LEGISLATIVE COUNCIL

Wednesday 18 September 2002

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

The President offered the Prayers.

STANDING COMMITTEE ON SOCIAL ISSUES

Reporting Date: Department of Community Services

Motion by the Hon. John Della Bosca agreed to:

That the interim reporting date for the reference to the Standing Committee on Social Issues relating to the Department of Community Services be extended to Wednesday 16 October 2002.

PETITIONS

Freedom of Religion

Petitions praying that the House reject legislative proposals that would detract from the exercise of freedom of religion, and retain the existing exemptions in the Anti-Discrimination Act applying to religious bodies, received from **the Hon. Patricia Forsythe** and **Reverend the Hon. Fred Nile**.

BUSINESS OF THE HOUSE

Withdrawal of Business

Private Members' Business item No. 95 outside the Order of Precedence withdrawn by the Hon. Greg Pearce.

IMPACT OF WAR AGAINST IRAQ

Matter of Public Interest

The Hon. IAN COHEN [2.39 p.m.]: I move:

That the following matter of public interest should be discussed forthwith:

The potential impact of a war against Iraq on the people of New South Wales.

Yesterday I gave notice of this matter in the House and since then I have discussed it with a number of honourable members. I understand that members of the Government and the Coalition will not agree to this matter proceeding today. I wish to place on the record a number of matters that I believe make the issue pertinent to the people of New South Wales. It is almost as though we have a "Don't mention the war" attitude.

The Hon. John Jobling: Point of order: It is my understanding that before a motion relating to a matter of public interest can be debated, the member wishing to move the motion is allowed 10 minutes in order to establish the urgency of the matter. Similar time is then given to a Minister or the Leader of the House, after which the House votes on the question of urgency. If urgency is agreed to the member may proceed with his matter of public interest in the usual manner. I take a point of order at this stage because I do not believe that the honourable member is seeking to establish the urgency of the matter. I believe that he is speaking to the motion.

The Hon. Richard Jones: To the point of order: The Hon. John Jobling would have taken a point of order anyway, regardless of what the Hon. Ian Cohen said, because he knew that the Hon. Ian Cohen would at this stage raise certain matter.

The Hon. John Jobling: You do not know what is in my mind.

The Hon. Richard Jones: We do, because we had a meeting with the Hon. John Jobling as a result of which we knew he was going to take this point of order. The fact is that this is an urgent matter and the Hon. Ian Cohen is trying to establish why the people of New South Wales will suffer very severely if Australia goes to war against Iraq—because we will be losing some of our wheat markets and we will be fighting some of our best customers. This is a very important and urgent matter.

The Hon. Ian Cohen: To the point of order: I have some dozen points that specifically address why the issue is important to the people of New South Wales. I am not addressing the substance of the issue; I have not even started talking about the substance of the issue.

The PRESIDENT: Order! The member was in fact establishing urgency. He was canvassing matters relating to the nature of the debate in order to establish urgency. He may continue.

The Hon. IAN COHEN: I do not wish to waste the time of the House. However, I believe that a number of important issues must be addressed in this forum on behalf of the people of New South Wales. Honourable members supported a discussion in this House on the globalisation of information, and people in New South Wales are very interested to know what the impact of the current conflict will be on them. First, there are the implications for trade on people living in country areas who are represented by many members of this House and who are involved in the production of wheat. Problems will result from loss of trade with the Middle East, and the attitude of the Federal Government will have a significant impact on the livelihood of farmers in this State.

Divisions in our community—and there is already evidence of polarisation between Arabs and Jews and Muslims and Christians—will increase, as will violence in communities throughout this State. Young people, particularly young men, will be affected. Already members of such groups are overrepresented in depression and suicide statistics. What will they be thinking? I and many New South Wales citizens have families in Middle Eastern countries. Can we not spare a moment's thought for the suffering of the relatives of New South Wales citizens who know that their relatives will possibly be under bombardment in the very near future? How will young people from metropolitan areas feel—those who are truly multicultural in their lifestyle, whose friends are from Middle Eastern countries or whose families come from other places throughout the world?

The Hon. Duncan Gay: Why should it be urgent?

The Hon. IAN COHEN: It is urgent because of the potential for conflict and violence in Iraq in the very near future.

The Hon. Duncan Gay: And the Legislative Council will be able to stop that?

The Hon. IAN COHEN: I believe it needs to be considered. The Federal Government makes a decision and the State Government picks up the tab. There will be increased costs for policing in New South Wales and increased costs for the Department of Community Services and the health system. Discontent enters all spheres of life. Increasing problems in schools and on the streets are evident. The Australian community has a proud record of internal minimisation of violence stemming from international conflicts. Will bellicose statements from the United States of America and Canberra change that? What price domestic peace in New South Wales? We are trying to introduce conflict resolution in schools and throughout the education system, but what type of example is being set for the children of New South Wales as a result of the attitude adopted by a number of our leaders in this circumstance? The Vietnam War affected a generation and changed Australian life forever. Might not a war against Iraq do the same?

Attempts have been made to change the gun culture that exists in New South Wales—attempts that have been successful in many instances—yet we are demonstrating the potential of remote control killing. Does a double standard undermine our society? The threat of war has impacted severely on tourism. People fear flying on international routes and Australia's tourism has been significantly curtailed. Because of the attitudes expressed by the Federal Government and our subservience to the United States war machine, New South Wales will be a target. Tourism is just one other major industry that will suffer because of the attitude of the Federal Government, and at what cost to tourism in New South Wales?

Perhaps the Government and the Opposition will reflect on debates that have taken place in this House. I recall many hours being taken up by members speaking about their pet dogs and amusing bylines, and we

should give some time to debate this significant matter of public interest. It is incumbent on honourable members who represent the people of New South Wales to take part in a debate on this topic. It is reasonable that this topic be presented as a matter of public interest before this House at this time and that a short and relevant debate be conducted in relation to it. The people of New South Wales will feel the effects, either directly or indirectly, of military conflict. The morale of the people of this State, businesses and employment opportunities will certainly be affected adversely. Honourable members are well aware of the repercussions that September 11 had on the collapse of Ansett and on the airline industry as a whole, and if a war against Iraq takes place there will be far greater problems to be confronted.

I ask the Parliament to discuss the benefit that could be derived if even a fraction of war expenditure were disbursed in humanitarian aid in the form of education, medical services and public infrastructure for the people of Iraq. These services are taken for granted in this State and there are plenty of complaints when services are not delivered. But humanitarian aid to Iraq would have a major impact on international relations and reflect well on the people of New South Wales. After all, New South Wales has a very multicultural society. I commend the motion as a matter of public importance to the House.

The Hon. JOHN DELLA BOSCA (Special Minister of State, Minister for Industrial Relations, Assistant Treasurer, Minister Assisting the Premier on Public Sector Management, and Minister Assisting the Premier for the Central Coast) [2.48 p.m.]: The Government does not support the matter being debated urgently today. The honourable member has made some excellent points about the significance of the current international conflict and its effect on the people of New South Wales. However, the Government's view is that, apart from the Commonwealth Parliament's extensive discussion on the matter, there is extensive public debate in which any honourable members are free to participate. The fact is that no Executive action can be undertaken by the Government of New South Wales that would be directly relevant to any of the issues canvassed by the Hon. Ian Cohen while putting his case for urgency.

[*Interruption*]

The Hon. John Jobling indicates some of the political background. The Government's view is that a case has not been made out that the matter should be debated urgently by this Chamber. It is indeed an urgent matter in the general sense of world affairs, and a matter of great gravity for the community, the Commonwealth Government and all concerned with international affairs. But on whether it is urgent that this Chamber discuss the matter today the Government is clearly of the view that a case of urgency has not been made out by the honourable member. I ask the House to reject the honourable member's request that this matter of public interest be discussed forthwith.

Question—That the motion be agreed to—put.

The House divided.

Ayes, 4

Mr Cohen
Ms Rhiannon

Tellers,
Dr Chesterfield-Evans
Mr R. S. L. Jones

Noes, 31

Mr Breen	Mr Gay	Mr Pearce
Ms Burnswoods	Mr Harwin	Dr Pezzutti
Mr Colless	Mr Hatzistergos	Mr Ryan
Mr Costa	Mr M. I. Jones	Mr Samios
Mr Della Bosca	Mr Kelly	Mrs Sham-Ho
Mr Dyer	Mr Lynn	Ms Tebbutt
Mr Egan	Mr Macdonald	Mr Tingle
Ms Fazio	Reverend Moyes	
Mrs Forsythe	Reverend Nile	*Tellers,*
Mr Gallacher	Mr Oldfield	Mr Jobling
Miss Gardiner	Mrs Pavey	Mr Primrose

Question resolved in the negative.

Motion negatived.

THREATENED SPECIES CONSERVATION AMENDMENT BILL

In Committee

Consideration resumed from 17 September.

Schedules 1 and 2

The CHAIRMAN: The Committee is considering an amendment moved by the Hon. Dr Arthur Chesterfield-Evans and an amendment to that amendment moved by the Hon. Rick Colless.

The Hon. RICK COLLESS [2.58 p.m.]: Last night I moved an amendment to the amendment that had been moved by the Hon. Dr Arthur Chesterfield-Evans. After further consultation with members of our team I would like to formally withdraw that amendment. The change that I suggested, which would solve one issue, could lead to further complications.

Amendment, by leave, withdrawn.

The Hon. RICK COLLESS: At present the Deputy Leader of the Opposition leases his land to another land-holder. If the amendment that I have just withdrawn were agreed to there might be some confusion as to who would obtain a benefit. The wording contained in the amendment moved by the Hon. Dr Arthur Chesterfield-Evans, which is a bit confusing, might need some clarification in future. If this conservation agreement comes into force on freehold agricultural land there must be some guarantee that the agricultural use of that land will take precedence over threatened species requirements. Some guarantee must be put in place that will ensure that agricultural land that has been used as agricultural land for 100 years or more will continue to be used as agricultural land free from any restrictions that might be placed on it by the Threatened Species Conservation Act. I want the Minister to be aware of our concerns and the concept concerning legally occupied land. We will have another look at that issue after we have received further advice on it.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS [2.59 p.m.]: I am somewhat disappointed that the Opposition has withdrawn its amendment.

Pursuant to sessional orders consideration interrupted.

Progress reported and leave granted to sit again.

QUESTIONS WITHOUT NOTICE

DEPARTMENT OF COMMUNITY SERVICES STATE WARD PLACEMENT

The Hon. MICHAEL GALLACHER: My question without notice is directed to the Minister for Police. I refer the Minister to the matter of the 13-year-old State ward who was held overnight at Dee Why police station on 15 August because of the failure of the Department of Community Services to find him suitable accommodation. Does the Minister stand by the statement given by Superintendent Dennis Clifford that police "received a request" from the Department of Community Services to "locate and detain" this boy and that after 9.30 p.m. "the young person was located by police and conveyed to Dee Why police station"? How does the Minister explain the conflict between front-line police and the statement given by the Premier yesterday that the boy "attended the police station to visit a young friend in custody?" Can the Minister explain the apparent contradiction?

The Hon. MICHAEL COSTA: This matter was raised yesterday and answered by the Premier.

NATIONAL LIVESTOCK IDENTIFICATION SCHEME

The Hon. RON DYER: My question is addressed to the Minister for Police. Will the Minister advise the House of the latest information on the National Livestock Identification Scheme?

The Hon. MICHAEL COSTA: This week the Premier announced that the Government will spend $5.4 million to install electronic livestock identification readers across the State. That will help combat stock

theft and minimise disease outbreak. This state-of-the-art technology, which is part of the National Livestock Identification Scheme, will be installed in abattoirs, saleyards and key livestock locations in New South Wales. The ID system will enable the movement of each animal to be traced throughout its lifetime for health and security reasons. This is the final part of the Government's comprehensive rural crime package—a package that includes tougher laws and the deployment of 32 rural crime investigators across the State. The rural crime package was so good that the Opposition stole elements of it to approach its tired, unworkable plan for a stock squad based at Flemington.

Opposition members, who purport to support country people, came up with the idea of basing a stock squad in Flemington in Sydney. On 18 April 2002 John Brogden announced his rural crime squad. On 27 February 2002 I announced the deployment of 32 rural crime investigators at country local area commands across New South Wales. Honourable members should remember that John Brogden made his announcement on 18 April and I made my announcement on 27 February 2002. Newspaper reports of the Leader of the Opposition's police announcements on 18 April tell the story like it is. According to the *Sydney Morning Herald* at the time—and I note that the author of this article is in the gallery:

> Mr Brogden said that he would re-establish specialist squads, including armed hold-up and rural crime units. Mr Costa announced earlier this month that an armed robbery response team would be formed and said in February that he would appoint rural crime investigators to all non-metropolitan local area commands.

That is just one example of the litany of untruths that is being espoused and the policy theft that is occurring as a result of the inexperience of the Leader of the Opposition. The Leader of the Opposition has been exposed time and again for telling untruths on policy matters. People in the bush have noticed that the Government is delivering on its promises. It is quite pleasing to note all the media reports on the package announced by the Premier over the weekend. They are all tremendously supportive of the Government's package. The $5.4 million that has been allocated for the livestock ID scheme is really important for people in the bush. I call on Opposition members to put some pressure on their Federal Ministers to match that funding. If they are serious about supporting people in the bush they should call on the Federal Government to match the State Government's contribution of $5.4 million for the National Livestock Identification Scheme. If this scheme is to work we need Federal support. I have not heard one response from Opposition members in relation to matching funding. Clearly, they are out of touch with people in the bush. The next election will show clearly who people in the bush support.

DEPARTMENT OF COMMUNITY SERVICES STATE WARD PLACEMENT

The Hon. PATRICIA FORSYTHE: My question without notice is directed to the Minister for Community Services. I refer to the matter of the 13-year-old State ward who was held overnight at Dee Why police station on 15 August because of the failure of the Department of Community Services to find him suitable accommodation. Does the Minister stand by her statements on radio that "he was at the police station with some friends giving a statement"? If so, how does she explain the conflict with the Premier's version when he said that the boy was "visiting a friend"?

The Hon. CARMEL TEBBUTT: The honourable member referred to a case that I think highlights some of the difficult issues being faced by the Department of Community Services when it is dealing with troubled adolescents exhibiting extremely volatile and challenging behaviour. The most up-to-date information I have at this stage is that on the afternoon of 15 August the boy attended Manly police station with a friend. He was also accompanied by his brother.

The Hon. John Ryan: He went to Dee Why.

The Hon. CARMEL TEBBUTT: The Hon. John Ryan does not know what he is talking about. The boy went to the police station voluntarily, with his brother and a friend. The three were driven there by the police, who were to take a statement from the brother and the friend about an incident. The boy was not involved in that incident. After the statements were given, a Department of Community Services [DOCS] caseworker offered to drive the brother and friend home; he also offered to take the boy to the local DOCS office to arrange a placement. The boy refused, and walked out of the police station. This is not unusual behaviour for the particular boy we are talking about. Department of Community Services Helpline records indicate that the police subsequently reported, at 10.44 p.m., that the boy had returned to Manly police station. He had then been driven by the police to Dee Why police station. The report also states that the boy's carer indicated that she would not take him back. The department then made a significant effort to locate a placement for this young boy, including calling a range of refuges, but given the time and the boy's challenging behaviour, it was not possible to locate a placement.

No-one believes that it is satisfactory, in the best case scenarios, for a 13-year-old boy to spend the night in police custody. However, given the time of night, the extremely challenging behaviour that this young boy exhibits, and the issues that the department was trying to deal with, it was not possible to find a placement for the boy. It is my view that while it is not ideal, it was better that the boy was safe and secure, off the streets and out of harm's way with the police, rather than absconding and spending the night on the street. I could go into a lot more detail about the situation with regard to this 13-year-old boy. It is a highly complex case. He is probably one of the most difficult young people in New South Wales.

[*Interruption*]

Members of the Opposition show how little they know about these issues, because they keep saying, "It's about resources." Their standard response shows that they have no understanding of how community services works and, clearly, they have no idea about how to approach some of these very complex issues. It is not a resources issue. The Department of Community Services has expended a great deal of resources—in fact, more than $131,000 to date, I am advised—in staff time on case plans and programs and in finding the boys places to live. The department has never given up on this boy, and it will not do so. The boy's circumstances have been dragged through the media by the way the Opposition has handled this matter. If Opposition members think that is appropriate, they should look at their approach to these issues. Nonetheless, the department has done its best for this boy, despite his inability, because of his difficult behaviour, to recognise that he does need assistance.

The Hon. PATRICIA FORSYTHE: I ask a supplementary question. In view of the Minister's answer, can she explain why yesterday neither the Minister nor the Premier were in a position to give a clear statement about the young boy's position, and why the senior commander of Dee Why police indicated that he had received a request from the Department of Community Services to locate and detain the boy at 9.30 p.m.? Why was the Minister or the Premier not in a position to indicate exactly the circumstances of the case? In view of the fact that the Minister has just indicated that the department has not given up on this boy, how does the Minister explain the Premier's grubby attempts to stigmatise this boy by suggesting that he associated with criminals, just to take the focus off the failings of the Department of Community Services?

The Hon. CARMEL TEBBUTT: That is an extraordinary supplementary question. I am appalled that the Opposition says that our behaviour with regard to this case has been "grubby" when the Opposition has paraded the boy's family through the Parliament and had them sit in the gallery. Anyone who listened to the media reports this morning would have heard people ringing in. They know who the Opposition is talking about. This 13-year-old boy is now known to a whole range of people. His life circumstances have now been conveyed through the airwaves of Sydney. I think it is appalling. If the Hon. Patricia Forsythe or any other member of the Opposition were interested in finding out the details of this matter, they would do as I suggested a couple of weeks ago: they would seek me out, provide me with information, and ask these questions outside question time, when it is possible to get a satisfactory response. When one has very little time, one has to deal with the information that is available at that time. It is appalling that the Opposition suggests that we have behaved grubbily. We would never have put this matter into the public domain; the Opposition has chosen to do that.

NURSES SHORTAGE

The Hon. HELEN SHAM-HO: My question without notice is directed to the Treasurer, representing the Minister for Health. I refer to the national review of nursing education entitled "Our Duty of Care", which was released on 16 September. Is the Minister aware that the review has forecast that by 2006 there will be 31,000 vacancies in nursing in Australia? Given that New South Wales currently has around 1,800 vacancies in nursing, will the New South Wales Government act on any of the review's 36 recommendations to reverse current trends? If not, will the Government undertake any other measure to address this very important issue, and will the Minister inform the House of those measures?

The Hon. MICHAEL EGAN: The Hon. Helen Sham-Ho has raised an important issue, and I will refer it to my colleague the Minister for Health and obtain a response for the House as soon as I can.

DEMENTIA

The Hon. AMANDA FAZIO: My question is directed to the Minister for Ageing, and Minister for Disability Services. Will the Minister explain what the Government has done to promote support for people with dementia?

The Hon. CARMEL TEBBUTT: I would like to inform members that this week is Dementia Awareness Week, giving us the opportunity to focus public attention on the growing prevalence of dementia within our community, and the ways in which we can support those who experience it. Dementia is the term used to describe symptoms that may be caused by a variety of diseases of the brain, the most common of which are Alzheimer's disease and vascular dementia. These diseases cause function impairment, including memory, thinking, orientation, comprehension calculation, learning, capacity, language and judgment. The prevalence of dementia doubles approximately every five years from age 60.

Approximately one in 20 people over 65 and one in five over the age of 80 have some form of dementia. As a result, people with dementia represent a significant and increasing proportion of our ageing population, and their care is an important component of our aged care and health system. The number of people with dementia in New South Wales will increase in the next two decades from an estimated 55,000 in 2001 to almost 73,000 in 2010, or an increase of 33 per cent, and to 91,000 in 2020, an increase of 65 per cent. To respond to this rapid increase in the number of people with dementia, the Government is implementing a strategy to enhance the awareness of dementia within the community; to promote good primary care; and to provide opportunities for people with dementia to plan for their future and to participate fully in society. The strategy, which is called Future Directions for Dementia Care and Support, involves the commitment of $11 million over four years.

An important first step has been taken by the Department of Ageing, Disability and Home Care to expand the number of dementia advisory positions. These positions will promote local awareness of dementia, provide information, education and support, and link people to assessment and support services. The strategy also places emphasis on improving the management of dementia in the acute care setting, enhancing the skills and capacity of the health work force in diagnosis, assessment and management, and exploring options to improve access to behavioural advice and management for people with dementia and challenging behaviours. I am also pleased that the Department of Ageing, Disability and Home Care is supporting Alzheimer's Australia NSW with a grant of $115,000 to assist with Dementia Awareness Week. On Monday I had the pleasure of opening an important symposium conducted by Alzheimer's Australia NSW that brought together people with dementia, their carers and those who provide support to exchange ideas and initiatives on supporting people with dementia.

Dementia Awareness Week includes a range of activities directed to improving public awareness of dementia and the support that is available. Two important activities will be conducted later in the week. A one-day education course for dementia care workers and health professionals will be held this Friday. The course focuses on activities for people with dementia. This Saturday, which is also World Alzheimer's Day, an opera on the harbour will be conducted in support of Alzheimer's Australia NSW and Alzheimer's research. As I am sure members appreciate, by increasing the sensitivity, empathy and understanding of dementia in our community, we can reduce the challenges that people living with dementia are facing.

POLITICAL PARTIES REGISTRATION

The Hon. PETER BREEN: My question is directed to the Special Minister of State. Is the Minister aware of a recent decision handed down by Acting Justice Burchett in the Supreme Court requiring the Electoral Commissioner to register a political party known as Save Our Suburbs? Is the Minister also aware that this decision will require the commissioner to register six other parties; namely, the Reconciliation Party, the Workers Party, the Environment Party, the Anglers Party, the Free Education Party and the Stop the Greenies Party? Is the Minister aware that registration of those parties could amount to a fraud on the people of New South Wales? What steps will the Minister take to ensure that those parties are not registered?

The Hon. JOHN DELLA BOSCA: A number of members of the Opposition, Independents and Government members have raised this issue with me over the past few days. I am aware of Acting Justice Burchett's decision and the consequences—

The Hon. Michael Gallacher: Have I raised it with you?

The Hon. JOHN DELLA BOSCA: I referred to a number of members of the Opposition; I did not say "the Leader of the Opposition". A number of members of the Opposition, crossbench members and Government members have raised the matter with me. Acting Justice Burchett's decision concerns the Parliament as a whole and the Government in particular. This Chamber made a decision and the Parliament passed legislation to eliminate the practices that led to what we all referred to colloquially as the "tablecloth ballot paper" for

elections to this Chamber. The consensus was that such tablecloth ballot papers and the way in which the electoral process operated did not reflect well on the Parliament or this Chamber. Honourable members in this place who supported the decision and, therefore, this Chamber's credibility in the eyes of the public elected to make statutory changes. To a certain extent, those changes have been negated by Acting Justice Burchett's decision.

When the Electoral Commissioner decides whether to appeal the decision, the Government will obviously have to consider whether it will introduce the appropriate statutory changes to give effect to the in-principle decision that this Parliament and this Chamber, in particular, have already made. I am advised that the commissioner is still considering whether to appeal the decision. It would be premature for me to commit the Government to any specific course of action or amendments after all court proceedings or potential appeals have been finalised.

[*Interruption*]

I am being asked fairly specific questions by way of interjection. Honourable members know the Government's general intention is to ensure that the principles of the legislation enacted are honoured during the next election. The honourable member's question contained fairly colourful language about a potential fraud on the public. I am aware that certain matters have been publicly canvassed in respect of the registration of some parties and those matters have been the subject of inquiries undertaken by the Electoral Commissioner. I do not want to prejudice any consideration of those matters, except to say that the consequences of Acting Justice Burchett's decision—

The Hon. Duncan Gay: It is a stupid decision.

The Hon. JOHN DELLA BOSCA: I will not comment on Acting Justice Burchett's decision.

The Hon. Dr Brian Pezzutti: Why not?

The Hon. JOHN DELLA BOSCA: It is inappropriate for a Minister to do that.

The Hon. Dr Brian Pezzutti: Refer it to the Chief Justice.

The Hon. Michael Egan: That is not the way the system works, you silly man!

The Hon. JOHN DELLA BOSCA: He has it confused with the hospital.

The PRESIDENT: Order! I remind the Minister not to be diverted by interjections.

The Hon. JOHN DELLA BOSCA: Thank you, Madam President. I have made clear the Government's general concerns. I will not comment about the specific matter of fraud that the member referred to in his question, except to say that the Government and the Parliament are concerned. Given the interjections from the other side of the Chamber, it would appear that the parties mentioned should otherwise have been affected by the principles that were put in place by the Parliament.

FRONTIER ECONOMICS PAYMENTS

The Hon. DUNCAN GAY: My question is directed to the Treasurer. Does the $14.5 million payment to Frontier Economics include the airfare and accommodation expenses incurred by personnel while they were in Sydney? What is the total amount of those expenses? Will the payments to Frontier Economics, including any additional expenses incurred, be included in the next annual report of the Office of Financial Management, or will the details of the $14.5 million expenditure remain above public and parliamentary scrutiny?

The Hon. MICHAEL EGAN: I thank the honourable member for his question. I take the opportunity to commend him for the very reasonable position he is reported as having taken in today's *Sydney Morning Herald*.

The Hon. Dr Arthur Chesterfield-Evans: You're not reading the *Sydney Morning Herald*, are you?

The Hon. MICHAEL EGAN: Yes, an article has been brought to my attention. Someone told me that I would not believe it, that the Hon. Duncan Gay had said something intelligent. I responded that I did not believe it. I was regretfully informed that I would have to read an extract from the *Sydney Morning Herald* to see it. The article was faxed to me at a very early hour this morning, at 6.44 a.m.

The Hon. Michael Gallacher: Are you up that early?

The Hon. MICHAEL EGAN: I was on my fifth cigarette by 6.44 a.m. The article states:

> According to the Opposition's spokesman on energy, Duncan Gay, the Government's need to have expert advice on complex energy matters was not being questioned.

I thank the honourable member for that sensible comment. The question is whether this very specialised expert advice can be obtained at a lower cost.

The Hon. Dr Arthur Chesterfield-Evans: What about the stuff up in Queensland?

The Hon. MICHAEL EGAN: The honourable member is not only shallow; he is also hollow. If we were to shake him, he would not even rattle because he has a vacuum in his head, as that interjection demonstrated. I regret I do not have the expertise or the skills that would ever allow me to earn $500,000 a year; nor does the Hon. Duncan Gay.

The Hon. DUNCAN GAY: It is a lot more than $500,000.

The Hon. MICHAEL EGAN: I am talking about Professor Anderson's retainer. This morning honourable members who were in the joint sitting of the Legislative Assembly and Legislative Council had the benefit of listening to some experts on insurance and the law of negligence. The experts were stunningly intelligent, one might say, brilliant people. Whether or not we like it, each of those people would command more than $2,000 a day in the marketplace. As far as I understand it, the $14.5 million includes expenses. I cannot swear to that, so I will ascertain the information and provide it to the House.

We are talking here about an industry that has a turnover of $4,000 million a year. The industry returns to the New South Wales taxpayers, for their schools, hospitals, roads, public transport, community services and all the other things that government provides, some $600 million to $700 million a year in dividends. At the same time that it has been doing that, the cost saving to consumers has been $2 billion, that is $2,000 million.

The Hon. John Ryan: Not true.

The Hon. MICHAEL EGAN: I am sorry, it is true. We have a very successful industry operating in a competitive and commercially risky environment. [*Time expired.*]

The Hon. DUNCAN GAY: I ask a supplementary question. In light of the Treasurer's answer, which was similar to an answer he gave to Sally Loane this morning, can he explain why a caller phoned in and said:

> Mate, I've been a Labor voter all my bloody life, and that man's arrogance and rudeness has just cost them my vote forever. I'll never vote Labor Federal or bloody local ever again … they can get knotted!

His name was Peter.

The Hon. MICHAEL EGAN: I did not hear the caller but the Deputy Leader of the Opposition gave me a copy of the transcript just a moment or two ago. When I saw the name Peter I thought it must have been the honourable member for Vaucluse. I was surprised he had any other concern besides property tax, which is his obsession.

BURRINJUCK POLICING

The Hon. IAN MACDONALD: My question is to the Minister for Police. Will the Minister give the House the latest information on record police numbers in Burrinjuck?

The Hon. MICHAEL COSTA: It is about time that the people of Burrinjuck were told the truth about the great work their local police do instead of the police being under continuing public attacks from the honourable member for Burrinjuck. Record numbers are the focus of this Government, and Burrinjuck is no exception. The 30 August attestation from the New South Wales police college in Goulburn produced 600 recruits.

The PRESIDENT: Order! I call the Hon. Dr Brian Pezzutti to order for the first time.

The Hon. MICHAEL COSTA: This State now has the biggest ever Police Force, with a record police strength. That includes the country. The honourable member for Burrinjuck was at the swearing-in and witnessed the record attestation. For the first time, new police were allocated to each of the State's 80 local area commands. That includes the local area commands that patrol the Burrinjuck electorate. Canobolas was allocated 13 probationary constables; Monaro five, Camden seven, Goulburn five, and Cootamundra was allocated four probation constables. That means the local area commands in Burrinjuck now have a total of 589 police and are over strength by 37. The Goulburn local area command, which has 125 police, is 18 over strength. As I said, the honourable member for Burrinjuck was at the August attestation in Goulburn to witness the continuing record numbers. I am sure she will be there in the December to see what the police expect to be another 600 recruits to add to our record Police Force. I am not so sure she will be there in May.

The Hon. Dr Brian Pezzutti: Point of order: The Minister keeps referring to a police force, when I am aware it was a police service until it was changed to NSW Police. There is no such thing as a police force in New South Wales and I ask the Minister, on the point of order, to refer to the police service in a way that it is officially referred to and not use any other form of jargon.

The Hon. Michael Egan: To the point of order: It is a serious matter when a member as experienced as the Hon. Dr Brian Pezzutti takes up question time with frivolous points of order. It is becoming so common that should such a thing happen in future, I would respectfully urge the presiding officer, whether it is Madam President or one of the Deputy-Presidents, to throw the member out of the House.

The PRESIDENT: Order! I have warned the Hon. Dr Brian Pezzutti on numerous occasions not to make debating points in the form of a point of order. There is no point of order. The Minister may continue.

The Hon. MICHAEL COSTA: Clearly, the Hon. Dr Brian Pezzutti was not in the House when legislation was enacted to refer to the police in New South Wales as: NSW Police, referred to as the Force. That has been the position for a number of months. The honourable member for Burrinjuck will probably be at the December attestation to see another record number of police, but I am sure she will not be at the May attestation if she continues to publicly attack the police in her local area commands. She has a very bad habit, which she has obviously inherited from the Pinocchio from Pittwater, of not telling the truth about policing in her local area. For example, on the front page of the *Gundagai Independent,* a scoop of 9 September has the headline, "MP claims our police were off." I have that in front of me.

The Hon. Duncan Gay: Point of order: If the honourable member was experienced with regional newspapers, he would realise that it is not a scoop. The editor is called Scoop.

The PRESIDENT: Order! There is no point of order.

The Hon. John Ryan: Point of order: The Minister appears to be embarking on an attack on the honourable member for Burrinjuck. The standing orders of this House require him to do that by way of substantive motion.

The PRESIDENT: Order! The Minister's comments about the honourable member for Burrinjuck were not inferences. He was discussing a matter that is being debated in the local area.

The Hon. IAN MACDONALD: I ask the Minister a supplementary question. Will the Minister elaborate further on his answer?

The Hon. MICHAEL COSTA: I will continue to elaborate. The front page of the *Gundagai Independent*, as I pointed out, made some observations about allegations by the honourable member for Burrinjuck. It reported the honourable member's claim that no police were available to respond to a motor vehicle accident caused by a drink driver. The honourable member made that allegation in Parliament. She claims to have spoken to the Cootamundra police before raising these claims in Parliament, but the very same front page has the rebuttal from the local police, "But the force says it just ain't so." Cootamundra crime manager, Murray Gillett said:

> It is incorrect to say that police are not available. It is my job to make sure people respond and they do respond to accidents and crimes.

This is the same local member who was publicly berated for grossly distorting Goulburn crime figures in April. She was publicly berated by none other than the Federal member for Hume, Alby Schultz, and the local mayor,

who demanded that she apologise publicly for getting it so wrong. If the honourable member for Burrinjuck is so dissatisfied with police response times, she should stop swamping her local police with mountains of meaningless paperwork. She wants Cootamundra police to waste at least one week manually processing 33 months of computerised records and break them down into minute-by-minute accounts of police activity. The Opposition wants our police to be chained to their desks. It has rejected the criminal infringement notices. Its only purpose in the twilight of the Brogden leadership is to bog down our bureaucrats.

The Hon. John Della Bosca: That is an oxymoron.

The Hon. MICHAEL COSTA: What is an oxymoron?

The Hon. John Della Bosca: Brogden leadership.

The Hon. MICHAEL COSTA: I accept that. This same Opposition wants to jeopardise our police by demanding the release of contemporary rosters. It is an Opposition that has no regard for the safety of front-line police officers. It is an Opposition that is a complete disgrace. [*Time expired.*]

LI PENG SYDNEY VISIT

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Will the Treasurer please inform the House whether the State Government will be hosting a function for Li Peng, Chair of the Standing Committee of the People's National Congress while he is visiting Sydney this week? Is the Treasurer aware that while he was Premier of the People's Republic of China in 1989 he was instrumental in sending soldiers from the People's Liberation Army to crush students protesting for democratic reform in Tiananmen Square? Has the State Government given any consideration to how survivors of this massacre now living in New South Wales may feel about the official treatment of a person who allowed such an abuse of human rights?

The Hon. MICHAEL EGAN: The State is hosting a function in honour of a dignitary from the People's Republic of China. Regrettably, I will not be able to attend because I have another commitment. The dignitary is a visitor to Australia, and I understand that he is an official visitor of the Commonwealth Government. I believe that while he is here he should be treated as a visitor should be treated.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: I ask a supplementary question. Will the Treasurer answer the second part of my question: Has the State Government given any consideration to how survivors of the massacre may feel about this situation?

The Hon. MICHAEL EGAN: I refer the honourable member to my previous answer.

ELECTRICITY INDUSTRY REFORM

The Hon. JOHN JOBLING: My question without notice is directed to the Treasurer and Vice President of the Executive Council. I refer to the comment of the Auditor-General, Bob Sendt, this morning: "I would hope that Treasury would review the electricity reform program, or the Government would review the electricity reform program for all its costs to see whether the money has been, or value has been, gained." Will the Treasurer now commit to a full independent review by the Auditor-General of the electricity reform program to determine whether the taxpayers of New South Wales are getting value for money?

The Hon. MICHAEL EGAN: I would have thought that $2,000 million of cost savings passed on to New South Wales consumers and businesses was clear evidence of the success of the reform program.

The Hon. Duncan Gay: What absolute rubbish!

The Hon. MICHAEL EGAN: Let me explain what that means. Over the past seven years New South Wales electricity consumers have paid $2,000 million less for their electricity than they would have paid under the old arrangements.

The Hon. Duncan Gay: What about your promise to act on electricity—the fact that it is getting dearer?

The Hon. MICHAEL EGAN: The fact is that in real terms the household price of electricity has come down.

The Hon. Duncan Gay: It's gone up.

The Hon. MICHAEL EGAN: In real terms it has come down considerably. I am not the authority on that. The Independent Pricing and Regulatory Tribunal [IPART] is the authority on that and it has produced reports establishing that. Likewise, the wholesale price of electricity is in the marketplace for everyone to see. When the Government embarked on its electricity reforms in 1995 the wholesale price of electricity was $53 per megawatt hour. Put into today's dollars, that is about $65 a megawatt hour. Currently, the price is well under $40 per megawatt hour.

The Hon. Duncan Gay: The price has gone up.

The PRESIDENT: Order! The Deputy Leader of the Opposition will come to order.

The Hon. MICHAEL EGAN: The price goes up and comes down, but generally it has been about 30 per cent to 40 per cent lower in real terms than it was prior to reform. So this is $2,000 million of savings that have gone into the back pocket of households or into making New South Wales businesses much more competitive not only with their competitors in other parts of Australia but with their competitors worldwide. It is one reason New South Wales is the economic engine room of Australia. It is one reason, for example, that we have the lowest unemployment rate of any State in Australia—5.3 per cent seasonally adjusted, according to the Australian Bureau of Statistics figures released last week. At the same time as savings of $2,000 million have been passed on to consumers, New South Wales taxpayers have received on average about $600 million to $700 million in distributions via dividends and tax equivalent payments. Those distributions fund schools, hospitals, roads, public transport and all the other community services provided by the Government. If that is not a success story, I do not know what is. The Deputy Leader of the Opposition tries by interjection to suggest that Professor Tom Parry has a contrary view. Everything I have seen come out of IPART or come out of Professor Parry's mouth is in accord with the statements I have made that the electricity reforms in New South Wales have been phenomenally successful.

CLOTHING OUTWORKERS PROTECTION

The Hon. IAN WEST: My question without notice is addressed to the Minister for Industrial Relations. Will the Minister inform the House about specific progress made by the Government to protect vulnerable clothing outworkers?

The Hon. Dr Brian Pezzutti: This is the fifth go at this one.

The Hon. JOHN DELLA BOSCA: On previous occasions I have informed the House of the advances made by the Carr Government under our Behind the Label strategy. Honourable members will be aware that Behind the Label refers to the Government's $4 million program aimed at providing direct help to outworkers and at promoting a fairer, stronger clothing industry in New South Wales. Behind the Label is backed by Australia's first laws to protect outworkers' rights and entitlements. The strategy also has the backing of the Textile, Clothing and Footwear Union of Australia, the Australian Retailers Association, the Australian Industry Group, Australian Business Ltd and various community organisations.

Less than one year into the strategy, we have accomplished many things. Firstly, we have already seen the graduation of 22 outworkers who have successfully completed the Recognition of Prior Learning training program through TAFE. Later this year the second graduation will take place, with more than 50 outworkers expected to graduate. Secondly, Department of Industrial Relations' bilingual investigators continue to bridge the gap between outworkers in their local communities and access to government services through their compliance and outreach activities. Increasingly, outworkers are coming forward and having their industrial issues documented and resolved. Since June this year the 1800 hotline operated by the department has taken more than 100 calls for assistance and information.

Thirdly, our industry adjustment program is continuing to work towards identifying improvements in the way manufacturers operate. Our investigators also provide assistance to employers through information seminars and workplace visits. However, the most significant development occurred earlier today when the Australian Retailers Association and the Textile, Clothing and Footwear Union of Australia reached an historic agreement—an agreement brokered through the New South Wales Government's Ethical Clothing Trades Council. This agreement is a world first in tackling the problem of outworker exploitation. The code of practice signed here in Parliament establishes the role and responsibilities of retailers in ensuring fair and decent labour practices in the clothing industry.

The agreement is based on the successful deed of co-operation developed by the Textile, Clothing and Footwear Union and the major clothing retailer Target in the mid-1990s. That deed obliged Target to monitor its suppliers and keep records of its employment contracts for inspection. The new agreement includes these obligations, as well as a commitment by retailers to investigate any reports of unfair treatment. This agreement will provide for more effective monitoring of employment practices in the clothing industry supply chain. In an endorsement of the approach taken by the Government, some of Australia's highest profile retailers have already agreed to sign the code. Grace Bros, David Jones, Target, Kmart, Big W, Suzanne Grae, Cue Designs and 30 other retailers will sign up. They intend to advertise their participation.

The code will give these businesses a commercial advantage. The Ethical Clothing Trades Council will now work towards encouraging as many retailers and manufacturers as possible to sign up to the voluntary code. In addition, the New South Wales Government will be taking this agreement to other States, paving the way to achieve a truly national solution. Once again the Behind the Label strategy highlights the high priority that this Government places on fairness and justice in the employment relationship. I look forward to receiving the next quarterly report of the Ethical Clothing Trades Council, and I will keep the House informed of future developments under the Behind the Label strategy.

BUNDOCK STREET, RANDWICK, SITE DEVELOPMENT

The Hon. IAN COHEN: My question is addressed to the Minister for Community Services, representing the Minister for the Environment. The asbestos contaminant on the surplus defence force site in Bundock Street, Randwick, and its proximity to neighbouring houses has been acknowledged. Given the acknowledged nature of the asbestos contaminant, is it acceptable that Randwick council proposes to grant deferred commencement on development of the site on condition that at some time in the future a site audit statement will be obtained under the Contaminated Land Management Regulation 1998?

The Hon. CARMEL TEBBUTT: I am not sure whether the Hon. Ian Cohen's question is an appropriate question for the Minister for the Environment, but I will refer it to him and obtain a response. If it is not appropriate for him to respond, I am sure that he will refer it to the appropriate Minister.

DEPARTMENT OF COMMUNITY SERVICES STATE WARD PLACEMENT

The Hon. JOHN RYAN: My question is directed to the Minister for Community Services. On radio today she stated that the removal of a 13-year-old State ward on 28 April this year from a Newcastle residential program was not because of resources but because of the boy's behaviour. First, how does she explain the affirmation from the boy's grandmother who confirms in a statutory declaration that he was placed successfully in a program in Newcastle, where he has been for several months, attending school and behaving well? Second, how does she explain comments from representatives of the program who have confirmed that his behaviour was extremely satisfactory and that he was behaving well until, as stated in the grandmother's statutory declaration, "On or about the 27 April 2002... DoCS spoke to me by telephone and said, 'D's funding has been stopped. It ceases on 28 April.'"? Will she review the decision to cut the program? Will she withdraw her accusation that the boy's placement failed because of his poor behaviour?

The Hon. Patricia Forsythe: Stop vilifying him.

The Hon. CARMEL TEBBUTT: No-one would be construed as vilifying this young person if the Opposition had not chosen to bring this matter into the public domain. It has certainly never been my intention to publicly vilify this young person. The objective facts are—and his family has acknowledged this—that this young person has extremely challenging behaviour. In response to the issues raised by the Hon. John Ryan, I point out that if he had looked at the transcript of what I said on radio this morning he would have seen that I said that there are two issues with regard to the Great Mates Program. The first issue is the young person's behaviour. Second, the department felt that the outcomes of the program were not appropriate for this young person. I shall inform the House of the information and advice I have, and I will go back in time.

The history of this boy is that he has had multiple placements going back to 1991. There are 29 reports and notifications on this boy since 1991. He was made a ward of the State in February this year and it was at that time that he was in a placement with Great Mates in Newcastle. He remained there until April this year. DOCS felt that he was not responding to the programs at Great Mates and it was at that time that he was placed with the Burdekin Association on 26 April with a professional carer. The Department of Community Services officers made this decision because they believed that the professional carer and the Burdekin Association

would provide a better placement with greater boundaries for this young person. The placement with the Burdekin Association also enabled him to return to the Northern Beaches area where he had long-term family, school and community connections. This placement was not successful.

Over the next four months DOCS received at least seven notifications that the boy had run away or had not returned to his carer. Opposition members do not seem particularly interested in the long-term view of what needs to happen with this young person. For the record and for the information of the House, I point out that the Department of Community Services believes that he requires a long-term placement with a service that can deal with his particular issues and can provide therapy, support and supervision. The department developed a long-term case plan for placement with the Marist Youth Service but—I ask the Treasurer to close his ears—it will cost more than $10,000 a fortnight. Anyone who is arguing that resources are the issue clearly does not know what he is talking about. The cost will be $10,000 a fortnight because he will be provided with 24-hour care, therapy, support and supervision, with one worker looking after him at all times. The department has not given up on this young person. No-one has ever attempted to vilify this young person. But also, no-one can understand the case unless they understand the complexities of the behaviour of this young person.

FEDERAL INDUSTRIAL RELATIONS AND WORKERS COMPENSATION SYSTEM

The Hon. PETER PRIMROSE: My question is directed to the Minister for Industrial Relations. Will the Minister inform the House of the Federal Government's proposal for a national unitary system of industrial relations and workers compensation?

The Hon. JOHN DELLA BOSCA: I thank the honourable member for his interest and for his question. As honourable members will be aware, the Federal Minister for Employment and Workplace Relations, Mr Tony Abbott, thinks that the Commonwealth should control all industrial relations in this country. Now Mr Abbots says that his Government should also be in charge of workers compensation in Australia. He is quoted in the *Herald Sun* on 18 September as having said:

> ... we should have one system of economic regulation including workplace relations and workers' compensation.

The Commonwealth, aided by the New South Wales Opposition, wants to do to workers compensation what has been done to industrial relations—strip away entitlements, abolish safety nets and remove protections. This is not the Commonwealth Government's first grab for power. At the end of 2000 the former Federal Minister for Workplace Relations, Mr Peter Reith, derided the Australian industrial relations system calling it a "continuous battle for jurisdictional coverage and a gridlock of process driven requirements". It is a battle that the New South Wales Government will not shy away from. We will not hand over our industrial relations system. We will not let Tony Abbott impose his workers compensation system on New South Wales workers, either. This is our pledge. I challenge the Leader of the Opposition, Michael Gallacher, to join us in that pledge. He has already indicated that he is open to argument on handing over the New South Wales industrial relations system to the Federal Government. Will members opposite reject, without qualification, handing over the State's workers compensation system to Tony Abbott?

WILDERNESS ASSESSMENTS

The Hon. MALCOLM JONES: My question is directed to the Minister for Juvenile Justice, representing the Minister for the Environment. Given that the Director-General of the National Parks and Wildlife Service commented on Sunday that wilderness areas have been declared for political reasons and not physical reasons, and given that the service is clearly in breach of the Wilderness Act, will the Minister move to make amends to all the people who spent collectively millions of dollars and thousands of man hours making submissions and attending meetings during the phoney public consultation period preceding the farcical process of assessment and declaration?

The Hon. CARMEL TEBBUTT: The honourable member asked a similar question yesterday.

The Hon. Malcolm Jones: Same topic.

The Hon. CARMEL TEBBUTT: Yes, the same topic and a similar question. I will refer it to the Minister and provide a response as soon as possible.

MINISTER FOR MINERAL RESOURCES, AND MINISTER FOR FISHERIES PECUNIARY INTEREST DISCLOSURE

The Hon. GREG PEARCE: My question is directed to the Minister for Mineral Resources, and Minister for Fisheries. What remuneration or other benefit has the Minister received for providing his personal guarantee for borrowings by Dakmint Pty Ltd? Why has he not disclosed these benefits in his pecuniary interest declarations?

The Hon. EDDIE OBEID: Typical of the honourable member—I do not know his name—he does not understand how to read pecuniary interest registers. Anything I have to say about my pecuniary interests is well recorded. Any time that I feel it should be corrected, I have done so. If the honourable member wants to take a good look at it, he should go ahead and do so, and gather his own information.

The Hon. GREG PEARCE: I direct a supplementary question to the Minister for Mineral Resources, and Minister for Fisheries. Does he recall telling this House on 29 August 2000 that there was no reason why anyone should have the Minister's Parliament House phone number in connection with Dakmint Pty Ltd? Did he not give his phone number to the State Bank so that he could be a contact for his guarantee to that bank of Dakmint's borrowings? Will he correct the record by now disclosing his interests with Dakmint?

The Hon. Michael Egan: Point of order: That was clearly not a supplementary question. Whether an honourable member gave his telephone number to somebody else—an issue that is almost irrelevant to everything—was not part of the Hon. Greg Pearce's initial question.

The PRESIDENT: Order! The sessional order relating to questions without notice and supplementary questions is quite clear. A supplementary question must seek to elucidate the answer just given. There was new material in the further question, and accordingly I rule it not to be a supplementary question.

ASIAN GAMES 2006

The Hon. JAN BURNSWOODS: My question without notice is to the Treasurer, and Minister for State Development. Will the Treasurer advise the House of the latest benefits to industry in New South Wales as a result of the Sydney 2000 Olympic Games?

The Hon. Duncan Gay: Did you get an Ernie?

The Hon. MICHAEL EGAN: In relation to the interjection, the real question is whether I got an Ernie. If not, why not? The President might explain that to the House at the appropriate time. Two years after the best Games ever, New South Wales companies continue to pursue opportunities as a result of the Sydney 2000 Olympics. I am pleased to advise the House that the latest success is the awarding of the contract for the planning and staging of the $2 billion 2006 Asian Games at Doha in Qatar to a New South Wales consortium. The group is led by the GHD Group, a professional services consultancy which managed the site infrastructure for the Sydney 2000 Olympic Games at Homebush Bay. I understand that this Australian firm, GHD, beat competitors from Asia, Europe and North America to secure the contract for the Asian Games, which will be the world's second biggest multisport event, after the Olympics. Up to 11,000 athletes and officials are expected to attend the event in 2006.

This international success is not just a win for GHD; it is a win for Sydney and New South Wales, and a superb example of the ability of local companies to compete internationally. We know the Sydney Games have already produced more than $3 billion in business investment, exports and post-Games contracts. Phase one of GHD's Doha contract is the preparation of the master plan on behalf of the Doha Asian Games Organising Committee [DAGOC] for presentation to the Olympic Council of Asia in January 2003. It includes planning and delivery of sporting venues, security, transport, accommodation, and the opening and closing ceremonies. The GHD team will then assist DAGOC with phase two—the detailed planning and staging of the Games, which, as I have mentioned, will be held in December 2006. GHD has assembled a team of specialists, including Sandy Hollway, former Chief Executive Officer of the Sydney Organising Committee for the Olympic Games [SOCOG]; David Churches, former senior manager in both the Olympic Co-ordination Authority and SOCOG; Dr Ian Reinecke, Chief Information Officer for the Sydney 2000 Olympics; and Rod McGeoch, who was the Chief Executive Officer of Sydney's Olympic bid.

Other team members include architects the Cox Group and Peddle, Thorp and Walker, Sporting Frontiers Australia, the Capital Group, PricewaterhouseCoopers and TAFE Global. Paul McKinnon and Neil

Fergus, the former Chief of Security and Director of Intelligence at the Sydney Olympics, will provide advice on security issues. The GHD consortium's success generates significant potential for other New South Wales suppliers of goods and services during the life of the project. International competition will be intense, but New South Wales companies are now well placed to win a share of the hundreds of millions of dollars to be spent preparing Doha for the 2006 Asian Games. With the support of GHD's organisational, development and management expertise, Doha may well be on a path to delivering the best Asian Games ever.

If honourable members have further questions, they might like to place them on notice.

Questions without notice concluded.

STANDING COMMITTEE ON LAW AND JUSTICE

Report: Home Building Amendment (Insurance) Act 2002

Debate resumed from 4 September.

The Hon. JOHN RYAN [4.04 p.m.]: Having made a few preliminary remarks on the previous occasion on which this report was debated, I now want to go through some of the specifics of the report produced by the Standing Committee on Law and Justice in regard to the Home Building Amendment (Insurance) Act. I would make the general comment that the hope of the Government in introducing those reforms was to increase the level of insurance cover available in New South Wales; some expectation, one would have hoped, of reduced premiums for home warranty insurance; and some stability in the market. The brutal fact is that right now fewer insurers are operating in New South Wales than there were previously. There are now only two insurers, when up to five insurers had been operating in New South Wales prior to the collapse of HIH Insurance. There are only two because one is being propped up by the Government.

Though some expectation was held out, notwithstanding that these reforms have been in place for some months we have yet to see the entry of any additional insurers into the market. I have to say the jury is out—and, honestly, needs to be out—as to whether the reforms have worked. Of concern to me is that in hearings conducted by the committee insurers said that the Government made more cuts to the scheme affecting consumers than the insurers had actually sought. The insurers wanted the scheme changed to a last-resort scheme. That they wanted that is clearly acknowledged. However, a number of reforms made to the scheme to do with harmonising the scheme across Australia were not required in order to stabilise the scheme. In particular, reductions in the level of cover for non-structural work was not a change that the insurers asked for. Those changes were just given to them by the New South Wales and Victorian governments. The other things that the insurers got but did not ask for—

The Hon. John Della Bosca: How do you know all this?

The Hon. JOHN RYAN: This was said in evidence given to the committee. I could quote chapter and verse, but I have less than 20 minutes to address this matter. In addition to the reduction for non-structural matters, the Government also handed to the insurers the opportunity to reduce claims for non-completion work. They have been reduced to 20 per cent of the contract price. That was not necessary to prop up the insurance scheme or to keep it stable. No doubt the insurers welcome that change. Why should they not? It allows them to reduce the level of payouts that they would otherwise make from premiums that they take in. I have no doubt that insurers, and to some extent even builders, welcome that change. The truth is that New South Wales still has the highest level of home warranty insurance premiums in the nation. In some regards, this State has reduced the extent of the cover by well in excess of what was required. We have yet to see the forecast result that this scheme would attract more insurers into the market. We have yet to see any reduction in premiums—premiums based on the level of cover previously available under the scheme, not on the much-reduced level of cover for consumers.

I assist the Leader of the Opposition to answer correspondence, and I know that builders are complaining in correspondence that they are still having difficulties obtaining insurance. I am referring to builders who have a long history of successfully doing home building work in New South Wales. There is no suggestion that they have defrauded or mistreated their customers. They do quality work. Yet they are still having difficulty getting insurance cover. One of the points made to me—I have asked questions about it in the committee's hearings, and it is a matter that might yet need to be reviewed—is that some builders believe that the insurance scheme has been somewhat tailored to the larger project home builders, rather than the small

proprietary builders that may build five or six houses a year. Some time into the future it may be necessary to make sure that the scheme meets the needs of smaller builders, even though the scheme might be found to be acceptable to the larger builders, because it is without doubt the smaller builders who are experiencing most difficulty in providing indemnity to insurers in respect of their financial status.

It is necessary for builders to provide some sort of evidence to insurers to show that they are financially stable and able to trade in the future, given that the insurance they are obtaining covers them for insolvency. That is a reasonable thing to do. However, as insurers are now able to obtain fairly detailed statistics and information with regard to the solvency of builders, when they have to pay for claims they are limited to 20 per cent for non-completed work or 20 per cent of the contract price. Insurers appear to be able to write what seems to be a good policy for a significant price. It seems as though they have all the bases covered when it comes to the payment of claims. A critical problem that the Government faces in trying to tailor a scheme that is fair and viable in New South Wales relates to the finding of information. I point out for the benefit of honourable members that up until now insurers who have been licensed in New South Wales were supposed to provide information to the department.

That information included details of the claims they paid, the value of the claims and claims that were not paid because they fell outside the scope of the cover. Insurers were supposed, diligently and properly, to give that information to the Government. I asked for that information on a number of occasions. I was told by the Minister that insurers were not diligent in providing that information and that they provided it only sporadically. The report contains statistics provided by the Government that clearly set out the level of information provided by insurers. Insurers were sometimes collecting $30 million, $40 million or $60 million in premiums and were paying out amounts of about $10 million a year. According to statistics, that does not suggest that the scheme was insolvent or that insurers were causing problems. Recently insurers said that this business is not profitable or beneficial for them and that is why they want to escape from the market. I have no doubt that they want to escape from the market. However, the information that they provided to the Government up until the time the scheme changed does not suggest that the scheme was not profitable.

The statement that the scheme was not profitable was made recently by insurers after the event and after the collapse of HIH Insurance. Their claims would have been infinitely more believable if they had been more diligent in providing information that the Government asked for during the early stages of the scheme. This Government, like all governments, labours under a difficulty, given that this is a compulsory scheme and that everyone who builds something has to take out cover under the scheme. This Government does not know the financial details of the scheme, which means that insurers are in a position of being able to put a gun to the head of the Government and say, "Unless you give us what we want we are leaving." Clearly, insurers got more than they wanted, but they have not yet returned to the market. I hope that they do. Insurers are still charging substantial premiums. Before insurers make any further claims, which is possible if the scheme is not sorted out in the near feature, we will not have adequate and long-term data, which is important.

I am tired of insurers coming to governments late in the piece and saying, "The scheme, which has been fixed, is no longer adequate, profitable or viable", when they have not provided information in a timely fashion up until that date. I hope that the scheme as it now operates in New South Wales will meet the needs of insurers, that they will return to the market, and that consumers and builders will be able to obtain insurance. Consumers have paid a heavy price to achieve that goal. Consumers in New South Wales are paying higher premiums for home warranty insurance than those being paid anywhere else in the nation. Sometimes they are paying $800 or $900 for a policy and they are receiving modest or inadequate cover. The committee agreed that the Minister should review the decision for limiting liability to 20 per cent for non-completed work. Recommendation No. 9 states:

> The Committee recommends that the New South Wales Government consider examining the 20% limitation on liability for non-completion of work with a view to determining the impact of this reform on consumers.

Those provisions are not as neat and tidy as we have been led to believe. Builders cannot overnight take over incomplete building work. When a builder goes bust and leaves a building site, other builders are reluctant to take over that unfinished work or project. Builders often become insolvent because they have not been trading well or given good service—something that does not become apparent quickly. Consumers often have to take a builder to the Consumer, Trader and Tenancy Tribunal and engage in significant expense. Finally, when the builder sees the writing on the wall he or she rolls over, but only after a consumer has been involved in significant expense. Consumers are then able to claim on insurance policies against insolvent builders, but only up to 20 per cent for incomplete work. I know about the sorts of problems that are being faced by consumers. This reform will lead to disasters in the future.

The Government must ensure that this reform does not adversely affect consumers in the future. If a consumer pays $800 for a policy it would be fair to give that consumer $200,000 worth of cover. If a cap is to be placed on incomplete work, a reasonable cap might be 20 per cent of the sum insured, not of the contract price. A common contract price for a project home might be $150,000. If the level of cover is limited to 20 per cent of that contract, it is significantly less than 20 per cent of $200,000. Given that there might be legal expenses and that consumers might experience some difficulty in trying to get another builder to take over the work—consumers will incur mortgage payments and other expenses while they wait for someone else to take over the work—it might be necessary to give them a level of cover that is higher than 20 per cent of the contract price. Given that this concession was extended to insurers to keep the scheme viable—it is a concession that they did not necessarily need—this aspect of the scheme is worthy of review.

As I said earlier, builders are still complaining that they are experiencing difficulty in obtaining insurance. Insurers should be encouraged—if they do not respond after encouragement there might need to be some legislative encouragement or a threat of legislation—to publish requirements for builders so that they know where they stand. In Queensland builders know well in advance their financial requirements before they can take out home warranty insurance. That is not the case in New South Wales. To some extent insurers regard the financial checks that they make of builders as commercial in confidence information. How they go about checking out builders and ensuring that a claim is limited appears to be a trade secret that they prefer to keep to themselves. Given that this scheme is a statutory scheme—a scheme in which everyone who builds something in New South Wales must participate—it is not fair to expect builders to go to insurers, give them some information and for some person from the insurance company to then say, "That is not enough information. We want more."

That is akin to the Spanish inquisition. Builders are having to give information without knowing what insurers are looking for or whether they will finally qualify for insurance. That does not sound to me to be fair. We are not using rocket science to determine whether a builder is solvent. Queensland has a sliding scale that is published by the Government which determines the assets that a builder has to have before he or she can obtain insurance. I know from various inquiries into the home building industry that many builders would prefer the open situation that exists in Queensland. Builders know before they apply for insurance what is required of them and they know that, if they meet those requirements, they will obtain necessary cover. To me, that does not appear to be unreasonable, particularly as insurance cover has been reduced for the benefit of insurers. They will collect considerable premiums. It appears that claims will be significantly limited as a result of these reforms, so the scheme should be more profitable for insurers.

I accept that insurers have difficulties with regard to underwriting expenses, which are largely determined by overseas markets. However, as far as the New South Wales home warranty insurance scheme is concerned, by any estimate it appears that insurers have acquired a very profitable scheme indeed. Given that insurers have gained so many advantages, they need to respond to some of them. With regard to another statutory scheme that operates in New South Wales, the Motor Accident Insurance Scheme, some standards are imposed on insurers in terms of their service of claims. I do not believe that that would be an unfair reform for home warranty insurance either. I believe that the Motor Accident Insurance Scheme is an excellent model on which to base the regulation of the New South Wales Home Warranty Insurance Scheme. Some of the standards imposed on licensed insurers providing motor accident insurance could also be imposed on insurers who provide home warranty insurance. They are not unreasonable expectations; indeed, insurers have been only too happy to meet those expectations.

The Hon. John Della Bosca: It's a good scheme.

The Hon. JOHN RYAN: I believe it is a good scheme. As I said, the Motor Accident Insurance Scheme is a good scheme on which to model home warranty insurance. I believe there are lessons to be learnt from the Motor Accident Insurance Scheme. I look forward to seeing further reviews of the scheme. The Government made an attempt to have a cursory look at the scheme, which probably should have occurred before the legislation was passed rather than after, but I welcome the fact that it occurred.

I thank the chair of the committee for the manner in which he conducted the inquiry. He was fair, and he made sure that the people who needed to be heard were heard. I also thank the committee staff for their diligence in assisting us to prepare the report. I believe it to be a good and fair report, and I hope that the Government gives its recommendations fair consideration. We have tried as far as possible to be utterly fair in our assessment of the scheme. I do not think a fairer report could be produced, and I urge the Government to give it consideration.

Given that the scheme in New South Wales is a last-resort scheme, it is extremely necessary that the Government also give urgent consideration to the recommendations of the Joint Select Committee on the Quality of Buildings relating to the resolution of disputes. In most instances, disputes in New South Wales have taken far too long to resolve. Many of them could be much more simply arbitrated, provided the arbitrator had appropriate expertise and was independent.

The joint select committee made a number of recommendations regarding the reform of the dispute resolution process in a last-resort scheme. A matter that is absolutely vital—and we alluded to this in our report—is that the recommendations in the report on the quality of buildings with regard to dispute resolution need to be implemented, and they need to be implemented quickly. I have heard that the Department of Fair Trading does not support many of those recommendations. I hope that rumour is not true. I hope that the Government moves also to implement the other report, which was also chaired by a Government member and was, I believe, also infinitely fair.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS [4.23 p.m.]: It is interesting that the Government passed the legislation and then asked for a report, which is putting the cart before the horse. Sadly, the Government does that all too frequently. The Government was put in a situation where the second-last insurer threatened to pull out because of a lack of ability to get reinsurance. It believed that it then did not have any power, so it basically did what the insurance companies wanted. Indeed, as the Hon. John Ryan pointed out, the Government did more than what the insurance companies wanted.

The problem initially occurred when the Government sold the GIO. The sale meant that the GIO was a player in the market and thus, if people declined to reinsure, they would have known exactly what the premiums were, what the payouts were, and what risks they were taking with regard to reinsurance. When the market collapsed because of such imponderables as the collapse of HIH—which, as we heard this morning during the Premier's seminar, had done some discounting—and the events of September 11 destabilised the market, there was a panic. To some extent, that panic may have been contributed to by the fact that the private inspection system meant that many more shonky building practices were taking place. However, I do not have any figures on that, and certainly the shortage of figures has been a problem. A number of people from the Building Action Review Group, including Irene Onorati and others, have approached me in desperate circumstances because of the failure of their builder to deliver to them a reasonable quality house. Certainly building insurance was necessary, as was a regulatory scheme.

Clearly, by the sale of the GIO and the privatisation of inspection services the Government created an environment in which the HIH collapse and the events of September 11 could have ramifications here. Those events should not have in any way affected insurance in New South Wales, because the building practices standard was changing only in the medium term, that is to say, slowly, and the value of claims being made in that discrete market should have been known.

The Government does not generally collect statistics on this sort of aspect; therefore it is simply forced to take the word of insurers and thus has no market power. My suggestion was that the Government set up insurance systems in order to collect data, so that it has a better understanding of what it is doing in this situation. The fact that governments have abandoned the insurance industry and the banking sector means that we as consumers are extremely vulnerable to the vicissitudes of the market. Indeed, the fact that it seems so difficult to get a realistic grasp of insurance premiums, to get any consistency in them, and to go along the boom-bust cycles within the insurance industry, is I believe because the Government has effectively abandoned this to the market.

I do not advocate the creation of huge government entities, but I believe that in the banking and insurance sectors the government-owned entities existed quite happily and competitively, and that for some time it was foolish to sell them. I believe they should be in the market to keep other players honest. If they have only a small segment of the market because they are not very competitive, so be it; at least they are players in the market, and data can be accumulated from their behaviour which can facilitate government action.

It is interesting that the inquiry did not even canvas that possibility. Indeed, the openness of the terms of reference suggested that that would have been possible. I refer to a speech I made in this House on 9 May 2002 in which I canvassed the possibilities at some length. The inquiry made modest recommendations, which should be taken on board. I believe that ultimately if there is a need to have an insurance system, an appropriate authority must carry out inspections and deal with shonky builders more forthrightly than the current system does, to lessen the amount of shonky building. Once shonky building practices are under control and shonky builders are able to be disciplined, the difficulties of insurance are significantly reduced.

I am aware of a number of people whose houses need to be demolished and rebuilt. In some cases, the cost of demolition and rebuilding is more than the original contract price. Clearly, that issue has not been addressed, and I believe it will be difficult to address if the problems of the inspection system are not resolved and we have a last-resort system under which the maximum that can be achieved is only 20 per cent. There are still many problems with the insurance industry. The report addresses some of those problems, but the Government must think more laterally and take a courageous look at the entire problem. However, for political reasons the Government does not take a wide-ranging and courageous look at aspects of the insurance industry, and that is not good for the people of New South Wales.

The Hon. RON DYER [4.29 p.m.], in reply: I thank both the Hon. John Ryan and the Hon. Dr Arthur Chesterfield-Evans for their contributions to this take-note debate. I particularly thank the Hon. John Ryan, the Deputy Chair of the Standing Committee on Law and Justice, for his participation in this inquiry, which, as usual, was constructive. I have worked with the Hon. John Ryan now for 3½ years on various inquiries that have been referred to the committee. I have found invariably that the Hon. John Ryan has made a valuable contribution and has always sought to produce a constructive outcome in regard to any inquiry that the committee has undertaken.

The Hon. John Ryan referred to this report on building warranty insurance as being a fair report. I thank him for that because I believe that all the members of the committee who participated in this reference endeavoured to assess the matter fairly and to produce recommendations that, while they might be generally fairly modest in character, would serve to improve the current scheme. We have made recommendations to the Government to consider some matters that might lead to some improvement in the practical operation of the scheme.

On the last occasion the take-note debate was before the House the Hon. John Ryan made some reference to Mrs Irene Onorati, who very kindly gave evidence to the committee during the inquiry. The Hon. John Ryan referred to the fact, when he spoke last on 4 September, that the husband of Mrs Onorati had died. I have expressed my condolences to Mrs Onorati privately; however, I would like to publicly associate myself with the expression of condolence made by the Hon. John Ryan. There is no doubt that Mrs Onorati has made, over many years, a very substantial contribution to the interests of consumers of persons active in the building industry. She has campaigned virtually without respite. Certainly she has not given much respite to those she has been approaching. I do not say that in a critical way but simply as a matter of fact.

The Hon. John Ryan, in speaking today, said that the jury is still out on whether these reforms have worked. I would say in response that the reforms have worked to the extent that there are insurers in the market who will write building warranty insurance. Earlier this year the Government was faced with the factual and practical situation of insurers telling the Government that this form of insurance was no longer viable, that it was not economic to write policies for building warranty insurance. Since the amending legislation was enacted earlier this year and commenced from 1 July, a major insurer, Royal and SunAlliance, has remained in the market writing these policies. It is also true that lesser players in the insurance field in this area—an insurance company associated with the Housing Industry Association, for example—have also written policies. The committee knows also from indications it had by way of correspondence that the Insurance Australia Group [IAG], formerly known as NRMA Insurance, the largest general insurer in Australia, is considering its position regarding entering this market.

In saying that I am certainly not indicating to the House that IAG will definitely enter the market. However it is considering its position and, subject to its own deliberations and consideration of relevant factors, it could enter the market. In addition to that, the legislation enacted earlier this year by way of amendment to the principle legislation enables what are called alternative indemnity schemes to be approved by the Minister for Fair Trading. In accordance with those provisions, the committee became aware during the course of taking evidence that the Master Builders Association is considering its position regarding entry into such indemnity schemes. Likewise, the Swimming Pool and Spa Association is considering whether it also should enter into an alternative indemnity scheme. So, certainly it can be said with some confidence that there are now players in this segment of the insurance market.

The Hon. Dr Arthur Chesterfield-Evans commenced his contribution today by suggesting that in enacting the amending legislation earlier this year the Government was putting the cart before the horse. It is all very well to say that, but the Government was faced with the practical situation of insurers telling the Government that it simply was not worthwhile or viable for them to remain as building warranty insurers. If, as the Hon. Dr Arthur Chesterfield-Evans is suggesting by implication, we ought to have waited rather longer

before, as he puts it, putting the cart before the horse, the Government in all probability would have found itself in a position in which no insurers were left in the market. That would have been an appalling position for the building industry in this State and for consumers for whom buildings were being erected. The Government has to act responsibly to deal with public issues as they arise. It certainly became apparent to the Government that insurers were saying they were not prepared to insure against this risk. The Government had to act, it did act and—far from the cart being before the horse, I would say the horse was very definitely present, staring us in the face—we had to put the cart behind the horse. The Government has acted responsibly in that regard.

[*Interruption*]

I am not sure what the Hon. Dr Arthur Chesterfield-Evans is saying, but I really would prefer that he at least admit that the Government acted positively and constructively to deal with the factual situation that was staring it in the face earlier this year, namely, that we could be left with no insurers in the market. One of the drivers of the Australian economy at the moment is and has been for the past few years activity in the housing industry throughout Australia. There is absolutely no doubt about that. That economic activity would have been seriously damaged had builders found that they could not insure against risk relating to building warranty insurance. That would have been a very adverse outcome. The Government could not contemplate that happening. Therefore, it had to act quickly to ensure that there were insurers who were willing to continue to insure against this risk.

The Hon. John Ryan referred to the level of premiums as being high. That is certainly the case. Given the nature of the risk, the insurers did increase their premiums. However, I can report to the House that during the giving of evidence the representative of Royal and SunAlliance insurance indicated to the committee that the level of premiums would come under review later this year, and that witness forecast that in all probability there would be a decline in premiums later this year. That is good news because premiums certainly have risen to levels that are higher than the Government and consumers would like them to be. The committee feels that it has addressed the terms of reference fairly. We have reported in favour of the legislation. During this contribution I have addressed in some detail why the Government acted as it did. We feel that some stability has been created in the home warranty insurance market and that the Government was warranted in acting in the way it did. As I briefly adverted to previously, the committee has made some finetuning recommendations with a view to improving the way the present scheme operates.

For example, some submissions were made to the committee and some witnesses expressed concern about what they considered to be a lack of transparency of the financial criteria used by insurers to determine eligibility for home warranty insurance. We noted that the Department of Fair Trading and some insurers are currently undertaking initiatives to improve transparency. I also indicate to the House, as I did on the previous occasion when I commenced the take-note debate on this report, that there is a lack of comprehensive statistical data about insurance premiums, claims on insurance and payouts. Professor Percy Allan, during his Australia-wide review of building warranty insurance, also made that point. We have recommended that the Minister for Fair Trading should specify, as part of the conditions of approval of insurers, that insurers must supply the Government with detailed market data concerning premiums, claims and payouts. We believe that that is reasonable, and we hope that the Minister will give favourable consideration to that particular recommendation. With those few words, I commend the report to the House.

Motion agreed to.

THREATENED SPECIES CONSERVATION AMENDMENT BILL

In Committee

Consideration resumed from an earlier hour.

Schedules 1 and 2

The Hon. Dr ARTHUR CHESTERFIELD-EVANS [4.44 p.m.]: I was a little discouraged when the Opposition withdrew its amendment as I thought it was reasonable. However, since then, I understand that Parliamentary Counsel is correct and that under the Threatened Species Conservation Act the definition of "owner" includes reference to an occupier. So the lack of the Opposition's amendment will not affect the quality of my amendment. I am delighted that the Government has seen fit to support my amendment, which I believe is a middle-of-the-road, sensible amendment to encourage discussion between scientific committees, the National

Parks Association, the National Parks and Wildlife Service and farmers. I hope that this model of co-operative action to help threatened species will take on in New South Wales for the good of both the farming community and the threatened species. I commend the amendment to the Committee.

Amendment agreed to.

The Hon. DON HARWIN [4.45 p.m.], by leave: I move Opposition amendments Nos 11 and 13 in globo:

No. 11 Pages 30 and 31, schedule 1 [70], proposed section 146A, line 14 on page 30 to line 10 on page 31. Omit all words on those lines. Insert instead:

146A Decision not to disclose other information

(1) The Scientific Committee may make a written recommendation to the Minister that the following matter should not be disclosed to the public:

(a) information provided to the Scientific Committee relating to the location of threatened species, populations or ecological communities,

(b) information provided to the Scientific Committee that may identify any individual who made a nomination under Part 2 or made a submission in respect of a nomination.

(2) The Minister may, by notice in writing:

(a) accept the recommendation of the Committee that the matter should not be disclosed to the public, or

(b) reject the recommendation of the Scientific Committee.

(3) The Minister may accept a recommendation referred to in subsection (1) (a) only if the Minister is of the opinion that the public interest requires that the matter not be disclosed.

(4) The Minister may accept a recommendation referred to in subsection (1) (b) only if the Minister is of the opinion that the matter should not be disclosed:

(a) in the interests of the safety or welfare of the individual who might otherwise be identified, or

(b) to protect that individual against intimidation, harassment or other unwarranted reprisals in connection with the nomination or submission.

No. 13 Page 46, schedule 2.3, lines 11-12. Omit "has determined should not be disclosed to the public under section 146A of that Act". Insert instead "has recommended to the Minister should not be disclosed to the public under section 146A of that Act and the Minister has accepted that recommendation".

These amendments relate to the decision not to disclose certain information to the public. In the bill that decision is reserved for the Scientific Committee. The Opposition, in line with its earlier amendments, firmly believes that the balance has gone too far in favour of what the Minister and the Scientific Committee decide in terms of the operation of the Act. It feels very strongly that if a decision is being made about what information should and should not be given to the public, it should be made not by a committee of experts, well intentioned though they often are, but by a member of the Executive Government, in particular the responsible Minister. These amendments mean that the Scientific Committee can make a written recommendation to the Minister that certain matters not be disclosed to the public but that it is the Minister who makes the decision as to whether that disclosure should take place. The Opposition believes that is an appropriate balance between the Scientific Committee and the Minister. I commend the amendments to the Committee.

The Hon. IAN MACDONALD (Parliamentary Secretary) [4.47 p.m.]: The Government supports Opposition amendment No. 11, which will allow the Minister to decide when a matter should not be disclosed to the public. It supports this position. The Government also supports Opposition amendment No. 13, which effectively clarifies the application of the Freedom of Information Act 1989 in this regard.

Amendments agreed to.

The Hon. DON HARWIN [4.48 p.m.]: I move Opposition amendment No. 12:

No. 12 Page 31, schedule 1. Insert after line 10:

[71] Section 147A

Insert after section 147:

147 State to pay compensation

(1) If, as a result of the operation of the threatened species protection provisions or of anything done under those provisions, a person suffers a loss in the person's entitlement to use, or to continue to use, land for any purpose, the person is entitled to a reasonable amount of compensation from the State in respect of that loss.

(2) The entitlement to compensation applies only in respect of a loss suffered after the commencement of this section.

(3) If the amount of compensation payable is not agreed between the Minister and the person entitled to the compensation, the Minister must (at the person's request) refer the matter to the Valuer-General for advice as to the amount of compensation required to be paid under this section.

(4) A person who is dissatisfied with the amount of compensation offered to the person under this section or with any delay in the payment of compensation may appeal to the Land and Environment Court.

(5) In this section, the ***threatened species protection provisions*** means the provisions of this Act, and the provisions of the *Environmental Planning and Assessment Act 1979* and the *National Parks and Wildlife Act 1974* relating to threatened species, populations or ecological communities.

The Committee debated this principal when it considered the amendment moved by the Hon. Dr Arthur Chesterfield-Evans. In that context the Opposition placed on the record its belief that what has already been passed is simply not good enough. With regard to the operation of the Act the Opposition believes that it must be recognised that we are dealing with not only the interests of conservation but also the interests of people who hold, own and work land, and have done so in some instances for generations.

I am sure that all honourable members understand that there are good, proper public policy reasons why we have legislation such as this Act to preserve biodiversity. However, it is wrong not to concede that, in pursuing that public policy objective, there is a cost to individuals, in particular, to those who work the land. That is why the Opposition is strongly committed to its amendment No. 12, which relates to the payment of compensation by the State to land-holders if the threatened species conservation legislation impacts severely on their ability to earn an income and to work their land as they have done, in many cases for a long time. I urge the Committee to support this amendment. It was made clear during the debate on the Australian Democrat's amendment that this amendment would not be supported, and that is a tragedy.

The Hon. Duncan Gay: We would like to hear their reasons.

The Hon. DON HARWIN: Indeed, we would like to hear those reasons and have them on the record. In fact, it is such an important issue that every honourable member's view should be recorded, and we will be using the procedures of the House to ensure that happens. I commend the amendment to the Committee.

The Hon. IAN MACDONALD (Parliamentary Secretary) [4.51 p.m.]: The Government cannot support this amendment. It has been advised that, if enacted, the amendment would infringe section 5 of the Constitution Act. I am also advised that the Parliamentary Counsel believes that, as drafted, the provision is inconsistent with the Constitution. Therefore, the amendment should be opposed because it is constitutionally invalid. Aside from that technical reason, the Government believes it would be premature to insert a specific legislative provision in the Threatened Species Conservation Act 1995 along the lines suggested by the Opposition.

On 19 July 2002 my colleague the Minister for Land and Water Conservation, the Hon John Aquilina, MP, announced the formation of the Premier's task force on farming and natural resources. The task force will consider and advise the Premier on, first, balancing the need for improved environmental practices while maintaining commercially viable farms; secondly, assessing the community's ability to pay for conservation measures undertaken in the public good; thirdly, encouraging long-term use of natural resources through incentive programs and market-based solutions across rural and regional New South Wales; and, fourthly, linking incentive programs to natural resource management strategies and programs. Honourable members will note that the Opposition's proposed amendment addresses issues that are relevant to these terms of reference.

The task force will be chaired by a former federal Minister for Agriculture, the Hon. John Kerin. Its membership will comprise Mr Mal Peters, President of the New South Wales Farmers Association—one of that association's finest presidents; an Lgov NSW representative—no-one could quibble with that; a Nature Conservation Council representative; an economist with recognised expertise in natural resources management; a lawyer with recognised expertise in natural resources; a lawyer with recognised expertise in natural resources issues and property matters; and senior representatives from the Department of Land and Water Conservation and State Forests.

As a result of the issues that have been raised with the Government by the New South Wales Farmers Association and the concerns raised by the Hon. Dr Arthur Chesterfield-Evans about the impact on farmers of

the Threatened Species Conservation Act 1995, the Minister has advised that he will refer the matter to the Kerin task force so it can be considered as part of that process. This strategy will allow for more detailed consideration of what are complex financial and natural resource issues. Those issues are not limited to the State's threatened species protection laws. This strategy will also ensure that any proposed solutions are implemented on a whole-of-government basis rather than via a single, narrowly focused Act of Parliament. I also note that the Committee has adopted the amendment moved by the Hon. Dr Arthur Chesterfield-Evans that addresses this issue far more appropriately and comprehensively. Finally, it should be stressed, because it is often forgotten, that the Threatened Species Conservation Act 1995 already exempts farmers and other land-holders from the requirement to obtain a licence to harm or pick a threatened species, population or ecological community in cases in which the farmer or land-holder is carrying out routine agricultural activities.

The Hon. DUNCAN GAY (Deputy Leader of the Opposition) [4.54 p.m.]: It is interesting that the Opposition's amendment was drafted by Parliamentary Counsel. In that process, Parliamentary Counsel did not mention any of the concerns that the Government seems to have finessed out of thin air. This is another smoke-and-mirrors trick—if it does not want to do something, the Government makes up some excuse. Parliamentary Counsel drafted these amendments and at no stage was any note received indicating the concerns expressed by the Government. It is also interesting that the Government is relying on the amendment proposed by the Hon. Dr Arthur Chesterfield-Evans. As I said yesterday, he indicated he thought he was following the middle road, but I thought he was following the low road, and he was. The word in his amendment is "may", which means there is absolutely no certainty.

I am a generous fellow and I am willing to give the Government the benefit of the doubt. I am willing to accept that it may have valid advice that our amendment is improper. I am willing to withdraw the amendment on the condition that the Government undertakes to provide compensation to affected land-holders. That is a fair offer. All we need is for the Country Labor member who is representing the Minister here in the Committee to say, "Mr Gay, we accept your generous offer to withdraw your amendment because it may be unconstitutional." We are looking for an assurance from Country Labor that it does not want to hurt these farmers inadvertently because there may be problems with threatened species that may be harmful to farmers, and that it believes that they should not be out of pocket. I will ask, and I will continue to ask until I get a definitive answer from the Parliamentary Secretary from Country Labor who is representing the Minister in this place, whether the Labor Party is willing to compensate these farmers who will suffer losses to appease a social conscience. We are not saying that everything that has happened as a result of the enactment of this threatened species legislation is inappropriate—many results are appropriate.

However, we have had some problems with the way in which the legislation has been enacted. We certainly have problems with the membership of the committee that has just been announced; once again, the numbers are stacked against the farmers. The committee has one or two very good members, but the majority are against the people who will be most affected by its decisions. The Opposition will continue to ask questions and to make this offer until it gets a definitive answer from the Government about whether it is in favour of this measure and whether it will voluntarily undertake to recompense the farmers for the losses they are about to suffer.

The Hon. RICHARD JONES [4.58 p.m.]: Has the National Party costed this amendment? This could involve hundreds of millions of dollars.

The Hon. DUNCAN GAY (Deputy Leader of the Opposition) [4.59 p.m.]: That is a most important question; that is part of what we are on about! That is the socioeconomic effect of the legislation we are debating. How wonderful to have the honourable member highlight the point we are making that this could cost the farmers of this State millions of dollars!

The Hon. Patricia Forsythe: He is only the secretary of Country Labor.

The Hon. RICK COLLESS [5.00 p.m.]**:** He purports to be a farmer and to represent Country Labor. Does he construct contour banks on his farm?

The Hon. Ian Macdonald: I will answer when I feel like it. Make your speech.

The Hon. RICK COLLESS: Good. I will listen with great interest to the Hon. Ian Macdonald's answer because the construction of contour banks has been stopped by the presence of a species listed under the Threatened Species Act. I again refer the House to the listing of bothriochloa biloba. In the Inverell district, a

paddock which had bothriochloa biloba growing in it had some gully erosion. Soil conservation workers came out to put contour banks on the land. One of the Department of Land and Water Conservation [DLWC] officers was present at the time and said to the farmer, "I am sorry but we cannot proceed with this job at this time because there is a threatened species on this land." The farmer wanted to rehabilitate that land, grow a crop, put some pasture on it and make some money—after all, it is freehold agricultural land—but he was prevented from doing so. In spite of that, the Parliamentary Secretary says that routine agricultural activities are exempt from this bill. They are not. There have been many instances in which farmers have had normal farming practices restricted by the provisions of the legislation. Perhaps the Parliamentary Secretary will advise the Committee when the Kerin task force will report back to Parliament on the terms of reference he outlined earlier.

It is absolutely imperative to provide compensation when farmers have their right to farm taken away from them because of the provisions of this legislation. In the instance of the farmer at Inverell to whom I have just referred, who should pay for the removal of his rights to farm his land? Should the individual farmer be forced to pay for something that is supposedly for the benefit of the wider community? If the wider community benefits from this legislation, the assessment should be based on good scientific information but the Parliament has already been advised that species are being put on the list that are not threatened. If there is good information which indicates that species should be preserved for the benefit of the wider community, then the wider community should pay, and that means compensation. This amendment provides for compensation and security for the farmers and farming communities of New South Wales to ensure that they do not suffer severe losses as a result of the implementation of this bill.

The Hon. IAN MACDONALD (Parliamentary Secretary) [5.05 p.m.]: In response to the first challenge made by the Hon. Rick Colless and in some shape or form by the Deputy Leader of the Opposition to the validity of the amendment that has been moved by the Opposition, I point out to honourable members and to our new member, the Hon. Rick Colless, who might learn from this and who may consequently be able to cite legislation more wisely than have other members of the Opposition in drafting this amendment—

The Hon. Duncan Gay: He has read the works of Lenin. He knows all about you.

The Hon. IAN MACDONALD: Yes, John Lennon was a great man. For the benefit of the Hon. John Jobling, I will read section 5 of the Constitution Act 1902, which states:

> The Legislature shall, subject to the provisions of the Commonwealth of Australia Constitution Act, have power to make laws for the peace, welfare, and good government of New South Wales in all cases whatsoever:
>
> > Provided that all Bills for appropriating any part of the public revenue, or for imposing any new rate, tax or impost, shall originate in the Legislative Assembly.

Clearly this is the Legislative Council. Consequently the Opposition's amendment is outside the Constitution. The amendment is dead in the water, constitutionally speaking. I remind honourable members that John Kerin's task force will be reporting relatively soon on these issues.

The Hon. Rick Colless: When?

The Hon. IAN MACDONALD: For the benefit of the Hon. Rick Colless, I inform the Committee that it will report on 31 October 2002. I also point out that the task force is examining the issues that are being considered by this Committee presently. The amendment moved by the Hon. Dr Arthur Chesterfield-Evans bears some relationship to these issues. The Government has recognised that an examination of these issues is required and is doing so properly through a task force. I do not believe that the task force membership is stacked against the farmers, bearing in mind that the President of the New South Wales Farmers Association is a member of that committee.

The Hon. Rick Colless: That is one.

The Hon. IAN MACDONALD: I believe that the Shires Association of New South Wales keenly supports the farmers throughout the task force's inquiries.

The Hon. Rick Colless: That is two.

The Hon. IAN MACDONALD: I believe that the others will examine the issue fairly throughout the task force's deliberations and will provide solutions for all of the problems that have been referred to by the Opposition. Incidentally, those issues have already been anticipated by the Government in its fine announcement of 23 July.

The Hon. DUNCAN GAY (Deputy Leader of the Opposition) [5.09 p.m.]: The Hon. Ian Macdonald has addressed this Chamber but did not answer the questions that I asked. The questions were not complex. I asked him to remove my amendment which the Government has said is inappropriate. The Government did not say that it disagreed with it but just said that its advice was that it could not be done. Even though the Opposition does not have the same advice, I am happy to accept that the Government's advice may be correct. I proposed to the Parliamentary Secretary, a Country Labor member, only one condition: to compensate New South Wales farmers who are being hammered by this legislation. It is not a huge ask, I would have thought. The Parliamentary Secretary prides himself on being a farmer. The Convenor of Country Labor, who is in the Chamber at the moment, has been silent on this issue. I have not heard him say a word on it. Every time we raise these issues in this Chamber he has been absolutely mute.

The Hon. Peter Primrose: Point of order: It is inappropriate, uncouth and unparliamentary for the honourable members to abuse his position by not pointing out to those who would read *Hansard* that the Convenor of Country Labor is in the chair and unable to participate in the debate.

The Hon. DUNCAN GAY: I withdraw. It was inappropriate, Mr Chairman, that I did not mention you were in the chair. Can I say, by way of explanation, that when I was Chairman, if I wanted to speak on a bill or other matter I arranged for a Temporary Chairman to occupy the chair. If I had thoughts on something as important as this, I would have arranged for a Temporary Chairman to be in the chair so that I could have my say. Mr Chairman, I apologise because it was inappropriate that I did not indicate you were in the chair. The offer is on the table: just a small obligation on the Government to compensate the farmers of this State. The Parliamentary Secretary answered two questions, but went no further. That indicates that once again the Government has stacked the deck against the people that this measure was meant to help. We need an undertaking from Country Labor to compensate farmers affected by the threatened species legislation.

The Hon. IAN MACDONALD (Parliamentary Secretary) [5.12 p.m.]: The Committee should be aware that the Government already provides assistance to landholders. I am advised that to date more than $700,000 has been provided to 55 landholders who have entered into conservation agreements that contribute to threatened species conservation. The amendment moved by the Hon. Dr Arthur Chesterfield-Evans, and now part of the bill, will provide a further avenue to encourage those sorts of agreements. Similar financial assistance is provided by the Department of Land and Water Conservation.

The Hon. RICK COLLESS [5.12 p.m.]: I ask the Parliamentary Secretary to answer the questions I asked him about whether he considers the construction of contour banks on eroded land to be routine agricultural activity. No response?

The Hon. Ian Macdonald: The Hon. Dr Arthur Chesterfield-Evans is to speak.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS [5.13 p.m.]: If the Parliamentary Secretary wishes to respond, I will give way to him. I have some sympathy for the amendment in that it involves an imposition on farmers in terms of opportunity costs that they may have on their land.

The Hon. Rick Colless: It is a real cost.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Presumably, if a threatened species exists on the land, it exists despite whatever may be the existing use of the land. Therefore, whatever the farmers had been doing before did not wipe out the threatened species. Presumably, therefore, unless they farm more intensively or use different methods, they will not wipe out threatened species. So, in a sense, those farmers are asking for compensation for opportunity costs, rather than compensation for the loss of an existing use. They may be extending the existing use over a greater proportion of their land, or otherwise changing the use from existing and past uses that have allowed the survival of the species, albeit designated as threatened.

If the Scientific Committee finds that a species is threatened, under my amendment a compromise survival plan would be negotiated and some money may be paid as part of that plan. That was the objective of my amendment, which was supported by New South Wales Farmers. It is true that Europe pays its farmers more money for conservation aspects relative to their land. On the other hand, that has been used as a backdoor method of providing huge subsidies to European farmers. That is having huge detrimental effects on Australian farmers because such subsidies destroy the world price of many commodities. That other countries also pay subsidies is not disputed, but the economy of Australia cannot support the level of subsidies that European countries can provide. More is the pity. But that is the reality we face.

The Government is not prepared to give an under-funded or open-ended commitment. I regret that an appropriate commitment is not possible. I have tried to accommodate in my amendment as much compromise as is possible. One has to acknowledge that the cost of such a compensatory amendment would be very large. It seems to be an opportunity cost. The fact that the threatened species still exists would suggest that whatever may have been the use to which the land was put in the past, that use is compatible with the survival of the species at the level at which it survives at the time of its assessment.

Reverend the Hon. FRED NILE [5.16 p.m.]: I accept the advice that the Parliamentary Secretary has quoted. But, from memory, this Chamber discussed a measure to compensate dairy farmers. Though that was defeated, it was not said on that occasion that such amendments could not be accepted in this Chamber. Technically, the amendment before the Committee does not make the bill a money bill. It asks the Government to provide compensation. The bill must go to the lower House—which is the Treasury House, even though the Treasurer is a member of this Chamber—and that House could reject the bill as amended, which would then not become law. So this bill and the amendments to it cannot become law without being passed by the lower House. The Christian Democratic Party supports the amendment as a reasonable proposition.

The Hon. Richard Jones originally said that the amendment could cost hundreds of millions of dollars. When he realised that the error had been picked up, he said one million, but originally he said it could cost hundreds of millions of dollars. No-one knows what will be the cost of it. Farmers could lose capital value in land they have purchased in the expectation of farming it, or some of their land is quarantined, cannot be farmed and becomes unproductive, and subsequently cannot be sold because no-one wants to buy it, or may be denied income that could be produced from the land. This is a very serious matter.

The Hon. IAN MACDONALD (Parliamentary Secretary) [5.18 p.m.]: My advice, as I have put to the Committee, is that even if this amendment were passed by this Chamber, it would in effect be "appropriating any part of the public revenue or imposing any new rate, tax or impost" and therefore it is required that such an amendment "shall" originate in the Legislative Assembly.

The Hon. John Jobling: Where did the bill come from?

The Hon. IAN MACDONALD: But the amendment comes from this Chamber, and did not originate in the other House. The honourable member cannot get over that hurdle: the amendment did not originate in the other place.

Reverend the Hon. Fred Nile: If it is to be given effect to, it must go to the other House.

The Hon. IAN MACDONALD: I doubt that this amendment, if it were considered by the other place, would be approved. Clearly, it is a technical breach of what transpires in this Chamber in relation to issues relevant to the raising and spending of revenue. As I have said, we already provide some assistance to landowners, and I have detailed that assistance. I have said also that an inquiry into this matter will be reporting to the Government on 31 October. That inquiry has a number of independent people on it and is chaired by someone not of this Parliament and not associated with any of the departments or the Government.

Reverend the Hon. Fred Nile: Have you accepted the advice of that committee?

The Hon. IAN MACDONALD: No, the Government does not have to accept the advice of any committee. However, if a reasonable case is made out and if there is a problem in this area the Government would consider those issues. People will be able to present submissions to the committee and argue their case, unlike what has occurred today. Everyone will have an opportunity to think about those issues. The Committee will be able to make recommendations to the Government and we will have every opportunity to debate them and to address the issues that are raised. We will have the whole of the month of November in which to address issues and to have a more reasoned debate about them. This Government is conscious of any issues that could have serious financial implications for this State. We must weigh up every issue before we agree to any amendment that would require the Government to pay a large compensation package.

The Hon. Duncan Gay: So you would rather that the farmers wear it?

The Hon. IAN MACDONALD: I am not saying that I want the farmers to wear anything. The Committee can look at this issue, and report to the Government, and the Government can analyse it on the basis of information that has been provided to it, and not as a result of some knee-jerk reaction. Those honourable

members who are looking at the overall implications of this issue want to know the facts before they rush headlong into agreeing to an amendment that will provide for an open-ended compensation package. If we head down this path—and we have heard highly emotional contributions from and stupid questions asked by Opposition members—we will create a lot of problems for which we are not prepared. I urge all honourable members to take into account the fact that we have an inquiry in which the New South Wales Farmers Association is participating. If the President of the New South Wales Farmers Association thought we were going off the rails he would say something publicly.

The Hon. Rick Colless: He supports this amendment.

The Hon. IAN MACDONALD: He can put his views to the Committee, which will report to the Government. After October the Government will have a chance to look at and debate these issues. That is a sane and sensible way of proceeding. The Government does not want to be bulldozed into agreeing to any proposed and unconstitutional amendment at this stage.

The Hon DUNCAN GAY (Deputy Leader of the Opposition) [5.23 p.m.]: It cannot be said that this Opposition is ungenerous. Opposition members offered the Government a way out. Government members say that they are not against farmers, but they are. The Government has a stacked committee and it does not want to pay any compensation. The Parliamentary Secretary stated earlier that this package could cost too much.

The Hon. Ian Macdonald: I did not say that. I said that it could cost a lot of money.

The Hon. DUNCAN GAY: The Parliamentary Secretary said that it could cost a lot of money. Is he implying that the Government does not want to pay a lot of money, but that it would not mind farmers paying a lot of money? That is the statement that was made earlier by the Parliamentary Secretary. Opposition members have been generous and have offered the Government an alternative. The Parliamentary Secretary said earlier that this amendment could not be moved in this Chamber; that it was inappropriate to move this amendment in such a forum. If the Parliamentary Secretary gives us an undertaking that the Government will introduce this amendment and that it will be supported in the other Chamber, we would be willing to withdraw this amendment in this Chamber. We do not want to put the Government in an uncomfortable position. If we get a commitment from the Government that it agrees with New South Wales farmers—and, after all, this amendment was developed in conjunction with New South Wales farmers—we would be willing to accept the Government's assurance. I trust the Parliamentary Secretary. If he promised that the Government would introduce this amendment in the other Chamber—and we would need only members of Country Labor to vote with the Opposition to ensure the passage of this amendment through the other Chamber—we would be willing to accept that.

The Hon. JOHN JOBLING [5.26 p.m.]: The Parliamentary Secretary made much of an opinion that was based on the Constitution Act. He was obviously referring to sections 5A and 5B of that Act. His argument is based on the right of this Chamber to originate a money bill. This bill did not originate in this Chamber; it originated in the Legislative Assembly, so we cannot support his argument that it breaches the Constitution Act. I am sure that the Parliamentary Secretary is aware that honourable members in this Chamber may move amendments to any bill. That has always been the case. If we choose to accept any valid amendment that is moved in this Chamber, the legislation is returned to the Legislative Assembly and it then resolves to accept or reject the amendment. Section 5 of the Constitution Act enables us to do so. The Parliamentary Secretary, who is relying on an incorrect opinion, should read sections 5A and 5B of the Constitution Act. Honourable members in this Chamber are able to put and pass such amendments. Once the legislation is returned to the other Chamber where it originated, that Chamber has every right to accept those amendments. The Government's argument is spurious.

The Hon. RICK COLLESS [5.28 p.m.]: If this amendment is not passed farmers will incur enormous costs. A farmer might have a hectare of his land removed from production. Depending on the crop that he is growing—he might be growing wheat, sorghum or something of that nature—it will cost him a couple of hundred dollars a hectare each year in lost net income. If he is running cattle—and it would depend on the price of cattle at the time—the income lost would be at least $100 a hectare. I have 200 hectares of red grass on my property, which represents a substantial loss of income to me. It represents not only a substantial loss of income; it represents a substantial loss of income to the community. The Parliamentary Secretary would be well aware that that money circulates five times in the local community. So it is not just costing me $100 a hectare; it is costing the community $500 a hectare, which is unacceptable. That sort of cost should not be imposed on individual farmers or on the local communities that they support. Towns such as Inverell, Armidale, Bourke and Broken Hill will be affected to some extent by this Act.

The Hon. Duncan Gay: Tahmoor.

The Hon. RICK COLLESS: Tahmoor and other towns will be affected to a much greater degree than the Parliamentary Secretary would care to admit. I would like the Parliamentary Secretary to answer a number of questions. If he does not know how much this amendment will cost—he does not know how much it will cost to implement this legislation or how much individual farmers will have to pay—this legislation should not be implemented.

If the Parliamentary Secretary does not know what the legislation will cost, it should not be passed at all, because there will be a serious impact on communities. The Parliamentary Secretary says there will be no impact on routine agricultural activities, but there will definitely be an impact on routine agricultural activities and it is a cost that we cannot afford. I also ask the Parliamentary Secretary to advise the House whether he considers the construction of contour banks to be a routine agricultural activity.

Question—That the amendment be agreed to—put.

The Committee divided.

Ayes, 16

Mrs Forsythe	Reverend Moyes	Mr Samios
Miss Gardiner	Reverend Nile	Mr Tingle
Mr Gay	Mr Oldfield	
Mr Harwin	Mrs Pavey	*Tellers,*
Mr M. I. Jones	Mr Pearce	Mr Colless
Mr Lynn	Dr Pezzutti	Mr Jobling

Noes, 20

Mr Breen	Mr Dyer	Mrs Sham-Ho
Dr Burgmann	Mr Egan	Ms Tebbutt
Ms Burnswoods	Mr Hatzistergos	Mr West
Dr Chesterfield-Evans	Mr R. S. L. Jones	Dr Wong
Mr Cohen	Mr Macdonald	*Tellers,*
Mr Costa	Mr Obeid	Ms Fazio
Mr Della Bosca	Ms Rhiannon	Mr Primrose

Pairs

Mr Gallacher	Ms Saffin
Mr Ryan	Mr Tsang

Question resolved in the negative.

Amendment negatived.

The Hon. IAN MACDONALD (Parliamentary Secretary) [5.37 p.m.]: I move the Government amendment on sheet C009:

Page 46, schedule 2.4, lines 15 and 16. Omit all words on those lines. Insert instead:

Omit section 10 (1) (p1). Insert instead:

(p1) land that is the subject of a conservation agreement

The amendment corrects a typographical error in the bill. The bill should refer to paragraph (p1), not paragraph (p2).

The Hon. DON HARWIN [5.27 p.m.]: The Opposition has no objection to the amendment.

Amendment agreed to.

Schedule 1 as amended agreed to.

Schedule 2 as amended agreed to.

Title agreed to.

Bill reported from Committee with amendments and report adopted.

Third Reading

The Hon. IAN MACDONALD (Parliamentary Secretary) [5.39 p.m.]: I move:

That this bill be now read a third time.

The House divided.

Ayes, 20

Mr Breen	Mr Egan	Mrs Sham-Ho
Ms Burnswoods	Mr Hatzistergos	Ms Tebbutt
Dr Chesterfield-Evans	Mr R. S. L. Jones	Mr West
Mr Cohen	Mr Kelly	Dr Wong
Mr Costa	Mr Macdonald	*Tellers,*
Mr Della Bosca	Mr Obeid	Ms Fazio
Mr Dyer	Ms Rhiannon	Mr Primrose

Noes, 15

Miss Gardiner	Reverend Nile	Mr Samios
Mr Gay	Mr Oldfield	
Mr Harwin	Mrs Pavey	
Mr M. I. Jones	Mr Pearce	*Tellers,*
Mr Lynn	Dr Pezzutti	Mr Colless
Reverend Moyes	Mr Ryan	Mr Jobling

Pairs

Ms Saffin	Mrs Forsythe
Mr Tsang	Mr Gallacher

Question resolved in the affirmative.

Motion agreed to.

Bill read a third time.

ROAD TRANSPORT LEGISLATION AMENDMENT (INTERLOCK DEVICES) BILL

Second Reading

The Hon. IAN MACDONALD (Parliamentary Secretary) [5.46 p.m.]: I move:

That this bill be now read a second time.

I seek leave of the House to incorporate the second reading speech in *Hansard*.

Leave granted.

The purpose of this bill is to implement a new, flexible penalty, which provides those drivers convicted of certain drink-driving offences with an opportunity to rehabilitate themselves and learn to drive without drinking. The bill will amend the relevant provisions of the Road Transport (General) Act 1999 and the Road Transport (Driver Licensing) Act 1998 to enable the courts to impose a new penalty for drink-driving offences. This penalty will require offenders to have an interlock device installed in their

vehicle in order to drive. Interlock devices will enhance the safety of all people on the roads by addressing in a practical way the problem of drink-drivers. I am pleased to report that over the past 10 years, the community has responded very effectively to the Government's drink-driving campaigns.

In 1991, alcohol was a known factor in 26 per cent of road fatalities. By 2001, this had fallen to 19 per cent. The community now views drink-driving as a serious crime. Each year, around 20,000 prescribed concentration of alcohol offences are committed. Of these, around 15,000 are high or middle range blood alcohol concentration offences. A high range alcohol concentration is a reading of.15 or above. A middle range alcohol concentration is a reading of.08 to.15. A driver with a high range alcohol concentration is 25 times more likely to be involved in a crash than someone driving with a zero concentration. For a driver with a middle range alcohol concentration the risk is seven times higher. Over the past five years around 90 per cent of drink-drivers involved in a fatal crash had a high or middle range alcohol concentration. In 2001, drink-driving resulted in the deaths of 99 people and the economic cost to the community was a staggering $190 million.

The social and emotional cost to families and communities cannot be quantified. Research conducted by the Roads and Traffic Authority [RTA] shows that very often a first high range alcohol concentration offence signals the beginning of a pattern of recidivism or repeat offending. Around four in 10 of such offenders reoffend at least once in the following five years, even where the offender has been disqualified from driving. Drink-drivers not only threaten their own lives and those of their families but also the lives of every other person they encounter while on our roads. These facts and figures highlight the need for a new approach that targets convicted offenders and includes a rehabilitation component.

In 1999 I ordered the RTA to conduct an eight-month trial of alcohol interlocks with volunteer drink-drive offenders. It was found that the interlocks successfully prevented them from driving after drinking and taught them how to stay under the legal limit. A survey conducted by the NRMA in July 2001 demonstrated that 91 per cent of the public supported the requirement for drink-drivers to use interlocks. Breath alcohol interlocks have been implemented in a number of States in the United States of America, Canada and Sweden for several years. South Australia introduced breath alcohol interlocks in 2001 and their program appears to be operating very successfully. Recently Victoria introduced interlock legislation. Overseas evaluations have shown a significantly reduced rate of reoffending and crashes for drivers participating in interlock programs compared with other drink-drive offenders.

An alcohol interlock device is an electronic breath alcohol analyser with a micro computer and an internal memory, wired into the vehicle's ignition system. Its purpose is to measure the driver's breath alcohol concentration prior to each attempt to start the vehicle. If the driver's breath sample exceeds a preset limit, the ignition locks and the car is immobilised. In New South Wales this limit will be.02, which is effectively a zero breath alcohol concentration level. The device proposed under the New South Wales alcohol interlock program automatically records all information relating to starts or attempts to start the vehicle ignition and corresponding breath alcohol concentration levels.

Interlocks are difficult to circumvent. They can detect a non-human air sample—for example an air pump—and will record this as a violation. Breath alcohol interlocks are programmed to require rolling retests, which require the driver to provide a breath sample after the vehicle has been in operation for some time. However, any vehicle being driven with an interlock will not suddenly have its engine immobilised. The device can be programmed so that if there are a repeated number of attempts to circumvent the device it will activate a set period in which the driver must attend the service centre. If this period expires without the service, the ignition locks and the next time there is an attempt to start the vehicle it is immobilised.

The interlock program targets those offenders who are most at risk of crashing and reoffending. The program targets first offenders convicted of the serious offences of high range or middle range alcohol concentration or driving under the influence of alcohol offences. It also targets those convicted of a drink-driving offence who have a prior drink-driving conviction within the previous five years. The courts will decide whether the new interlock sentencing penalty should apply. Where a court considers that an interlock sentencing option is appropriate it will order the interlock penalty as an alternative to a full disqualification period under section 25 of the Road Transport (General) Act 1999.

The interlock program includes a mandatory reduced disqualification period called a disqualification compliance period followed by a period on an interlock licence called an interlock participation period. The length of these periods varies according to the severity of the offence. I will illustrate how the interlock penalty compares with current penalties. Take the example of a person convicted of a first high range alcohol concentration offence. Current penalties for this offence include a gaol term of up to 18 months, a minimum 12-month disqualification period and a fine of up to $3,300. A court may impose an unlimited disqualification period for this offence.

With an interlock penalty, the offender will serve a mandatory six-month disqualification compliance period, followed by a minimum 24-month interlock participation period. It will be within the court's discretion to order any appropriate maximum interlock period. Of course, the court may still impose a monetary fine or period of imprisonment. To enter the interlock program, offenders must apply to the RTA for an interlock driver licence. Licence applicants must meet four conditions. Firstly, applicants must consult a medical practitioner to discuss their drinking behaviour and have the opportunity for professional alcohol counselling. Secondly, the applicant must have an RTA approved interlock device installed by an RTA approved interlock installer. Applicants will be required to pay all costs associated with the installation and lease of the interlock, which are estimated to be in the range of $1,800 to $2,500 per annum. The legislation provides for a scheme to assist low income earners who choose to enter the program.

Thirdly, the interlock applicant must submit to the RTA documentation of the medical consultation and a certificate of interlock installation. Finally, the interlock entrant must have completed the disqualification compliance period and have satisfied all usual RTA licensing requirements. The interlock participation period commences when the applicant is issued with an interlock driver licence, which will restrict the person to driving a vehicle fitted with an approved interlock device. This licence will also prohibit holders from driving heavy and public passenger vehicles as well as motorcycles.

A central element of the operation of the interlock program is that periodically the interlock driver must submit the vehicle to an RTA approved interlock service provider. This provider will download electronically captured data in the interlock device and

submit it to the RTA. The approved interlock service provider will also carry out all maintenance required to ensure the proper operation of the device. The interlock program will complement and enhance the already tough penalties available to the courts when dealing with the serious offence of drink-driving.

Offenders will be made aware of the penalties for failing to complete the program and for driving a vehicle without an interlock device. In the event that the interlock licence holder fails to complete the program, the full disqualification period less the disqualification period already completed must be served. Consider a first high range offender who received a three-year full disqualification period and who entered the interlock program after serving the six-month disqualification compliance period. If that driver fails to complete the interlock period, the remaining 30 months of the full disqualification period must be served.

The bill authorises the making of regulations relating to offences of interfering with the interlock device and to the operation of the program. The penalties are substantial for interlock licence holders detected driving a vehicle without an interlock device. When drivers are detected they face a fine and their licence may be cancelled. If they continue to drive they face a fine of up to $3,300 and up to 18 months in gaol for a first offence and a fine of up to $5,500 and up to two years in gaol for a second or subsequent offence.

Although the main objective of this penalty is to prevent drink-driving, the interlock will also assist those offenders who commit to rehabilitation to participate in community life, including employment where driving is required. The aim of the interlock program is to reduce crash risk and the incidence of reoffending by the target groups. Interlocks can help ensure that repeat drink-drivers do not drink and drive during the period of highest accident risk—the first five years after their prior offence. The interlock penalty gives courts a broader range of sentencing options to address a significant community problem.

I commend the bill to the House.

The Hon. IAN COHEN [5.47 p.m.]: On behalf of the Greens I support the Road Transport Legislation Amendment (Interlock Devices) Bill. The bill will enable courts to order the use of breath alcohol interlock devices as a partial alternative to disqualification for certain alcohol-related driving offences. This sentencing option is particularly useful for sentencing individuals who are extremely dependent on their drivers licences for other areas of their lives. This might include a person who drives for a living, has to drive long distances to get to work or drives for the purposes of work. It also includes parents and caregivers who have inadequate access to public transport and who use their cars to ferry their children around to schools, sport and other activities. If this option will allow more offenders to get back on the road without drink driving the Greens support it.

The Greens are pleased that the Government has given thought to the equity issues attached to this proposal. The yearly cost of installing and leasing the interlock device is estimated to be around $1,800 to $2,500. This is not cheap and would be prohibitive for many low-income earners. The Parliamentary Secretary specified in his second reading speech that a maximum subsidy of 75 per cent will be provided for those who meet guidelines used by the Legal Aid Commission and the Department of Housing for the cost of the interlock device. However, licence fees do not appear to be subsidised. The Greens would like to know what component of the $2,500 is for the cost of the device and what component is for the licence fee? It is important that this sentencing option be realistically available to all, regardless of income. I ask the Parliamentary Secretary to answer that question. If the answer is satisfactory, the Greens will be pleased to support the bill.

The Hon. JENNIFER GARDINER [5.49 p.m.]: Generally speaking, the Opposition supports the introduction of this new tool, the interlock device, which is proposed to be fitted to motor vehicles as a partial alternative to disqualification for drivers convicted of certain alcohol-related driving offences. The bill amends the Road Transport (Driver Licensing) Act 1998 to enable the regulations made under that Act to provide for the issue of conditional licences restricting their holders to driving motor vehicles fitted with breath alcohol interlock devices, and to provide for the installation, removal, maintenance and use of such devices. Last year, unfortunately, 100 people died as a result of alcohol-related accidents in motor vehicles. Although progress has been made in reducing the number of deaths in drink-driving accidents, clearly more needs to be done.

Under this bill, courts will have the power to order an offender to participate in the interlock device program. That program is to be targeted at those who are most at risk of being involved in a crash and of reoffending. First offenders convicted of serious offences with a high-range or mid-range alcohol concentration will also form part of the target group. There are four conditions to be met before offenders can participate in the program: firstly, they must consult a medical practitioner in relation to their drinking behaviour; secondly, they must have an interlock device approved by the Roads and Traffic Authority [RTA] installed by an RTA-approved interlock installer and pay the costs of same; thirdly, they must submit to the RTA documentation of the medical consultation and a certificate relating to the installation of the interlock device; and, fourthly, they must also have completed the disqualification compliance period and satisfied all the usual RTA licensing requirements.

As the Hon. Ian Cohen said, it is estimated that the costs associated with these devices will probably be between $1,800 and $2,500. Those figures come from the Minister for Transport. The Opposition agrees with

the International Council on Alcohol, Drugs and Traffic Safety, which has issued a position paper on alcohol interlock devices. The council has stressed the need for such a tool to be part of a comprehensive road safety program, and for a national authority to manage device certification. It also believes that participation in such a program should be clearly marked on relevant drivers' licences, or perhaps there could be a special driver's licence for those targeted and participating in the program. The Opposition thinks, appropriately, that the program will be largely voluntary. However, it believes that there must be a rigorously competitive process by which the interlock devices are allowed into the program. We note that there are some sophisticated interlock devices available. Once the program is operational the Opposition believes that it should be evaluated over, say, a two-year period. We look forward to joining with others in analysing how the program operates for the first couple of years. We hope that a proper evaluation will be presented on the public record so that any further amelioration of the program or development of it can be analysed by the Parliament.

Reverend the Hon. FRED NILE [5.53 p.m.]: The Christian Democratic Party is pleased to support the Road Transport Legislation Amendment (Interlock Devices) Bill and congratulates the Government on its initiative. This legislation is part of the Government's ongoing program, which has been running for a number of years, to reduce road accidents, including its drinkdriving campaigns. The Christian Democratic Party has always strongly supported each of those initiatives going back to the random breath testing legislation, which was controversial at the time of its introduction. We were pleased to support the random breath testing legislation passed by the Parliament, which has been very effective. This bill will implement a new flexible penalty that provides drivers convicted of certain drink-driving offences with an opportunity to rehabilitate themselves and to learn to drive without drinking. The legislation will amend the Road Transport (General) Act 1999 and the Road Transport (Driver Licensing) Act 1998 to enable the courts to impose a new penalty for drink-driving offences. This penalty will require offenders to have an interlock device installed in their vehicles in order to drive.

Interlock devices will enhance the safety of all people on the roads by addressing in a practical way the problem of drink-drivers. In 1991 alcohol was a known factor in 26 per cent of road fatalities; by 2001 this had fallen to 19 per cent. One matter that I believe the Government should keep under observation is that of drug drivers. Recent reports show that some young people who previously were involved with drink-driving problems are now involved with drug-driving problems. They think it is safe to use, say, marijuana and drive because random breath tests conducted by police officers do not detect drugs. Although the detection of drink-drivers may be dropping, drivers may be under the influence of drugs which make them dangerous on the roads and, indeed, cause fatal accidents. The Government should monitor that situation. Evidence indicates that drivers using marijuana are six times more dangerous than drivers using alcohol, which can result in fatal accidents. The bill provides for a strict alcohol concentration level. If a breath sample exceeds a preset limit, the vehicle ignition locks and the car is immobilised. This limit will be 0.02, which is effectively a zero breath alcohol concentration level. We are pleased that the Government has brought forward this initiative, and we wholeheartedly support it.

The Hon. JOHN JOBLING [5.56 p.m.]: I support the Road Transport Legislation Amendment (Interlock Devices) Bill, which introduces another safety measure designed to improve road safety. The Staysafe committee, of which I am a member, produced two reports, entitled "Alcohol and Other Drugs on New South Wales Roads" and "Offences, Penalties and the Management and Rehabilitation of Convicted Drivers". In the latter report, which was produced in October 1993, many recommendations were made in an attempt to find the best way of dealing with convicted drink-drivers, especially those who had significant personal difficulty usually with alcohol, while at the same time ensuring that any action taken treated offenders as real people, dealt with the issue as a health problem and preserved road safety.

Recommendation 13 of Staysafe report No. 20 was that the Minister for Roads, following consultation with the Minister for Health, the Attorney-General, the Minister for Police and other agencies as appropriate—even back in 1993 we recommended wide consultation—amend the Traffic Act 1909 to allow the use of vehicle ignition interlock devices as a sentencing option for convicted drink-drivers, and commence a trial program of vehicle ignition interlock devices. I am pleased to note that tests of these devices have been conducted and as a result we have this legislation before us today. The Opposition does not oppose the bill. I note that a number of concerns raised by the shadow Minister in the other House have been generally addressed. What does the bill do? Basically, the two objects are straightforward and simple. The bill amends the Road Transport (General) Act 1989 to enable a court to order the use of breath alcohol interlock devices fitted to motor vehicles as a partial alternative to disqualification for drivers convicted of certain alcohol-related driving offences.

The bill will amend also the Road Transport (Driver Licensing) Act 1998 to enable the regulations made under that Act to provide for the issue of conditional licences restricting their holders to driving motor

vehicles fitted with breath alcohol interlock devices and to provide for the installation, removal, maintenance and use of such devices. Thus the legislation, in my view and in the view of the Opposition, will introduce flexibility into penalties that are presently available to magistrates and will offer to drivers who are convicted of drink-driving offences a chance of rehabilitation under very strict guidelines. I note that guidelines will be produced to specifically assist magistrates when they consider the use of interlock devices as part of sentencing related to a drive with the prescribed concentration of alcohol [PCA] offence. Courts will have wider discretion to order, or refuse, the interlock penalty.

The interlock penalty includes a mandatory disqualification period, which is referred to as a disqualification compliance period, and an interlock period, known as the interlock participation period. The disqualification compliance period ranges from three months for repeat low-range and special-range offenders to up to 12 months for repeat high-range offenders. The minimum period for the interlock participation period is 12 months for repeat low-range and special-range offenders, 24 months for middle-range and first high-range offenders, and 48 months for repeat high-range offenders. The court may, if it wishes, impose an unlimited maximum interlock participation period for all offenders. Overseas experience proves that the longer the period for which a driver engages in the interlock program—for example, two years or longer—the better and more long-lasting are its effects and the reduction of recidivism. International figures on recidivism do not clearly indicate what happens when the interlock is removed, but one would hope that data on the use of the interlock devices provided from Quebec, while it is early data and contrary to many views, will turn out to be correct.

The 1997 Quebec interlock program data showed that during the interlock period the recidivism rate dropped by more than 90 per cent, and in the six-month period following removal of the interlock device the recidivism rate did not increase. That is a promising sign. The indications are yet to be proved but I hope that the New South Wales experience will turn out to confirm the Quebec program's results. Traffic offence and crash figures also showed a significant decrease during both the interlock and post-interlock periods. The interlock device is not a new idea and has been advocated over a long period by many road safety committees in Australia and overseas. Staysafe's report No. 20, which was published in October 1993, states that alcohol is recognised as one of the three major contributors—the others are speed and fatigue—to road fatalities and crashes. In 1999 in Australia, the Roads and Traffic Authority [RTA] conducted an eight-month trial of interlock devices with volunteers. It is quite interesting that the trial's results showed the interlock devices to be an effective means of preventing a person from driving after drinking.

The NRMA conducted a survey in July 2001 which indicated support for the interlock program by approximately 91 per cent of respondents. The device is widely used overseas—for example, throughout the Canadian provinces, some 43 States in the United States of America [USA] and in Sweden. To my personal knowledge, most European countries either have introduced or are preparing to introduce an interlock program. I have had the opportunity of meeting Ian Marples, President of the Gardian Interlock System Corporation based in Mississauga, Ontario; the program's co-ordinator, Christianne Brosseau, in Montreal; the chief of the Safety Advocacy Division, Kevin Quinlan; and Barry Sweedler, the Director of the Office of Safety of the National Transportation Safety Board of the USA, based in Washington. I have had the opportunity also of testing the devices under both laboratory and vehicular conditions. It is indeed a most efficient device and has many in-built tests to prevent cheating. Generally a user must blow strongly into its mouthpiece for approximately four seconds, but it also requires the user to blow and hum simultaneously for another three seconds to achieve the green effect. This is an extremely difficult task.

Interlocks are also very difficult to circumvent. They can detect non-human air samples. Some people have suggested that an air pump can be used on the device, but the device is sufficiently advanced to record any such attempts as violations. Breath alcohol interlocks are programmed to require rolling re-tests, which means that the driver has to provide another breath sample after the vehicle has been in operation for some time, but that does not mean that any vehicle with an interlock will suddenly have its engine immobilised. Three to five minutes will elapse before a driver has to pull over and complete the test again. The device can be programmed to ensure that if a number of repeated attempts are made to circumvent it, a set period will be activated in which the driver must attend a service centre to have the instrument recalibrated. If this period expires without the service being undertaken, the ignition will lock and the next time there is an attempt to start the vehicle it will fail. The interlock devices are also fitted with highly sensitive tamper-evident seals with a memory that records all attempts to start the vehicle and the corresponding blood alcohol content [BAC] of the person who is blowing into the device.

With the imposition of an interlock penalty, the offender will serve a mandatory six-month disqualification compliance period followed by a minimum 24-month interlock participation period. It will be

within the courts discretion to order any appropriate maximum interlock period. The court may still impose a monetary fine or period of imprisonment. To enter the interlock program, offenders must apply to the RTA for an interlock driver licence. Applicants must meet four stringent conditions. First, applicants must consult a medical practitioner to discuss their drinking behaviour and have the opportunity for professional alcohol counselling. Second, the applicant must have an RTA-approved interlock device installed by an RTA-approved interlock installer. The conditions are exactly similar to those that apply overseas. Applicants will be required to pay all costs associated with the installation and lease of the interlock and they are estimated to be in the range of $1,800 to $2,500 per annum. The costs are similar to those applying in overseas countries that have implemented similar programs. The legislation provides for a scheme to assist low income earners who choose to enter the program.

The third condition is that interlock applicants must submit documentation to the RTA verifying the medical consultation and a certificate of interlock installation. Fourth, the interlock entrant must have completed the disqualification compliance period and must have satisfied all the usual RTA licensing requirements. The interlock participation period commences when the applicant is issued with an interlock driver licence which restricts the person to driving a vehicle that is fitted with an approved interlock device. This licence will also prohibit holders from driving heavy and public passenger vehicles as well as motorcycles. Offenders will not be able to get round the legislation by using a motorcycle to avoid the penalty: that simply will not work. A special licence will be issued and endorsed with "I" to signify that the driver is participating in the alcohol interlock program. I understand that, depending on the outcome of ongoing discussions with the Privacy Commissioner, the licence may have a special colour-coded bar to identify the licence as an interlock conditional licence. That seems to me to be a reasonable course to take.

This will be a user pays system, as it is overseas. The cost of the system is about $1,800 to $2,500, which is comparable with the charge in the United States of America and Canada. I note that the scheme also provides for assistance to low-income earners. Whilst I understand the reason for that assistance, I express some concern and sound a note of caution. The scheme is to be based on means-tested guidelines used by the Legal Aid Commission and the Department of Housing—the type of system already in place, tried and tested, and working reasonably well. The scheme will provide for a maximum subsidy of up to 75 per cent of the cost of the interlock device. However, participants will be required to demonstrate their inability to pay the full amount of the cost of the interlock device, as well as their ability to pay a subsidised amount. So stringent testing will be associated with the framework of the means test to ensure that the system is equitable. All participants will be required to pay for the brief medical intervention and the licence fees.

It is unclear at this stage—perhaps the Parliamentary Secretary might advise the Committee—when the period of the program is completed, whether recovery of the cost, in whole or in part, of the interlock device will be undertaken over two to three years after completion of the program period. I look forward to the release of the evaluation of the use of this interlock program. I believe that the introduction of the interlock program will be one more step to assist in controlling and reducing the road told in New South Wales.

The Hon. Dr BRIAN PEZZUTTI [6.11 p.m.]: The contribution to this debate made by the Hon. John Jobling was outstanding, so I will not repeat what he said. I have been a member of the Staysafe committee, but I do not know whether I was a member of that committee in 1993, when this matter was also an important issue. Frankly, I regard this as a fairly timid bill. This State should be looking to rid itself of the scourge of drink-drivers by requiring this interlock device to be fitted to all vehicles.

The Hon. Ian Macdonald: All vehicles?

The Hon. Dr BRIAN PEZZUTTI: If we want to get rid of drink-drivers, to be perfectly frank, that is the way to go. If it costs $1,800 to fit the device to a vehicle, a cost-benefit analysis should be undertaken to determine whether the device will save more lives and cost less than the cost of its implementation.

The Hon. Ian Macdonald: Is this official Opposition policy?

The Hon. Dr Brian Pezzutti: No. It is my personal view that this is an option that should be considered. This State did a really good thing in introducing random breath testing.

Reverend the Hon. Fred Nile: Should it detect drugs as well as alcohol?

The Hon. Dr BRIAN PEZZUTTI: I will come to that in a moment. Minister Paciullo made a very bold decision to introduce random breath testing. He carried through on that initiative, with community support.

That support is now waning. The Coalition introduced legislation providing for mandatory gaol sentences for driving with high-range alcohol levels. But the judges would not wear that. They railed against mandatory sentencing. To my knowledge, that was the first mandatory sentencing legislation introduced by this Parliament. The judges would not have a bar of it. So we have had to live with disqualified and unlicensed persons who are as drunk as lords driving unregistered and uninsured vehicles—the whole disaster, with increasing recidivism. What is to stop these recidivists?

I am not as concerned as my colleague about the privacy issue. These repeat offenders should have their licences marked with a prominent "I" or some other compliance provision. This is a public penalty, handed down by a public court. This special marking should be prominently displayed; it should not be hidden or secretive. These drivers, having served a disqualification period, are being extended the privilege of being allowed to drive with an interlock device in substitution of their being disqualified for a number of years. This condition should be visible on their licence or elsewhere so that everyone can see that the holder of the special licence is exempt from disqualification for a specific purpose.

The Hon. Richard Jones: Forever?

The Hon. Dr BRIAN PEZZUTTI: I did not say forever. But I agree that the periods of compliance should be lengthy. The Hon. Ian Cohen bleated about equity, letting people drive to work, and so on. That is a hell of a lot better than going to gaol! I and my family should not be put at risk of being damaged by those who have a propensity to recidivism. Those drivers should be put in a position where they cannot damage me or my family. But what stops them from driving another vehicle that is not fitted with an interlock device? If these unlicensed drivers are now driving unregistered and uninsured vehicles—as they regularly do—what will inhibit them driving vehicles not fitted with an interlock device? The proportion of unlicensed drivers in New South Wales is still about 10 or 15 per cent, as the Staysafe committee is aware from a number of surveys. We should be considering a period of mandatory sentencing for drivers with a high range of alcohol who offend for a second time. Mandatory penalties should be used more frequently.

Reverend the Hon. Fred Nile raised the issue of driving after using marijuana. The honourable member may have seen the report in the *Daily Telegraph* this week that young people are choosing to use marijuana instead of drinking alcohol before they drive. Yet we know that drivers who have taken drugs are eight times more likely to have a car accident. As long ago as 1978 a study was done at Hornsby hospital of people treated for injuries resulting from accidents involving a death. Some 45 per cent of occupants of vehicles involved in accidents causing death—whether a pedestrian was killed or two vehicles were involved in an accident—had marijuana in their systems. It is a shame that separate statistics were not kept on the drivers involved in those fatal accidents. That was a large proportion of drug-taking drivers detected in 1978. The numbers of car accidents, deaths and injuries are being reduced to levels below those of 1943. So, 50 years on, with many more cars on our roads, and many more people driving cars for greater distances—

The Hon. Richard Jones: How come the statistics are going down?

The Hon. Dr BRIAN PEZZUTTI: Because we have had very good policing. Random breath testing reduced the number significantly. Seat belts, better roads, better vehicles and a whole range of safety measures have contributed to road safety. It is the mindset of the driver that is important. Now, young people are of the view that if they cannot drink they might as well take a bong or two before driving, in the expectation that they will be all right. Well, they will not be all right: they are eight times more likely to have an accident than a person who has not smoked marijuana. This is the first quantitative research on this issue. Before that we heard," Of course they won't cause damage; they are more relaxed, they don't drive, they go and sleep it off." That is just not true. Now the figures from an authoritative source have been published in the *Daily Telegraph*.

It worries me intensely that, although legislation passed by this Parliament is still on the books, judges and magistrates are not applying the mandatory sentencing provisions that they are required to implement, and the Government is not insisting on their use of those mandatory sentencing provisions. That worries me. This Parliament should be considering extending this interlock program as a mandatory provision. If the device is fitted to all vehicles, it will become much cheaper. Initially seat belts were very expensive. Now they are part and parcel of modern vehicles. If motorists can afford airconditioning in their cars, they can afford this device. Airconditioning costs $2,000. The interlock device costs $2,000. If it were fitted to all vehicles, the number of accidents would reduce. The number of accidents involving alcohol is still too high.

Reverend the Hon. Fred Nile: The device costs more than $2,000.

The Hon. Dr BRIAN PEZZUTTI: Whatever. I support the bill. It is a bit wimpish. The Government has taken a long time to act upon a recommendation of the Staysafe committee and the recommendations of all road safety experts. The Government is not the first, almost the last, to adopt those recommendations. New South Wales should be leading the pack in Australia—or in the world, as we did with random breath testing. New South Wales should continue to lead. This Government has been slow and timid. It should get on with making our legislation much more stringent and workable.

All drivers who drive with mid-range alcohol readings or above should be required to submit to the alcohol interlock program. There should be no more letting them off, no more slaps on the wrist, no more waiting for a second offence. Hit them the first time, and hit them hard. Get a clear message out there. The Hon. Ian Cohen expressed concern about the cost of this device to offenders who come under the program. Think how much money they will save if they are not drinking themselves stupid every night and driving with high-range alcohol levels. They will save that much in three weeks or three months.

The Hon. RICHARD JONES [6.20 p.m.]: The cost of leasing these devices is $2,500 a year. It is not a small amount; we are talking about a great deal of money. Presumably buying a device would cost more like $10,000. It could cost $10,000, $12,000 or $15,000—not $800. If it costs $2,500 to lease, it would cost a great deal more to buy. The problem is that many people are now not worried about random breath tests. About 24,000 motorists are charged each year for drink driving offences. Perhaps we should reduce the allowable blood alcohol level while driving to 0.02 from 0.05. For a while the allowable level for provisional drivers was 0.02. That could apply to everyone; we could even reduce it to zero.

The Hon. Dr Brian Pezzutti: You can't do that.

The Hon. RICHARD JONES: They did it in Sweden. Why not do it here? We could certainly reduce it to 0.02.

The Hon. Dr Brian Pezzutti: You can't go below 0.02.

The Hon. RICHARD JONES: We could reduce it to 0.02, because that level applied to provisional drivers. Why not do it? It could save 100 lives a year.

The Hon. Dr Brian Pezzutti: What about the level of marijuana and speed?

The Hon. RICHARD JONES: As the Hon. Dr Brian Pezzutti said, despite increasing numbers of people using marijuana and driving, the death rate has reduced considerably to pre-1943 levels. That is a very good thing. People I know who have driven under the influence of marijuana have always slowed down. I cannot understand the figures cited suggesting that they are eight times more dangerous. They tend to slow down below the speed limit.

The Hon. Dr Brian Pezzutti: They are eight times more dangerous.

The Hon. RICHARD JONES: I saw some figures from Victoria which indicated that people's reactions were not worse when they smoked marijuana. It depends on how much is consumed. There is a problem these days because the effect of hydroponically grown marijuana is different from that of naturally grown marijuana. There is no doubt that hydroponically grown marijuana is causing more serious illness than the bush-grown marijuana. If the Government were to decide not to crack down so heavily on the use of marijuana, people might grow more in their backyard, as is done in South Australia, and they would be better off.

The Hon. Dr Brian Pezzutti: They will grow it hydroponically.

The Hon. RICHARD JONES: They would not need to. If they could grow marijuana in their backyard, they would not need to smoke the hydroponically grown marijuana. Apparently the chemicals in hydroponically grown marijuana are causing problems for young people. If they were able to produce bush-grown marijuana—as they once did at Lismore—it would be much safer. It is clear that people are not as afraid of RBTs as they used to be. The arrest rate is now 60 per cent higher than it was, and that is a serious problem. As the Hon. John Jobling said earlier, considerable success has been achieved in the United States and elsewhere with these ignition interlock devices. Information I have from Hamilton County, Ohio, states:

> Legal sanctions to deter drunk driving, such as license suspension, mandatory jail time, and court-ordered treatment have not consistently reduced recidivism rates. In fact, reports indicate that up to 75% of those with suspended licenses continue to drive...
>
> Of the 455 offenders offered the ignition interlock device, 273 accepted...offenders who participated the ignition interlock program were more likely to be chronic drunk drivers than first time offenders.
>
> During a 30 month period, offenders whose cars were equipped with an ignition interlock device had significantly fewer repeat DUI arrests than offenders who had their license suspended. Specifically, the DUI rearrest rate for the license suspension group was approximately three times as great as that of the interlock group.

That is why it is such a good idea to introduce these devices in New South Wales. They have already been introduced in other States. It is clear that those who have an ignition interlock device are less likely to violate their court-imposed driving restrictions. Apparently about 24,000 devices are now installed in vehicles in the United States. They might cost $2,500 there; I do not know. They are certainly worthwhile. At least 37 States have mandatory or discretionary interlock laws. The devices are taking off in the United States in a very big way and they are saving many lives, which is great.

A 1997 Maryland study of multiple offenders found that being in an interlock program reduced recidivism in the first year by about 65 per cent. That is an enormous success rate. A West Virginia program has achieved significant results in reducing recidivism. According to a 1996 study, during a 12-month period, a comparison group of DUI offenders had a recidivism rate of 6.4 per cent, and the recidivism rate for those who had the device installed in their vehicles was only 1.6 per cent. Clearly, these devices work very well. I congratulate the Minister on introducing the devices in this State. I hope they will be used widely because they will save lives and property.

The Hon. IAN MACDONALD (Parliamentary Secretary) [6.26 p.m.], in reply: The Hon. John Jobling's contribution was very intelligent, erudite and accurate, which is in marked contrast to 99 per cent of his contributions.

The Hon. Rick Colless: Withdraw that!

The Hon. IAN MACDONALD: I am happy to withdraw that. In relation to the point made by the Hon. John Jobling, recovery of costs from low-income earners is not proposed at this stage; it will be a pure subsidy. The program will be evaluated after two years, and the equity outcomes will be part of that review. The Hon. Ian Cohen asked a question on behalf of the Greens. The fee for an interlock driver's licence is the standard amount for the issue of other licences for the length of time the court determines, and that cost is borne by the offender. The $2,500 fee is for the device. It is charged on a monthly lease basis for the period the driver is on the interlock program. The subsidy for low-income earners is based on the same sliding scale as the legal aid system and will meet up to 75 per cent of the cost. I commend the bill to the House.

Motion agreed to.

Bill read a second time and passed through remaining stages.

ADJOURNMENT

The Hon. IAN MACDONALD (Parliamentary Secretary)[6.28 p.m.]: I move:

That this House do now adjourn.

CHINATOWN CARNIVALE

The Hon. JAMES SAMIOS [6.28 p.m.]: I recently attended Sydney's Chinatown Carnivale, which is part of the New South Wales Multicultural Arts Festival and a major event in the State's multicultural calendar. Over the years it has successfully drawn large crowds of Sydneysiders and tourists alike to celebrate multiculturalism in Australia. This year the carnivale was incorporated into Beijing Cultural Week and commemorated the resumption of diplomatic ties between Australia and the People's Republic of China. The carnivale theme was friendship and harmony in our multicultural society. The large crowd was entertained by the Chinese Youth League dancers, who reflected the theme in their dancing. The Chinese Opera troupe also gave an outstanding performance in their colourful make-up and costumes. I was privilege to attend the event with the Liberal Leader of the Coalition, Mr John Brogden, Mr Liao Zhi Hong, the Consul General of the People's Republic of China, Mr Stepan Kerkyasharian of the Community Relations Commission and Benjamin Chow from the Council for a Multicultural Australia.

The Chinese Youth League, which arranged the event, was established in New South Wales in 1939 to help Chinese seamen and to raise funds to help China in the Second World War. It has gone on to play a pivotal role in attending to the needs of the Australian-Chinese community and in underpinning the social cohesion of our multicultural society for the benefit of this nation. Mr Ken Wong, President of the Chinese Youth League—he has served on that energetic committee for over two years—has played an important role in enabling tourists and Sydneysiders to attend an enjoyable and memorable cultural event. I take great pleasure in paying tribute to the members of that committee and I wish them every success in the future.

GENETICALLY MODIFIED FOOD CROPS

The Hon. RICHARD JONES [6.31 p.m.]: Tonight I again express concern about genetic engineering [GE] as it relates to food crops. Whilst it has been accepted by the community that genetic engineering has had an impact on cotton crops, it has not been accepted that it has had the same impact on food crops. I received a briefing paper from the Soil Association in the United Kingdom, which today released a study on the effects of GE on food crops. That briefing paper states:

> The evidence we have gathered demonstrates that GM crops are far from a success story. In complete contrast to the impression given by the biotechnology industry, it is clear that they have not realised most of the claimed benefits and have been a practical and economic disaster. Widespread GM contamination has severely disrupted GM-free production including organic farming, destroyed trade and undermined the competitiveness of North American agriculture overall. GM crops have also increased the reliance of farmers on herbicides and led to many legal problems...
>
> - The profitability of growing GM herbicide tolerant soya and insect resistant Bt maize is less than non-GM crops due to the extra cost of GM seed and because lower market prices are paid for GM crops.
>
> - The claims of increased yields have not been realised overall except for a small increase in Bt maize yields. Moreover the main GM variety (Roundup Ready soya) yields 6-11 per cent less than non-GM varieties.
>
> - GM herbicide tolerant crops have made farmers more reliant on herbicides and new weed problems have emerged. Farmers are applying herbicides several times; contrary to the claim that only one application would be needed. Rogue GM oilseed rape plants ('volunteers') have become a widespread problem in Canada.
>
> - Farmers have suffered a severe reduction in choice about how they farm as a result of the introduction of GM crops. Some are finding themselves locked into growing GM crops...
>
> Widespread contamination has occurred rapidly and caused major disruption at all levels of the agricultural industry, for seed resources, crop production, food processing and bulk commodity trading. It has undermined the viability of the whole North American farming industry. As I said earlier, I received this briefing paper from the Soil Association in the United Kingdom, a well-respected organisation. The briefing paper continues:
>
> - Contamination has caused the loss of nearly the whole organic oilseed rape sector in the province of Saskatchewan, at a potential cost of millions of dollars. Organic farmers are struggling practically and economically; many have been unable to sell their produce as organic due to contamination.
>
> - All non-GM farmers are finding it very hard or impossible to grow GM-free crops. Seeds have become almost completely contaminated with GMOs, good non-GM varieties have become hard to buy, and there is a high risk of crop contamination.
>
> - Because of the lack of segregation the whole food processing and distribution system has become vulnerable to costly and disruptive contamination incidents. In September 2000, just one per cent of approved GM maize contaminated almost half the national maize supply and cost the company, Aventis, up to $1 billion—
>
> GM crops have been an economic disaster. As well as the lower farm profitability, GM crops have been a market failure internationally. Because of the lack of segregation, they have caused the collapse of entire exports to Europe and a loss of trade with Asia—
>
> - Within a few years of the introduction of GM crops, almost the entire $300 million annual US maize exports to the EU and the $300 million annual Canadian rape exports to the EU had disappeared, and the US share of the world's soya market had decreased.
>
> - US farm subsidies were meant to have fallen over the last few years. Instead they rose dramatically, paralleling the growth in the area of GM crops. The lost export trade as a result of GM crops is thought to have caused a fall in farm prices and hence a need for increased government subsidies, estimated at an extra $3-$5 billion annually.
>
> - In total GM crops may have cost the US economy at least $12 billion net from 1999 to 2001...
>
> - One of the most unpleasant outcomes of the introduction of GM crops has been the accusations of farmers infringing company patent rights. A non-GM farmer whose crop was contaminated by GMOs was sued by Monsanto for $400,000.
>
> - While biotechnology companies are suing farmers, farmers themselves are turning to the courts for compensation from the companies for lost income and markets as a result of contamination. In Canada, a class action has been launched on behalf of the whole organic sector in Saskatchewan for the loss of the organic rape market...

- Many US farm organisations have been urging farmers to plant non-GM crops this year.
- The US and Canadian National Farmers Unions, American Corn Growers Association, Canadian Wheat Board, organic farming groups and more than 200 other groups are lobbying for a ban or moratorium on the introduction of the next major proposed GM food crop, GM wheat.

I met with the Minister today. I thank him for the time that he spent with me. However, he seems to be unaware of the international ramifications of not introducing legislation in this State that will allow him to declare the whole of New South Wales, or parts of New South Wales, GM free. I ask the Minister again to look at the possibility of introducing legislation that will give him those powers. He must wake up to the problems being caused by genetically engineered food.

DEATH OF THE HONOURABLE LAURIE JOHN (JACK) FERGUSON, AO, A FORMER DEPUTY PREMIER OF NEW SOUTH WALES

The Hon. JAN BURNSWOODS [6.37 p.m.]: Tonight I speak about the sad death of Jack Ferguson, AO, a former Deputy Premier of New South Wales. When the Premier was paying tribute to Jack Ferguson he said that he was one of the most significant figures not only in Labor politics but also in post-war New South Wales politics. He will have a proud place in our history. Jack Ferguson was deputy leader of the parliamentary party from 1973 to 1984. In the three years prior to the election of the Wran Government he was Neville Wran's right-hand man. As Deputy Premier, Minister for Public Works and Minister for Ports from 1976 to 1984 Jack Ferguson played an important role in the making and maintaining of the Labor Government and much of New South Wales, including much around Macquarie Street where we are tonight.

Jack Ferguson had as his background the typical old-style Labor pedigree. He was born in the inner city, he was brought up in Merrylands, he left school during the Depression, he served in the Army, and he was able to learn bricklaying under one of the post-war reconstruction schemes. One of the amazing things about Jack Ferguson was that although he left school at 13 he managed to educate himself mainly through the Guildford School of Arts—a wonderful institution. Those of us who knew Jack will remember the passion with which he spoke about schools of arts, mechanics institutes, literary institutes, mining institutes and so on, which were all established in the nineteenth century and which played an important role in educating people who were unable to complete school in the ordinary way, usually because of economic circumstances in the city and because of a combination of economic circumstances and isolation in the country.

Jack Ferguson not only used the Guildford School of Arts to educate himself; he continued to be involved in it and in similar institutions right until the time of his death. When I worked in the Department of Education and Training I remember going to some trouble to peruse various departmental files—as that department used to look after schools of arts—in an attempt to establish more of the history of the Guildford School of Arts and other similar institutions. His own education, as well as that of other people, was very important to Jack.

In the New South Wales Parliamentary Labor Party, Jack was very important as leader of the Left through the 1970s and 1980s. He played an important role in Wran becoming the leader in 1973, he continued to be Wran's loyal deputy through until 1984, and he stood firmly behind Wran as acting Premier on a number of occasions. They were very close friends and colleagues, and we are all the better for it. The Ferguson role in his capacity as Minister for Public Works and Minister for Ports was crucial in overcoming the huge backlog that existed in New South Wales in relation to the state of our public infrastructure, which related to everything, including the restoration of heritage buildings such as the barracks. One of Jack's proud boasts was that he had re-established the vocation of stonemason in New South Wales. He made sure that European stonemasons of great skill came to Australia and to New South Wales and trained up a whole new generation of stonemasons. The Department of Public Works even managed to sequester huge supplies of old stone from all over the place, which we are still using to restore our buildings today.

Jack also played a role in a number of other important areas. I recall one particular meeting I had with Jack Ferguson—which was probably fairly typical of him—when I and a number of other people from Drummoyne were fighting to prevent the establishment of a very large marina in Drummoyne. Jack took the view that we had no right to be arguing this, because as far as he was concerned working-class people from suburbs such as Merrylands had a total right to have a boat and they had a total right to put their boats in the water in middle-class suburbs like Drummoyne. He certainly meant every word he said, but on the other hand the marina was never built. I would like to extend my condolences to Jack's widow, Mary, and to Laurie, Martin, Deborah, Andrew and Jennifer, and other members of his family. I am speaking on behalf of a number of my colleagues, since the Leader of the House has reminded me that, by tradition, we do not have a debate in this House in relation to condolences for members of the other place.

GIRLS BRIGADE AUSTRALIA INCORPORATED

The Hon. JOHN RYAN [6.42 p.m.]: Before I commence my contribution I would also like to express my condolences to those who miss Jack Ferguson. He was certainly a great Australian and contributor in this place. I would like to congratulate Girls Brigade Australia, which this year will mark its seventy-fifth year of operation in Australia. During this month the Girls Brigade mounted a display in the Fountain Court of this Parliament to illustrate some of its history and the activities carried out by the many girls who take part in the brigade. The first Girls Brigade company in Australia was formed at the Methodist Church in Wyalkatchem in Western Australia in 1927. It is believed that another company was formed in the Sydney suburb of Dee Why some time shortly after that. Sadly, those companies did not survive the Depression, and it was not until 1940 when another company was established in the Sydney suburb of Leichhardt that the Girls Brigade re-established and began operating strongly again in Australia.

About 8,000 girls participate in the Girls Brigade in Australia, and about half of them do so in New South Wales. The Girls Brigade is a distinctly Christian organisation. It aims to help girls become followers of the Lord Jesus Christ and, through self-control, reverence and a sense of responsibility, find true enrichment in life. The Girls Brigade is a worldwide organisation. It started in Dublin, Ireland, in 1893 and it was modelled somewhat on the pattern set by the Boys Brigade, which had been established by Sir William Smith in Scotland 10 years earlier in 1883. I have the pleasure of serving as the State president of Boys Brigade in New South Wales. I understand that Reverend the Hon. Dr Gordon Moyes was also once State president of the New South Wales Boys Brigade.

The Girls Brigade operates more strongly in the countries which were formerly members of the British Empire, but it now operates in non-British countries such as Brazil, Thailand, Romania and Israel. The Girls Brigade program involves taking part in spiritual, physical, education and community service activities. Girls aged from 5 to 18 participate in activities such as craft, badgework, Bible study, leadership training, first-aid, community service and outdoor adventure. The Girls Brigade is also one of the agencies or organisations which deliver the very successful Duke of Edinburgh Award Scheme, which is a magnificent scheme for training young leaders in Australia. Each year more than 100 girls are awarded the highest award in that scheme, namely the Gold Award.

In marking 75 years, I would like to congratulate Mrs Hazel Allison, the State Commissioner in New South Wales, and Mrs Elizabeth Harding, the Australian Commissioner and mother to our own Jillian Harding, who works in the Legislative Council Procedure Office. I also congratulate the hardworking girls and officers who make up the Girls Brigade in this State and in Australia. The display in the parliamentary foyer was developed and set up by Mrs Allison, Jeanette Nolan and Jillian Harding, and I thank the people who put that display together. I am sure that all members will join me in congratulating the Girls Brigade on 75 years of service in Australia.

POLITICAL PARTIES REGISTRATION

Ms LEE RHIANNON [6.46 p.m.]: At the last New South Wales election voters were presented with the infamous tablecloth ballot paper. Of the 81 parties on that upper House ballot, many were front parties that tricked voters into voting for an attractive name, and then passed that vote on, via the preference system, to a party with quite different policies. Front parties such as the Wilderness Party, the Save the Forests Party and the Animal Liberation Party stole Greens votes and passed them on to right-wing, anti-environment tickets. In response to that fiasco, the Government legislated to ensure that it could not happen again. The ability of parties to control preference flows was abolished. In the lead-up to the 2003 poll, however, it has emerged that unscrupulous forces of the far Right are once again conspiring to rort the system. Several front parties were in the process of registration earlier this year when the cut-off date for registration passed. Parties with the names Environment Party, the Free Education Party, the Marijuana Freedom Party, the Reconciliation Party and the Workers Party were named with the intention of stealing Greens votes.

This tactic of the far Right is clear: By registering parties with left-wing names they hope to trick left-wing voters away from the Greens. With the Greens at a record high in the polls, this could certainly be the difference between the Greens winning first and second positions at the coming election. Although those parties missed the registration deadline, the recent Supreme Court win by the legitimate micro-party Save Our Suburbs has raised the possibility that these other parties could similarly be registered.

Particularly concerning is the role that Mr Malcolm Jones appears to be playing in the run-up to the election. I have been approached by an ex-associate and an ex-staff member of Mr Jones, who have both alleged

that Mr Jones required this staff member, on Parliament's time and using Parliament's resources, to fraudulently sign up members to these front parties to qualify for registration. These people have spoken to both the Hon. Peter Breen and me. These parties were the ones I referred to earlier, as well as the Outdoor Recreation Party, the Four Wheel Drive Party, the Horseriders Party, Stop the Greenies Party, the Gun Owners Rights Party and the Anglers Party.

It is alleged that the staff member was asked by Mr Jones to attend various meetings and functions, and was provided with a table, literature and registration forms. The party to be promoted was determined by the nature of the event. The staffer would approach members of the public, ostensibly as a representative of the particular party, and solicit membership on behalf of that party. One event that Mr Jones' staffer attended to sign up members was the Henty field day. The staffer was put up in a motel, paid for by Mr Jones. Another area where the staffer often worked recruiting people to these front parties was King St, Newtown. It is further alleged that Mr Jones and the staffer entered details of the members of these various parties into a database on a Parliament-owned laptop computer. The database is said to contain around 10,000 names and addresses.

It is alleged that Mr Jones, the staffer and some volunteers worked in Mr Jones' parliamentary office to manage the registration process of the parties. This included using Parliament's phones, fax and photocopier and using Mr Jones' entitlements to purchase paper, stamps and envelopes. These allegations are monumental in their implication. It has been alleged that Mr Jones has systematically and massively rorted his publicly provided entitlements, including staff, in a sophisticated attempt to commit electoral fraud. This goes to the very heart of democracy in New South Wales, and the trust that the people place in their elected representatives. Mr Breen and I have reported these allegations to the ICAC for urgent consideration. The democratic legitimacy of this Parliament is being undermined, and it must be stopped, once and for all.

CORPORATE MISMANAGEMENT

The Hon. PETER PRIMROSE [6.50 p.m.]: While the leaders of corporate America have been rocked by revelations of corporate corruption in recent weeks, with allegations reaching as high as the current vice-president, it seems that American companies are still trying to impose these discredited standards on their corporate colonies. American Standard Pty Limited is one of the biggest companies in the world. It has annual sales of more than US$7 billion and employs more than 44,000 people worldwide. The company boasts former United States Vice-President Dan Quayle on its board of directors, along with the former chairmen of Ford, Textron and KPMG and the president of Carnegie University. In Australia the company trades as Dayson Air Conditioning. Honourable members will recall that a few weeks ago I raised the issue of 11 employees of Dayson who have been on strike and picketing their employer. The workers want to belong to a union and they want their union to negotiate with the company about wages and conditions on their behalf. But the company will not recognise the union.

When the company went to the Australian Industrial Relations Commission seeking orders against the men and their union the commissioner told the company that it should negotiate. The workers and their union were happy to return to work to allow negotiations to take place, but the American giant clearly was not going to be told what to do by an Australian tribunal. In an amazing act of defiance, the company has told the commission that it would go to the Federal Court rather than negotiate with the workers' union. In turn, the commission said that the company is in dispute with its own workers for purely ideological reasons—for no other reason than it does not like unions. In fact, the company had no grounds to go to the Federal Court and it never pursued its bluff. But in the meantime—almost five months later—the workers have remained on the picket line, with the company still refusing to acknowledge their union and employing scabs to replace the unionised workers. Today I have been advised that, rather than negotiate with a trade union, the company will close and cease operating from 23 September, taking away the incomes of 11 workers and their families. A US$7 billion multinational giant would rather close its doors than allow 11 workers to belong to a trade union—that is its idea of the American standard of democracy.

In the meantime a local company, Australian Winch and Haulage, has also announced that it will close, having placed itself into voluntary administration. The Australian Manufacturing Workers Union, which has been representing the workers at Australian Winch and Haulage, has been writing to the Australian Securities and Investments Commission [ASIC] for months, asking for the so-called corporate watchdog to investigate the company. There is evidence that the company may be in breach not only of the Federal Workplace Relations Act but also of the Federal Corporations Act. There are also strong suspicions that the company deliberately contrived to structure itself in order to avoid its responsibilities—commonly known as "doing a Patricks". It seems that the Managing Director of Australian Winch and Haulage, Brian Hemsworth, woke up recently and smelled the breeze—the union was getting much too close.

Australian Winch and Haulage is also under investigation following the tragic death of one of its employees when a fully loaded crane dropped several tonnes onto the worker. While I do not want to prejudice the investigation of this company on any of these matters, I have no doubt at all that I will be reporting again to the House on the activities of Brian Hemsworth and his company, Australian Winch and Haulage. While the union was on the trail of Australian Winch and Haulage, the ASIC wrote to the union and said, in short, that it does not have the resources to investigate small companies and that if the company closed without paying the employees their legal entitlements they could claim through the Federal Government's General Employee Entitlements and Redundancy Scheme, which incidentally would mean waiting many months for payment of considerably less than their full entitlements.

Finally, I refer to Plastyne Pty Ltd, which also placed itself into administration and then liquidation. Again, this occurred after a series of apparently contrived corporate arrangements, which resulted in all of the company's debts being paid off, leaving nearly all of its investments intact, but at the cost of the jobs and entitlements of all of the employees. Once again the AMWU has written to the ASIC seeking a formal investigation of Plastyne's apparent smoke-and-mirrors approach to corporate governance. The union is currently awaiting a reply. This is a depressing litany of corporate arrogance and corruption, and there is only one reason that these parasites can continue: the complete and utter abrogation of responsibility by the current Federal Government. The deliberate and chronic underfunding and underresourcing of the ASIC and the failure to introduce essential corporate law reform has supported and encouraged corporate corruption and mismanagement. It has resulted in financial and, in many cases, personal ruin for thousands of New South Wales workers.

MURRUMBIDGEE RIVER WATER QUALITY

The Hon. IAN COHEN [6.55 p.m.]: Tonight I refer to what I consider to be the next big environmental challenge for this country: taking urgent steps to improve the state of our rivers. Students from 20 schools recently participated in a project to test the water quality of a river once known as the mighty Murrumbidgee. At 79 sites along the length of the river and throughout the catchment students collected data that will enable them to develop action plans and vision to protect its future. The students have been working with Oz GREEN to conduct detailed environmental assessments and water quality analysis of the entire catchment from the Snowy Mountains National Park to below Balranald, where the river meets the Murray. So far they have conducted 1,600 assessments throughout the catchment. Their detailed results and photos of the testing have been posted directly onto an interactive web site, *www.myriver.org.au*. The results of the river health check are sobering. Preliminary analysis of the results reveals that 73 per cent of sites failed an assessment of habitat health—severe to moderate degradation. This means that there is a massive catchment-wide problem. There is also a significant decline in water quality as the river flows downstream, with elevated turbidity, nitrate and phosphate levels.

The students met over the weekend of 31 August to 1 September in Griffith for a Youth Catchment Congress to analyse their results and to prepare a youth vision and action plan for the river. Congress outcomes and findings were presented by the students to the Australian National Council for Irrigation and Drainage conference on 2 September. I hope in the next couple of weeks to be able to update the House on the outcomes. These students are leading the way in developing a sustainable future for the nation's lifeblood. They seem to understand better than our governments the importance of immediate action based on good data and proper planning. The New South Wales Government is soon to decide on how it will respond to the water-sharing plans being developed for our major rivers. These plans will lock in water access levels for 10 years. One of the messages from the My River Project is that the state of our rivers is a reflection of what is happening on the land. The health of a river is determined by its flow regime, the condition of its catchment, floodplain lands and in-channel habitats, and its water quality.

The challenge for us as a society is to recognise our rivers as the lifeblood of our nation and to treat the land as the body that sustains it. The New South Wales Government must take action to increase the environmental flow in all of the State's rivers, but it must also take immediate action to improve the condition of the catchment. Retention of existing forests, woodlands and remnant vegetation and restoration of streamside vegetation is vital. Protection and restoration of our wetlands is needed, along with a major reafforestation program. Locking in 10 years of deprivation is too horrible a thought. We have to take action for the rivers and for the land and her plants, animals and people now. It will be too late in 10 years. The My River Project has given young people a voice. They are using it to demand a future. It is our task to see that they have one.

Motion agreed to.

The House adjourned at 6.58 p.m.