pipelines Access (NSW) Law. The bill clarifies that the definition of cost to the State includes costs incurred by the Government associated with facilitating the development of the competitive gas market and in assisting the gas industry to implement full retail competition in gas.

As currently drafted, the Gas Supply Act subjects very minor changes to the Gas Supply (Customer Protection) Regulation 1997 to the regulatory impact statement process as set down by the Subordinate Legislation Act. In addition, it also extends the consultation period stipulated in the Subordinate Legislation Act, from 21 to 40 days. There is no similar provision in the Electricity Supply Act. Full retail competition in gas will result in changes to the gas market that impact directly on consumers. These market changes may require prompt amendments to the Customer Protection Regulation. However, the current requirement for a full regulatory impact statement process, including a 40-day consultation period, means that the Government is unable to act in a timely fashion.

The bill therefore provides the flexibility to respond to customer protection issues in a timely manner by replacing the requirement for a full regulatory impact statement process with consultation with appropriate representatives of consumers, the public, relevant interest groups, and any sector of industry or commerce likely to be affected. As I said before, the Carr Labor Government places a high priority on protecting the interests of small customers in the fully competitive gas market. The Government will ensure that customer protection is not compromised in the pursuit of competition reforms.

I would also like to stress the strong level of consultation that has been undertaken in the development of this bill. And this will be extended to any new regulations made pursuant to the proposed new powers under the Gas Supply Act. This will ensure that they are practical and cost-effective. In addition, any amendments to the Gas Supply (Customer Protection) Regulation 1997 will be subject to the usual regulatory impact statement and public consultation processes.

This bill introduces important changes to the structure and operation of the gas retail market in New South Wales. Without these amendments, the Government will not be able to deliver a major plank in its gas reforms, commenced over five years ago. This bill is important in delivering ongoing benefits to New South Wales gas customers and to the wider community. I commend the bill to the House.

The Hon. DUNCAN GAY (Deputy Leader of the Opposition) [8.48 p.m.]: Like the electricity industry, the gas industry for residential customers is about to face one of the biggest challenges imaginable: the advent of full retail competition. That means all household customers will be able to choose where they buy their gas supply. It is a new era of competition and, like the introduction of free retail competition for electricity, it will increase choice and price availability for gas customers.

The Minister for Energy stated several times in his second reading speech in another place that this bill is a progression of the Government's energy reform program. I remind members that these are reforms that began under the previous Coalition Government. A former Minister for Energy, Robert Webster, began the process, and Sir John Carrick—a man whom many members of this House know and respect—also played a significant role in getting the reform ball rolling. I remind honourable members of those points as a case of giving credit where credit is due.

That said, I turn to the content of the bill. Because of the important consumer protection provisions in the bill, the Opposition will not oppose it. The bill will also introduce other measures to enable the introduction of retail competition to the gas industry. I will deal with each of those measures in turn. The Minister in the

other place outlined the historical path that has led to the Parliament now debating the bill, so I will not repeat that detail. Full retail competition for the gas industry will commence on 1 January 2002, and there will be full retail competition for all electricity consumers. As with the electricity market, large industrial consumers of gas have been able to access a contestable market for some time. Since July 2000 there have been no barriers in place to competition in the gas retail market. It is my understanding that this bill will make a legal situation into a practical reality, allowing for retail competition for householders and a large transfer of customers to take place.

Gas contestability was originally slated for commencement later this year but I note that the Minister has indicated that it will come in at the same time as electricity contestability. The Opposition has been calling for that delay for some time, and we congratulate the Minister for Energy on picking up on our suggestion of tying the processes together. We appreciate that this will happen and we think that it is a step in the right direction. The bill has at its centre provisions to amend the Gas Supply Act of 1996 to complete legislative reforms for full retail competition. The bill allows small retail customers to choose whether to obtain supply from the competitive market—in effect, to choose their retailer—or to obtain supply at a price regulated by the Independent Pricing and Regulatory Tribunal, in effect, staying with their existing supplier.

As with the Electricity Supply Amendment Bill that passed the House last December, this bill contains important provisions for customers to "opt back" if they do not like what they find in the new world of the competitive market. That is important because it allows consumers to return to a regulated tariff if they feel they are not experiencing the benefits they thought they might receive from a competitive market. I mentioned a moment ago that the opt-back provisions are similar to those in the electricity amendment bill that went through Parliament late last year. I am pleased to note that some of the sillier provisions of that bill are nowhere to be found in the bill currently before the House. I refer specifically to the ludicrously flawed Tariff Equalisation Fund. Members of this House would be aware of the Opposition's concerns about that fund—concerns that appear to have been well founded based on information we have received about the monetary flows to and from the fund from our questions on notice and the reaction of the State-owned electricity generators to the continual call for funds—and we are pleased that the Minister has not sought to introduce a similar sort of closed shop, anti-competitive system in relation to gas.

The bill will also introduce standard form customer contracts, setting out minimum terms and conditions that will be strictly regulated. The bill will introduce amendments to give the Independent Pricing and Regulatory Tribunal [IPART] the power to make gas pricing orders. IPART is currently able to regulate gas pricing through a gas pricing order in the same way it regulates electricity. The Minister noted—the Opposition agrees with him—that AGL has worked co-operatively with IPART on voluntary pricing agreements, negating the need for a pricing order to be issued or enforced. Minimum terms and conditions for inclusion in small retail customer supply contracts will also be enacted by the bill. This will allow small customers to negotiate their contract with a supplier on issues including gas supply and consumption, circumstances for disconnection and procedures for managing customer disputes.

The position of the Opposition with regard to this bill is similar to its position with regard to the electricity amendment bill: we do not have the advantage of being able to examine these minimum terms and conditions in a final form. I ask the Minister: Where are these important documents and why are they not here with the bill? Who has been consulted about them and when will they be available? It is my understanding that they will be similar to the terms and conditions that will be enacted for contestable electricity customers. I note that the questions have been picked up by the Minister's advisers.

The bill also allows customers access to an approved industry ombudsman scheme. We have been impressed with the work of the current electricity and water ombudsman, Clare Petre, and the Opposition would support any extension of the current scheme to cover gas customers. It is important that customers do have access to this scheme in order to allow disputes and complaints to be dealt with in a timely and constructive manner to the benefit of all parties involved. The marketing code of conduct will set down how suppliers and retailers are to deal with customers or potential customers. The bill makes retailers responsible for the actions of marketers who work with them. Breaches of the code will be an offence. The Opposition welcomes these amendments because they mean that customers will not be harassed or harangued into signing up to or altering a contract that they do not understand. It is unusual but the Opposition gives the Government a tick on that.

The Hon. John Johnson: I told you that you would learn.

The Hon. DUNCAN GAY: I could learn from you, Johno, but some Government members would give advice that I should not take. I am sure you would advise me not to take their advice as well. Customer

protection is essential and will become even more so under a competitive market. Many honourable members would have had experience of being either cold-called or doorknocked by one or more of the new entrants into the telecommunications market. I am also sure they would agree that the marketing spiel can be confusing. In some recently reported cases telecommunications customers have found themselves signed up to a company they did not agree to do business with. The Federal authorities have now moved to crack down on the practice of "slamming" customers from a rival company. Young Mr Murdoch and young Mr Packer are probably lamenting some of those practices this week.

The bill also contains provisions regulating the effective operation of the retail gas market, ensuring that the market does not operate in an anti-competitive manner by allowing any retailer to gain an unfair advantage and limit customer choice. The Opposition also welcomes these provisions, which are twofold. Powers will be introduced to regulate market participants and powers will also be introduced to regulate the rules under which the market will operate. The changes are detailed but, from our interpretation, are based predominantly on the Gas Supply Act regime that provides for conditions to be placed on authorisations held by gas network operators. The ministerial advisers indicate that our interpretation is correct, which is good to know. However, that regime will be extended to include new market entrants who are not covered by the Gas Supply Act conditions.

The bill also allows for the establishment of a new participant-owned company, the Gas Retail Market Company. The purpose of the new company, which will not hold a gas supplier or gas reticulation licence, is to ensure the compliance with business rules and to provide information about the operation of approved schemes. The company is also designed to address issues relating to the implementation of cost-effective and efficient retail market business systems and information technology systems. An important part of the move to full retail competition is the need for all market participants to be bound by a common set of rules that will protect customers and facilitate customer choice, and the Opposition welcomes them. The provisions relating to customer protection are similar, and in some parts the same, as those in the Electricity Supply Amendment Bill, which passed through the Parliament in December last year—and that is sensible. By making the provisions almost identical, the Government removes the potential for confusion in the contestable market.

Consumers will be faced with a huge change when they are able to choose from whom they can purchase their electricity and gas supplies. In this matter it is a case of the simpler the better. I understand that the Minister will be able to approve a marketing code of conduct and an approved ombudsman scheme for both gas and electricity. Again, it is a case of the simpler the better. A single contract will be able to be issued for the supply of both gas and electricity if a customer is purchasing from a company that sells both products.

The bill goes further towards ensuring consistency in the regulatory frameworks between electricity and gas. It streamlines the administrative arrangements for gas and electricity customers and retailers and ensures stronger protection of consumers in a contestable market. The bill allows also the costs of supporting full retail competition to be recovered from the authorisation holders in a timely and reasonable manner. This is a point of some concern for the Opposition.

I ask the Minister: What is a fair and reasonable manner to recover the costs of supporting full retail competition from the authorised holders? What component of the annual authorisation fee will be collected by the Government to recover the cost to the State of administering the Act? I note that the bill includes a further provision to allow the inclusion of cost referable to previous years as well as costs referable to the current year. Frankly, that sounds suspiciously like retrospective legislation, and I ask the Minister for clarification of that matter in her reply.

I also ask the Minister whether the State Government will actually bear any of the cost of implementing full retail contestability or whether the authorisation holders are expected to bear the full cost of the implementation. Is the Government paying any? Based on the experience of the introduction of a contestable market for large- and medium-size electricity customers, I hope that the Government also recognises that State-owned businesses operating in this newly deregulated gas market will have to compete effectively and efficiently in order to remain competitive and viable.

By that I mean that State-owned businesses must be encouraged by the Government to trade in the most responsible manner possible, not, as they have done recently, enter into long-term contracts that are not viable or trade without the best risk practices in place. I certainly hope that government trading enterprises have learnt from their recent mistakes in that regard. The Minister mentioned in his speech that strong consultation has gone into the development and drafting of the bill. Frankly, the Government is to be congratulated on that

consultation with stakeholders and consumer groups. Too often legislation comes before this House that has been drafted and written after little or no consultation.

I am aware that many market participants have been consulted during the formulation of the bill, and the majority of them have indicated to the Opposition that they are satisfied with its contents. As I stated at the outset, the Opposition will not oppose the bill at this stage, because of the important consumer protection that it puts in place and the important market rules that will become part of the amended legislation. The Opposition acknowledges this bill as a key aspect of gas market reform, which I hope will lead to ongoing benefits to gas consumers of this State. I hope the Minister and his advisers have answers to the concerns that I have raised, because it is important for the industry to have those matters clarified.

Ms LEE RHIANNON [9.05 p.m.]: The Greens will not oppose the bill, although clearly it has a number of deficiencies, some of which we will attempt to address by amendment at the Committee stage. The bill advances the agenda of introducing competition into New South Wales energy industries. In particular, it facilitates retail competition in the supply of natural gas to small customers and establishes a regulatory regime for the competitive market.

Our first concern is that the bill perpetuates the cargo-cult mentality that has surrounded the introduction of markets into infrastructure industries in Australia. The so-called reform of gas, electricity and transport has been based largely on an infantile faith that competition between private corporations will, ipso facto, deliver social, economic and environmental benefits. On the other side of the world, the good citizens of California are learning about the severe downside of competition in the electricity industry. They are having to come to terms with a botched reform, which has in large measure resulted in skyrocketing prices and rolling blackouts.

Closer to home, the people of Victoria were the guinea pigs of Jeff Kennett's experiment in privatisation that has done much damage to that State's electricity industry, with reduced reliability and increasing prices. Australian society has lost faith with the smooth market talk of the 1980s and 1990s. Even the Federal Leader of the Opposition, whose party when in government was responsible for some extraordinary excesses of neoclassical fundamentalism in this area, is now calling for a winding back of national competition policy.

It is time that the elected representatives of the people of New South Wales began to reflect on the growing movement against slavish adherence to market ideology and recognise the need for more approaches to the economic, social and environmental problems of infrastructure provision. They are getting out of touch with the community on that issue. In New South Wales the gas industry has traditionally been dominated by a private sector monopolist. The private ownership of the gas industry distinguishes it from the electricity industry, which, despite the best efforts of the Treasurer and his masters and mistresses in the New South Wales Treasury, remains in public hands.

Private sector monopolies clearly present a number of difficult regulatory issues, and to this extent the introduction of other operators, some of whom could be publicly owned, into the gas industry would be expected to produce some improvements. However, there is a key issue that is not addressed in the bill nor, in any substantive fashion, in the Act it seeks to amend, and that is sustainability and, in particular, global warming.

As so often happens in this State, the Act specifies ecological sustainability as one of its objects but then ignores environmental issues in all its provisions. Likewise, the bill fails to address sustainability. Global warming is no longer a theory, it is a scientific consensus, a looming disaster that will have dramatic consequences for society, and in particular for those who are economically and socially disadvantaged. Yet, we continue to pay little more than lip service to the need to reduce greenhouse gas emissions and to conserve our non-renewable resources. The Greens believe that this bill provides us with an opportunity to do that, and that is what our amendments address.

If we do not mend our ways, our grandchildren will know what little thought we gave to their lives. They will judge us for being selfish and obsessed with the accumulation of our own wealth, paying no regard to their welfare. That may seem an extreme statement, but life moves on quickly and we have a responsibility to act sensibly and rationally now. People will know that governments throughout the late twentieth and early twenty-first centuries were captured by the resource industries and were driven by campaign donations. Future generations will pay dearly for their actions.

It is true that the end-use combustion of natural gas can offer lower carbon dioxide emissions per unit of end-use energy than the burning of coal to generate electrical energy. This fact is often used—particularly in debates with the Greens—to argue that gas is a superior fuel type and its consumption should thus be encouraged. Such arguments ignore the finite nature of the gas resource and the fact that it remains a source of greenhouse gas pollution. Encouraging its exploitation is an act of theft from future generations and displays wanton disregard for their wellbeing. It has long been argued that there are alternatives to ever-increasing fossil fuel usage and that these alternatives, if properly developed, could result in economic and social benefits to Australia that far outstrip the costs of reducing fossil fuel consumption.

Energy efficiency involves achieving the same level of end-use satisfaction with less primary energy input, and consequently fewer greenhouse gas emissions. We hope that the Government will see the way ahead in the area of energy efficiency so that we can strike some balance in this bill. In the case of gas, this can involve improved water and space heating designs. The development, installation and promotion of energy-efficient options can provide high-quality employment opportunities as well as reduced consumer costs. The bill's great weakness is that it fails to build into the market design the need to promote energy efficiency. It is extraordinary that a piece of legislation should fail in that area in this day and age. If not corrected, the opportunities for reduced environmental impact, decreased consumer costs and the development of a growth employment area will be lost.

The Greens will move amendments to this bill aimed at ensuring that energy efficiency and environmental impacts are translated from the objects of the Act into the actions of the Minister in establishing market rules and codes of conduct. We believe these measures will improve the environmental and social performance of the market. It is obviously more difficult to address our other concern—the mindless adherence to a market-based neoclassical view of society—in the context of the bill before the House. Nonetheless the Greens remain committed to a different view of society in which co-operation not competition is the primary motivation; in which community ownership not aggressive privatisation is the vehicle for delivering innovation and efficiency; and in which the needs of the community, future generations and the environment are paramount.

The Hon. IAN COHEN [9.13 p.m.]: I add my voice to that of Ms Lee Rhiannon on this issue. The Gas Supply Amendment (Retail Competition) Bill is the Government's attempt to reconcile social justice with full retail contestability in the provision of gas. This bill is similar to the Electricity Supply Amendment Bill that was passed last year and which created retail contestability in the electricity market. The Greens opposed the electricity bill because we believe it is important to maintain utilities in public ownership. However, there is an important distinction between the electricity and gas markets: The gas market is supplied by a private monopoly and there is a much stronger argument for contestability in this market. Therefore, although we have concerns about the bill—which Ms Lee Rhiannon stated clearly—we do not oppose it.

Full retail contestability is a major step in introducing competition policy and regulation. The community is aware of the damage that competition policy has caused. It has certainly slowed down the development of creative potential alternatives for delivering energy efficiently to households and businesses. We have consistently expressed our concern that these entities do not slow down their essential energy consumption, which results in a spiralling increase in consumption that is extremely detrimental and cannot be sustained in the long term. The resource is also unsustainable.

Contestability in the electricity market enables companies with no record of involvement in the electricity industry to provide energy services. We have recently witnessed the damage to public estates that can result from a lack of government control over public utilities. I refer honourable members to TransGrid's clearing of our national parks. Not only is the utility charged with overseeing that activity guilty as all hell but I wonder what other government agencies were doing. How could the clearing of that extremely sensitive area—it was an environmental abomination that took a considerable time—go undetected? Problems such as that—which will be addressed in the amendments to be moved by Ms Lee Rhiannon—must be addressed.

The argument that handing over essential public services to the market benefits consumers is based on a naive belief in the ability of the market to produce social benefits. That has not occurred so far, and I do not believe it ever will. The effect of this philosophy was experienced in Melbourne in 1998 when gas infrastructure collapsed. It is likely that the demise of the absurdly free market Kennett Government was hastened by the cold showers suffered by many people at that time. The companies that have entered the electricity market are not known for environmental or social responsibility in their business activities. Rather, they have successfully lobbied the Australian Government to adopt a position on climate change that has made Australia one of the world's top per capita producers of greenhouse gases. I suppose we should be pleased that gas is less polluting

than coal, but it is still a finite resource and a greenhouse polluter. Australia has nothing to be proud of when it comes to greenhouse gas production nor in our bullying of less fortunate countries—particularly our Pacific neighbours—that are already suffering greatly as a result of our wastage and misuse of the earth's resources. Increasing greenhouse gas emissions, rising sea levels, the overwhelming of island nation states and the silent death of beautiful coral reefs throughout the Pacific are a direct result of our reckless industrial activities.

As for greenhouse emissions, gas is certainly a much better and cleaner fuel than electricity. However, it is a non-renewable fossil fuel. The overconsumption of gas is likely to become a major problem in the future as people switch from other energy sources. Companies entering the market are unlikely to place greenhouse emissions ahead of their bottom line. The Gas Supply Act 1996 does not focus sufficiently on energy efficiency. The bill is a missed opportunity to include greater recognition of energy efficiency and sustainability principles in the Act. The Greens will move amendments in Committee that are designed to incorporate these principles. Rather than achieving social benefits, full retail contestability will result in a frenzy of companies trying to establish their particular brand of gas. This will be a bonanza for the advertising industry but it is an unnecessary, unproductive and inefficient way of delivering an essential public service.

The Greens believe a proper role of government is to adopt policies that will provide benefits to society as a whole. This requires a particular focus on those who are the most disadvantaged. The bill contains some safeguards, but the Government has not adequately explained how contestability will protect people on low incomes. Even if gas prices fall, those price changes are likely to benefit the larger corporate customers rather than smaller customers. I hope that the Government will see its way clear to accept the amendments to be moved by Ms Lee Rhiannon on behalf of the Greens—but I will not hold my breath. Nevertheless we do not oppose the bill.

The Hon. TONY KELLY [9.19 p.m.]: I support the Gas Supply Amendment (Retail Competition) Bill. The bill amends the Gas Supply Act 1996 in order to provide the legislative framework to complete the gas retail reforms. It forms part of the Labor Government's package of reforms for the energy industry in this State. The bill will provide for the regulation of the natural gas retail market and will allow all gas customers the right to choose their retailer while offering consumer protection to small customers.

New section 33C provides for a guaranteed right of supply under a standard form customer supply contract to certain classes of customers who are connected to a distribution system and requires low-volume supplies of natural gas. In his second reading speech the Minister stated that at the moment there is no legislative obligation on any retailer to supply gas to any customer. This section effectively creates an entitlement for small retail customers connected to the distribution network to be supplied with gas under a standard form contract.

Most people would accept that full retailer contestability will create many winners but some losers from the transition. I congratulate the Minister and the Government on creating a provision that addresses such an important issue. With third-party access, gas retailers have a guarantee that they can transport gas to the markets. Thanks to this guarantee, a long and growing list of towns and centres in rural and regional New South Wales are seeing the construction of gas distribution pipeline networks. These towns will have access to gas supplies for the first time.

The benefits of the gas reforms are being shared equally across the whole community, between residents and businesses in urban areas as well as those who live and work in rural and regional New South Wales. The heralding of natural gas to country towns gives them an opportunity to compete equally with their counterparts in the city for jobs in many industries. Since the Carr Labor Government was elected, rural and regional centres newly supplied with gas include Forbes, Parkes, Narromine, Dubbo and Wellington. I was involved with those because I was chairman of the Urana Regional Development Board, which was able to negotiate the contract with AGL to bring gas to those areas after successfully receiving a $2 million grant from the then Federal Keating Labor Government for the building of that pipeline. Other centres include Culcairn, Henty, Holbrook, Walla Walla, Howlong, Moama, Barooga, Corowa, Mulwala, Tocumwal and Finley, as well as many towns in the Blue Mountains.

These towns are benefiting from increased choice in their energy supplies and the use of clean energy fuel, that is gas. Pipeline construction work is currently under way, or in the planning stage, to bring gas to many other towns in rural and regional New South Wales, including Lockhart, Tumut, Gundagai, Batlow, Adelong, Gilgandra, Dunedoo, Coolah, Gulgong, Mudgee, Coonabarabran, Gunnedah, Werris Creek, Quirindi, Tamworth, Binnaway, Kootingal, Narrabri and Moree. All of those are spurs off the previous line to the Central

West and could not have received gas had the first line not been built. Other towns include Temora and Cooma. Two weeks ago I was part of the switching on process for the first gas customer in Cooma. I will not anticipate debate on a committee report but Great Southern Energy, a country electricity distributor, constructed that pipeline, and has done a wonderful job. Already, 1,200 customers have signed up in Cooma.

The Hon. Duncan Gay: And Tumut is coming on too.

The Hon. TONY KELLY: And Tumut is not far away. It will also include Bombala, Jindabyne, Berridale, Tweed Heads, Harden and Murrumburrah. In the near future residents and businesses in these towns will be able to take advantage of enhanced customer choice and the use of gas, the environmentally benign fuel. Division 3 provides for access by customers to a Gas Industry Ombudsman Scheme for the resolution of complaints against natural gas suppliers. New division 4 covering market operations provides for adoption of market operation rules in relation to various aspects of the operation of the retail market for natural gas. This bill is an important reform with multiple benefits to New South Wales gas consumers and the communities in which they live. I commend the bill.

The Hon. Dr PETER WONG [9.24 p.m.]: The Unity party supports the bill because it gives customers the right to choose their gas supplier while offering consumer protection, in particular, to small customers. It is important that we give customers the right to choose their gas supplier for the same reason that we have allowed customers to choose electricity suppliers. In particular, the Unity party is pleased with the extension of the powers of the Energy and Water Ombudsman of New South Wales to cover gas suppliers. It is important for any competitive industry that suppliers adhere to ethical marketing programs. In this matter Unity welcomes the initiative to regulate gas marketers through a marketing code of conduct. The Unity party welcomes competition when there is consumer protection built in, and since this bill will address both issues, we will support it.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS [9.25 p.m.]: The Australian Democrats support the bill but are somewhat cautious. We support competition in theory but we note that simply looking at economic drivers in isolation, as happened in California and in certain aspects of the electricity industry, has resulted in considerable increased risk. I have referred to the Electricity Tariff Equalisation Fund [ETEF] and its dangers with respect to the finances of New South Wales in the laudable attempts to guarantee supply to people who are otherwise uneconomic. Although competition exists in theory, anyone who has flown in Australian airspace, where theoretically there is competition, would say that small oligopolies do not necessarily result in competition and they need to be well managed. Competition should deliver real benefits rather than merely some messianic faith that two or more competitors will genuinely compete with each other rather than simply bamboozle customers with marketing, offer a fairly identical product or not supply small customers.

I note that the bill contains a guarantee to supply to existing customers but not to those who may be adjacent to mains. I am one house away from a house that has gas and I wanted gas in order to run a natural gas powered car. No interest was shown in my effort and I was told I needed higher consumption of gas. My house is run on electricity because only electricity has been available. However, my water heating is solar-powered and I used 45¢ worth of power—only a couple of hours worth—in the last quarter to boost it. We rarely use the stove because we mainly use the microwave to minimise power consumption. We also use airconditioning but not very often. Previously, one room was heated in winter by a 2,000-watt heater. Now we heat the whole house using 3,200 watts, more electricity, but with increased efficiency through airconditioning rather than straight heating.

Consumers have a greater effect on the environment as they seek more comfort, even with increased efficiency—including the use of gas—and that factor needs to be considered as part of an overall strategy of energy management in Australia. Competition in the gas market alone is not necessarily a step towards increased energy efficiency. This bill is a step along a certain road but to suggest that it will fix the problem of energy use, competition and the optimisation of resources used in Australia is saying far too much. Gas has the capacity for cogeneration. It will give greater diversity of supply and should give more security in the safe management of electricity.

The Hon. Duncan Gay: Gas is not cogeneration. It can be used for generation.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: I said gas can be used in cogeneration, that is right. Obviously, if it is used in cogeneration, that gives greater diversity of electricity supply, which gives greater security of supply of electricity, which is important for overall security. If that is the case, the planning function of TransGrid must be separated from the building function because TransGrid has a vested interest in building engineering solutions carrying electricity around the place rather than in cogeneration or diversity of

supply. I have said before that I believe TransGrid needs its planning functions taken from it so that it would then merely be an implementer of solutions that are optimised taking into account alternative energy supply options, which is effectively using gas as part of those options to improve the energy efficiency and security of New South Wales.

That point is beyond the scope of this bill but needs to be made for the purpose of our energy use. The other parallel between gas and electricity is that in the case of the Electricity Tariff Equalisation Fund, which guarantees electricity supply to customers who might otherwise be uneconomic in the volume of electricity they consume, the Government guarantees supply at a certain level. Although I cannot see it in the bill, I am concerned that there may be a guarantee that if the supplier is losing money there will be some subsidy top-up. With regard to the ETEF this exposes the taxpayer to some risk and one wonders if the same situation could arise with gas supply. Of course, logically it could and it worries me that the Government seems to guarantee that if it makes a loss the Government picks it up and if it makes a profit the private sector picks it up. Obviously, from a taxpayer's point of view, that is not entirely desirable. It would be interesting to have a guarantee of what the Government will do about that. With what has happened with the ETEF, more thought is required than with the introduction of this bill which, even though it is a first step towards diversity of supply in gas and more efficient energy use, certainly is not the final step. Obviously, if these other issues are not addressed, there are possible future pitfalls.

The Hon. CARMEL TEBBUTT (Minister for Juvenile Justice, Minister Assisting the Premier on Youth, and Minister Assisting the Minister for the Environment) [9.32 p.m.], in reply: I thank all honourable members for their contributions to the debate. The Carr Labor Government is committed to reforming the energy sector for the benefit of all gas and electricity consumers in New South Wales. This commitment saw amendments to the Electricity Supply Act late last year to put in place a comprehensive set of customer protections. I am glad that this commitment is repeated for the 800,000 New South Wales gas customers. Through its gas reform program the Government aims to introduce a competitive market in natural gas to benefit the whole community in Sydney and in rural and regional New South Wales.

Many towns in rural and regional New South Wales over the past five years have witnessed the construction of gas distribution pipeline networks. For the first time these towns have access to gas supply. Residents and businesses in these towns now are benefiting from increased choice in energy supplies and from the use of clean energy fuel, which gas is. In addition, currently there is under way or planned pipeline construction work that when finished will bring gas to many other rural and regional towns. A number of honourable members raised issues during the debate. The Deputy Leader of the Opposition indicated that the Opposition will support the legislation, and we thank the Opposition for that support. He raised questions about consultations on the standard form customer contracts. I can advise him that consultations have taken place with industry and consumer representatives, both of which have supported the approach that the gas standard form contracts will be similar in form and content to the standard form contracts to be used in the electricity market.

On the issue of costs to be recovered from authorisation holders and costs to the Government of implementing full retail competition, over the past 2½ years the Government has invested a considerable amount of time and effort in assisting industry with developing the necessary systems and procedures to implement full retail competition in gas. It must be said that industry and consumer groups also have invested a considerable amount of time and effort in assisting the Government with this task. The cost to the State of administering the Act includes the costs of implementing full retail competition as well as other administrative costs. These costs are recoverable from industry participants through annual authorisation fees. Total costs to the State for implementing full retail competition have yet to be quantified, but will include consultancy costs incurred by the Government over the past three years of approximately $2.6 million, which equates to a cost per customer in New South Wales of a little over $1 per year.

Costs to be recovered from authorisation holders are to be fair and reasonable as determined by the Independent Pricing and Regulatory Tribunal. The Deputy Leader of the Opposition raised also the issue of whether the legislation was retrospective. I am advised by the Minister's advisers that it is not. Ms Lee Rhiannon and the Hon. Ian Cohen raised a number of issues and foreshadowed that the Greens will move a number of amendments in the committee stage, which is the better time to discuss those issues. In the near future residents and businesses in these towns will be able to take advantage of enhanced customer choice facilitated by this bill. The bill introduces important changes to the structure and operation of the gas retail market in New South Wales. Without these amendments the Government would not be able to deliver a major plank in its gas reforms that commenced over five years ago. I commend the bill to the House.

Motion agreed to.

Bill read a second time.

In Committee

Clauses 1 to 4 agreed to.

Schedule 1

Ms LEE RHIANNON [9.37 p.m.], by leave: I move Greens amendments Nos 1, 2, 3, 4 and 5 in globo:

No. 1 Page 7, schedule 1 [12]. Insert after line 5:

(c) a condition that the supplier must take all reasonable steps to assist its customers to minimise their consumption of gas, including providing information and advice to customers about energy efficient appliances and renewable energy options (for example, gas-boosted solar water heating), and

No. 2 Page 15, schedule 1 [12]. Insert after line 14:

(5) Before the Minister approves a rule, or an amendment to or revocation of a rule, the Minister is to consider:

(a) whether approval of the rule is consistent with the objective of delivering a safe and reliable supply of gas in compliance with the principles of ecologically sustainable development contained in section 6 (2) of the *Protection of the Environment Administration Act 1991*, and

(b) the impact, having regard to those principles, of the approval.

No. 3 Page 15, schedule 1 [12]. Insert after line 23:

(6) The written notice published in the Gazette must contain:

(a) a statement of the reasons for the approval, and

(b) a statement as to whether the rule is consistent with, and furthers, the objective of delivering a safe and reliable supply of gas in compliance with the principles of ecologically sustainable development contained in section 6 (2) of the *Protection of the Environment Administration Act 1991*, and

(c) a statement of the effects of the approval on the emission of greenhouse gases in New South Wales.

No. 4 Page 16, schedule 1 [12]. Insert after line 27:

(2) Without limiting any other matter that may be included in the Marketing Code of Conduct, the Code must require gas marketers to assist customers to minimise their consumption of gas, including providing information and advice to customers about energy efficient appliances, conservation measures and renewable energy options (for example, gas-boosted solar water heating).

No. 5 Page 17, schedule 1 [12]. Insert after line 6:

(5) Before the Minister approves the Marketing Code of Conduct, the Minister is to consider:

(a) whether approval of the Code is consistent with the objective of delivering a safe and reliable supply of gas in compliance with the principles of ecologically sustainable development contained in section 6 (2) of the *Protection of the Environment Administration Act 1991*, and

(b) the impact, having regard to those principles, of the approval.

(6) At the same time that the Code is published in the Gazette, a notice must be published in the Gazette containing:

(a) a statement of the reasons for the approval of the Code, and

(b) a statement as to whether the Code is consistent with, and furthers, the objective of delivering a safe and reliable supply of gas in compliance with the principles of ecologically sustainable development contained in section 6 (2) of the *Protection of the Environment Administration Act 1991*, and

(c) a statement of the effects of the approval on the emission of greenhouse gases in New South Wales.

The key for this aspect of our discussion is energy efficiency. The Government has said it will not support these amendments, which is disappointing because often we listen to its rhetoric about its concern for the environment and its commitment to these types of measures. This was a good chance to do something without being difficult or costly. Our amendments clearly set out that we have the opportunity for the retailer to take steps to allow real energy savings that will flow on to reduce greenhouse gas emissions. This bill creates an interface between retailer and customer. It is at this interface that we can have real change and make important decisions in the purchase of equipment.

The Greens argue, quite reasonably, that the supplier should be required to assist customers to reduce the amount of gas they use. Suggestion on how to achieve that are clearly set out in the amendments. The company would be required to provide information, energy-efficient appliances and renewable energy options. When we say that, people often wonder what we are talking about because we are talking about gas. Those two

things can be brought together by using gas-boosted solar water heaters. Integrating these measures is the way of the future. The amendments would also require the Minister to ensure that all the rules associated with the development would be consistent with the principles of ecological sustainability. The marketing code of conduct would require gas marketeers to help consumers reduce their gas use. These amendments would go a long way to achieving a reduction in gas use and, therefore, production in greenhouse gas emissions with no impact on the lifestyle of the consumers, but a reduction in the amount of energy used. The need for such a reduction has been set out in the material we have provided. I commend the amendments to the Committee.

The Hon. CARMEL TEBBUTT (Minister for Juvenile Justice, Minister Assisting the Premier on Youth, and Minister Assisting the Minister for the Environment) [9.41 p.m.]: The Government does not support the amendments moved by Ms Lee Rhiannon, but that cannot be translated into a lack of commitment by the Government to environmental sustainability. The Government's record in that regard speaks for itself. However, the Government does not believe that this bill is the vehicle to pursue the matters raised in the amendments moved by Ms Lee Rhiannon. The bill is not about greenhouse gas but rather about protecting small customers and facilitating full retail competition in gas. I remind honourable members that authorised retailers are required to produce greenhouse gas emission reduction strategies as part of their authorisation and work towards achieving that. It should also be remembered that greenhouse gas is a relatively low emission energy source. For those reasons the Government will not support the amendments moved by Ms Lee Rhiannon.

The Hon. DUNCAN GAY (Deputy Leader of the Opposition) [9.42 p.m.]: The Opposition does not support the amendments. I appreciate Ms Lee Rhiannon providing me with a copy of the amendments before we came into this Chamber, which gave us a chance to look at them. Ms Lee Rhiannon knows that I do not always praise her amendments, but nothing is terribly wrong with them and their aspirations are laudable. One of the reasons we will not support them is that I suspect many of the aspirations within the amendments are covered by the Sustainable Energy Development Authority, the principles of which the Government already embraces. When the Hon. Ian Cohen moved an amendment of a similar nature to an electricity bill I indicated that although the principle he was espousing and his intentions were good, he was not doing a good thing because restricting the New South Wales electricity industry would disadvantage it in comparison with the Victorian industry, which generates its electricity out of that dirty brown coal.

We are talking about gas consumption that will be in competition with electricity not just from New South Wales but with energy that is generated from that dirty brown coal in Victoria. As the Minister quite correctly said, as a greenhouse gas its emissions are much better than those generated from the remnants of the brown coal in Victoria. We cannot support anything that would make it harder to sell gas and be detrimental our industry. We agree with the Government, and we will oppose the amendments.

Amendments negatived.

Schedule 1 agreed to.

Schedule 2 agreed to.

Title agreed to.

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

ADJOURNMENT

The Hon. IAN MACDONALD (Parliamentary Secretary) [9.47 p.m.]: I move:

That this House do now adjourn.

McKELL LABOR GOVERNMENT ELECTION SIXTIETH ANNIVERSARY

The Hon. TONY KELLY [9.47 p.m.]: I wish to say a few words about the recent sixtieth anniversary of the election of the McKell Labor Government in New South Wales. The victory of McKell on Saturday 10 May 1941 ushered in an era of New South Wales Labor governments that would last for almost a quarter of a century. Looking back at the election, it is truly remarkable to see how little things have changed. Labor in ascendancy in both the city and the country and a conservative coalition rejected en masse by voters as out of touch and arrogant a party that was concerned with its internal wrangling—note the recent emergence of Country Liberals for 24 hours.

How little things have changed over the past six decades: Labor's 16.1 per cent swing in 1941 delivered it a commanding majority and a staggering loss of 29 seats between the city and country Tories. The 1941 victory reflected what McKell knew all along: For Labor to be the dominant and truly representative party in New South Wales it needed strong representation in the city and the country. McKell achieved this through a brilliant rural campaign based on three key elements. First, to put up the right sort of rural candidate, someone who would defend country interests in Macquarie Street.

The election saw the emergence of a number of great country Labor members who would go on to serve their constituents as members, ministers and leaders—men like Jack Renshaw for Castlereagh, who served for something like 49 years and just happened to be born in my home town of Wellington on 4 August 1909, which was the venue for the very first Cabinet meeting held outside of the Sydney metropolitan area; Eddie Graham from Wagga Wagga; Roger Knott from the Liverpool Plains; Bill Sheahan from Burrinjuck; and Leo Nott from Mudgee and many more. Second, McKell produced a program of reform and building in rural and regional New South Wales, which had been long neglected by the conservatives. Ever since it has been Labor which has had the vision and commitment to deliver infrastructure and services for rural and regional communities such as the Soil Conservation Service, rural electrification—which was a positive subsidy of some $20 million from the city areas to the country—and the building of dams such as Burrendong Dam. McKell certainly turned the first sod at Burrendong Dam and he opened the first soil conservation service—again in Wellington.

Finally, McKell established and maintained an effective line of communication between Labor and the bush, highlighting what Labor stood for and how this corresponded to the aspirations of country people. McKell pursued these goals with a fixity of purpose that ensured a momentous Labor victory founded on solid support throughout all of New South Wales—not only in Sydney, Newcastle and Wollongong, but also in the regional centres and the small country townships. The policies of McKell and Labor were in strong contrast to a Country Party which was seen as policy lazy and out of touch. The press certainly noted this.

The *Bulletin* described the Mair Government as an irritating picture of complacent inertia, with the Country Party remaining "… singularly quiet in a government which persisted in a course that could never be described as remotely beneficial to the country". Describing the Mair Government as "… the greatest do-nothing government the electors could remember," the *Telegraph* condemned the Country Party as "… incapable of outgrowing its parish pump bitterness, its little country town squabbles, its sectional rancour and an intolerable pettiness when the State expects bigness of vision from its leaders".

Worse was to come from the rural press. The *Farmer and Settler* contrasted Labor's policies with a Country Party that had "… thrown overboard its purely country policy, allied itself with vested interests, and become satisfied to pursue a policy that meant nothing more than holding office at all costs". One could well be forgiven for thinking those comments were coming from today's newspapers, but it reflects a Federal and State National Party still out of touch with the needs of country communities. It is little wonder there are moves by their Coalition partners to form the Country Liberal Party—even their Coalition partners realise just how hopeless the National Party is.

There is an old adage which says that to prepare for the future you must understand and learn from the mistakes of the past. The arrogance and complacency of the National Party shows that it is unable and unwilling to acknowledge its mistakes, and will continue to sacrifice the interests of country families and businesses to the interests of the big end of town and its agenda of national competition policy, deregulation and the sale of institutions such as Telstra and Australia Post. It reflects a party that has no future and no role to play in securing the future of rural and regional Australia.

ITALIAN NATIONAL DAY CELEBRATIONS

The Hon. JAMES SAMIOS [9.52 p.m.]: I draw the attention of the House to the fifty-fourth anniversary celebration of the Italian Republic at Dalton House, Darling Harbour, last weekend. The occasion of the Italian national celebrations was impressive, convened by a committee chaired by Cavallero John Caputo, OAM, who is president of the Italian National Day Celebration Committee. The celebration of the fifty-fourth Anniversary of the Italian Republic is significant as it commemorates 2 June 1946, the day on which Italy became a republic and established a new Constitution that conferred democratic rights on all citizens.

The Australian-Italian community has played an important role in the social and cultural development of our nation. Until 1975 Italy was one of Australia's largest migrant sources. With the mass migration program of the late 1940s people with varied skills came and contributed to our way of life. On Sunday at Dalton House

the Australian-Italian community was happy to give an overwhelming greeting to Prime Minister John Howard and Mrs Howard, who attended the markets prior to the reception and concert that was held on that day.

In addition to the Prime Minister, a number of other Ministers and members of Parliament attended. They included Phil Ruddock, the Federal Minister for Immigration and Ethnic Affairs, Kerry Chikarovski, the Leader of the New South Wales Opposition, as well as Adrian Piccoli, National Party member for Murrumbidgee—who received a tremendous response after his speech in Italian. The reality is that Australians of Italian background who have lived in the country and who are great Australians take pride in relating to their culture. They are delighted to find Australian members of Parliament, also of Italian background, taking pride in being able to articulate in their language of origin.

That, of course is the great thing about our multicultural society. We should acknowledge the contribution of people from culturally diverse backgrounds who have played an important role in the development of our country. In saying that, I make the point that the function last weekend that celebrated Italian National Day was but a replication of myriad other functions held by ethnic communities. They rejoiced in acknowledging the important step they have taken in becoming Australian citizens and rearing families in Australia, at the same time acknowledging the important contribution that their culture has made to our multicultural society as we enter the new millennium.

HOMELESSNESS SUMMIT

The Hon. IAN COHEN [9.57 p.m.]: I wish to speak about the Homelessness Summit that was held in the Parliament House auditorium from 14 to 16 May,. It was jointly co-hosted by me, the Hon. Janelle Saffin on behalf of the Labor Party, and Mr Kevin Rozzoli on behalf of the Coalition. This successful event was attended by several hundred people over that period. Parliament House was filled with people—experts in the field, professionals, through to a significant number of homeless people and people who had been homeless in the past. We heard some quite exceptional stories from very brave people coming to terms with their situations and finding new paths in life.

The conference was opened, and its direction very effectively stated, by Her Excellency the Governor of New South Wales, Professor Marie Bashir. She was a wonderful patron of our conference and spoke with great passion on the first morning. I am thankful that she attended the conference. It was certainly an honour to meet her there. Before I go into some of the detail, Anne Maree Fagan, who works for the Bishop of Parramatta, sang a song. She is a wonderful young woman, talented and dedicated. I will quote a few verses from her song entitled "Anonymous Man":

> Midnight in the city, moonlight on your face
> It's white washed and lowly, staring into space
> With nothing much to say
> You've heard it all before
> You try so hard to hide away
> But your soft eyes tell it all
>
> You don't ask questions, you don't tell lies
> What was it that brought you here?
> In that distressing disguise?
>
> Broken down on the street
> Loose change at your feet
> Living and dying with shame
> You're losing your name
> Ooh nobody sees you there
> Anonymous man.

The workshops were very inspiring and many people participated. The workshop that I hosted looked at causes and solutions. It was a general workshop and supported and endorsed geographical equity in the provision of services for homeless people, especially in the establishment and improvement of services in rural and remote areas of New South Wales, including detoxification, mental health, housing, domestic violence and gambling assistance—specifically detoxification services in all areas, including those under 18 years of age; increasing outreach accommodation support services and increasing and maintaining current building-based crisis housing services.

The summit supported and endorsed a strategy to promote the maintenance and development of existing and new systemic advocacy services. It also sought the review of existing income support measures for homeless people, including a review of Commonwealth levels of income support regarding the proportion of people living below the poverty line and at serious risk of homelessness. It is claimed that 37 per cent of income support recipients currently live below the poverty line. The summit sought a review of Centrelink policies that

prevent unemployed people moving away from Sydney, or having to move to Sydney, to regions where housing is more affordable, which results in homeless people being trapped in Sydney and other unaffordable regions.

The summit sought a review of Centrelink activity tests and its breaching regime. The breaching regime was seen as a significant problem, particularly for young people. The summit sought a review of the administration of transport concessions leading to the establishment of Centrelink as the administering body for transport concessions and the streamlining of the process for reinstating transport concessions for those who have lost them. The summit sought the adoption of a philosophy of secure tenure for tenants of supported and social housing programs, an appropriate response for people under 18 years of age, the improved provision of a diverse range of housing stock and social housing, and an increase in housing stock.

In the area of domestic violence, the summit sought to promote the widespread use of exclusion orders to allow victims of domestic violence to stay in their homes, and the development of a strategy to increase access to immediate and timely legal aid for women and children experiencing domestic violence. It was clear at the summit that homelessness is caused not just by a lack of housing or a few people who are outcasts on the streets; there are many mental, social and gambling addiction issues. This is something that needs to be approached by all government agencies. They need to work together to resolve the problems of homelessness, which should not exist in this city. [*Time expired*.]

PREMIER'S TRADE VISIT TO CHINA

The Hon. HENRY TSANG [10.02 p.m.]: I am pleased to report to the House on the follow-up to the Premier's very successful trip to China in November last year. As honourable members will recall, the Premier visited China at the height of the success of the Sydney Olympic Games to take advantage of Australia's reputation to promote New South Wales trade and investment. The Premier visited our sister State Guangdong, the Olympic bidding city of Beijing, and China's commercial and financial centre of Shanghai. I would like to highlight some of the commercial successes of the Premier's visit.

In the environmental service area, the Premier outlined the environmental professional capability of New South Wales experts while inspecting the Guangdong Delta area with government officials. The Guangzhou city government has shown great interest in the New South Wales environmental success and, as result, in February 2001 in the joint economic sister State meeting a contract was signed by the Guangzhou city government to engage the Australian Environmental Group as consultants to revitalise the very large delta area of Guandong. In the building construction and design area, the Premier discussed with the Mayor of Beijing and the Beijing Olympic Bid Committee our design and organising expertise.

The Premier inspected the proposed Olympic facilities and offered Sydney Olympic experience. As a result of the visit Lend Lease won a consultancy contract in Beijing with the Olympic Bid Committee for the planning and construction of a sporting complex. In Guangzhou the Premier arranged the meeting of some of our building contractors with the Guangzhou airport authority. As a result, Australian contractors and building material suppliers were given access to the tender process.

In the tourism sector, the Premier announced the inaugural flight of China South Air between Guangzhou and Sydney. The airline general manager, Mr Jeff Chan, told me recently that the three times a week service is doing extremely well. Currently I am assisting China South Air and Tourism New South Wales with the exchange program of tourism journalists. The tertiary education sector has had tremendous success. The Premier promoted the University of Western Sydney [UWS] and Charles Sturt University [CSU] while in China. Only a fortnight ago some 80 students graduated from the UWS master of business administration [MBA] course. I had the great pleasure of attending the graduation ceremony of the first group of Chinese graduates visiting Sydney to receive their diploma. These are graduates in the MBA course offered by the University of Western Sydney in Guangzhou in Chinese and English with the Kingold group. The current enrolment in the UWS MBA program is over 200 students in Guangzhou.

In Shanghai, Charles Sturt University is starting a course in September with the TOP group to deliver an information technology related bachelor degree. The Vice-Chancellor of Charles Sturt University is currently visiting Shanghai and Shenzen negotiating another university foundation course with local institutions. I am pleased that the Premier saw fit to appoint me as his special adviser on East Asian business relations. In that capacity I am more than happy that these tertiary institutions and trade and professional groups are using me as a resource to assist them in their export drive. It is a privilege for me to use my position to contribute to the export drive of New South Wales industries into the East Asian market—in the process creating jobs locally and in particular in Country New South Wales. That is a task that I am proud of and I will strive to achieve far more for New South Wales—especially for our rural and regional centres. [*Time expired*.]

DEPARTMENT OF LOCAL GOVERNMENT RELOCATION

The Hon. DON HARWIN [10.07 p.m.]: The State budget being brought down today in the other place by the Treasurer, the Hon. Michael Egan, reminds me and the people of the Shoalhaven that is two years since the Treasurer announced in a budget speech that the Department of Local Government would be moving to Nowra. But it is only last Friday that a contract was signed and a tender was let to begin construction of the building to accommodate the department. The building will not even be finished until January 2003. Let us explore that a bit further, because there have been four different dates given to the people of the Shoalhaven for the completion of the building.

The Hon. Jan Burnswoods: You are not debating the budget, are you?

The Hon. DON HARWIN: No, I most certainly am not debating the budget; I am referring to a media release by the Minister for Public Works and Services last Friday. The budget two years ago gave a completion date of August 2000. In documents obtained by the Opposition from the Department of Public Works and Services under freedom of information provisions we were told that the building would be completed in March 2001. In the *South Coast Register* earlier this year the member for South Coast said that it would be finished later in 2001, which shows how out of touch he is. The fourth date was provided by the Minister for Local Government in his answer to a question on notice. He said it would be finished in early 2003. Delivery of the project has been a complete shambles. People of the Shoalhaven have become cynical about what has been promised. The main issue I wish to address is the dishonest press release put out by the Minister for Public Works and Services in which he claimed that the relocation means 200 jobs for Nowra. This is just a lie. It is seeking to mislead the public about the true situation. He said:

> This means 200 jobs for Nowra—over 100 in construction-related activities and 100 permanent government jobs.

A reputable Central Coast company has been given the tender and I am hopeful that there will be work for local subcontractors.

The Minister's claim about 100 jobs is a complete lie, because 40 jobs are being relocated out of the premises—which are leased from the private sector, and which will now be empty—into the new government office building in Nowra. When the Treasurer announced this relocation it was put around in Nowra by the Government and the honourable member for South Coast that the department's entire staff, then totalling 122, would be moving to Nowra. The people of the Shoalhaven now know that the department's staff numbers have dropped to about 68. In fact, the promise of new jobs for the Shoalhaven has been a complete lie and misrepresentation by the Government.

The Hon. Jan Burnswoods: It is not, you are not counting the jobs in the other departments.

The Hon. DON HARWIN: Which were already there.

The Hon. Jan Burnswoods: You do not know your facts, and you should not throw around words such as "lie".

The Hon. DON HARWIN: The circumstances are out of step with the Minister's press release. Obviously, the Hon. Jan Burnswoods was not listening at her own conference, because the Minister's press release quite clearly states that the additional 40 government staff from the Department of Land and Water Conservation are currently in Nowra. It is stated in Minister Iemma's press release. The Hon. Jan Burnswoods should look at it and learn the facts, then she will understand why the people of the Shoalhaven are so disappointed. [*Time expired.*]

NATIONAL RECONCILIATION WEEK 2001

The Hon. HELEN SHAM-HO [10.12 p.m.]: I remind honourable members that it was exactly a year ago last Sunday that a quarter of a million Australians walked across the Sydney Harbour Bridge in support of reconciliation, as part of the Council for Aboriginal Reconciliation's Corroboree 2000. It was a day of exhilaration, unity and strength as so many people came together on a freezing, wintry Sunday, simply to show that they cared. A year has passed, and we are now observing National Reconciliation Week 2001, which runs from 27 May to 3 June and which this year is sponsored by the new foundation, Reconciliation Australia, a non-profit organisation that is continuing the work begun by the Council for Aboriginal Reconciliation during its 10-year term.

The theme of National Reconciliation Week this year is "Keeping the Flame Alive". I encourage all honourable members to participate in this week. I believe we have a duty to ensure that the spirit of Corroboree 2000 is continued so that reconciliation is kept alive. This can be done by supporting reconciliation activities whenever possible as we live our day-to-day lives. As part of National Reconciliation Week, a 2001 Dinner for Reconciliation will be held on 2 June at the Westin Hotel, Martin Place, which I hope to attend. This dinner has been organised by the New South Wales Reconciliation Council, the peak community reconciliation body in New South Wales.

The guests of honour will be Her Excellency Professor Marie Bashir, AC, Governor of New South Wales, and her husband, Sir Nicholas Shehadie, AC. The keynote speakers will be the Hon. Kim Beazley, the Federal Leader of the Opposition, and Dr Mick Dodson, the former Aboriginal and Torres Strait Islander Social Justice Commissioner. Among those attending the dinner will be many of Australia's indigenous leaders, including Dr Lowitja O'Donoghue, Dr Evelyn Scott, Dr Faith Bandler and Senator Aden Ridgeway. Entertainment will be provided by Jimmy Little and the Bangarra Dance Theatre. I am looking forward to attending the dinner, to not only support Reconciliation Week but to meet up again with my old friends.

As a member of the Council for Aboriginal Reconciliation for nearly a decade, I was privileged to observe the positive changes in people's attitudes that have taken place in relation to reconciliation over that period. I am aware that many Australians have embraced reconciliation and consider it essential to have mutual respect and understanding between the indigenous and non-indigenous communities in this country. I have been inspired by the emergence and growth of the people's movement for reconciliation, which is unstoppable now. Page 61 of the final report of the Council for Aboriginal Reconciliation in December 2000 stated:

> The people's movement is one of the most celebrated outcomes of the work of the council. Reconciliation has not ended with the finishing of the council. The people's movement will take it forward.

A year after Corroboree 2000 we can see that the people's movement continues to be active through different events and gatherings. The Sea of Hands project is still going and community groups and evening colleges have helped local reconciliation circles to grow. I believe that it is these grassroots movements that are the main forces keeping the reconciliation flame alive.

I bring to the attention of honourable members an article in yesterday's *Sydney Morning Herald*, which I feel encapsulates the point we are at as a nation. It is entitled "Great march, shame about the progress". It shows that the Federal Government has abdicated any real responsibility for reconciliation. There are many reconciliation issues that need strong leadership, and that cannot be done simply through the people's movement. As Senator Aden Ridgeway pointed out and reported in the article, these include the unresolved issue of an apology for the stolen generations, the need for an open dialogue between leaders on all sides of politics and the issue of treaty, and the necessity for the mandatory sentencing laws in the Northern Territory and Western Australia to be overturned. All these require leaders who are not afraid to discuss these issues, and to embrace the consequences. I agree with Senator Ridgeway that the lack of Federal Government leadership has meant that the people's movement is losing momentum. I truly feel that there is a real danger that reconciliation will wither and die without the resolution of those issues.

I take this opportunity to applaud Sir William Deane, Australia's Governor-General for only a little while longer, who has shown his strong belief in reconciliation by taking up every speaking opportunity to talk on the issue. At the Centenary of Federation celebrations in Melbourne in early May, which I attended, Sir William called on all politicians to "achieve true and lasting Aboriginal reconciliation". More recently at the University of New South Wales Law Graduation, Sir William was honoured with an honorary doctorate of law and again spoke on reconciliation to the newly graduated law students.

Despite the hurdles that still need to be overcome, I believe that all Australians who support reconciliation should be proud of their efforts and can use this week to further the cause of reconciliation. This can be done on a local level, through joining a reconciliation circle, buying a Body Shop flame of reconciliation candle or simply holding a reconciliation barbecue with friends or neighbours. Whatever people choose to do, the most important thing is that reconciliation stays on the national agenda. This will ensure that the reconciliation flame is kept alive. [*Time expired.]*

Motion agreed to.

House adjourned at 10.17 p.m.