LEGISLATIVE COUNCIL

Tuesday 22 June 2004

The President (The Hon. Dr Meredith Burgmann) took the chair at 10.30 a.m.

The Clerk of the Parliaments offered the Prayers.

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

ASSENT TO BILLS

Assent to the following bills reported:

Bail Amendment (Terrorism) Bill
Stock Diseases Amendment (Artificial Breeding) Bill
Greyhound and Harness Racing Administration Bill
Health Legislation Amendment Bill
Filming Approval Bill

COURTS LEGISLATION AMENDMENT BILL

Bill received, read a first time and ordered to be printed.

Motion by the Hon. Tony Kelly agreed to:

That standing orders be suspended to allow the passing of the bill through all its remaining stages during the present or any one sitting of the House.

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

FILMING APPROVAL BILL

Message received from the Legislative Assembly agreeing to the Legislative Council's amendments.

INDEPENDENT COMMISSION AGAINST CORRUPTION

Report

The President tabled, pursuant to the Independent Commission Against Corruption Act 1988, the report entitled "Report on Investigation into Conduct of the Hon. J. Richard Face", dated June 2004.

Ordered to be printed.

MINISTRY

The Hon. JOHN DELLA BOSCA (Special Minister of State, Minister for Commerce, Minister for Industrial Relations, Assistant Treasurer, and Minister for the Central Coast) [10.34 a.m.]: I inform the House that on 3 June 2004 Her Excellency the Governor accepted the resignation of the Hon. Anthony Bernard Kelly, MLC, as Minister Assisting the Minister for Natural Resources (Lands). On the same day the Governor appointed the Hon. Anthony Bernard Kelly, MLC, as Minister for Lands.

BUDGET ESTIMATES AND RELATED PAPERS

Financial Year 2004-05

Motion by the Hon. Don Harwin agreed to:

That, during the present session and unless otherwise ordered:

1. Each speaker on the motion to take note of the budget estimates, except the mover and the Leader of the Opposition, is to be limited to 15 minutes.

2. Commencing on Wednesday 30 June 2004, debate on the motion to take note of the budget estimates for 2004-2005 is to take precedence after debate on committee reports on Wednesdays.

3. The debate on the budget estimates is to be interrupted after two hours. The interrupted debate is to stand adjourned and be set down on the business paper for the next day on which it has precedence.

GENERAL PURPOSE STANDING COMMITTEE NO. 5

Government Response to Report

The Hon. John Della Bosca tabled the Government's response to the recommendations of Report No. 19, entitled "Local Government Amalgamations", tabled 16 December 2003.

Ordered to be printed.

AUDIT OFFICE

Report

The Clerk announced, pursuant to the Public Finance and Audit Act 1983, the receipt of a performance audit report of the Auditor-General entitled "Managing Natural and Cultural Heritage in Parks and Reserves: National Parks and Wildlife Service", dated June 2004.

The Clerk announced that it had been authorised that the report be printed.

TUNNEL VENTILATION SYSTEMS

Return to Order

The Clerk tabled, pursuant to the resolution of the House of 1 June 2004, documents relating to tunnel ventilation systems received on 15 June 2004 from the Director-General of the Premier's Department, together with an indexed list of documents.

Return to Order: Claim of Privilege

The Clerk tabled a return identifying documents for which privilege is claimed and which are available only to members of the Legislative Council.

PRIMARY INDUSTRIES BUDGET DOCUMENTS

Return to Order

The Clerk tabled, pursuant to the resolution of the House of 2 June 2004, documents relating to the Department of Primary Industries merger received on 16 June 2004 from the Director-General of the Premier's Department, together with an indexed list of documents.

LEGISLATION REVIEW COMMITTEE

Report

The Clerk announced, pursuant to the Legislation Review Act, the receipt of a report entitled "Legislation Review Digest No. 9 of 2004" dated 21 June 2004.

The Clerk announced further that it had been authorised that the report be printed.

PETITIONS

Freedom of Religion

Petition praying that the House reject legislative proposals that would detract from the exercise of freedom of religion, and retain the existing exemptions applying to religious bodies in the Anti-Discrimination Act, received from **Reverend the Hon. Dr Gordon Moyes**.

Hotels and Clubs Smoking Restrictions

Petition requesting support for legislation requiring hotels and clubs to be smoke-free, received from **the Hon. Dr Arthur Chesterfield-Evans**.

Alcohol Sale Control

Petition praying that alcoholic beverage sales be restricted to existing outlets, and that opening hours be reduced, received from **the Hon. Greg Pearce**.

Anti-Discrimination Legislation

Petition requesting support for the Anti-Discrimination Amendment (Equality in Education and Employment) Bill and the Anti-Discrimination Amendment (Sexuality and Gender Diversity) Bill, received from **Ms Lee Rhiannon**.

CountryLink Rail Services

Petition opposing the replacement of CountryLink rail services with bus services in rural and regional New South Wales, and calling on the Government to reverse its decision to close the Casino to Murwillumbah rail line, received from **Ms Lee Rhiannon**.

Alcohol Sale Deregulation

Petition requesting exclusion of liquor sales outlets from the National Competition Policy Amendments (Commonwealth Financial penalties) Bill, received from **the Hon. Dr Peter Wong**.

BUSINESS OF THE HOUSE

Withdrawal of Business

Private Members' Business items Nos 31, 38, 73, 75, 80 and 87 outside the Order of Precedence withdrawn by Ms Lee Rhiannon.

EXAMINATION OF BUDGET ESTIMATES

Financial Year 2004-05

The Hon. JOHN DELLA BOSCA (Special Minister of State, Minister for Commerce, Minister for Industrial Relations, Assistant Treasurer, and Minister for the Central Coast) [10.51 a.m.]: I move:

1. That the budget estimates and related papers for the financial year 2004-2005 presenting the amounts to be appropriated from the Consolidated Fund be referred to the general purpose standing committees for inquiry and report.

2. That the committees consider the budget estimates in accordance with the allocation of portfolios to the committees.

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

4. The committees must hear evidence on the budget estimates in public.

5. Not more than three committees are to hear evidence on the budget estimates simultaneously.

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

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

8. The report of a committee on the budget estimates may propose the further consideration of any items.

9. That a daily Hansard record of the hearings of a committee on the budget estimates be published as soon as practicable after each day's proceedings.

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

11. That initial hearings of the committees be according to a schedule prepared and circulated by the Leader of the Government.

12. The committees may hold supplementary hearings as required.

13. The committees present a final report to the House by Thursday 18 November 2004.

The Hon. DON HARWIN [10.51 a.m.]: The Opposition seeks to make some amendments to the motion moved by the Hon. John Della Bosca on behalf of the Government. I move:

That the question be amended as follows:

(1) Paragraph 5: omit "3" insert instead "2",

(2) Paragraph 10: omit the paragraph,

(3) Paragraph 11: omit all words after "That" and insert instead "the Leader of the Government is to provide to each committee, by 29 June 2004, a schedule outlining the attendance of relevant Ministers to appear before each committee, for the committee's consideration".

(4) Paragraph 13: omit "Thursday 18 November 2004". Insert instead "the last sitting day of the second sitting week in 2005".

The amendments to the motion are fairly straightforward and are, in fact, incremental rather than radical. Effectively, the purpose of the amendments is to give the general purpose standing committees a greater degree of flexibility, to allow them to be, as it were, masters of their own destiny in the way they deal with estimates.

I will speak briefly to the four amendments. The first amendment reduces the number of committees that can sit simultaneously from three to two. I do not think anyone will barrack more loudly about this very sensible change than the Government backbenchers. They will be closely followed by the staff because it is a matter of administrative simplicity to reduce from three to two the number of estimates committees that can sit at any one time. A number of crossbench members have expressed to the Opposition a wish that the number of simultaneous estimates meetings be reduced, so they too will be pleased about these proposed amendments. Under the current resolution relating to general purpose standing committees, members can attend, observe and participate, except in a deliberative sense. Therefore, it would be desirable if not too many estimates committees were running at the one time. I am sure that this very simple change will also make the life of the Government Whip much easier in that he will not have to schedule participation in three committee hearings at the one time.

The second amendment is to omit paragraph 10 of the motion, which would allow committees to meet when the House is sitting. This is not the current practice, and is highly undesirable and should be deleted. General purpose standing committees should not be allowed to meet for estimates hearings when the House is sitting; it is completely inappropriate. As I say, the deletion of the provision would reflect current practice.

The third amendment is the key change, although it is fairly straightforward. At the moment there is a nexus between the attendance of the Minister and the initial hearing. This change would leave the committee free to commence consideration of the budget before the Minister's attendance, if it so resolves. The prerogative of the Leader of the Government to prepare a schedule of ministerial appearances before committees is not altered in any way. Ministers attend when the Government wants them to attend, but the general purpose standing committees would be free to commence their consideration of estimates effectively as soon as they are referred to them, if they wish.

The fourth amendment merely reflects the experience with the 2003-04 budget estimates, when some of the committees went well beyond the November timetable that is foreshadowed in the resolution. We propose a more realistic finishing time: the last sitting day of the second sitting week in 2005. We have not been prescriptive; we have again left the formula with the Government, because it decides when Parliament will begin sitting in 2005.

The motion would effectively provide an identical resolution to that which we had last year, apart from some necessary changes that reflect the current practice. All that Opposition has sought to do in its amendments is to reflect current practice, to provide flexibility to general purpose standing committees to consider the estimates in the way they wish to do so, by resolution of the committees. But, at the same time, we have left with the Government its traditional prerogative over when Ministers appear. The proposed amendments are sensible and we would request the support of the House for them. The estimates process is a critical and integral part of our function as a House of review, and it is therefore necessary to have the changes that are outlined in our amendments in order for that function to be properly discharged. We ask the House to support the amendments.

The Hon. PETER PRIMROSE [10.58 a.m.]: My colleague the Opposition Whip has moved a number of important amendments. Accordingly, I believe it is appropriate that honourable members have time to consider the implications of those amendments.

Debate adjourned on motion by the Hon. Peter Primrose.

NATIONAL COMPETITION POLICY LIQUOR AMENDMENTS (COMMONWEALTH FINANCIAL PENALTIES) BILL

Second Reading

Debate resumed from 11 May.

The Hon. DUNCAN GAY (Deputy Leader of the Opposition) [11.00 a.m.]: The National Competition Policy Liquor Amendments (Commonwealth Financial Penalties) Bill is a knee-jerk reaction to a situation that Mr Carr has been expecting for quite some time—indeed, almost 10 years. Mr Carr signed up to the national competition policy in 1995.

Debate adjourned on motion by the Hon. Duncan Gay.

BUDGET ESTIMATES AND RELATED PAPERS

Financial Year 2004-05

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

Ordered to be printed.

The Hon. JOHN DELLA BOSCA (Special Minister of State, Minister for Commerce, Minister for Industrial Relations, Assistant Treasurer, and Minister for the Central Coast) [11.01 a.m.]: I move:

That the House take note of the budget estimates and related papers for the financial year 2004-05.

The measures I announced in the April mini-budget had a very clear purpose—to ensure that this year's budget was able to deliver significant additional funding for vital front-line services. Given the financial pressures imposed on us, that has not been an easy task.

First and foremost among these difficulties is the continuing short-changing of New South Wales by the Federal Government.

Since handing over the collection of income taxes to the Federal Government during the Second World War, the States have been compensated by general revenue assistance grants.

These grants currently account for around 26 per cent of our revenues and a much higher proportion of the revenues of other States and Territories.

In the last three years, the other States and Territories have benefited from a nominal increase of 19 per cent, while New South Wales has received an increase of less than half of a per cent.

In real per capita terms, the other States have received an increase of 6 per cent, while a reduction of 9 per cent has been imposed on New South Wales.

In just four years, the funds taken from us by the Federal Government, and given to other States, have increased by almost $800 million a year.

The subsidy from New South Wales to the other States is now almost $3 billion a year.

Queensland already gets too much help from New South Wales, but let me give them just a little bit more. If they want to boost their tourist numbers from New South Wales, here is a good advertising pitch for them: Come to Queensland, and be amazed at how we spend $829 million of your taxes.

Substitute $320 million for Western Australia, $466 million for South Australia, $458 million for Tasmania and $912 million for the Northern Territory, and you have got a good, simple tourist advertising template for all the mendicant States and Territories.

The second major pressure is on the wages front.

Over the last eight years the Government has delivered wage increases to our public sector work force of between 35 and 45 per cent in nominal dollars, and between 13 and 25 per cent in after-inflation real terms.

Our wages policy makes ample allowance for the continued real maintenance of these significant increases, and accords with the wages policy of other State Governments.

Recent decisions by the Industrial Relations Commission for nurses and teachers, in excess of the Government's wages policy, have added nearly $500 million to the ongoing level of annual expenses.

In addition, underlying revenues from transfer duties are expected to decline by around $400 million as the overheated housing market returns to more normal and sustainable levels.

Notwithstanding these financial difficulties, we were determined to deliver significant additional funding for our front-line services.

In the mini-budget, the Government pledged substantial additional funding for hospitals, for schools, for public transport and community services.

This budget delivers in spades, with increases over last year's budget of:

- $717 million more for education and schools;
- $707 million more for health and hospitals;
- $350 million more for passenger rail transport;
- $100 million more for community services and children; and
- $110 million more for older people and those with disabilities; and
- a record $30 billion program of new capital investment and infrastructure over the next four years.

It's another fair dinkum Labor budget that helps children and families, provides more teachers and nurses, and pumps $30 billion into building a stronger New South Wales.

And at the same time it is a budget that will buttress the State's financial and economic strength, with the State's net worth rising to $124 billion—a 78 per cent increase since 1995—and the ratio of net financial liabilities to gross State product continuing to decline.

EXPENDITURES

I turn now to our recurrent expenses for 2004-05.

Our total expenses in the coming year will amount to $37,438 million—a 6.4 per cent increase, or $2,239 million more than last year's budget.

Education

The coming year will see our schoolchildren benefit with better paid teachers and more of them.

The education budget will increase by $717 million, bringing the total education expense allocation to $9,164 million.

This increase will fully fund the recent 12 per cent pay increase awarded to teachers. In other words the teachers' pay rise will be fully funded by additional budget funds and not from existing education resources.

This, of course, would not have been possible without the revenue and expenditure measures announced in the mini-budget.

By the end of the year, we will have employed 800 of the additional 1,500 teachers we are hiring for lower class sizes.

Next year will also see 21 new public pre-schools, further reductions in class sizes in the early years of schooling, and additional funds to minimise the difficulties caused by disruptive students.

Over the next four years $58 million will be spent to provide a wider range of placement and support options for disruptive students, including $12 million for 20 new suspension centres.

Also, over the next four years:

- $250 million will be allocated towards the professional development of teachers and ensuring an adequate supply of teachers in key learning areas; and

- almost $800 million is being allocated to various technology initiatives, including the Computers in Schools Program, upgrading bandwidth in schools and TAFE colleges, and the provision of email and other e-services for teachers and students.

In addition to the $9.2 billion allocated for education expenses, $447 million will also be invested in 2004-05 on new school and TAFE facilities.

Health and Hospitals

Over the next four years an additional $4.5 billion will be spent on health services, starting with an additional $707 million in 2004-05.

This includes an additional $46 million raised by the increased duty on poker machine profits, which was announced in last year's budget.

In 2004-05 the health budget for annual expenses alone will total $9,974 million—that's over $1,400 for every person in New South Wales.

In the last two years we have increased the number of nurses permanently employed by the New South Wales public health system by approximately 3,000.

During the year an additional 973 hospital beds will be provided, including an additional 563 permanent beds and 410 to cope with additional winter demands. Funding for these beds includes money to recruit additional nurses and medical staff.

Over the next four years an additional $241 million is dedicated to improved mental health services, including an additional $24.6 million in 2004-05.

This will provide additional mental health beds, additional supported accommodation and outreach support services, additional mental health facilities in the Corrections system, and more community based mental health workers.

Our new Cancer Institute will see a huge leap forward in 2004-05 with a seven-fold increase in funding to $35 million, increasing to $100 million in 2006-07.

These funds will mean better clinical cancer treatment, and better detection, prevention and research.

An additional $10 million in 2004-05 and subsequent years is also being allocated for the new Clinical Excellence Commission and for the establishment of Professional Practice Units in each Area Health Service in order to improve clinical standards in all of our health facilities.

In the near future, the Minister for Health will be announcing details of a reduction in the number of Area Health Services aimed at streamlining the health system and reducing administrative costs.

I give the pledge now that all of those savings will be ploughed back into front-line hospital services.

The Hon. Melinda Pavey: Tell that to the people of Tamworth.

The Hon. JOHN DELLA BOSCA: I just did. The Government is also examining how clinical networks can be expanded by better linking major public hospitals with district hospitals.

In addition, the coming year will see a record $600 million invested in new hospital and health facilities.

Helping People in Need

There is a huge gulf between the values of a Labor Government and those of our Liberal and National Party opponents.

The difference between our commitment to child and family services and theirs says it all.

Just 15 months ago the Leader of the Opposition was desperate to explain how he would fund his reckless raft of election promises.

Just two days before polling day, and under the cloak of the media focus on that day's outbreak of war in Iraq, the Opposition announced it would dump the Government's $1.2 billion, six-year program to boost child protection and family support.

As I said last year, and will say again next year: "… the Opposition's betrayal of children will not be forgotten. The Opposition, and the Opposition Leader in particular, will wear it like the mark of Cain forever."

I'm pleased to report that in the coming year the Department of Community Services will receive another $100 million budget boost to further assist children and families at risk.

A key aim is to provide help and advice to the parents of every newborn child, especially those who may be vulnerable to family breakdown and child neglect.

Major initiatives in the coming year will include the employment of 100 new child protection and early intervention caseworkers and a further 50 caseworkers and support staff in out-of-home and foster services for children.

In the coming year it is expected that the Department will deal with around 190,000 child protection reports and will provide out-of-home care services to some 16,000 children and young people.

The Department of Ageing, Disabilities and Home Care will also receive an additional budget allocation of $110 million. This includes an extra $5 million to provide more in-home support to people with a disability, $3 million more to assist those with a disability who are displaced due to boarding house closures and $2.7 million to provide a broader range of intensive support options for children with a disability.

An additional $31 million will be provided under the joint Commonwealth-State Home and Community Care program to assist frail older people and people with a disability, to continue to live independently.

In addition to the $49 million being allocated to the Department of Aboriginal Affairs, a new program, *Two Ways Together*, is being established to give a new impetus and strategic framework to our work with Aboriginal communities.

Two Ways Together will encompass existing programs and will also benefit from an additional $40 million over four years, provided through a number of agencies. It will provide very practical initiatives to reduce incarceration and family violence, improve literacy, numeracy and school retention rates, provide 65,000 tests for middle ear infections in children, increase Aboriginal employment and improve living conditions.

Public Transport

The budget provides more than $2.5 billion in grants for public transport, including rail, bus and ferry services, local and community transport, and fare concessions for students and pensioners.

An additional $350 million will be available for passenger rail, comprising $150 million extra for operating subsidies and increased maintenance, and a $200 million increase in capital expenditure by RailCorp.

Natural Resources

Last year major reforms were introduced to better manage the State's natural resources and land use planning system. These will result not only in better service delivery, but also significant budget savings in 2004-05.

In the coming year $681 million will be allocated for expenses of the Department of Infrastructure, Planning and Natural Resources and other agencies within the portfolio, including almost $130 million for Catchment Management Authorities.

Today I also announce funding to make possible a new approach to deal with necessary, but difficult, reductions in farmers' entitlements to groundwater.

We're looking for the trifecta: to be fair to farmers, fair to the environment, and fair to regional communities.

In addition to a previous commitment of $20 million, this budget provides $38.4 million to be spent in 2005-06 for the New South Wales Government's share of the cost of structural adjustment assistance for irrigators who will lose some of their water to the environment.

Where possible, assistance will be weighted in favour of farmers who are using their water entitlements productively over those licence holders with unused, or underutilised, entitlements.

We are confident that the Commonwealth will match our funding and join us, and the industry, in tackling the problem.

Our plan will assist farmers and their communities in the Upper and Lower Namoi, Gwydir, Lower Murrumbidgee, Lower Lachlan, Lower Macquarie and Lower Murray.

Other major new expenditure in 2004-05 includes $115 million over the next five years, as the New South Wales share of achieving the return of 500 gigalitres of water to the Murray-Darling Basin.

Environment

This budget once again takes some of the bounty provided by a strong economy and uses it to protect and improve our natural environment.

The new Department of Environment and Conservation will receive $453 million for expenses in the coming year.

This includes $294 million to manage national parks and wildlife and develop the world-renowned protected area network and $57 million for major environmental protection programs.

The Government will this year purchase areas of high conservation value in the Illawarra Escarpment to help complete an unbroken chain of reserves from the Hunter to the Illawarra.

Around $35 million is earmarked to improve conservation and recovery of resources, including minimising waste and promoting sustainability.

This allocation includes $1 million to crackdown on individuals and companies who are too lazy, or too cheap, to properly dispose of their waste.

The Department also has $35 million to ensure environmental protection and conservation efforts by government and private industry are underpinned by sound policy and strong science.

The Zoological Parks Board will receive more than $24 million to continue the rebuilding of Taronga and Western Plains Zoos and undertake research and public education.

In addition to spending through the Department of Environment and Conservation, the Environmental Trust has $25 million to spend in the coming year and the Waste Fund has $29 million.

Nearly $31 million has also been provided to manage and develop the State's major botanical gardens and to provide associated scientific and horticultural research and education.

Sydney Water, Hunter Water and the Waste Recycling and Processing Corporation will spend $481 million on environmental protection in the coming year.

Sydney Water will invest $75 million to tackle sewer overflows in 27 sewer systems in Sydney, the Blue Mountains and the Illawarra, $81 million to upgrade sewerage treatment plants, $51 million to connect communities to the reticulated sewerage system and $17.5 million to reduce nutrient loads going into the Hawkesbury-Nepean river system.

Regional and Rural

I'm delighted to report that, once again, country communities will receive a deservedly large slice of public works.

Around 26 per cent of the State's population lives outside Sydney, Newcastle and Wollongong.

They will get the benefit of 36 per cent of the $8.6 billion capital works and road maintenance budget.

In addition to this massive capital investment, much of which I will detail later, this budget provides substantial support for the basic services on which regional and country communities depend.

This budget lifts health funding for people living in regional and rural New South Wales to more than double the level it was when we took office.

Nearly $2.8 billion of this year's record health budget is allocated to rural and regional New South Wales, an increase of $181.5 million on last year and a phenomenal 106 per cent increase on 1995.

In the coming year, 62 more ambulance officers will be recruited to work in rural communities. Around 25 ambulance stations will receive extra staff, with Ballina and Tuncurry becoming 24-hour-a-day on-duty stations.

The budget also contains $173 million to rebuild rural and regional hospitals and buy healthcare equipment.

In education, regional and rural New South Wales will benefit from $3.5 billion to reduce class sizes, expand technology, roll out literacy and numeracy programs and increase teachers' salaries.

More than $74 million has been set aside for specific rural and regional programs including distance education centre support for 2,800 students, living away from home allowances for nearly 750 students and isolated school grants to more than 16,000 students in 185 schools.

The record $2 billion police budget supports 4,890 police in country areas—1,295 more than when the Coalition was in office.

Major building works are under way on country police stations. Upgrades funded in the budget include $3.1 million for Griffith police station, $5.9 million for Muswellbrook and $7.2 million for Armidale.

The Rural Fire Service will receive a hefty 16 per cent boost in funding to $150 million, allowing it to buy more than 200 new and high quality reconditioned tankers.

It has been estimated that natural disasters cost the Australian community more than $1 billion a year.

This year, with the Commonwealth, we are establishing the Natural Disaster Mitigation Program, funded with $35.7 million over the next four years.

We will apply science and commonsense to help local communities anticipate, and mitigate, the damage of floods and fire.

With the drought still parching most of the State, the budget provides for continued assistance payments to farming families and their communities.

We have allocated an initial $9.8 million to drought relief, with a further $25 million provision available in the Treasurer's Advance if needed.

If the drought continues we will continue our assistance measures until the rain comes.

The Government will continue to provide financial assistance to cart water to ensure that no town hit by drought runs out of water.

A record $1.5 billion will be spent on rural and regional roads. This is 64 per cent of the roads capital and maintenance budget and a $198 million, or 15 per cent, increase on 2003-04.

The Pacific Highway will receive $197 million, the Great Western Highway $48 million and the Princes Highway $62 million.

The budget once again includes more than $60 million for RTA maintenance—primarily on country roads—funded by increases in the Harbour Bridge toll and other user charges announced a few years ago.

The new Department of Primary Industries will receive $370 million for expenses in 2004-05, with:

- $257 million allocated to agricultural research, extension services, education and regulation;
- $54 million for fisheries research, conservation and management; and
- $60 million for mineral resource assessment, and environmental and mine safety regulation.

RECORD INVESTMENT IN NEW INFRASTRUCTURE

The public works and infrastructure program that I'm announcing today is by far the biggest in the State's history—not only in nominal dollars, but also in real, after inflation dollars.

As I will detail shortly, it's a massive building program that will benefit almost every nook and cranny of our great State.

Bob the Builder will be everywhere.

Over the last four years we've spent $25 billion on new assets and infrastructure.

Over the next four years we will invest almost $30 billion in new assets such as new and upgraded schools and TAFE colleges, health and hospital facilities, roads and public transport, and on the assets of public utilities.

That's more than $20 million invested every single day of the year in creating and sustaining jobs and improving the social fabric and economic strength of the State.

It's a huge investment by any measure.

In the coming year alone this new investment will total $7,463 million—$3,614 million in the general government sector and $3,852 million in government businesses and utilities.

Public Transport Investments

Investment in public transport is high on our priority list.

The provision of 498 new airconditioned rail carriages through a Public Private Partnership and the $1 billion Rail Clearways Program will be our major new focus over the next five years.

Sydney is the most beautiful city in the world. But what helps make it so beautiful, its peninsulas, bays and waterways, also makes it extraordinarily difficult to service with rail transport.

As a result, over the last century, Sydney has developed one of the most interconnected and complex rail networks in the world.

That means a small problem in one part of the network is quickly amplified throughout the whole city.

The Rail Clearways Program, disentangling the existing 14 interconnected lines into five separate clearways, is the solution.

In the coming year $80 million is being invested for Rail Clearway projects, including work on the $55 million Bondi Junction Turnback, the $17 million Macdonaldtown Turnback, the $40 million Revesby Turnback, a new $60 million platform at Hornsby and the $145 million duplication of the Cronulla line.

Other major capital investments for the coming year include:

- $495 million for the Chatswood to Epping rail link;
- $18 million for Easy Access Station upgrades;
- $102 million for new Millennium rail cars;
- $110 million for new outer suburban and Hunter Valley rail cars;
- $18 million to install vigilance control systems;
- $36 million to upgrade existing rolling stock;
- $25 million for information technology improvements; and
- $50 million for other plant and equipment.

The State Transit Authority will also be outlaying $74 million on the purchase of 172 new buses for the Sydney and Newcastle networks.

Investment in Road Infrastructure

In the coming year, over $2,400 million will be spent on road maintenance and management and the construction of new roads.

During the year $80 million will be allocated for the North West Transitway and funds will be allocated for planning and/or construction of major road projects in Sydney, Prestons to West Baulkham Hills, Lane Cove, Strathfield to Haberfield, Wahroonga to Carlingford, Glenwood, Seven Hills, Baulkham Hills, Kellyville, Rouse Hill, Vineyard, Mulgrave, Hoxton Park, Liverpool, Prestons, Ingleburn, Narellan, Bangor, Menai, Alfords Point, Green Square, Mosman, Woodford to Hazelbrook, Lawson, Wentworth Falls, Leura, Katoomba, Karuah, Bulahdelah, Nabiac, Rainbow Flat, Jones Island, Coopernook, Kew, Bonville, Coffs Harbour to Woolgoolga, Ballina, Billinudgel, Mooball, Bulli, Bellambi, Dunmore, Kiama, Pambula, Beresfield, Sandgate, Salt Ash, Mayfield, Teralba, Maitland, Aberdeen, Mount White, Erina, Wamberal, Kincumber, Wyong, Ourimbah, Clifton and Coalcliff, Nowra, Queanbeyan, Port Macquarie, Grafton, Wiangaree, Alstonville, Black Mountain, Armidale, Moree, Coonabarabran, Parkes, Towrang, Gundagai, Tarcutta, Albury, Gerogery, Ardlethan, Corowa, Euston, Echuca and Lidsdale.

Education and Schools Investments

The Department of Education and Training will receive almost $450 million for new capital investments in 2004-05.

This will fund major new school projects at Airds High School, Ashtonfield Public School, Blacktown South Public School, Blakehurst Public School, Brisbane Water Secondary College, Burraneer Bay Public School, Canley Vale Public School, Caringbah High School, Chipping Norton Public School, Endeavour Sports High, Fairvale High School, Figtree High School, Hamlyn Terrace Public School, Holroyd High School, Hunters Hill High School, Illawarra Sports High School, Jindabyne Central School, Kiama High School, Kooringal High School, Merimbula Public School, Milton Public School, Murray Farm Public School, Muswellbrook South Public School, North Sydney Boys High, Smithfield West Public School, The Hills Sports High, Tuggerah Lakes College and Vardys Road Public School.

Almost $190 million will be spent on on-going major works at Alexandria Park Community School, Anna Bay Public School, Bankstown Public School, Banora Point Public School, Bega High School, Berala Public School,

Blakehurst Public School, Blaxcell Street Public School, Blue Haven Public School, Brisbane Water Secondary College, Bulahdelah Central School, Callaghan College, Chatswood High, Cleveland Street Intensive English High School, Denistone East Public School, Dorrigo High School, Dulwich High School, Eastwood Heights Public School, Frederickton Public School, Glenbrook Public School, Granville Boys High, Harbord Public School, Helensburgh Public School, Holroyd School, Hunter Performing Arts High School, James Ruse Agricultural High School, Jindabyne Central School, Lightning Ridge Central School, Maroubra Junction Public School, Marrickville High School, Merimbula Public School, Milton Public School, Moree Secondary College, Mullumbimby High School, Northlakes High School, Pennant Hills High School, Penrith Public School, Rose Bay Secondary College, Sefton High School, Soldiers Point Public School, Strathfield Girls High, Sydney Secondary College, Tuggerah Lakes College, Tweed River High School, West Pennant Hills Public School, Westfields Sports High and Westmead Public School.

An amount of $80 million is also being allocated for TAFE projects, with major new works being commenced at Armidale, Campbelltown, Enmore, Glendale, Lismore, Liverpool, Mount Druitt, Newcastle, Orange, Padstow, Ultimo, Wauchope and Wollongong, and for major on-going projects at Armidale, Bankstown, Blue Mountains, Goulburn, Grafton, Granville, Meadowbank, Mount Druitt, Mudgee, Northern Beaches, Shellharbour, Ultimo, Wagga Wagga, Wollongong and Wyong.

Health and Hospital Investments

Almost $2,400 million will be spent on the health capital works program over the next four years, with $600 million to be spent in 2004-05, an increase of $143 million on the 2003-04 budget.

Approximately 10 per cent of this spending is funded by local area health services from donations and local asset sales, and will be spent on a range of local priorities such as the acquisition of imaging equipment.

Over $23 million in the coming year will be allocated to cancer care facilities, with the establishment of radiotherapy services at Coffs Harbour and Port Macquarie, the replacement of linear accelerators at Royal Prince Alfred and Liverpool Hospitals and in the Macarthur Region.

Almost $13 million will be spent in 2004-05, as part of a four-year $112 million program, on rural hospital and community health facilities to ensure that country people can be treated closer to home.

Planning will also commence for major hospital redevelopments in Queanbeyan, Bathurst and Orange/Bloomfield.

Over $360 million has also been allocated in 2004-05 to continue works on ongoing major health projects announced in previous budgets.

Other Social and Economic Infrastructure Investments

Other major capital allocations include $404 million in the area of public order and safety, $110 million for Corrective Services facilities, $76 million for courts and associated facilities, $38 million for Juvenile Justice facilities, $43 million for fire stations and fire fighting appliances and facilities and $94 million for police capital works.

The police capital works allocation includes $700,000 for the planning of a major program of police station renewal to commence with an allocation of $40 million in 2005-06.

Electricity utilities will invest over $1.4 billion on plant upgrades and network infrastructure and over $600 million will be invested in environmental protection and infrastructure needs by Sydney Water and Hunter Water.

Over $310 million is also being invested in social housing projects.

REVENUES

I now turn to the Government's revenues, which are expected to total $38.3 billion in 2004-05.

This is an increase of $2.1 billion, or 5.7 per cent over last year's budget estimate, and 2.4 per cent over the latest estimates for 2003-04.

These increases compare with an expected 5.9 per cent nominal growth in gross State product in 2004-05.

Our revenues are expected to fall to 12.6 per cent of gross State product, compared to 13.1 per cent in 2003-04 and 13.5 per cent in 2002-03.

I should point out that apart from payroll tax, our largest source of State taxation is transfer duty on property transactions. Even with the changes announced in the mini-budget our total transfer duty receipts in 2004-05 are likely to be no greater than in 2003-04.

This implies an underlying fall in transfer duties of about $400 million in the coming year.

Transfer duty receipts can both be extremely volatile and, as experience in all States shows, very difficult to predict.

Higher than anticipated transfer duty revenues would undoubtedly be a boost to budget revenues, but the wider interests of the State's economy and society will be much better served by moderate rather than tearaway increases in home prices.

While the major purpose of the mini-budget measures was to raise the revenue to protect improved funding of front-line services from the impact of Federal funding cuts and higher than budgeted wage awards, an ancillary benefit was to tilt the balance in favour of first home seekers and discourage property speculation.

A decade ago, housing finance for investors and first home buyers was roughly equal. By January this year the proportion of total loans going to first home owners had halved and the proportion going to investors had more than doubled. Meanwhile the cost of housing almost trebled.

These facts underline the fairness of the measures we took in the mini-budget to impose a 2.25 per cent vendor duty on the sale of investment properties and completely abolish stamp duty for almost all first home buyers.

Budget Result

I now turn to the budget result and the State's financial position.

At the time of the mini-budget I estimated that the net lending result—the measure that New South Wales, unlike some other jurisdictions, regards as the main budget result—would be a deficit of around $300 million in 2004-05.

At the time of the half yearly budget review in December and in the April mini-budget calculations I had already factored into both the 2003-04 and 2004-05 projections the full cost of the Industrial Relations Commission's 5.5 per cent interim increase for teachers.

Pending the final decision of the Commission, I had also factored in a further 3 per cent wage cost for 2004-05—that is, full provision for a total teachers' wage rise of 8.5 per cent.

The Commission ultimately awarded a 12 per cent increase—5.5 per cent from 1 January, 3 per cent from 1 July and a final 3.5 per cent from 1 January 2005.

The final determination presented the Government with an additional cost of 10.25 per cent in the 2004-05 financial year—1.75 per cent or $100 million more than we had budgeted for.

As a result of the Government's decision to fully fund the teachers' pay rise by allocating additional funds to the Education Department, the 2004-05 budget deficit is now estimated to be $379 million.

The operating result, however, is the measure which indicates whether the year's budget operations are adding to or reducing the Government's net worth.

The operating result remains strong and over the next four years is expected to contribute over $5 billion to the State's net worth.

In 1995, the State's net worth amounted to $70 billion.

It now stands at $124 billion—the highest net worth of any government in Australia, Commonwealth or State and is expected to grow to at least $130 billion by 2008.

As a result of the projected cash deficit in 2004-05, underlying general government net debt will rise moderately during the coming year, but should continue to decline over subsequent years.

Underlying general government net debt, which stood at 7.4 per cent of GSP in 1995, now stands at 1 per cent of GSP and is expected to decline to 0.6 per cent of GSP by 2008.

The net financial liabilities of the general government sector, which stood at 19.9 per cent of GSP in 1995—have now been reduced to 8.4 per cent and should further reduce to around 7.0 per cent by 2008.

During the next four years, our State owned businesses will be borrowing $5.9 billion for $15.5 billion of new income earning assets.

But even with this massive new investment, the State's total net financial liabilities will continue to decline as a proportion of GSP, from 26.7 per cent in 1995, to 15.0 per cent now and to an estimated 14.1 per cent in 2008.

New South Wales has the second best balance sheet and financial position of any government—State or Federal—in Australia. Queensland is the only government with a better balance sheet, which it has achieved with the benefit of massive subsidies from New South Wales over many decades.

New South Wales is one of only a relative handful of State, provincial or local governments in the world to posses a triple-A credit rating. In itself a triple-A financial rating matters little.

Its importance is that it provides the necessary financial platform to secure a triple-A community, with triple-A services and facilities, and the capacity to weather financial and economic shocks and be well placed for the looming demographic and other challenges that lie ahead.

Conclusion

Eleven weeks ago the Government pledged in this House that we would press ahead with improved funding for our front-line services, notwithstanding the financial obstacles put in our way.

Today, the Government has met that commitment and more.

This budget strengthens the State's social fabric and buttresses our financial strength.

It's a budget that helps children, families and people in need.

It provides substantial additional resources for key front-line services, especially our schools, hospitals and public transport.

And it invests massively in the modernisation of the State's social and economic infrastructure.

Once again, I'm proud to describe it as a fair dinkum Labor budget from top to toe.

Debate adjourned on motion by the Hon. John Della Bosca.

BUSINESS OF THE HOUSE

Postponement of Business

Government Business Order of the Day No. 1 postponed on motion by the Hon. Tony Kelly.

NATIONAL COMPETITION POLICY HEALTH AND OTHER AMENDMENTS (COMMONWEALTH FINANCIAL PENALTIES) BILL

Second Reading

Debate resumed from 11 May.

The Hon. DUNCAN GAY (Deputy Leader of the Opposition) [11.42 a.m.]: Before the work of fiction known as the Budget Speech I was commenting on the National Competition Policy Liquor Amendments

(Commonwealth Financial Penalties) Bill. As we all know, the Premier signed up to the national competition policy in 1995, thereby agreeing that the State would reform anti-competitive legislation unless it could be shown that retaining restrictions to competition was in the public interest. Yet the Premier continues to pretend that he had no choice but to deregulate some of the most vulnerable industries in New South Wales, rather than getting on with the job and showing how they could continue in the public interest. The reality is that he is playing politics and suckering to his pretty ordinary mob of Ministers who are not prepared to do their job.

This bill proposes to amend regulations affecting a wide range of sectors, including dental, optometry and farm debt mediation. The Opposition is concerned about all affected industries, and has been working with key stakeholders and interested parties to undertake a workable solution for all. In my capacity as shadow Minister for Agriculture and Fisheries I have worked closely on two specific elements of the national competition policy amendments—that is, the Poultry Meat Industry Act and the Farm Debt Mediation Act. I point out that the removal of amendments from the Poultry Meat Industry Act was initiated by our policy. The Labor Party seems to have forgotten this important detail.

As we know, the National Competition Policy Health and Other Amendments (Commonwealth Financial Penalties) Bill deals with pharmacists, optometrists, dentists and farm debt mediation. As we also know, New South Wales Labor has excelled in its scaremongering and myth-making skills over the past six months with regard to this bill. Comments made in the media about the Farm Debt Mediation Act by the Premier, Mr Carr, and Minister Macdonald over the past few months have been intentionally—I emphasise "intentionally"—misleading, especially the myth they spread around country New South Wales that Labor was being forced to abolish the Act or cop a $51 million fine. Even the National Competition Council [NCC] president, Dr Wendy Craik, was moved to respond, which is very unusual, to that falsehood, criticising the New South Wales Government in a press release dated 17 February "for publicly threatening to open up the market in ways that may cause harm".

As the Opposition has explained many times over the past few months, the NCC was never fundamentally opposed to the Farm Debt Mediation Act in its original form and, despite what Carr and Macdonald would have the media believe, the NCC never asked for the Act to be repealed. How different is that to the slimy message that was put across rural New South Wales? Indeed, the NCC's executive director, John Feil, specifically told me in a meeting I had arranged this January that repealing the Act would have been a gross overreaction. But it would not have been a gross overreaction if one is simply into playing politics rather than doing one's job. The NCC specifically and clearly said that the Act had been included in the pool suspensions because of two amendments, and two amendments only, that were added in 2002. These amendments changed the Act to prevent a lender from enforcing a mortgage for 12 months if the Rural Assistance Authority [RAA] found that the lender had not acted in good faith and made decisions of the RAA subject to appeal by the Administrative Decisions Tribunal.

The Opposition discussed these two amendments with the New South Wales Farmers Association, as it should, at a meeting with the NCC, and the New South Wales Farmers Association executive council subsequently voted in favour of supporting the removal of the two amendments to render the Act acceptable under the NCC guidelines. All the time this was happening, while we were addressing the bill, having meetings and finding out what was wrong, the Labor Government, the Minister, the Premier and their mates were travelling around the State telling tales of woe about how the Federal Government had the gun to their heads and was forcing them to abolish mandatory farm debt mediation. They spoke about money-hungry banks waiting to swoop on unprotected farmers and take their property.

Of course, this was totally irresponsible and caused serious concern to country New South Wales, at a time when it could have done without extra concerns. The mob opposite wanted to play politics, rather than do their job, during the worst drought in New South Wales history. It was totally reprehensible and the Minister for Primary Industries knew it at the time. He was too lazy to do his job. Had the Opposition and the New South Wales Farmers Association not been doing their job the Government would have perpetrated that crime on the people of New South Wales.

Another myth perpetrated by the Premier in relation to farm debt mediation was his throw-away comment that if the New South Wales Government did not abolish the Act it would have to pay $50 million to the Commonwealth Government. That is not true. That is a lie. The NCC does not recommend fines per se, but that competition payments to the States be withheld. In the case of farm debt mediation there was no specific penalty. The Act was considered, along with about 21 others, to the areas of non-compliance and, together with the 21 others, these resulted in a suspension of about $25 million of New South Wales competition payments.

This suspension could be reversed if New South Wales made significant progress on the outstanding items before June. So, that just put paid to the lie the Government was perpetrating.

At the last minute, of course, the Premier revealed that he would not be repealing the entire Act but removing the two offensive amendments, effectively adopting The Nationals' policy I outlined two months earlier. Mr Carr decided to add another doozey to his litany of misleading tales about farm debt mediation in his second reading speech on this bill on 17 February. During that speech the Premier attacked the NCC for supposedly attacking the Farm Debt Mediation Act. He said:

> The silence of the National Party on this is remarkable.

All I can say to the Premier is that he should do his homework before coming into the Parliament with such blatantly false allegations. If he had, he would have seen that The Nationals had been very vocal on this issue, that we had presented submissions in defence of the Farm Debt Mediation Act to the Federal Treasurer—something his own Minister had failed to do with any substance—and we had organised meetings with the NCC executive and the New South Wales Farmers Association to discuss options and alternatives to avoid any semblance of a threat to this Act. We made countless appeals to the New South Wales Labor Government to act in defence of the Act, to do its job and to prove its public interest rather than accept defeat and deregulate. Country Labor is a sad, pathetic lot. A Country Labor Minister was acting against the country people of the State. No wonder country people were queued up outside that farce, the Country Labor conference, on Saturday to express their disapproval with the Minister. As the New South Wales Farmers press release on the Farm Debt Mediation Act dated 18 February stated:

> The Association discussed the situation with the National Competition Council earlier this year at a meeting organised by Shadow Agriculture Minister Duncan Gay, and we're grateful for his and the NSW National's ongoing efforts.

I am not saying this; the New South Wales Farmers are saying it. That statement flies in the face of the Premier's comments the day before that the New South Wales Nationals had been silent on this issue. It is just pathetic. If the Premier cannot be bothered to do any research—although I suspect that he knew he was deliberately misleading, as he usually does—he should at least read *Hansard*, where he would find ample evidence that The Nationals led this debate and properly defended both the Farm Debt Mediation Act and the Poultry Meat Industry Act. The Premier's reference to Country Labor riding in and saving mandatory farm debt is ludicrous, as are his claims that Labor forced Canberra to back down on its threats to this Act. They were not threats. That was a misnomer created by the Premier.

The Premier's insistence on misleading and twisting the facts beyond recognition could be laughable if they were not so tragic in the prevailing circumstances. Canberra did not back down on anything. It simply indicated what had to be done. The New South Wales Coalition highlighted the amendments that had to be made. The New South Wales Farmers Association endorsed those amendments at the last minute, and the Government finally acquiesced with what it should have done in the first place. In the case of the Poultry Meat Industry Act, the New South Wales Labor Government had once again been playing politics with farmers' interests and their livelihoods.

As announced during a recent sitting, the Government finally accepted the Opposition's policy by removing this Act from the composite bill. The national competition policy amendment bill in its original form proposed to deregulate the poultry industry following the imposition of a $12.8 million suspension of payments for failing to reform the Act as requested. The bill proposes to abolish the poultry meat industry committee's power to set standard rates for poultry supplied by growers to producers under the Act and abolish existing requirements that the committee approve contracts between growers and processors. The committee's new role would have been to facilitate contract negotiations rather than to approve them.

We were particularly concerned about this section of the bill and we have been working with farmers and our Federal Government colleagues for months to investigate alternatives to deregulation. As we have said many times, there was one obvious solution: The New South Wales Government needed to commission a current and independent assessment of the Poultry Meat Industry Act. This should prove net public interest and, according to NCC policy, penalties could be lifted. Once again, the Premier and the Minister did not listen—or rather they could not be bothered to do what they should do.

As the Premier knows, according to national competition policy regulations, the New South Wales Government is invited to offer the council proof of public interest for exemptions on payment suspensions. It is not rocket science. It is what he agreed to and what he signed off on. New South Wales Cabinet wrote a couple

of pages to the Federal Treasurer in a feeble response to the recommendations regarding both the poultry and the farm debt Acts. Unbelievably, the New South Wales agriculture Minister, Ian Macdonald, did not lift a finger. Ian Macdonald did nothing. Just months ago in this Chamber the Minister admitted to doing nothing to defend the New South Wales poultry industry from deregulation. On 26 February I asked him whether he continued to stand by his claims to have made a strong submission on behalf of the Poultry Meat Industry Association in the light of the recent comments of the Director-General of the Department of Agriculture, Richard Sheldrake, during the budget estimates hearings. He said:

> Neither the Department of Agriculture nor the New South Wales Government made a submission to the Poultry Meat Industry Act.

Do we detect a slight deviation? The Minister claimed that he made a strong submission, yet his good and true director-general said in the estimates hearing that neither the Department of Agriculture nor the New South Wales Government made a submission to the Poultry Meat Industry Act review.

Mr Ian Cohen: Maybe that is a strong submission!

The Hon. DUNCAN GAY: That is about as strong as it gets from this Minister. The Minister confirmed that was the case and said that he left it to Cabinet to deal with the NCC's recommendations that the Act was uncompetitive.

Mr Ian Cohen: He is the strong silent type.

The Hon. DUNCAN GAY: He is. He now has a bigger title, so he has achieved something this year. I would have thought that the agriculture Minister had a responsibility to act on an issue that was integral to his portfolio. Is he not supposed to act in the interests of farmers? The Minister had to commission a current and independent assessment of public interest in the Poultry Meat Industry Act, as he was invited to do. Lo and behold, at the very last minute—after everyone, particularly the Opposition, had suggested that is what he needed to do rather than deregulate—he did. The Minister's failure to act in the interests of these farmers was an embarrassing contradiction of statements he made recently in the media. For example, NSW Agriculture has a self-funded column in the *Land* entitled "Agriculture Today". However, I do not know whether it is self-funded because the taxpayers have paid for it. This "freebie" in the *Land* is paid for by the taxpayers and is meant to be apolitical. In that column the Minister said:

> Deregulation could lead to an exodus of growers from the industry, lost jobs and a downturn in local economies.

If he were a man of his word, having said that why did he not commission a current and independent public interest test last year and put up a decent fight to keep this Act in action? I believe that is a fair question. The Premier in a speech on 17 February said:

> I want the State's chicken growers to know that we have done everything we can to maintain as much as possible of the old system.

Hello! If this poor show is the best the New South Wales Government can do, then not only farmers but also pharmacists, liquor store owners, optometrists and dentists were right to be concerned that their interests were not resting in the best hands, by any stretch of the imagination. The poultry meat industry is unlike any other agricultural industry in that the growers never own the commodity they rear. They are paid for growing birds to a weight suitable for processing. Therefore, the 330 growers in New South Wales have an inherently weak bargaining power and on occasions the market imbalance between growers and processors has been severe. The Poultry Meat Industry Act was implemented in 1986 to provide growers with some countervailing market power when negotiating growing fees and contracts. Without these mechanisms, many believe the market could fail. The chair of the New South Wales Farmers contract poultry group, Shaun Rodger, said:

> If this legislation is removed farmers would be forced out of business, their local economies would suffer, and yet it would save just three cents per kilogram on chicken at the check-out.

A report conducted by the Allens Consulting Group in 2001 concluded that deregulation of the contract poultry industry would lead to a fall in growers' incomes of between 15 to 24 per cent. For contract growers that is likely to represent between $17,000 and $20,000 per annum. In his second reading speech the Premier said that he was reluctantly abolishing regulation of this industry. Yet just weeks later his agriculture Minister sheepishly—and I use the word advisedly—admitted in this House that Labor was going to follow the Opposition's policy by commissioning a review. At a recent meeting with Dr Craik and others the Minister was

told once again what needed to be done. In typical Labor style the Minister waited until the very last minute, until he could intimidate and worry as many farmers as possible, before announcing that the amendments to the Poultry Meat Industry Act were to be removed from the composite bill.

At the same meeting Dr Craik explained to the Minister that he must also undertake an assessment of the net public interest of the unique rice marketing arrangements in New South Wales, which were included in the pool suspension. New South Wales Labor has had almost a decade's notice—since the Premier signed off on this wretched thing—that this assessment was necessary. Federal Treasurer Peter Costello reminded the Premier of this choice in a letter dated 3 December 2003, in which he said:

> NSW will need to progress on reform for the NSW domestic vesting arrangements or provide a public interest justification for maintaining these restrictions.

What did New South Wales Labor members do? They sat back and complained. Then, having said that the Federal Government was forcing them to deregulate, spreading this myth and fear, last month they finally conceded to undertake a public interest review. They had had 10 years notice. I now turn to the proposed amendments to the Pharmacy Act 1964. Recently the Government announced further amendments to this Act, as part of the newly split bill. The Government could not have failed to notice the thousands of protesters who recently marched on Parliament House, arguing against the Government's attempts to deregulate pharmacies in New South Wales. Those protesters brought a petition to the Government that was signed by half a million concerned residents of this State. The Government should be aware that the Opposition is committed to represent the interests of these people in supporting pharmacy as a small business in New South Wales. Whatever way the Government chooses to spin on this issue, its initial proposals were to amend the Pharmacy Act so as to open the way for supermarkets to run pharmacies, which would place immense and unsustainable pressure on family and community pharmacies around the State. Only recently the Premier made this commitment to a pharmacists' conference in Sydney:

> No supermarket will be permitted to own or run in it a pharmacy while ever my Government is in power.

More than 1,500 people were present at that conference. Just months later the Premier waltzed into Parliament and introduced a bill that permits supermarkets to own pharmacies. Anywhere else his actions would be unbelievable. Prior to the 2003 election the then Minister for Health, Craig Knowles, wrote to New South Wales pharmacists with a commitment that any revision of legislation affecting pharmacy, including the Pharmacy Act, would:

> reinforce the essential role of community-based pharmacy in delivering quality health services. This will be achieved through the following principles:
>
> - Pharmacist ownership of pharmacies as recommended in the National Review …
> - Effective regulation over third party pecuniary interests
> - Continuing to limit to three (3) the number of pharmacies to be owned by a pharmacist

Just one year later the Government tried to break that promise, along with many others. Pharmacists provide an invaluable service to their communities. For minimum cost they can provide additional professional services such as nursing home reviews, assisting nursing homes with dose administration aids, delivering medicines, needle and syringe supplies, methadone services, hiring of medical equipment and so on. I wonder whether supermarket chains could offer the same level of service. I very much doubt it.

Pharmacies are often at the hub of the commercial centre in rural and regional towns. They provide invaluable support, advice and community networks for people of all ages. On 30 March 2004 the *Sydney Morning Herald* commented on a national study that found that pharmacists potentially save hundreds of lives a year by giving advice to patients. An analysis of eight Australian hospitals found that 15 patients avoided death in one month because of the intervention of pharmacists. This legislation would have given carte blanche to large supermarkets to take over the pharmacy industry in New South Wales. That cannot possibly be in the public interest. Instead of pushing for deregulation, the New South Wales Government had a responsibility to work actively to encourage pharmacists who provide such an extraordinary level of service, and sometimes even save lives.

The Prime Minister recently advised that the Commonwealth Government would not withhold NCC payments to New South Wales if two amendments were made to the legislation. The newly amended and split

bill will remove the restrictions on pharmacists entering into commercial agreements with non-pharmacists. It also contains new measures to increase the maximum number of pharmacies that may be owned by a pharmacist from three to five and permits so-called friendly societies to own and operate up to six pharmacies. I understand that the Government now wishes to remove schedule 4 from the bill and replace it with these amendments in Committee. I foreshadow that the Opposition will support these concessions.

The Opposition has grave concerns about the amendments to the Dentists Act. Like pharmacy, allied health services such as dentistry and optometry should remain in the hands of trained health care professionals who have the interests of their patients at heart. These professionals are specifically trained in health care and have a profound understanding of the importance of quality health services and knowledge of their patients' needs that is often built up over years of service to their community. To add insult to injury, the New South Wales Government failed miserably to consult any industry groups with regard to the NCC amendments in this area. The proposed legislation has the potential to undermine the statutory authority of the New South Wales Dental Board. Dentists are responsible to the board, but this legislation proposes making the Australian Securities and Investments Commission responsible for regulating the corporate and business aspects of dental practices. Dentists and the Opposition are concerned that this could create a corporate dentistry environment.

The New South Wales branch of the Australian Dental Association's submission to the Premier states that under the proposed amendments a dental practitioner who is less qualified than his or her employees could potentially hold practice ownership. As with other industries we are discussing, deregulation would benefit neither the public interest nor dentists. The amendments could further increase the cost of statutory compliance for dentists. The association's submission also referred to the amendments reducing the availability of public sector dental services, higher dental health care costs, limitations on patient treatment choice, issues relating to advertising and a prohibition against directing or inciting misconduct. In its conclusion, the association makes it clear that this legislation will not serve the public interest; rather, it could increase costs, reduce access and compromise the quality of dental care.

The proposed amendments to the Optometrists Act tell the same old story. The Government's reluctance to roll up its sleeves and to defend these Acts threatens to do serious damage to small businesses in this State. The proposed amendments remove restrictions on the persons or bodies who may carry out the business of optometry and the prohibition on employers of optometrists directing or inciting them to engage in misconduct. As we have seen with other industries affected by this legislation, the lack of consultation with key players has been shocking. On 18 February 2004 Mr Andrew McKinnon, the Executive Director of the New South Wales branch of the Optometrists Association of Australia wrote to Mr Barry O'Farrell, the New South Wales shadow Minister for Health—a good man. Mr McKinnon's letter states:

> As you would be well aware, the financial penalties to which the Bill refers do not come into effect until 30 June 2004, leaving still some 4 months for negotiations between the state and federal governments on this issue. Why it is necessary to introduce the Bill at this point in time is very unclear.

It was very strange. Honourable members should remember that this letter is dated 18 February, when a bill was not needed or due to be passed until the end of June. There was time for negotiation, but that did not happen. The letter continues:

> In addition, we do not feel that all avenues to resolve the matter have been explored.

The same occurs in my portfolio area. We are confronted by a lazy Government and lazy Ministers who do not give a damn. All they have left in the barrel is to play politics, and that is what they have done. It is very ordinary. The letter further states:

> Specifically, we consider that the matter should have been taken back to a meeting of COAG (a specially convened meeting if necessary) where the NSW government could have sought a change to the COAG agreement on competition policy rules. To the best of our knowledge, this has not occurred.

The Opposition was pleased to hear the Labor Government announce a couple of months ago that it would follow the Opposition's policy by agreeing to implement NCC recommendations and undertake a public interest assessment of the Poultry Meat Industry Act. Unlike honourable members on the crossbench who are simply critical—that is, the Greens—Opposition members got to work and came up with something positive. The Greens criticised but did nothing.

The Opposition was also pleased to hear that the State Government was prepared to listen to the Prime Minister with regard to the pharmacy industry. As I explained in my earlier speech, the Carr Government is

trying to push these damaging financial penalties bills through as a last ditch attempt to avoid losing $51 million in competition payments. Honourable members should not forget that this is the same Government that has created a crisis in this State because of its appalling budgetary mismanagement. Incredibly, we are debating this legislation on the very day on which we have been provided with further evidence of the Government's farcical fiscal management of this State.

The Treasurer claims that for the first time he has gone into a deficit budget. As everyone knows, the Treasurer has gone over budget for every year of the nine years in which he has been Treasurer. Although the budget has not been in deficit, the Treasurer's running of the State has been in deficit every year for the past nine years. That is simply a farce. When the National Competition Policy Health and Other Amendments (Commonwealth Financial Penalties) Bill reaches the Committee stage, the Opposition will vote that all schedules be removed from it, except those relating to the Farm Debt Mediation Act and pharmacy. The Opposition cannot support this damaging, lazy, irresponsible bill in its current form.

Mr IAN COHEN [12.20 p.m.]: I am pleased to address the National Competition Policy Health and Other Amendments (Commonwealth Financial Penalties) Bill as a positive improvement on the National Competition Policy Amendments (Commonwealth Financial Penalties) Bill that had been destined for this House. The Government has responded well to the community's concerns about the negative impact that the initial amendments would have had on poultry growers and farm debt mortgages.

The Government has split the bill so that liquor amendments and health and other amendments could be dealt with separately. In addition, the Government has removed the amendments relating to the poultry industry. I congratulate the Government, the New South Wales Farmers Federation, the Greens and other members of this House on their representations on behalf of the poultry industry. The negotiations between the Government, the National Competition Commission and the New South Wales Farmers Federation have resulted in a reprieve for poultry growers. An independent review is to proceed on the poultry meat legislation. The National Competition Commission has agreed not to recommend another permanent penalty for poultry growers for 2004-05. Payments will be suspended until the results of the independent review are implemented by the New South Wales Government.

The national competition policy was introduced in 1995 to promote competitive neutrality between firms, individuals and government agencies supplying goods and services. The national competition policy arose in line with the global move towards free trade and deregulation, spurred on by the theories of economic rationalism. The theory is that the national competition policy will impose a level playing field across all entities to promote greater competition and economic efficiencies. The main objective of the national competition policy was to break up the monopolies that State governments had on utilities such as water, transport, freight transport and energy.

However, the National Competition Commission has strayed far from the objectives of the national competition policy. The protests from all sectors affected by these amendments are an indication of how far the Federal Government has strayed from the original intent of the national competition policy. It is heartening to see the New South Wales Government in dialogue with the Greens and other parties, and working to stem the damage to New South Wales small business— especially our smaller rural and regional industries—that is resulting from the national competition policy.

The introduction of a level playing field has been a farce. The impacts on employment and social infrastructure have been heavy, while small business and regional areas have been the greatest losers in New South Wales. While the Government is happy to take the compensation payment from the Commonwealth, that money has not been targeted to the people or industries that are losing so much under this flawed policy.

I am pleased to see the removal of the poultry amendments from the bill. Much like the fall-out for small farmers following dairy deregulation, the amendments that have been removed would have decimated the incomes of growers in the poultry industry. The poultry industry is characterised by the huge market power imbalance between processors and growers. There are only six processors in New South Wales and approximately 350 contracted growers. While processors are among some of the biggest businesses in New South Wales, with four out of the six processors in *Business Review Weekly's* top 500 companies, growers are at a constant disadvantage.

The National Competition Commission seems to have failed to take into account the nature of the poultry industry. Contract growers rely on inputs selected, supplied and owned by processors with regard to

day-old chicks, feed, medications, transport, production advice and specifications. Contractors supply the land, shedding, environment control plant, water, labour, and waste disposal pollution control. This contractual arrangement within a highly vertically integrated processing sector with few players effectively means that growers incur the cost and risk for growing poultry, yet they do not have any influence over the inputs received, the amount and type of product they rear, or those for whom they rear product.

The Poultry Meat Industry Act 1986 was introduced to alleviate the imbalance in that industry whereby processors were able to muscle contract growers into substandard growing arrangements, poor returns and bad terms. The Act, which allows for the central setting of poultry growing fees and central bargaining, was reviewed in accordance with the national competition policy timetable in 2000 and 2001. The 2001 review found that while there was a net public cost of the Act, according to economic measures the price benefit to individual consumers would be negligible. This is still the case. A group of poultry growers from the far North Coast of New South Wales wrote to me as follows:

> It is apparent to us that if the NCP Bill is approved, it will have a catastrophic effect on poultry growers, as the Bill is equivalent to deregulation. We are a young group, few aged over fifty, all with dependent families. We have built our farms in an environment that promised stability and viability. This legislation has the power to destroy this environment, our livelihoods, our families and many other dependent on the poultry industry.

Overall, the amendments that have been removed provide no benefit to consumers, growers or regional communities. However, the processors, being some of the largest companies in New South Wales, will now have greater market power. Where are the benefits of this pseudo deregulation? The Greens support the continued viability of local industries and small-scale farming in regional New South Wales. Hopefully the positive actions of the New South Wales Government in this area, and a good outcome in the independent review, will stem the tide of small business owners leaving the poultry industry.

I have held various meetings with poultry growers at which they have expressed concern about conditions in the industry being maintained at a reasonable standard, particularly in relation to birds, to ensure that the cruelty that has taken place in the battery hen industry, as depicted on *Four Corners* last night, does not occur. It was estimated that under the previous amendments the number of producers leaving the industry in the coming year—which was estimated at one-third—would be more than the total number of producers who have left the industry in the last two decades. With almost half the industry having farm assets valued at more than $500,000, this would be a loss to those producers and the New South Wales economy of at least $50 million. I await the outcomes of the independent review with great interest.

I now turn to the final section of the bill, the farm debt mediation provisions. The provisions remove amendments to the Farm Debt Mediation Act 1994 introduced by the Government in 2002, which were an attempt to level the playing field between banks and mortgaged farmers. The 2002 amendments provided for a right of appeal to the Administrative Decisions Tribunal on decisions made by the Rural Assistance Authority. They also provided a 12-month moratorium on enforcement action where the creditor had been found to have not participated in the mediation in good faith. The 2002 amendments were seemingly good amendments to level the playing field, but they do not meet the business demands for market power.

I agree with the New South Wales Farmers Association—perhaps surprisingly for some members of this House—that it is a good thing that farm debt mediation as a whole has been retained. The Greens support this section of the bill. The competition principles agreement, as rolled out by the National Competition Council, has resulted in economic competition for competition's sake. There has not been a considered weighing up of whether it will deliver on improved social assets, environmental gains, or equity in economic returns across New South Wales.

The narrow commitment to improving economic efficiencies without measured consideration of how changes will affect the quality of life, community interest equity or ecological sustainability is the continuing major flaw in this legislation and the national competition policy as a whole. The public interest exceptions have been ad hoc, decided without adequate public participation, and assessed differently across each State.

The Government's continued acceptance of the National Competition Council's dictums has seen small businesses lose out, regions lose services, small farmers squeezed out of the market, and the public interest ignored. Water reform has been terrible for the environment, and the further changes outlined in the latest National Competition Commission communiqué spell further environmental catastrophe.

The NCC has overstepped its bounds. Reform of the NCC is required, not continued ad hoc legislation such as this. Economic efficiency is when the social and environmental needs of our community are fully and equitably met, not when big business finally controls the market. As I have said, it is heartening to see the

Government working with the New South Wales community to argue the public interest case to the NCC for poultry amendments. I hope this is an indication to the Government that when it works with the community it can achieve more than when the community is cut off from the negotiating table. I look forward to seeing more positive community-oriented outcomes from this Government in the future. I stress that I am dealing here with the agricultural side of the issues, particularly the poultry growers, farm debt mediation and mortgages, rather than the other areas, which Ms Sylvia Hale will be discussing on behalf of the Greens.

The Hon. ROBYN PARKER [12.30 p.m.]: Today I speak on the National Competition Policy Health and Other Amendments (Commonwealth Financial Penalties) Bill specifically in relation to the proposals concerning pharmacies, dentistry and optometry. As I stood in my local pharmacy in a regional area on the weekend observing the sorts of people who use regional pharmacies, I noted a number of groups who would be disfranchised by a deregulation of pharmacies and pharmacies possibly moving into supermarkets. A young mother was getting information on appropriate feeding formulas for her baby; a package of medication was being made up for the carer of an elderly person; an elderly person was asking for medication to be home delivered to a relative the next day; and another person wanted some information on how to dress a wound. These are the sorts of things that go on in community pharmacies. Pharmacies do not charge for these services; they are part of a community service, and they are vital in rural and regional areas, where there is often a shortage of other medical services.

Those sorts of services are unlikely to be available in supermarkets. I cannot see a supermarket pharmacy offering advice on wound dressing or medication, or offering to home deliver medication, or to make up packs of medication for elderly people. Those are only some of the services that pharmacies currently provide. They also provide advice and support in relation to asthma, diabetes, smoking cessation, wound care, chemotherapy preparation and post hospital discharge—people often go into their pharmacy to get advice rather than put extra pressure on the hospital system. Pharmacies provide a great deal of geriatric care and counselling on paediatric issues. It is generally a first port of call for parents on minor issues relating to their children. Pharmacies certainly refer greater issues to general practitioners but they take care of basic medical needs as well as skin care management issues.

If in a country town or a regional town the local pharmacy is forced to close down because the supermarket has taken over and it cannot compete, those pressures will come back onto the health system. It is going to cost the Government a great deal of money if people have to front up to their local hospital accident and emergency department because they cannot have their wound dressed or receive advice on medication in the middle of the Woolworths supermarket. People will feel that they will not receive personal service in a supermarket situation where they may not know the pharmacist; in fact, there may not be any provision for privacy if they wish to seek advice from the pharmacist.

The sorts of things that I saw on the weekend are indicative of what happens on any day of the week in any community pharmacy, be it a city pharmacy or a rural and regional one. The deregulation of pharmacies would create a huge problem in rural and regional New South Wales, and is something that the Government does not need to embark on. We have heard the Government talk about the saving of $3 million. We know that this is a Government that wastes money; we know that $3 million is certainly wasted on things such as public servants who do not even have jobs but who get paid. This is a Government that has its priorities completely wrong. Thousands of people signed a petition on this issue concerning pharmacies. Thousands of New South Wales residents were concerned about the effect on their pharmacies. Recently the *Port Stephens Examiner* quoted one of the local pharmacists in regard to the impact of deregulation. The pharmacist said:

> Does anyone seriously think that Woolworths will run the National Diabetic Scheme or the Home Medication Reviews, or even provide open access to a pharmacist.

I think not. I would be interested to know what is going to happen in a deregulated world when it comes to the dispensing of methadone, needle exchange and some of the other services that are offered by pharmacies.

There was very little consultation on this legislation. I received letters from the Australian Dental Association about the lack of consultation with that association. It was very concerned about the potential effects on dentistry, optometry and community pharmacy, and about the lack of consultation from an arrogant government on the issue of lifting the restrictions on the ownership of dental practices, which the association feels is not in the public interest. In its correspondence the Australian Dental Association noted that there were huge issues as a result of deregulations in other States. The association commented on what happened in Queensland as an example of what might happen here. It felt there were significant implications to standards of care; it was concerned that an employer may in fact be dependent upon the oversight of an employee. It referred

to a case in Queensland of a dental therapist who employs dentists who are responsible for the oversight of the dental therapist owner.

Anybody can see that there can be huge problems when owners of dental practices are less qualified than the people they employ. It is possible that dental practices in this State could be owned by overseas dentists, and those dentists may currently be unable to gain registration. The dental association raised other issues including limitation of patient choice and a concern about the effect that increasing corporatisation might have on advertising with, potentially, the ability to mislead the public to try to capture some sort of market share.

The impact of corporatisation will be significant in rural and regional areas. The Australian Dental Association is of the view that this competition reform will increase costs, reduce access to and availability of services, and potentially impact on quality care. Companies in other States have shown that there is a push from corporatisation to the next level, which is Medicare provider numbers for dentistry. An analysis of the association's view is that this is possibly the thin end of the wedge. I note the concerns of the Australian Dental Association about this bill.

In New South Wales approximately 15 million occasions of service or individual patient contacts are provided by private sector dentists annually. That huge number of services shows that there is a good strong personal relationship between health care providers and their patients. However, corporatisation may change that immeasurably. In the lead-up to this bill—and it has taken some time for us to finally debate this bill—I received correspondence from optometrists and friendly societies who are concerned about this legislation. The Government has gone some way with the amendments in terms of friendly societies and restricting ownership of pharmacies. I guess it is a compromise deal for the friendly societies, but there is no olive branch for optometrists and dentists. I can foresee huge problems down the track, especially with professional indemnity insurance.

We have seen what happened across the board with professional indemnity insurance in medical provision. I believe that liability will be increased. Ownership of dental practices and pharmacies, and the risks that might be associated with that, will have some significant implications for professional indemnity insurance. We are looking down the barrel of increased costs and liability concerns. In conclusion, the number of community pharmacies will be reduced, with less personal service. Certainly, in rural and regional New South Wales there will be further reduced assets and contact in communities that have already lost bank branches and basic community services. We are looking at the possibility of local pharmacies closing down in the face of a corporate organisation taking over. That will lead to less competition, as was the case in Queensland when optometry was deregulated and the number of major competitors reduced from six to one, with 83 per cent of them being foreign owned.

It flies in the face of more than 500,000 people who signed petitions—there were probably many more; they are the only ones we know about—over a six-week period in opposition to this legislation. We should take note of that significant number. The legislation will provide another major problem for a health system that is already under incredible pressure. We are not making anything easier for the health system. It will provide more pressure. So while I note the amendments the Government has provided and the attempts it has made, I am still incredibly concerned on behalf of optometrists and dentists in New South Wales. I am very concerned also about the residents of rural and regional areas, and about the pressure on the health care system that this bill will bring. I look forward to the contribution of other members who I know have other concerns about this proposed legislation.

Ms SYLVIA HALE [12.45 p.m.]: In debate on the National Competition Policy Liquor Amendments (Commonwealth Financial Penalties) Bill I spoke at length of the Greens opposition to the discredited and socially regressive competition policy embraced by the Federal Government and, when it suits, by the State Government. I now wish to speak on the pharmacy, dentistry and optometry provisions of this bill. My colleague Mr Ian Cohen has outlined the Greens' position in relation to the farm debt mediation aspects. The people of New South Wales are effectively being told by the Government that this legislation is being passed with a metaphorical gun to their heads. The Federal Government's system of bribes and inducements in the form of national competition policy payments to the States is being treated by the New South Wales Government as the trump card in this debate.

The Premier has put on some great public theatre about how these provisions are being passed against his passionate objections. He has described the legislation as "illogical and unfair" but, he says, he just cannot

say no to the money. The Greens reject this spin. The Premier wants us to believe that he is fighting against these changes but to do that we need to forget a few inconvenient facts. First, the New South Wales Government had the opportunity to put the social arguments to mitigate the impact of the National Competition Council's recommendations in one of the key areas, that is, alcohol sales. Other States, including Victoria, successfully put their case limiting the application of competition principles on social grounds. However, the Carr Government failed to put in a submission. And it was in relation to not only the sale of alcohol but also, as the Deputy Leader of the Opposition indicated earlier, the poultry and farm debt mediation aspects.

Second, New South Wales is in a position to forgo the Federal Government's bribes in order to protect the wellbeing of our residents. In fact, we have rarely been better placed. The Government's failure to invest in infrastructure and social services over the past nine years has generated a financial surplus of which the Premier and the Treasurer are proud. The Government is now beginning to reap the whirlwind with a massive backlash growing against the run down of public transport, health and education. But this deplorable situation will not be improved by selling off more of our social capital for a one-off payment.

I turn now to the major provisions of the bill. It would provide for the opening up of ownership of dental practices, optometrists and, to a lesser extent, pharmacies. In relation to the pharmacy provisions, the backdown by the Government over the pharmacy provisions has been truly breathtaking to watch. Pantomime performances by the Premier on the nightly news, public pleas to the Prime Minister and letters made public, all culminating in a cosy arrangement between Bob Carr and John Howard, accompanied by a canny campaign of misinformation by the Pharmacy Guild. The bill never proposed opening up pharmacy services to supermarkets. The Pharmacy Guild knows this and the Government knows it. The 500,000 signatures from the so-called community pharmacies was a deliberate attempt to distort and protect the pharmacists from competition.

Segments of the pharmacy industry, in particular friendly society pharmacies, strongly endorsed the proposed legislation as it would have opened the New South Wales market to not-for-profit co-operatives. In that respect, it is relevant to refer to an article that appeared in the *Australian Financial Review* of 10 June this year. The article, which is published under the headline "Pharmacies Debate: More at Stake Than at First Sight", states:

> The frustration of Woolworths' ambitions, however interesting, is not what is at stake in the debate about pharmacy and national competition policy

That is related to an article that appeared under the headline "Bitter pill" in the *Australian Financial Review* of 1 June. The article of 10 June continues:

> After all, the National Competition Council does not require that the states allow supermarkets to own or control pharmacies. What the NCC has sought is the removal of legislative restrictions that have been imposed on the operation of friendly society pharmacies.
>
> Friendly societies are mutual organisations. They exist to provide benefits and services to members. They are not, like the pharmacy owner-operators, profit seekers.
>
> In a friendly society, all the assets belong to members and surpluses are reinvested to provide benefits and services to members.
>
> This makes a strong contrast with the pharmacy owned and operated by a pharmacist. Under the owner-operator model all profits generated from the provision of services to sick people who require medication are like the profits of any private-sector firm. They are retained by the owner of the business.
>
> The not-for-profit mutual sector played a prominent role in the provision of health services to the Australian community. In the 1960s, there were more than 60 friendly society pharmacies in NSW. Today there are only nine.
>
> This decline was artificial. It was not caused by changes in consumer preference. On the contrary, it was caused by anti-competitive legislation, introduced at the behest of the Pharmacy Guild, which deliberately sought to put the friendly societies out of business and to deprive consumers of choice.
>
> Fortunately, the advent of the national competition policy meant that these highly anti-competitive restrictions were subject to independent scrutiny.
>
> The rewriting of legislation means there is a historic opportunity to revive a "third way" in the provision of pharmacy services.
>
> Friendly society pharmacies demonstrate that an alternative model, based on the not-for-profit ethos of mutualism, can be viable.
>
> As well as providing a focus for the development of social capital in communities, they are the perfect way to promote competition and alternatives for consumers.

> The decisions of the Howard and Carr governments in NSW to collude to maintain restrictions on friendly societies involved traducing all the principles of competition policy and the operations of the NCC.
>
> The outcome the two governments are seeking is the introduction of a limit of six on the number of pharmacies a friendly society can operate in NSW.

The author of this article went on to note:

> Such a device is clearly anti-competitive.
>
> It is an entirely perverse outcome to use the processes of competition policy to introduce new restrictions on mutually owned pharmacies.
>
> Let's hope such a sordid episode will not be repeated in other states and territories. After all, the growth of friendly societies means lower prices, enhanced consumer choice and a better deal for communities.

I have quoted that article at length not because the Greens subscribe to all the views incorporated in it but merely to indicate that the original intention of the Government to accede to the requirements of the National Competition Council [NCC] has at least put a focus on pharmacies run by members of the Pharmacy Guild and those run by friendly societies. There is a lot to be said for the friendly societies' case but I think the amendments that the Government proposes to move are possibly a suitable compromise, even if they do not meet all the requirements of the friendly societies.

As I said, the bill never proposed opening pharmacy services to supermarkets. The Pharmacy Guild knew this and the Government knew it. The half million or so signatures from so-called community pharmacies was a deliberate attempt to distort the debate to protect pharmacies from competition. The benefits of opening the New South Wales market to not-for-profit co-operatives would have been to consumers and to the non-profit, membership-based structures such as friendly societies. Such structures already operate in Victoria and South Australia with considerable success and offer discounted services. It was for this reason that this element of the bill was strongly supported by the Australian Consumers Association and the Greens. The Greens do not support unregulated free-market competition, particularly in health, neither do we support powerful groupings that protect the profits of a well-to-do industry. It is unfortunate that reasoned debate was swamped by a campaign of misinformation, hysteria and political theatrics.

The so-called compromise now being offered allows friendly societies to own up to six pharmacies. It is a dubious compromise. Three friendly society co-operatives already operate in New South Wales. The largest of these has precisely six outlets, meaning that the bill effectively caps the growth of friendly societies at the existing level. At the same time the bill proposes to increase the current limit on the number of pharmacies that can be operated by individual pharmacists from three to five. This provision will make it even easier for an individual pharmacist to dominate pharmacy services in a single neighbourhood. Few suburbs would have more than five pharmacies. The Pharmacy Guild ran a deliberate campaign of misinformation, and the Carr Government caved in to its demands in John Howard's election year. This irony is not lost on the Greens.

Competition in the dental and optometry industries is more contentious. The Greens are concerned that changes that allow dental practices to be owned by non-dentists opens the way for corporatisation of dentistry. As has happened in the private medicine sector, this provision makes it more likely that large corporations such as medical insurance companies will own and operate large dental centres. The Greens believe that dentistry should be integrated with other essential medical services as part of Medicare. This provision will increase the orientation of dentistry towards profit rather than service, and it is likely to create a new barrier to the introduction of a bulk-billing type system for dental practitioners. Any step away from integration of dentistry into a comprehensive public health system is opposed by the Greens.

Also controversial are the provisions allowing optometry practices to be owned by non-optometrists. As members of this House would be aware, ophthalmology is currently widely available on a bulk-billing basis. Many optometry shops contain independent optometrists practising on the premises in an arrangement that ensures high-quality optical care for the public while appropriately ensuring the separation of the medical and commercial aspects of supplying glasses and contact lenses. The system appears to work well for both customers and practitioners. It is only from the distorted perspective of neo-rationalist ideologues that the system is in any way broken.

Under the proposed changes set out in this bill it will be possible for large optometry chains to own not only the commercial but also the medical arm of optometry. There will inevitably be potential for pressure on optometrists to meet prescription targets or to prescribe more profitable forms of treatment such as more

expensive glasses and contact lenses. This is analogous to doctors having a financial interest in the filling of prescriptions and is an anathema to modern medical ethics. The Optometrists Association of Australia has asked that this legislation be rejected or, at the very least, deferred until all possibilities for reform have been explored. The Government's decision to ignore this request will, I trust, not be echoed by the Opposition or by members of the crossbench.

The Greens are disappointed that pharmacies were singled out for special treatment under the bill and that the only occasion some competition may have been warranted is when the Government caved in to political pressure. The Greens do not support national competition policy, and cannot support the dentists and optometrists provisions of this bill. The Greens support for the pharmacists provisions is dependent on their being amended in accordance with the amendments the Government is proposing. As I said earlier, my colleague Mr Ian Cohen has dealt with the farm debt mediation aspects of the legislation, and we welcome the indication from the Deputy Leader of the Opposition that our position in relation to the dental and optometry aspects of the bill coincides with that of the Opposition. It will be interesting to see how the bill fares in Committee.

[*The President left the chair at 1.01 p.m. The House resumed at 2.30 p.m.*]

The Hon. Dr ARTHUR CHESTERFIELD-EVANS [2.30 p.m.]: I speak on the National Competition Policy Health and Other Amendments (Commonwealth Financial Penalties) Bill on behalf of the Australian Democrats. Competition policy is like any other economic theory or regulatory regime; that is, it does not necessarily work in every circumstance. The perfect market is defined in the first chapter of every economic textbook. The definition assumes a finite number of dollars and it is based on the theoretical small, Middle Ages, European village. The farmers brought their goods to market and had to sell them because they could not take them home, the citizens had to buy food and, at the end of the day, all the money had to be spent and all the goods bought. Competition among the farmers to sell their goods to consumers who knew what was going resulted in the cheapest prices. Although that is outlined in the first chapter, it does not follow in the succeeding chapters because there might be different objectives.

If competition is allowed to rule, one or two big players tend to dominate the market. They buy out the smaller players and effectively create a monopoly or oligopoly and set the prices. They often have a perfect market in the people working for them. I have cited previously in this House the example of the optometry industry. OPSM Group Ltd was a member of the Australian Optometrical Association, which was formed by a professional group that clubbed together to buy spectacle frames and other goods from big distributors. Because they were purchasing goods together they negotiated a better price. For a change, it was a buyers' cartel. The management of OPSM knew which practices were buying what, their turnover, their location and so on, and were therefore able to buy out their opposition. In dollar terms, the company eventually controlled more than half of the Australian market. It then sold out to Luxor TNT, an Italian company. The Optometrical Association split because the small optometrists realised that if they stayed in the association they would be bought out. In that situation the competition was not fair and a big player benefited.

Coles-Myer and Woolworths control a huge percentage of the retail market in this country. They are now moving into the liquor and petrol markets. They are setting up an oligopoly. Some bang the drum of economic theory and say that competition is good in all scenarios, but that is naive. The point has been made that pharmacists provide a great deal of advice and they are increasingly involved in programs to combat diabetes and smoking. They also provide advice on wound dressings, whether medical attention is required and so on. If pharmaceutical goods are put on supermarket shelves the checkout operator will not be able to provide that advice. The price might be lower, but the appropriateness of the product is another question. There are some intangibles and we must look at social as well as competition objectives. The National Competition Council has done good work in some areas in establishing a price signal and stopping inefficient monopolies, particularly government monopolies, providing relatively inefficient services. However, that does not necessarily mean it will work in all cases. As I said, there are horses for courses.

The Federal Government asked the New South Wales Government to deregulate the liquor and poultry meat industries, the dentistry, optometry and pharmacy professions, and farm debt mediation. The liquor industry amendments have been included in a separate bill, which we will be debating later, and the amendments affecting the poultry meat industry have been removed from the legislation. I could speak at some length about the appalling situation confronted by poultry farmers. They were given chicks by poultry companies, had the birds until they were mature and then sold them back to the supplier. Effectively, the inputs and outputs involved one big company. The only reason there were poultry farmers was that the big companies

knew that having independent farmers competing against each other was cheaper than paying wages. Of course, the theory was that people who owned their business would work harder than employees in what can be an unpleasant working environment. The poultry farmers were in a poor negotiating position. They should have had a guaranteed return. Their input costs were variable and farmers who paid off their farms could charge lower prices than those just starting out and those who had to adhere to more stringent environmental regulations. Farmers caught by spreading suburbia also lose their farms because they cannot meet increasingly stringent environmental regulations and so on. The market was not fair and equitable.

Supermarket chains are very keen to get into the pharmacy market, which may well lead to a lack of professional advice. National competition policy gets into trouble when a professional service is provided and a professional ethos cannot be measured in dollar terms. In other words, if the objective is to make pharmaceuticals as cheap as possible and the advice provided by the person selling them is irrelevant, it may be better to sell them with other retail goods. However, if the objective is to have professional input, alternative arrangements must be put in place. They could be called the intangible arrangements. About 80 per cent of the turnover in an optometry practice comes from the sale of lenses and frames. In fact, optical prescriptions are covered by Medicare and, like many Medicare items, the cost has decreased dramatically against the consumer price index.

Optometrists have been in a fairly weak position, as have general practitioners. They have watched the Medicare rebate go down against the consumer price index, and do not believe this absolute nonsense, scandalously funded by taxpayers strengthening Medicare. Medicare has been getting more money only in relation to poorer people. The universal service obligations of Medicare have not been increased. The Medicare rebate is still very low for people who are not health care card holders or pensioners, the consequence being that Medicare is no longer universal. I simply make the point that the money optometrists make from Medicare to perform people's refractions has decreased, and they are forced to survive on the retail sales of frames and lenses. I understand that the complexity of lens grinding does not allow optometrists to grind their own lenses. If large corporations are able to buy businesses that provide prescriptions and frames, and thereby put optometrists on salaries or percentages, effectively optometrists will be wiped out.

A friend of mine who was an extremely good optometrist and worked for many years in his own small practice had his practice taken over by a large corporation. A day later he was told, "Now you can work as an employee, and your income will be half what it was before." Optometrists will be cut out of the loop, simply by being professionals who cannot earn a professional income, and will be placed on salaries or percentages by corporations. It is hoped that the service would be the same, but it may not be. The practice would have the overhead of the corporation's profit. Based on my own experience in dealing with a medical centre, the centre was run by doctors, it was taken over by a corporation, and it was then sold it to another corporation. The corporation took 55 per cent of the gross takings. When the GST was introduced, it took 60 per cent of the gross takings, and the corporation now imposes numerous other charges. My latest bill showed that the corporation was taking 63 per cent of the gross takings.

The term "corporate parasite" is not too strong a term for what some of these corporations are doing to professionals. After-hours medical services are there, the doctors simply walk into the practices, which are minimally equipped, and are required to see as many patients as possible. Patients say to them, "I just came to you because I wanted a prescription. When I have a real disease, I go to Dr X, who is an old-fashioned GP who takes time." If all the quick medicine goes to the practices that are owned by corporations and all the difficult cases go to the other practices, doctors will naturally go broke because they are getting the high cost end of the deal. The deregulation of optometry practices is very worrying, and I believe it has done a great deal of harm to general practice. The Government wonders how we can get people back into general practice. They do not own their own practices, because they have been given to corporations. Effectively, they have been turned into serfs.

The Medicare rebate has also been racked down because the Government is keen to demean professional skills and save bucks in the short term, yet it cannot work out why there are insufficient general practitioners. We do not want this process to occur with regard to optometry. I believe there is also a great danger with regard to dentists. Dentists have very high equipment costs. The idea of simply slotting in a dentist, making dental practice very quick and glib, with great pressure towards the high cost end of the market, is very worrying. The relationship that people have with their dentist is quite important to them; they need to trust their dentist. Simply turning dentists into McDonald's dentists—or Mc-dentists—is worrying, and I do not see what the upside of it is. Just half an hour ago I received a letter from Andrew McKinnon, the Executive Director of the Optometrists Association Australia (NSW Division), which reads:

> Optometry and pharmacy are unique in the health care field in that they are the only two registered professions to have a significant retail aspect to their professional practices.
>
> In 1997, the NSW government undertook an extensive review of the Optometrists Act 1930. The review involved optometry, ophthalmology, the Department of Health, the Minister's office and the public.
>
> The review recommended a number of reforms for the profession—the removal of restrictions on the ownership of optometry practices was **not** one of them.
>
> The National Competition Council's recommendation that the people of NSW be penalised for the supposed failure to de-regulate professional practice ownership ignores the reality of the market for health care services in NSW and undermines the right of a sovereign government to make decisions which it regards as being in the best interests of its citizens.
>
> The Optometrists Association Australia (NSW Division) has held discussions with the office of the Prime Minister in an effort to have the NCC's recommendations reversed. As at this moment (1 pm, Tuesday 22 June 2004) these discussions are continuing and we are still hopeful of a resolution being reached prior to the deadline of 30 June 2004.
>
> With these negotiations still ongoing, the Association is most disappointed that the Bill has been brought on for debate at this stage.
>
> The Association is still of the view that the Carr government made a correct decision to retain restrictions on the ownership of optometric practices in the Optometrists Act 2002. The threatened imposition of a relatively small financial penalty does not change the fact that such restrictions represent good public policy.
>
> The Carr government has consistently said that it is introducing this Bill under duress and that it would afford the Prime Minister every opportunity to change his government's position on the matter. Whilst we appreciate that time is tight, the Association would ask that a vote on the Bill be held over until the last possible moment in order to give us every opportunity to resolve the matter with the Prime Minister's office.

It has been stated that if the bill is not passed and the New South Wales Government has to recover its fees, it is estimated that the registration fee will be around $1,000 to $1,500 per year. The Optometrists Association has not yet considered whether it would prefer the imposition of such a fee to the bill being passed. One would think that the downside for individual optometrists would probably be greater than that. Obviously, there is a dogma in the National Competition Commission that says this is costing us $1,000 to $1,500 per practice per year. I confess that I would prefer to deal with my optometrist personally than to have optometry services carried out by a corporation that employs optometrists with whom people do not have the same professional relationship. The Australian Dental Association, which has some 3,200 members, is also concerned about the bill. P. Hugo Sachs, president of the association, wrote:

> I ask that you act in the health interests of the Australian community to ensure that dentistry, optometry and pharmacy are protected from the effects of the NCC recommendations.
>
> The reality is that if the services that are currently provided are compromised, then as a consequence the health costs in other areas must rise.

In its summary the Australian Dental Association wrote:

- In NSW, approximately 15 million occasions of service or individual patient contacts are provided by private sector dentists annually. The relationship between healthcare provider and patient is a primary one, and the views and opinions of providers are often sought on many matters;
- Existing private sector dentists support Government programs even though the dentists suffer economic loss in doing so—these programs are a mix of Commonwealth and State based programs. Existing "corporate entities" do not provide these services;
- Workforce issues are significant in dentistry and contribute to problems experienced in accessing services particularly in rural and remote NSW. Existing "corporate entities" provide little if any tangible servicing to rural and remote NSW;
- Entrepreneurs have been in contact with the Branch seeking advice on the state of play in this debate, particularly to move into the perceived lucrative area of "cosmetic" dentistry; and
- Examples of compromise of standards both from a business perspective, but most importantly from the health service delivery perspective, have been evidenced in State jurisdictions where de-regulation has occurred.

According to the sales representatives, a friend of mine—he was my flatmate in England; we were registrars together—was known as the only dentist in the northern part of England who used the same standard of dental prosthetic equipment on his National Health Service patients and on his private patients. He did so because of his idealism against a raft of cost impositions as the National Health Service provided less for dentistry. Sadly, there is not a national dental scheme in Australia. The body is looked after, but not the teeth—that is not an issue for today. I cannot support this bill. It has been moved under duress. The Government simply has to stand up to

the Commonwealth and wear the costs. I take the point the Treasurer made this morning: the formula currently used by the Federal Government is disadvantageous to New South Wales. However, that does not mean that we should spoil the regulation of professions in New South Wales by passing this bill. I do not support the bill.

Reverend the Hon. FRED NILE [2.50 p.m.]: The Christian Democratic Party has concerns about the National Competition Policy Health and Other Amendments (Commonwealth Financial Penalties) Bill. As honourable members are aware, the bill is a result of the national competition policy [NCP]. This reform program was established on 11 April 1995 under the auspices of the Council of Australian Governments. The NCP is implemented through three agreements: first, the conduct code agreement; second, the competition principles agreement; and, third, the agreement to implement the national competition policy and related reforms (implementation agreement). The National Competition Council [NCC] has assessed New South Wales as having fulfilled all its obligations under those three agreements, with the exclusion of certain legislation review and reform activity. Among other areas, the council has expressed dissatisfaction in relation to the degree of reform undertaken in the regulation of farm debt mediation, and the dentistry, optometry and pharmacy professions.

The Commonwealth Government has accepted the recommendation of the NCC to impose a penalty for New South Wales' 2003-04 competition payments of $50.8 million. The amendments in this bill seek to ensure that this penalty is not imposed in future years and, subject to the NCC's assessment and recommendation, may enable New South Wales to earn back a portion of this penalty. I have outlined the important basis of this national competition policy, because that obviously is what drove the Government to introduce this legislation and the legislation that was withdrawn in regard to the poultry meat amendments. Those amendments have been removed from the bill because the NCC has agreed to permit New South Wales to conduct a further independent review of the poultry legislation. The amendments relating to liquor licensing are contained in a separate bill to allow further consultation in relation to that legislation. That bill will be introduced on another occasion.

The Christian Democratic Party is concerned about the power of the NCC and the way it is focusing in an almost microscopic way on what we could argue are areas of small business in our State, instead of looking at State Government corporations to introduce competition, as I believe was the original intention. For example, I refer to electricity, water, gas and freight—in most cases they are monopolies. In New South Wales the Electricity Commission has been split up. It would have been one monolithic body—a monopoly. It is now many competing companies at a number of levels— whether it is the supply of electricity or the maintenance of the power grid. We have no problems with that. However, I do not believe that it was ever intended that the NCC would start delving into the local chemist shop, the local dentist or the local optometrist in the way it is now doing.

If people had known in 1995, when the Federal Government passed the original legislation, that the NCC would delve into these areas there would have been massive protests and strong opposition to the legislation. From my understanding, at that time no-one contemplated that the NCC would be moving in this direction, especially in relation to alcohol. It is almost madness to be talking about deregulation of alcohol, but that is for another debate. It shows how radical the National Competition Council has become. From my discussion with the organisations that are being affected by the legislation, it is time for the New South Wales Government, through its Premier, to call on the Council of Australian Governments to introduce a motion to disband the National Competition Council. It has done its job; it is no longer needed.

If the NCC is going to send out its spies to ask, "What is another area we can take up to justify our existence?" it will interfere with the foundations of our society, with the way Australian society operates. The greatest number of employed persons in Australia are employed by small businesses. Small businesses—particularly what I call family businesses—have been the foundation of our country. These businesses have given growth, stability and prosperity to our country. When people buy a business they not only pay for the shop and the stock, they also pay for the goodwill. They know they have an area in which their business can operate. It gives them some security for their investment. For example, this applies in relation to a newsagency. When a person buys a newsagency he or she understands that there is a certain area for which he or she is responsible. I understand that that situation is now under pressure. All honourable members would remember that milkmen had milk runs. Milk runs have been virtually destroyed in our society. In the main, those small businesses no longer exist.

The Government is introducing legislation because of the Federal penalty of $50.8 million, which it has already lost in the current year and does not want to lose in the next financial year. I can understand the desperation of the Premier and the Treasurer in trying to combat the National Competition Council and hoping

to get some mercy from the Federal Government, particularly the Federal Treasurer. The National Competition Council makes the recommendation and it has to be accepted by the Commonwealth. In other words, the Federal Treasurer ticks off the recommendations of the NCC. It does seem possible that the Federal Treasurer could say, "We do not want to move into these areas of controversy where it is upsetting these very important community and consumer activities in our society", and the reform does not proceed. But, obviously, that has not happened.

It has been said that the Commonwealth Treasurer has no option but to tick off what the NCC wants and has set as the penalties. That is perhaps a debate within the Commonwealth Government, but it is a matter of concern. The Christian Democratic Party has been lobbied extensively, as have other members of the crossbench, by the three organisations affected by this legislation. We have been given an up-to-date briefing from these respective bodies. For example, I contacted the Pharmacy Guild and said, "What is your response to the amendment that we have just been given regarding the legislation—that is, the Government amendment on sheet C-028B—which amends matters relating to pharmacies?" When I rang the Pharmacy Guild of Australia at 1.00 p.m. I was informed that the association was not aware of the amendments, but my office has just received a fax from the President of the New South Wales branch of the Pharmacy Guild, Si Banks, which states:

> The Pharmacy Guild is appreciative that the Premier and the Prime Minister showed leadership in developing a compromise in respect of Pharmacy legislation.
>
> The preferred position of the Guild is to not have a non-pharmacist owned corporate model such as Friendly Society pharmacies or to see any chains of pharmacies, whether owned by pharmacists or not.
>
> Nevertheless, the Guild recognises that the essential professional and personal accountability of the current model of community pharmacy, while weakened, can continue under this legislation which was forced on the Government by pressure from the NCC, and under the circumstance supports this Bill and thanks all members of the NSW Parliament for their support of community pharmacy.

In a sense, the amendments, which will provide some protection for pharmacists, have been accepted almost at gunpoint. The amendments deal with restrictions with respect to carrying on the business of a pharmacy, exemptions for certain friendly societies and other matters. Obviously, in Committee the Government will explain the amendments in more detail. The New South Wales Branch of the Australian Dental Association has not changed its position on the bill. It states:

> The proposed Bill clearly does not serve the interests of the public and may in fact have the opposite outcome intended by competition reform by increasing costs, reducing access and availability of services and potentially impacting on quality of care.

The association has provided all members with a list of its objections to the legislation and believes that lifting restrictions of ownership of dental practices is not in the public interest. That opinion is based on a number of reasons such as: lack of consultation; the proposed legislation undermines the statutory authority of the New South Wales Dental Board; serious implications in regard to professional indemnity insurance; implications with respect to the standard of care; and higher dental health care costs. The purpose of the exercise is to reduce costs, but if costs are not reduced, what is the point of the legislation? The association has expressed concern about the limitation of patient treatment choice and issues relating to advertising. The Government should be concerned about the association's strong objections to the legislation. The New South Wales branch of the Optometrists Association of Australia maintains its position with respect to the legislation and has expressed ongoing concern. Other members have referred to its position statement, which arrived at 1.00 p.m. today. I seek leave to incorporate the document.

Leave granted.

> Optometry and pharmacy are unique in the healthcare field in that they are the only two registered professions to have a significant retail aspect to their professional practices.
>
> In 1997, the NSW government undertook an extensive review of the Optometrists Act 1930. The review involved optometry, ophthalmology, the Department of Health, the Minister's office and the public.
>
> The review recommended a number of reforms for the profession—the removal of restrictions on the ownership of optometry practices was **not** one of them.
>
> The National Competition Council's recommendation that the people of NSW be penalised for a supposed failure to de-regulate professional practice ownership ignores the reality of the market for healthcare services in NSW and undermines the right of a sovereign government to make decisions which it regards as being in the best interests of its citizens.

The Optometrists Association Australia (NSW Division) has held discussions with the office of the Prime Minister in an effort to have the NCC's recommendations reversed. As at this moment (1 pm, Tuesday 22 June 2004) these discussions are continuing and we are still hopeful of a resolution being reached prior to the deadline of 30 June 2004.

With these negotiations still ongoing, the Association is most disappointed that the Bill has been brought on for debate at this stage.

The Association is still of the view that the Carr government made a correct decision to retain restrictions on the ownership of optometric practices in the Optometrists Act 2002. The threatened imposition of a relatively small financial penalty does not change the fact that such restrictions represent good public policy.

The Carr government has consistently said that it is introducing this Bill under duress and that it would afford the Prime Minister every opportunity to change his government's position on the matter. Whilst we appreciate that time is tight, the Association would ask that a vote on the Bill be held over until the last possible moment in order to give us every opportunity to resolve the matter with the Prime Minister's office.

ANDREW MCKINNON
Executive Director
9712 2199; 0412 40 1102

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The Premier and the Treasurer have stressed the importance of the legislation in regard to the overall financial success of New South Wales and its State budget. This is only one area that has been affected by national competition policy. On the one hand, it is argued that we should pass bad legislation, but one wonders whether there is sufficient justification for doing so, especially in view of opposition from those bodies that will be affected. As members of Parliament we have a responsibility to represent fairly and honestly the views of special interest groups and the community.

The Hon. Dr PETER WONG [3.06 p.m.]: I comment briefly on the National Competition Policy Health and Other Amendments (Commonwealth Financial Penalties) Bill. Neither the Federal Government nor the State Government is happy with the legislation yet honourable members will support it for one reason or another. The benefits of competition policy were always based on the precarious concept of a competitive market in order to boost productivity and a range of other economies of scale that will ultimately lead to significant payouts for government, business and individuals via diminished prices and costs.

It has always been the policy of both Federal and State governments to support business. Deregulation has continued to have a devastating effect on any true and rigorous competition by shifting power to a few corporate giants and ousting smaller businesses from the market. By all accounts competition policy is failing its most basic objective. In a few short years we have witnessed the furore of a dairy industry in turmoil through deregulation, and independent grocers and fruiterers have bowed out under the domination of supermarket giants, with dire economic consequences for employers, employees and families.

The reach of the corporate tentacles does not stop there. Supermarkets have easily shifted their sights to our petrol bowsers. In considering this bill we need to understand that a similar fate is entirely possible for a range of other industries—pharmacy, optometry, dentistry and liquor retailers. Honourable members are pleased that following the receipt of 500,000 signatures from communities around New South Wales supporting pharmacists against pharmacy deregulation, the Government, with the approval of the Federal Government, will move amendments in Committee to rectify the situation. However, this is really a schizophrenic bill.

On the one hand it satisfies certain requirements of the National Competition Council to allow for the deregulation of dentists and optometrists; yet now it must make up its mind, whoever it may be, that we no longer need to deregulate pharmacies, which is a good thing. To be consistent, the Government should go back and talk to the Federal Government to ensure that there will be no deregulation in the areas of dentistry and optometry, and other spheres as well. I do not think we can support this bill in its current form. If we support this bill we will be supporting a split personality bill which advocates for one thing and against another thing, yet we must say, "It is good for you", which I cannot accept.

The Hon. TONY KELLY (Minister for Rural Affairs, Minister for Local Government, Minister for Emergency Services, and Minister for Lands) [3.10 p.m.], in reply: I thank honourable members for their contributions to this debate. The debate both within the Parliament and in the broader community has won important concessions from Canberra on farm debt mediation and on pharmacies. With regard to pharmacy ownership, following a vigorous campaign by the Government, the Pharmacy Guild and members of the crossbench, the Prime Minister agreed to reverse the demands of the National Competition Council [NCC] to

deregulate pharmacy ownership. As honourable members are aware, the Government resubmitted the New South Wales public interest case for the retention of our pharmacy legislation to the Commonwealth on the invitation of the Prime Minister on 16 April 2004. The Prime Minister has now largely accepted our arguments. He has advised that the Commonwealth will not penalise New South Wales if we make two comparatively minor amendments to our existing legislation.

In Committee, the Government will replace the current schedule with a new schedule to implement the Prime Minister's compromise requirements, namely, increasing the cap on the number of pharmacies an individual pharmacist can own from three to five and capping the number of pharmacies a friendly society can own at six. A copy of the amendments is being circulated. While the Government has strongly argued against making any changes to our existing pharmacy legislation, the Prime Minister's offer represents a major backdown by the Commonwealth and is an important win for the people of New South Wales. In the circumstances, the Government considers that the amendments now required by the Commonwealth should be made in preference to risking the loss of competition payments of as much as $10 million a year. Existing restrictions on the entry of friendly societies will remain following confirmation of the Prime Minister's intentions with his private office.

The Pharmacy Guild has indicated that it is now satisfied with the amendments. I thank all the citizens of New South Wales who signed what I am advised is the largest petition in the State's history to convince the Prime Minister of the wisdom of the Government's position on pharmacies from the outset. Canberra has not seen fit to exempt optometrists and dentists from the national competition policy, largely because in these professions New South Wales is only following what other States have already done. The bill provides for the removal of ownership restrictions on dental and optometry practices. However, this does not mean that there is any change to the requirement that the professional work of a dental or optometry practice must be carried out by appropriately qualified people. The bill also contains strong new measures to protect the health and safety of consumers, which are identical to those contained in the Medical Practice Act. These measures, which were passed by the Parliament in 2000, prohibit employers from directing or inciting employee dentists or optometrists to engage in unsatisfactory professional conduct, including overservicing.

Fines for corporate offences are up to $88,000 per violation. When a company is convicted of an offence under the new provisions, every director or person concerned with the management of the company will also be guilty of an offence unless they have no knowledge of the offence and they exercise due diligence to prevent the conduct. The effect of these protections is to place companies on the same regulatory footing as the individual registrants, ensuring that dentists and optometrists employed by a company are protected from any improper influence in their professional practice. In medical practice, the Government believes that this has been a successful deterrent to overservicing and malpractice. We have had constructive discussions with both the Optometrists Association and the Australian Dental Association [ADA] with regard to monitoring compliance with the new ownership requirements. While they would obviously prefer the status quo, they recognise that these amendments have been forced on New South Wales by the Howard Government.

The final amendments in the bill relate to the removal of two specific elements in the Farm Debt Mediation Act: first, the requirement that lenders who have not attempted to mediate in good faith wait 12 months before enforcing their security; and, secondly, the provisions allowing for the review of Rural Assistance Authority decisions by the Administrative Decisions Tribunal. The Government, with the support of the New South Wales Farmers Association, has been successful in ensuring that the amendments to the Act are limited to just these two provisions. This will satisfy the NCC while ensuring that our cost-effective system of farm debt mediation, which has played an important role in protecting farming families during tough times, is retained. Given the Prime Minister's compromise on pharmacy ownership and the NCC's compromise on farm debt mediation, the objections originally held by the Coalition are now essentially redundant. The Prime Minister made it clear that the pharmacy deal was contingent on the entire package of reforms being passed into law. To date, he has also made it clear that he does not intend to overturn or offer a compromise with respect to the penalty for optometrists.

We have indicated to both the Optometrists Association and the Australian Dental Association that we will be forced to pass on any fines to practitioners. In response, they have indicated that they would prefer another opportunity to lobby the Federal Government. The Government will amend the legislation to provide for the Act to commence on proclamation rather than assent. This will give the professions a final chance to seek sense from the Commonwealth. I am advised that the Optometrists Association has asked the Opposition to withdraw its amendments. Further, the ADA has today provided some suggestions for amendments to the dental legislation to provide for further protections. Some of these suggestions can be effected administratively and

some are broader changes to the dentistry legislation. The Government is open to considering anything that will make these measures more effective, and will consider the submission in detail. If further amendments are required we will bring them back to the Parliament in due course. I ask Coalition members to respect their Federal leader and vote in support of this legislation. I commend the bill to the House.

Motion agreed to.

Bill read a second time.

In Committee

Clause 1 agreed to.

The Hon. TONY KELLY (Minister for Rural Affairs, Minister for Local Government, Minister for Emergency Services, and Minister for Lands) [3.20 p.m.]: I move:

Page 2, clause 2, line 6. Omit all words on that line. Insert instead:

(1) This Act commences on the date of assent, except as provided by subsection (2).

(2) Schedules 1-3 commence on a day or days to be appointed by proclamation.

The Opposition and the Greens have indicated that they will move to delete schedules 1, 2, and 3, which propose to remove restrictions on the ownership of dental and optometric practices in accordance with the requirements of the Commonwealth Government. I remind the House that the reforms proposed in this bill are being pursued because, and only because, the Commonwealth Government has given the New South Wales Government no other option. This Government has made numerous pleas to the Commonwealth to overturn its decision to impose competition penalties. We wrote to the Prime Minister on 2 May, again presenting the public interest case to retain our optometry legislation. The Prime Minister rejected our pleas on 28 May. The Prime Minister's private office has similarly confirmed that the Government will not budge on the New South Wales dentists legislation.

The Government is moving this amendment to give the Commonwealth one final opportunity to act in respect of optometry and dentistry. This amendment will change the commencement date of the reforms to dentistry and optometry in clause 2 of the bill from the date of assent to a day or days to be appointed by proclamation, as alluded to in the conclusion of the second reading debate. The Government will delay the commencement date for the reforms for two weeks from the date of assent of the bill. Professional associations and members of Parliament must do their utmost during the two weeks from the date of assent to get an assurance from the Prime Minister that he will not impose penalties if New South Wales retains its existing dentistry and optometric legislation. We cannot delay commencement of the reforms any longer without risking further significant competition penalties.

The National Competition Council will make its assessment as at 30 June. If the Commonwealth does not reverse its decision to impose penalties on New South Wales the Government will have no choice but to commence reforms to dentistry and optometry. The Government has previously stated that it will not countenance a taxpayer-funded protection racket. It will not shelter a couple of professions at the expense of the provision of essential government services to the broader community. The amendments being moved today provide the Commonwealth with one final opportunity to set things right. I urge the Australian Dental Association and the Optometrists Association to renew their representations to the Commonwealth Government, in whose hands the decision to pursue reforms to legislation regulating their profession lies. I urge honourable members to turn their objections into action and to lobby their Federal parliamentary colleagues to overturn this penalty decision so that we can withdraw the optometry and dentistry reforms from the bill altogether.

The Hon. DUNCAN GAY (Deputy Leader of the Opposition) [3.23 p.m.]: First of all, the Opposition will support the Government's amendment. It would be churlish not to do so, and we are not a churlish Opposition. I am gobsmacked by the lies that surrounded the moving of the amendment. Anyone would think it is the Commonwealth that benefits from this legislation, regardless of the fact that Bob Carr was the first bloke to beat his way down the track and sign off on this—he is one of the people who initiated it. So the Minister should stop trying to create an ogre out of John Howard when he knows he has a duty under the legislation that his Premier signed off on. If the Minister wants our support, he should stop the rubbish, do his job and defend the public interest. We have been trying to defend the optometrists, the dentists, the farmers and hotels over this legislation, yet the Government has only wanted to play politics. It should stop this rubbish and get on with the bill.

Reverend the Hon. FRED NILE [3.25 p.m.]: The Christian Democratic Party supports the amendment. It provides only for a limited time but it allows further consultation for the respective bodies and, hopefully, the Commonwealth to come to a satisfactory conclusion. We are pleased to support the amendment.

Ms SYLVIA HALE [3.25 p.m.]: The Greens oppose this amendment. We believe it is the responsibility of this Parliament to make a decision on these matters. It is not our place to defer to the Commonwealth by saying that if it chooses to act one way we will not take a position but will just go along with it. This is a totally unprincipled way to proceed with the legislation. The reasons for maintaining regulation, particularly in relation to optometrists and dentists, have been outlined in the second reading debate. The Opposition and other speakers have clearly outlined why that is a preferable decision. To say now that it is all beyond us and that we are going to give the Federal Government a chance to alter its position is to resile from all the arguments that were advanced during the second reading debate. This is an extraordinarily unprincipled way to behave, and it does no-one credit, particularly those who advanced cogent reasons for not agreeing to deregulate optometry and dentistry. The Greens will definitely oppose this amendment.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS [3.27 p.m.]: This amendment is effectively giving away the power of this Parliament in the hope that some time can be bought because of the time requirements of the National Competition Council. I have some sympathy with the point raised by the Deputy Leader of the Opposition. We are trying to defend the interests of pharmacists, optometrists, dentists, farmers involved in debt mediation and—perish the thought—liquor outlets, against an unthinking application of an economic dogma of competition. Unable to do that, because the quango that creates the dogma insists on a deadline, we effectively give away our power in this amendment and do a bit of a fiddle. We can delay the legislation to the last possible day and then proclaim it differently because that can be arranged by the Premier and the Executive Council. So the Parliament effectively gives its power to make legislation to the Premier, who, with a nod and a wink from Canberra, finesses it through. That is not the way to make laws in New South Wales.

What we are doing here is wrong, and we know it is wrong. The governments of Australia set up the National Competition Council—perhaps so that when the consequences were politically unsavoury they could say it was not their governments' fault but the fault of this quango, which is supposedly in our national interest, and which has gone—

The Hon. Christine Robertson: Feral.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Feral and dogmatic: no-one can control it. The State Government and the Federal Government say they cannot control it, and they want to pass legislation with a nod and a wink to fix it. That is not how governments should work.

Amendment agreed to.

Clause 2 as amended agreed to.

Clauses 3 and 4 agreed to.

The Hon. DUNCAN GAY (Deputy Leader of the Opposition) [3.30 p.m.]: For the reasons stated by Opposition members in their contributions to debate on the second reading of the National Competition Policy Health and Other Amendments (Commonwealth Financial Penalties) Bill, I advise that the Opposition opposes schedule 1 and, if necessary, it will cause the Committee to divide on it. In addition, I indicate that we oppose schedule 2 also, but the question of whether it will be agreed to will be resolved on the voices. The dental association is pleased with the amendment that has just been agreed to, but it still believes that this is the wrong way to go. We have given an undertaking to the association to divide on the schedule. I will talk about the position relating to the optometrists when we consider schedule 2. Whilst we fought for both the dental and optometrist associations—and we will continue to fight for them—we will put our position on the optometrists when we reach that stage.

The Hon. TONY KELLY (Minister for Rural Affairs, Minister for Local Government, Minister for Emergency Services, and Minister for Lands) [3.31 p.m.]: The Opposition's position if accepted will effectively reverse the objects of the bill, which are to protect the budget from Commonwealth financial penalties. The Prime Minister has indicated that New South Wales will only be exempt from penalties if we do what he proposes in relation to pharmacy and the other legislative reforms. The Prime Minister advised the New South

Wales Government that he did not support any compromises on optometrists. The Prime Minister's Office indicated verbally that it considered the dentists had no case. The Opposition, which is forever making allegations of waste, is now proposing that we simply throw this money away.

If the Opposition were successful, the Government would be left with a fine in the order of $4 million to $7 million each and every year for these two professions alone. Assuming the Prime Minister's intention is to deny any funding to New South Wales if these reforms do not pass, we could be left with a shortfall of $51 million. That money has to come from somewhere. If we are fined for not introducing reforms in relation to dentists and optometrists, the $4 million to $7 million will have to be funded from the health budget. The Minister for Health will then need to consider how he can recover those funds. The Government would be forced to pass on the Federal Government's national competition policy penalties directly to dentists and optometrists. I am advised that that would equate to roughly $1,000 per practitioner.

Question—That schedule 1 be agreed to—put.

The Committee divided.

Ayes, 16

Dr Burgmann	Ms Griffin	Ms Tebbutt
Mr Burke	Mr Hatzistergos	Mr Tsang
Ms Burnswoods	Mr Kelly	
Mr Catanzariti	Mr Macdonald	*Tellers,*
Mr Costa	Mr Obeid	Mr Primrose
Mr Della Bosca	Ms Robertson	Mr West

Noes, 23

Mr Breen	Ms Hale	Mr Pearce
Dr Chesterfield-Evans	Mr Jenkins	Ms Rhiannon
Mr Clarke	Mr Lynn	Mr Ryan
Mr Cohen	Reverend Dr Moyes	Mr Tingle
Ms Cusack	Reverend Nile	Dr Wong
Mrs Forsythe	Mr Oldfield	*Tellers,*
Mr Gallacher	Ms Parker	Mr Colless
Mr Gay	Mrs Pavey	Mr Harwin

Pair

Mr Egan	Miss Gardiner

Question resolved in the negative.

Schedule 1 negatived.

Progress reported from Committee and leave granted to sit again.

RESIDENTIAL TENANCIES AMENDMENT (PUBLIC HOUSING) BILL

Bill received, read a first time and ordered to be printed.

Motion by the Hon. Tony Kelly agreed to:

That standing orders be suspended to allow the passing of the bill through all its remaining stages during the present or any one sitting of the House.

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

STANDING COMMITTEE ON STATE DEVELOPMENT

Government Response to Report

The Hon. Tony Kelly tabled the Government's response to Report No. 28, entitled "Science and its Commercialisation in New South Wales: Final Report", tabled 17 December 2003.

Ordered to be printed.

NATIONAL COMPETITION POLICY LIQUOR AMENDMENTS (COMMONWEALTH FINANCIAL PENALTIES) BILL

Second Reading

Debate resumed from an earlier hour.

The Hon. JOHN TINGLE [3.47 p.m.]: The feeling among people who are apparently vehemently opposed to this bill is that if it succeeds there will be a proliferation of liquor outlets. Indeed, the Government has admitted that possibility, but claims that it has put safeguards in place to prevent it. The proliferation of liquor outlets is seen as inevitably leading to much greater sales of alcohol with all the attendant undesirable social consequences. I find it difficult to accept that proposition without question. For a start, the amount of liquor that one can buy is self-limited. I probably have more experience in buying alcohol than some other honourable members because of my greater age and inclination. I can attest to the limitations of both cost and consumption.

Alcohol is already available in some shops and supermarkets through a de facto arrangement. For instance, in Port Macquarie, where I live, the Woolworths liquor store is a wide-open extension of the general store. The Coles store at the corner of King Street and George Street in Sydney has open house; customers enter the store and the food and soft drinks are on one side and on the alcohol is on the other. The open sale of alcohol side by side with food and other drinks has occurred for years, but it does not seem to have caused a major upsurge in drunkenness or frightened little children—nor has it sent old ladies into fits of the vapours because of the shock of it all.

When this legislation was mooted there were cries of alarm from people who feared the establishment of a liquor store on every corner, of florists selling riesling with roses, of service stations peddling VB with Valvoline, and the few remaining corner grocery stores tucking a bottle of Grandfather's into the shopping order alongside the Uncle Toby's. I find it difficult to share that sense of alarm. No-one would want to open a liquor store anywhere near a Coles or Woolworths supermarket, or near a Dan Murphy or Theo's outlet. Liquorland, which is owned by Coles and has massive buying power, regularly offers a 10 per cent discount on any purchase of six or more bottles of wine, and lately it has been offering the Dutch-made Bavaria beer at 50¢ a bottle with similar purchases of wine. No private outlet could match the discounts made possible by that huge buying power. If a small outlet were to present any competition to the major outlets, it would very quickly be subjected to a discount war it could not possibly win.

This legislation will abolish the needs test that is used to assess whether a liquor licence should be issued. However, it replaces it with a social impact statement which, in my humble opinion, is a much more appropriate way of assessing a liquor licence application. I am aware of proposed amendments designed to extend the reporting of that social impact statement to a long list of groups and organisations. It is possible to make the process so unwieldy and complicated that it will self-destruct and defeat its own purpose.

This legislation has been criticised as being likely to lead to increased drinking by young people in particular and the broader community in general. Whatever happens—unless legislation is repealed—this State still has laws covering the responsible service of liquor and prohibitions on selling to, or supplying alcohol to or obtaining alcohol for people under 18 years of age. Those laws do not always work, but this legislation might improve the situation. However, no legislation can work miracles on human nature. The liquor industry has settled down and is largely self-regulating. It is also working to control social damage. I do not believe this legislation will lead to any major changes and it is therefore capable of being supported.

Reverend the Hon. FRED NILE [3.49 p.m.]: The Christian Democratic Party has strong reservations about the National Competition Policy Liquor Amendments (Commonwealth Financial Penalties) Bill. During

debate on the National Competition Policy Amendments Bill we raised a number of concerns about the National Competition Council and its policies. At that time I commented that the council was serious enough to interfere with, among others, pharmacies. The National Competition Commission now wants to deregulate the sale of alcohol, and has put pressure on State governments, particularly the New South Wales Government, to act in this regard.

In New South Wales competition payments for 2003-04 totalled $50.8 million, $12.7 million of which related to penalties specifically applied to incomplete reform in respect of liquor regulation. As I said in my contribution to the original bill, when the national competition policy was adopted through the National Competition Council, if it had been said that one of the purposes of the council was to deregulate the sale of alcohol, there would have been such an outcry that the legislation would never have been passed by the Federal Parliament. It is a sneaking deregulation approach. We go from debating the obvious major areas of electricity, and so on, to suddenly debating the deregulation of alcohol.

The bill amends the Liquor Act 1982 to remove the "needs test" that currently applies in relation to hoteliers' licences and off-licences (retail), and to replace it with a social impact assessment process in connection with applications for the grant or removal of such licences. The Christian Democratic Party is not against having tests. Indeed, we would like as many tests as possible to restrict the availability of alcohol. The availability and consumption of alcohol go hand in hand. If availability is expanded, consumption is increased. The only way to decrease the consumption of alcohol is to restrict the availability of it. The Christian Democratic Party is not against social impact statements or needs tests. Our concern relates to the practicality of this approach, as to whether the Liquor Administration Board will apply the social impact assessment process rigorously. In other words, using Australian jargon, will it be fair dinkum, or will it simply be a rubber stamp? Will the Liquor Administration Board simply say, "Here is a social impact assessment. It will not cause any harm. Let's issue the licence"? That is our concern.

It gets back to the philosophy of the members of the Liquor Administration Board and how they interpret their role, and how much they are influenced in this regard by what they believe to be a government policy. As we know, government policy does have an effect on the judicial system, although it is not supposed to. We have seen that in the current debate, whereby the Government, in response to community concern, is increasing penalties for various offences. The Government has to try to influence the judicial system to increase penalties. It is no good having a maximum penalty if the judicial system selects a minimum sentence and ignores the maximum sentence. We have seen examples of governments attempting to influence decisions made by the judiciary, and I believe that could occur in this sensitive area of liquor licences. That is our concern. We would rather see no change to the current situation.

The bill provides that an off-licence (retail) that relates to a service station cannot be granted. Concern had been expressed that service stations may attempt to obtain a licence to sell alcohol. The bill also provides that the existing restrictions on granting an off-licence (retail) that apply in relation to convenience stores will also apply to other general stores such as mixed business shops, corner shops and milk bars. It has been suggested that despite that provision, a loophole exists whereby in country areas, which may not be serviced by a hotel, a mixed business or corner shop could be granted a licence. I ask the Government to clarify that matter.

We have held discussions with Minister McBride about the strictness of the social impact assessment process. The Minister has provided to us a document entitled "Social Impact Assessment Guidelines for the Grant or Removal of a Hotelier's Licence or an Off-Licence to Sell Liquor by Retail", which was issued pursuant to section 62F (3) of the Liquor Act 1982. The document reads:

> Section 62F (1) empowers the Board to approve a social impact assessment provided in connection with a relevant application, if the Board is satisfied that the:
>
> - Social impact assessment complies with the Act and the Liquor Amendment (Social Impact Assessments and Licence Fees) Regulation 2004; and
>
> - The overall social impact of the application being granted by the court will not be detrimental to the local community or the broader community.

As I said a moment ago, the Minister is helping to provide direction on how this legislation should be implemented. The document then sets out a positive feature that we are pleased about. It reads:

> Section 62F(3) provides that the Minister may issue written guidelines to the Board in relation to the following matters:
>
> 1. The factors that are to be taken into account by the Board in determining a social impact assessment;
>
> 2. The criteria for determining the local community and the broader community;

3. The manner in which the Board is to exercise its functions in relation to a social impact assessment; and

4. The appropriate form for a social impact assessment.

In some respects the bill reminds me of my private member's Family Impact Commission Bill, which sought to require that legislation be assessed as to its impact on the family. The social impact assessment process should not be seen to be simply an academic matter, but it should address the impact of easy availability of liquor not just on society in general or the community but on the families in that community, particularly husbands who may have a drinking problem. The Minister for Gaming and Racing advised that he will furnish the following guidelines under section 62F (3) of the Act:

1 **FACTORS TO BE TAKEN INTO ACCOUNT BY THE BOARD IN DETERMINING A SOCIAL IMPACT ASSESSMENT**

Category A Social Impact Assessments

1.1 For the purposes of clause 18B(4) variations to a location-specific condition of the licence may be made, but only if such a condition is not relevant to the new premises (such as a requirement to patrol a certain street, where that street is no longer near the new premises). In considering such a variation the Board should consider replacement of the relevant condition with a new location-specific requirement, in preference to the full removal of a condition.

Category B Social Impact Assessment

1.2 In determining a Category B social impact assessment, the Board must take into consideration (in addition to the information provided under clause 18E) the following:

- The density of hotelier's licences and bottle shops in the area, compared to the Statewide average;
- The ratio of young person and adult population per hotelier's licence and bottle shop compared to the Statewide average, and the population density of the area compared to both the Statewide average and the density of hotelier's licences and bottle shops in the area;
- The cumulative effect of multiple applications in a single area and the resulting increases in density;
- Any submissions or other information that may be provided by NSW Police;
- Alcohol-related crime safety data for the Local Area Command compared to the Statewide average …

One of the points is whether there should be a representative of the police commissioner on the Liquor Administration Board to provide a closer working relationship. I understand that the Hon. Dr Peter Wong is proposing an amendment, which is to be discussed later. I have a letter from Les Tree, Director-General of the Ministry for Police, to the Hon. Grant McBride, Minister for Gaming and Racing, dated 3 June—

Pursuant to sessional orders business interrupted.

QUESTIONS WITHOUT NOTICE

HUNTER ECONOMIC DEVELOPMENT

The Hon. MICHAEL GALLACHER: My question without notice is directed to the Minister for Transport Services, and Minister for the Hunter. What confidence can Hunter residents have in the Government's plans for economic development following the State Government's decision to offer for lease the 800 hectare site that includes the 94 hectares earmarked for the Protech Steel Mill site and the former Austeel land at Tomago? Has the Minister investigated why all of the major Hunter economic projects keep being abandoned? Have the Government's actions made the Hunter the Bermuda Triangle of economic development in this State?

The Hon. MICHAEL COSTA: It is clear that the honourable member, a resident of the Central Coast, knows nothing about what is going on in the Hunter. The fact of the matter is that the Hunter has very buoyant economic growth at the moment. In fact, under the Carr Government it has, for the first time, unemployment rates that are below the State average.

The Hon. Melinda Pavey: That is due to John Howard.

The Hon. MICHAEL COSTA: This is absurd. I have said once before in this House that if anybody should take credit for the national economy it should be the Hawke-Keating Government That was the Government that took the position to integrate the Australian economy into the international economy when the Prime Minister, Malcolm Fraser, opposed the floating of the dollar; the worst bunch of protectionists you have ever seen. They would have had us under a wet blanket forever if they had stayed in government.

The Hon. Michael Gallacher: You are a wet blanket.

The Hon. MICHAEL COSTA: I am certainly a wet blanket on you—I accept that. It is absolutely clear what government was responsible for the great economic growth of this country: the Hawke-Keating Government took every step possible to integrate our economy into the international economy. This is the past of Black Jack McEwen.

The Hon. Michael Gallacher: You are criticising the accord.

The Hon. MICHAEL COSTA: I am critical of the accord, that is for sure, but I have certainly supported the floating of the dollar.

The Hon. Robyn Parker: Point of order: My point of order is in terms of relevance. The question was specifically about the Hunter and the Government's commitment to the Hunter. The Minister needs to be brought back to the question.

The PRESIDENT: Order! The Minister should not be diverted by interjections, which, I remind him, are disorderly at all times.

The Hon. Michael Gallacher: The boys of Pyrmont. Pyrmont Labor.

The Hon. MICHAEL COSTA: We know where you live. Don't give us that, mate! We know you are living in Mascot, so if you want to play that game—

The Hon. Michael Gallacher: Come in, spinner!

The Hon. MICHAEL COSTA: The boy from Mascot over there pretends to be a spokesman on the Hunter. Absurd! The fact of the matter is that the Hunter has had buoyant economic growth and unemployment rates that are unprecedented. It is an economy that has had to go through significant adjustment from manufacturing to a more diversified economy, and this Government has handled that process brilliantly, absolutely brilliantly! Today's budget, which has record government investment in the Hunter, shows that we are committed well and truly to the Hunter.

In relation to Protech and Austeel and numerous other projects that will arise in the future and have arisen in the past, the Government's position has always been very clear. We are willing to support the private sector in its endeavours, but ultimately it is the private sector that is responsible for raising capital and putting those businesses together. We do not believe in the cargo cult like the Opposition; we do not believe in wet blankets of protectionism like the Opposition; we do not want to go back to the days of Black Jack McEwen like the Opposition—

The Hon. Michael Gallacher: Yes, we do.

The Hon. MICHAEL COSTA: He says it all. I cannot say any more.

NATIONAL LIVESTOCK IDENTIFICATION SYSTEM

The Hon. AMANDA FAZIO: My question is directed to the Minister for Primary Industries. Could the Minister update the House on the National Livestock Identification System and its pending roll-out in New South Wales?

The Hon. IAN MACDONALD: The roll-out of the National Livestock Identification System [NLIS] in New South Wales will begin on 1 July. That is about two weeks away and we will start to implement this very important measure to ensure that we have proper trace back in New South Wales. That means it is less than two weeks until New South Wales takes the first step towards protecting the reputation and profitable future of our livestock industries.

Ahead of the start of the roll-out on 1 July, I visited Victoria to see the system in action. No doubt the honourable spokesperson for agriculture sitting opposite will have many questions about what I saw. For his benefit, and for the benefit of other members with an interest in the issue, I am very pleased to report that NLIS in Victoria was effective, efficient, and has been broadly adopted by industry. During the visit I personally scanned more than 200 head of cattle at the Victorian Livestock Exchange at Pakenham, and tagged calves at a property near Inverloch. Honourable members will see the photographs soon. I visited Radford's Abattoir to see their database trace-back system in action and I talked at length with a wide range of industry groups. This included the Victorian Farmers' Federation, the auctioneers Elders, the chairman of the Victorian NLIS Implementation Committee, and numerous producers.

I should make special note that I did, contrary to some erroneous claims, meet with the stock and station agents' representatives as well. I also spoke personally with many people bewildered at the anti-NLIS campaign that has been running in New South Wales, despite the system working so well just across the border in Victoria. The facts speak for themselves. For example, one farm in Victoria, which I visited, has moved 3,000 head of cattle in the past three years and needed to replace only three tags. In other words, just 0.1 per cent of tags needed to be replaced. Trace-backs are also working effectively.

The Hon. Duncan Gay: If it is that good why have we got a Dorothy Dixer?

The Hon. IAN MACDONALD: To try to get it through to The Nationals who are undermining an effective beef cattle industry in this country. That is the problem; that is why it has to be repeated, to get it through the heads of the Opposition. I congratulate the Hon. Michael Costa on becoming a member of the beef cattle fraternity, having bought some beef cattle in recent days. We have got another farmer in Country Labor, unlike the declining efforts across the other side. Trace-back systems are also working effectively. For example, in one case where an animal showed high residue levels, operators were able to track down its origin and the location of other animals from its original herd within 90 minutes—of no interest to the Leader of The Nationals in this Chamber; he would not care about residue levels. The speed in being able to detect the animal in 90 minutes is vital in the case of a possible emergency disease outbreak: a really important part of NLIS. More than 720,000 Victorian cattle have been scanned and their data uploaded to the Meat and Livestock Australia database this year alone. I think everyone would agree that is an extraordinary reflection of the level of acceptance of the NLIS amongst producers.

It should be noted that compliance levels will improve even further once the Federal Government's $2 million contribution to making the database more user-friendly is implemented in the next few months; a contribution that Minister Truss announced recently. It is difficult for some people to read the database— [*Time expired*.]

The Hon. AMANDA FAZIO: I ask a supplementary question. Could the Minister please elucidate his answer?

The Hon. IAN MACDONALD: With pleasure. With the Commonwealth's $2 million contribution towards the database, several new fields will be added to the database, which will make the material easy enough to digest that even the spokesperson for The Nationals will be able to read it, though probably with some assistance. The Japanese Vice-Consul at a recent Agsell forum in Moree once again hammered home to me the need for trace back in New South Wales, but the Deputy Leader of the Opposition does not care about that. The Vice-Consul made it clear that the Japanese public and government expected effective trace back, not only for livestock but also for fruit, vegetables and other commodities. The Japanese want to be able to trace back an individual piece of fruit—let alone meat—to where it came from.

Once again, The Nationals have missed the boat for opportunistic and political reasons rather than caring about this State's beef cattle industry and export role. The Deputy Leader of the Opposition has put out a press statement seeking a further one-year delay, but that will not happen because the Government is committed to delivering a proper trace-back system for New South Wales as part of a national campaign to ensure that we can protect our very important $1.6 billion beef industry in New South Wales.

SHARE-MANAGED FISHERIES

The Hon. DUNCAN GAY: My question is directed to the Minister for Primary Industries. Is the Minister aware that the New South Wales Offshore Prawn Trawling Management Rules note that:

> Any person investing in the commercial fishing industry should not do so on the basis of information contained in this document and should be aware that significant changes may occur to the rules as a result of the introduction of share management and the environmental assessment of the fishery.

Does this NSW Fisheries document contradict the Minister's previous statement that share-managed fisheries will give professional fishers greater security of access to fishing resources?

The Hon. IAN MACDONALD: The Deputy Leader of the Opposition always asks questions on which he has only a little bit of the facts. The environmental factors to be taken into account in relation to fisheries and share management in this country are driven by the Commonwealth. The Commonwealth has the overarching environmental scheme that needs to be addressed. The New South Wales Government is implementing improved management arrangements in several of the State's major commercial fisheries. On 14 May 2004 applications for shares in new category one of share-management fisheries were sent to 1,266 commercial fishers in ocean hauling, estuary prawn trawl, estuary general and ocean trap and line fisheries.

The change to category one shares is a major improvement on the current arrangements. This change will provide certainty and greater financial security because the new access rights will be tradable. These permanent access arrangements will, in turn, encourage better resource planning by fisheries, help individual business planning and provide businesses with more flexibility through the ability to trade packages of shares. The move to category one share management represents a significant upgrading of the level of tenure that individual fishers have in their industry. Consultation has been undertaken with each fishery management advisory committee. The share allocation criteria have been discussed with, and are supported by, the Advisory Council on Commercial Fishing and the Seafood Industry Advisory Forum. A round of port meetings was also held in March, explaining the proposed new arrangements and gaining feedback from commercial fishers. At some point the staff of the Deputy Leader of the Opposition attended such meetings, where I made a generous contribution to discussion about harmony on these issues.

The Hon. Duncan Gay: Point of order: The Minister is clearly misleading the House. We asked to be briefed on share management and the Minister did not brief us. My staff had to find their own way to public meetings to get a briefing because the Minister would not give us one.

The PRESIDENT: Order! The Deputy Leader of the Opposition knows full well that there is no point of order.

The Hon. IAN MACDONALD: NSW Fisheries has established a 1300 phone number specifically for inquiries relating to the share allocation process.

The Hon. Duncan Gay: You are hopeless.

The Hon. IAN MACDONALD: They were allowed to attend the meeting. I said I was happy for staff to attend the meeting. I am advised that about 500 inquiries from the owners of 300 fishing businesses have been received so far.

The Hon. Duncan Gay: I could not find your director-general last week. Where was he?

The Hon. IAN MACDONALD: I know precisely where the Director-General of Fisheries was last week.

The Hon. Rick Colless: Has he still got a job?

The Hon. IAN MACDONALD: The Director-General of Fisheries has a job with the Department of Primary Industries for as long as he wants it. I am also advised that fishers' concerns have either been resolved or satisfactorily addressed in 99 per cent of calls. To ensure that fishers have adequate time to prepare their applications and provide supporting information, if required, the Government has extended the closing date for applications to 2 July 2004. I am advised, however, that NSW Fisheries has received more than two-thirds of the applications. I remind the Deputy Leader of the Opposition that he will get a briefing, which is scheduled for 30 June this year. [*Time expired*.]

DRUG ACTION WEEK

The Hon. KAYEE GRIFFIN: My question is directed to the Special Minister of State, and Minister for Commerce. Can the Minister inform the House of any work being done by community drug action teams during Drug Action Week?

The Hon. JOHN DELLA BOSCA: I am pleased to inform honourable members that this week is Drug Action Week, which is an important event in our calendar. It seeks to raise awareness about alcohol and drug issues and to promote the achievements of those who work to take action on drug problems. Each year Drug Action Week has different theme days to highlight the diversity and complexity of alcohol and other drugs. Theme days for this week are alcohol, treatment, prevention, indigenous Australians and prescription medicines. Whether it is alcohol, prescription medicines or illicit substances such as cannabis, this week is an opportunity to educate everyone about drugs and ways to reduce their abuse in Australia.

As a result of last year's Summit on Alcohol Abuse all community drug action teams across New South Wales have been asked to tackle alcohol abuse in addition to their brief on illicit drug issues. Community drug action teams are ideally placed to know the drug and alcohol problems in their towns and cities and what will work best to address them. Community drug action teams have formed the backbone of the New South Wales Government's illicit drug program at a local level and will also play an important role during Drug Action Week. There are now over 80 teams involving more than 1,000 people working across New South Wales. More than 40 of those teams have activities planned in association with Drug Action Week.

I shall highlight just a few. The Hornsby Community Drug Action Team is holding a drug and alcohol community forum. Local high school students will debate issues around alcohol and young people. The Illawarra is hosting a two-day drug and alcohol conference for health professionals, academics and service providers. Canterbury has organised information stalls in local shopping centres. Moree is holding an open day at the Roy Thorne House treatment facility. The community drug action team will also hold information sessions and promote the Di@yll drug information at your local library—collection. The North Wyong Community Drug Action Team, in association with the Kanwal-Gorokan Lions Club and Tuggerah Lakes police, is holding an interactive information stall at the Lake Haven shopping centre. The Culcairn and Holbrook Drug Action Team will host Drink Safe information nights in licensed premises. The project is a partnership between the drug action teams, the local drug and alcohol counsellor and the road safety officer. Wagga Wagga will conduct an alcohol audit into licensed premises on "Uni" night. The audits will allow patrons to access their drinking patterns and receive referral information.

Kempsey has organised an indigenous art display with an alcohol and drug theme to be exhibited at the Kempsey shopping mall. Free sports drink bottles with alcohol and drug messages printed on them will be provided to young people. The Mudgee drug action team will launch its youth peer communication video at a public event during Drug Action Week. Through their local drug action teams, community members work with government agencies and community organisations to tackle local drug and alcohol issues. Many teams have already put in place successful projects to reduce the damage caused by alcohol misuse, and we want to encourage more of that kind of activity. I again take this opportunity to commend the work being done by community drug action teams across New South Wales. I look forward to seeing the new initiatives they are developing to prevent the impact of drug and alcohol abuse in local communities.

SMOKING AND POVERTY STUDY

Reverend the Hon. Dr GORDON MOYES: I ask the Special Minister of State, representing the Minister for Health, a question without notice. Is the Minister aware of a recent study by Macquarie University that found that the State's poorest families could save almost $60 a week if they quit smoking? Is the Minister further aware that the poorest one-fifth of New South Wales households spend 18 per cent of their income on cigarettes and relatively less on clothes, shoes, education, housing and health? What action is the Minister taking to reduce the prevalence of smoking through tobacco control measures in order to reduce the impact of smoking on poverty in New South Wales?

The Hon. JOHN DELLA BOSCA: I thank the honourable member for his question.

The Hon. Duncan Gay: Look what it caused the Treasurer to be.

The Hon. JOHN DELLA BOSCA: That is why I am the right person to answer the question. I am not specifically aware of the Macquarie University study referred to by Reverend the Hon. Dr Gordon Moyes, although on the surface of it the statistics he has mentioned arising out of the study do not come as a surprise to me, regrettably. No doubt he is aware of the general campaigns and activities of the New South Wales Government, the Department of Health and the various area health services in relation to tobacco smoking and public health information campaigns, as well as the recent Commonwealth initiatives. However, the honourable member's question calls for a specific account of a couple of issues in relation to the study, and I will ask the Minister for Health, the Hon. Morris Iemma, to provide any additional information to the honourable member's question.

COUNTRYLINK RAIL FLEET

The Hon. MELINDA PAVEY: My question is directed to the Minister for Transport Services. What action has the Minister taken to plan for the replacement of the current CountryLink XPT fleet when these trains reach the end of their service life, due from 2010 as identified in the Parry report? Has RailCorp undertaken planning to introduce new trains or road coach services to eventually replace the XPT fleet?

The Hon. MICHAEL COSTA: That is a trick question, and I am worried about falling into the trap of saying that we will not replace the XPTs. Then the honourable member can issue a press release—

The Hon. Michael Gallacher: No, she's already done it.

The Hon. MICHAEL COSTA: That is about right. The Hon. Melinda Pavey asked me this question a number of months ago. I remember her asking me the very same question, which shows a bit of laziness on her part in terms of preparing for this question time. As the honourable member knows, a full statement on CountryLink will be made in due course, and at that point we will address all of those questions. In the meantime, I ask the honourable member to look at my previous answer in *Hansard*.

COMMUNITY TECHNOLOGY CENTRE PROGRAM

The Hon. TONY CATANZARITI: My question is addressed to the Special Minister of State, and Minister for Commerce. Will the Minister inform the House of any recent additions to the Government's Community Technology Centre Program?

The Hon. JOHN DELLA BOSCA: I thank the honourable member for his ongoing interest in the Community Technology Centre Program. It is essential that New South Wales regional and rural communities are not left out of the information revolution. New technologies provide real opportunities for these communities and their businesses. Therefore, it was with great pleasure that I was able to officially open the new Community Technology Centre in Dorrigo. The Dorrigo Community Technology Centre is now linked to a network of 83 online regional centres serving more than 120 communities across the State, and provides local residents with access to a range of new information and technology services.

The Government's Community Technology Centre Program provides many important facilities and services to communities such as Dorrigo. Dorrigo community members now use affordable information technology facilities and services, including Internet access, email, e-business, web site development, desktop publishing, online education and videoconferencing. The centre's extensive training programs will also help the local community to learn a variety of skills, from the basics of computer and email use through to high-level uses such as digital media courses. The centre was established through a $150,000 grant to the Dorrigo Chamber of Commerce to set up the facility. Under the CTC@NSW network program, the New South Wales Government contributes $7.2 million to centres throughout the State.

One key reason for the success of the Community Technology Centre Program is the high level of community involvement. Communities must work together to develop a business plan and then make a case to the Department of Commerce to attract start-up funding. The New South Wales Department of Commerce also funds an extensive support and targeted grants program enabling community technology centres to build their facility over the early stages of development. The facilities at this centre are vital to communities such as Dorrigo, playing an important social and business development role. The Dorrigo Community Technology Centre's plans include being the town hub for training, tourism, film making, sound recording and putting Dorrigo on the world map. The partnership with the University of New England in Armidale to use the Community Technology Centre as an outreach centre for the university is also a great initiative.

The Hon. Melinda Pavey: It's already on the world map.

The Hon. Catherine Cusack: It's on the United Nations map.

The Hon. JOHN DELLA BOSCA: I am just developing the whole argument a little further.

The Hon. Jennifer Gardiner: Don't downgrade Dorrigo.

The Hon. JOHN DELLA BOSCA: I am not downgrading Dorrigo. When I went there I found it to be a very hospitable and beautiful place with lovely people. However, there were not many Labor voters. I did find

one, but I will not tell members opposite who it is. As honourable members may be aware, the community technology centre initiative is a collaborative effort between the State and Commonwealth governments. Under the program, the New South Wales and Australian governments have jointly provided $16.75 million in seed money to get centres across the State on their feet. The opening of the Dorrigo Community Technology Centre was a great community event.

Attendees at the launch spilled out onto the street, and there was a great sense of excitement and achievement. This is testament to the great community spirit of the town, which has an extraordinarily diverse range of community groups and activities. With more than 100 community groups in the town, Dorrigo exemplifies the community spirit that makes a success of initiatives like the Community Technology Centre Program. I take this opportunity to congratulate the Dorrigo community on its commitments, dedication and hard work in securing the funding and getting the centre up and running. I wish them all the very best for the future.

CONSTRUCTION WORKERS OCCUPATIONAL HEALTH AND SAFETY

Reverend the Hon. FRED NILE: I ask the Minister for Industrial Relations a question without notice. In a letter to me dated 17 June 2004, did the Minister confirm his policy that construction workers who cannot speak or read English are allowed to be assessed in WorkCover's occupational health and safety general induction courses by their interpreter? Is it a fact that during this course non-English speaking workers who cannot the read occupational health and safety guidelines have their assessments completed by their interpreter? Does the Minister agree that such poorly trained in occupational health and safety construction workers are a threat to workplace safety? What steps have been taken to teach construction workers simple English so that they can at least read, understand and apply the occupational health and safety guidelines?

The Hon. Melinda Pavey: Last Thursday.

The Hon. JOHN DELLA BOSCA: What happened last Thursday?

The Hon. Melinda Pavey: You wrote him a letter last Thursday. It was in simple English.

The Hon. JOHN DELLA BOSCA: My letter or his?

The Hon. Melinda Pavey: His.

The Hon. Michael Gallacher: Both.

The Hon. JOHN DELLA BOSCA: How do you know the correspondence between people?

The Hon. Michael Gallacher: We know lots of things. You would be surprised what we know.

The Hon. JOHN DELLA BOSCA: I thank the honourable member for his question. I thank members opposite for their unhelpful and breach of privacy type interjections about correspondence between me and the honourable member.

Reverend the Hon. Fred Nile: Point of order: No-one has access to the correspondence except me and the Minister.

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

The Hon. JOHN DELLA BOSCA: I assure all honourable members, and Reverend the Hon. Fred Nile in particular, that there is a longstanding commitment to promoting occupational health and safety for workers, including those from non-English-speaking backgrounds. Many publications, including those related to occupational health and safety, are introduced in a variety of languages—Greek, Italian, Chinese, Arabic, Serbian, Maltese, Croatian, Spanish, Tagalog, Vietnamese, Thai and Korean. Under the new occupational health and safety legislation, it is the responsibility of employers to ensure that all employees, including those from non-English-speaking backgrounds, are appropriately trained and able to undertake work safely.

WorkCover's 2001 occupational health and safety consultation code of practice stresses the importance of including employees from non-English-speaking backgrounds in all stages of the now compulsory

occupational health and safety consultation process, including induction. This means that when employers consult with employees on health and safety in the workplace, they are required to consider how consultation may be undertaken so it is meaningful and effective. Obviously that means that provision must be made to take account of the English competence of such employees. In addition, WorkCover guidelines relating to many industries—such as shearing, hospitality, cleaning and construction—make specific reference to the importance of effective training for workers from non-English-speaking backgrounds.

Moreover, when WorkCover publications are written in English they are written in plain English to maximise their practical effectiveness in providing information and guidance across a broad range of literacy levels. The recently implemented occupational health and safety legislation was produced in plain English after a long consultation process. WorkCover has published guidelines for writing work method statements in plain English to assist the construction industry in preparing straightforward and effective work method statements for induction and other general work methods that are clearly understood by all parties involved in construction projects.

EASTERN CAPITAL CITY REGIONAL COUNCIL BUDGET

The Hon. PATRICIA FORSYTHE: My question without notice is directed to the Minister for Local Government. Is the Minister aware of the view of the administrator of the Eastern Capital City Regional Council, expressed in his report to council on 27 May, that without special Government financial assistance over the first three years the council will prove unviable? Does the Minister stand by his answer in this House on 11 May that the creation of the new council will result in financial benefits? Is the administrator wrong when he says that the Boundaries Commission made wrong financial predictions? How is the creation of this council an example of reform?

The Hon. TONY KELLY: I am not aware of the report that the administrator has given to council, but I am aware that he was expressing some considerable difficulties with his budget. I have had a meeting with him and his general manager since then, and I have shown them how to work out a local government budget. Things are now better than they thought.

INTERSTATE TRANSFER OF TERRORIST INMATES

The Hon. TONY BURKE: My question is addressed to the Minister for Justice. Will the Minister inform the House about proposals to allow for the interstate transfer of terrorist inmates?

The Hon. JOHN HATZISTERGOS: As honourable members will be aware, there are no Federal prisons in this country. The responsibility for the incarceration of Federal offenders, particularly those who are charged and convicted of terrorist offences, falls on State governments. Amongst State governments New South Wales has led the way. The Carr Government has led the way nationally in corrections security, recognising that the changed security environment we now live in requires changes to the correctional system. We realised that proper preparation was needed to enable us to hold securely inmates remanded for or convicted of terrorist offences, and to prevent the possibility of them planning or encouraging terrorist acts while in custody.

The State has consistently made the point that issues associated with holding terrorists in custody need to be considered as part of our national counter-terrorism preparations. We made this point in May last year at the corrective services administrators' conference. We made it in July last year at the corrections Ministers' conference. We made it at the national corrections forum on terrorism we hosted in September last year. We also made it at the conference hosted by the Commonwealth Attorney-General's Department in December last year.

Recently the Government has announced further initiatives to strengthen our preparedness against terrorism, including: new bomb disposal squad robots; two-year imprisonment penalties for inmates possessing mobile phones; changes to freedom of information laws; changes to the presumption of bail for suspected terrorists; and the intention to take to the Corrective Services Ministers' conference a raft of recommendations for national agreement and immediate action, including the establishment of a new, nationally consistent, terrorist category of inmate and a process for their swift transfer between States; and the formulation of a set of national custodial management guidelines for the management of terrorists in custody to bolster security and ensure terrorist inmates are the subject of an appropriate degree of scrutiny at all times. All chief executive officers [CEOs] and commissioners of State corrective services departments have been working together to develop a uniform set of guidelines for the interstate transfer of convicted and remanded terrorist inmates. The

States have worked co-operatively and have thoroughly examined the required changes to transfer of prisoner Acts. A set of national guidelines, agreed to by all State CEOs, has been prepared for adoption by the Ministers' conference to be held in Hobart next week.

We then had this unfortunate intervention by the Federal Government. Late last week the Federal Government introduced the Anti-terrorism (No. 2) Bill, part of which unilaterally sought to change laws on interstate transfer of security inmates. It did so without warning and without consultation, and despite the fact that the Ministers' conference is only a week away. It appears that the Federal Government is riding roughshod over the careful planning of the States. In its anxiety to clear the decks for the impending election, it had to cobble together a quick fix without the advice of the States, who will be responsible for holding these dangerous inmates.

The Hon. Michael Gallacher: What is your answer to the mess delivered in the Legislative Assembly today?

The Hon. JOHN HATZISTERGOS: I do not know what you are talking about.

The Hon. Michael Gallacher: The terrorist legislation that has to be redrafted because you made an absolute mess of it.

The Hon. JOHN HATZISTERGOS: If you are talking about the bail laws, they were the ones—

The Hon. Michael Gallacher: No, have a look at the penalties.

The Hon. JOHN HATZISTERGOS: The Federal bill ignores the guidelines that State correctional authorities have developed. The honourable member should listen to this, it is very important.

The Hon. Michael Gallacher: If you blow up the Opera House, you get five years; if you attempt to blow it up, you get seven years.

The PRESIDENT: Order! I call the Leader of the Opposition to order.

The Hon. JOHN HATZISTERGOS: When we complained that the bill was being rushed through Federal Parliament this session, we were told by a bureaucrat, "Don't you know, we are trying to get ready for the election?" That is the problem: we have this bill now— [*Time expired.*]

The Hon. TONY BURKE: I ask a supplementary question. Will the Minister elucidate his answer?

The PRESIDENT: Order! I call the Leader of the Opposition to order a second time.

The Hon. JOHN HATZISTERGOS: The Federal bill ignores the guidelines that State correctional authorities have developed. Changes require that the Commonwealth Attorney-General be approached in writing before a security risk inmate can be transferred, even if the inmate is not being held for Commonwealth offences. New South Wales is concerned about the prospect of another layer of bureaucracy holding up a critical transfer of inmates who pose an immediate risk to security. This may have implications for the security of the correctional system and possibly for the safety of the community.

The Federal bill fails to plan for threats that inmates may pose to operational security in correctional centres, including the security and good order of their centres. By focusing on national security criteria to enact transfers of prisoners, it is unclear as to whether these powers could be invoked in all foreseeable circumstances. This could include the Department of Corrective Services receiving intelligence that a terrorist inmate is planning an attack or threatening operational security. In such circumstances, we need to be able to act immediately to transfer that inmate to another State within hours. Only a limited number of correctional centres across the country are equipped to deal with terrorist inmates. Consequently, the power to rapidly transfer terrorist inmates between suitable correctional centres in different States is an essential operational matter. Transfer applications should not require the written approval of the Federal Attorney-General before they can be enacted.

The changes to the Federal interstate transfer of prisoners laws must allow for rapid transfer of terrorist inmates and provide for transfers on the basis of operational as well as national security issues. All of the States

are and always have been open in discussions with the Federal Government on this crucial issue. The appropriate forum for these matters to be resolved is next week's conference. For that reason, I call upon the Federal Attorney-General to defer this legislation until then and to take active steps to accept the co-operation of the State authorities, who will ultimately be left holding the can.

WATER SUPPLY INFRASTRUCTURE

The Hon. DAVID OLDFIELD: My question without notice is directed to the Minister for Rural Affairs, representing the Minister for Energy and Utilities. Is the Minister aware of my previous question in relation to water, which was answered in his absence by the Treasurer? Does the Minister agree that the Treasurer misled the House when he stated that the Government's plans for water infrastructure had been announced and "splashed all over the front pages of all Sydney newspapers"? Does the Minister agree that the Treasurer misled the House when he stated that the Minister for Energy and Utilities had announced his plans for new infrastructure, when, in fact, the Minister only announced further water restrictions? What action is the Government taking in the form of infrastructure to ensure future unhindered water supplies throughout New South Wales? Does the Government have the building of new dams on the agenda? Is the Government's only real plan in regard to water to pass the problem on in the short term to consumers and in the long term to the next government?

The Hon. TONY KELLY: I am sure the Hon. David Oldfield would not expect me to have the 25 answers to his 25 questions in my back pocket. I will refer his questions to the Minister for Energy and Utilities and supply him with the answers as quickly as possible.

COMPETITIVE TENDERING POLICY

The Hon. CATHERINE CUSACK: My question is directed to the Minister for Commerce, and Minister for Industrial Relations. Is the Minister aware that businesses in the Tweed and other parts of the Northern Rivers are struggling to compete with Queensland-based companies because New South Wales has a far higher regime of business taxes and costs, such as workers compensation? Is he aware that CountryLink has contracted Sunstate, a Gold Coast bus company, to replace the Murwillumbah XPT, with the contract valued at about $1.5 million? Does it concern him that CountryLink awarded the original tender to a Queensland company on the basis of price only and refused to give any consideration to or recognition of the additional costs that local New South Wales bus companies have to pay? Is it fair that on the one hand the Government loads up New South Wales businesses with higher costs and on the other takes advantage of lower contract prices tendered by Queensland businesses?

The Hon. JOHN DELLA BOSCA: The Hon. Catherine Cusack has asked about five questions. I will work my way through them. I am not aware of a decision on the contracting of bus services. I am not surprised that regardless of where the business operates from the public provider has chosen the best price as well as the best value. I cannot comment on the specifics, but it does not surprise me that is the principle that was used.

The Hon. Duncan Gay: You will deliberately force New South Wales businesses out of business. That is what you are doing.

The Hon. JOHN DELLA BOSCA: The Deputy Leader of the Opposition should allow me to reflect on a couple of early points in the honourable member's questions. As a recent member of Parliament the Hon. Catherine Cusack may not remember the workers compensation debate we had in this House. If she does, she might remember that we had a torrid debate—in this Chamber, the Legislative Assembly and the public arena—and long consultations about the difficulties that beset the workers compensation system. One of the difficulties that beset the previous workers compensation scheme—and which I have commented on in this Chamber previously—was that it caused ongoing upward pressure on premiums. There were other problems, but as her question relates to premiums I will deal with that issue. As I have pointed out before and will say again—even though Opposition members will get a bit cranky—members on that side of the Chamber voted against all of the measures.

The Hon. Duncan Gay: But you got everything you wanted. It is your Act. You cannot blame us when you got everything you wanted.

The Hon. JOHN DELLA BOSCA: The Deputy Leader of the Opposition is being deliberately ingenuous about this matter. At the time he and his party voted against it.

The Hon. Duncan Gay: We voted against it, but it is your Act.

The Hon. JOHN DELLA BOSCA: That is right. Perhaps you are educating the Hon. Catherine Cusack. The Opposition voted against it. There were good reasons to vote for it. By voting against it Opposition members voted for higher premiums because an inevitable consequence of the position they took was that premiums would have been relatively higher than they are now. Opposition members have to accept a level of moral and political bankruptcy on the issue of workers compensation premiums. They can say that businesses are concerned about the high level of workers compensation premiums but, by the same token, every chance the Opposition had to vote for a reformed system to achieve lower premiums they voted the other way. The principle test in the way they exercise their policy prerogatives is how they vote. That is the answer to the first part of the honourable member's question.

Another part of her question related to business taxes. I heard that a good friend of mine, a very nice chap, one of the employers' spokesmen, recently expressed concern about the level of business taxes. Of course we have business taxes, but the changes we have made to land tax has reduced the incidence of land tax on commercial operations and lowered the overall impact on businesses, at least employment-generating business. I point out that important issue to the critics on the other side. Where were those critics when the Commonwealth Grants Commission slashed the New South Wales grants budget? Those cuts put all sorts of revenue pressures on us. We have to pay for hospitals, schools, roads and infrastructure and we have to get the money from somewhere. We have to have a tax regime.

The Hon. CATHERINE CUSACK: I ask a supplementary question. What measures is the Minister for Commerce taking to assist northern New South Wales businesses that tender for New South Wales government contracts but find they cannot succeed because of the cost competitiveness of Queensland businesses?

The Hon. JOHN DELLA BOSCA: Opposition members just voted against their own Commonwealth Government's competition policy, so I understand her level of confusion with the question she has asked. For the New South Wales Department of Commerce, or any State government agency, to breach the principles of competition and to breach one of the fundamental principles of Federation by giving unofficial assistance and placing a trade barrier between ourselves and Queensland speaks for itself. I will leave the member to think about it.

SENIORS INFORMATION TECHNOLOGY ACCESS

The Hon. PETER PRIMROSE: My question without notice is directed to the Minister for Community Services, Minister for Ageing, and Minister for Disability Services. Will the Minister inform the House of the action the Government is taking to promote access to information technology for seniors?

The Hon. CARMEL TEBBUTT: Access to information technology for seniors is an extremely important initiative. The Government's Seniors Online strategy, which was announced in 2001, promotes the benefits of seniors using computers and the Internet. It aims to remove barriers that prevent older people from accessing information technology. The Government allocated $1.7 million over three years for the Seniors Online strategy to fund projects such as a communication plan to encourage participation by New South Wales seniors, the promotion of community access and training, and the development of a web site specifically built for the seniors of New South Wales. The web site uses the New South Wales seniors card to provide a gateway for accessing government information and other areas of interest for older people and to create a Seniors Online community.

A key element of the Seniors Online strategy is the Seniors and Information Technology Grants Program, which provides funding to organisations that have strong links with their local communities to assist training older people in the application of information technology. I am pleased to inform the House that information technology grants of approximately $300,000 for 2003-04 have recently been awarded for 11 projects providing computer and Internet training to seniors. The funds will support a project in rural and regional New South Wales to help seniors who have impairments that prevent them from using computers. Other projects focus on seniors computer clubs and include the upgrading of computer equipment and train-the-trainer projects.

In assessing applications for funding, priority was given to promoting access to information technology in areas with unlimited access, such as regional or rural areas. Priority was also given to assisting specific

groups, such as older people on low incomes, isolated older people, people from culturally and linguistically diverse backgrounds, frail older people, and Aboriginal and Torres Strait Islander older people. The Seniors and Information Technology Grants Program and the Seniors Online strategy are being supported by Microsoft Australia. Microsoft has donated software and licences worth $500,000 in support of community organisations that are accepted as part of the program.

In 2002-03, 16 new access and training services were delivered to seniors around the State under the Seniors and Information Technology Grants Program. Many of these services have continued beyond the life of the grant providing resources to local communities. Internet access and basic computer skills are becoming more important in older people's lives. Being able to communicate with friends and family and making informed decisions about health care, travel and personal finances are all supported through the Internet and the use of emerging technology, even if someone is confined to his or her home. The New South Wales Government is working to ensure that older people can play an active part in their community. The Seniors Online strategy is yet another program that is delivering on that commitment.

JAMES HARDIE AND ASBESTOS-RELATED DISEASES LIABILITY

Ms LEE RHIANNON: I direct my question to the Minister for Industrial Relations. Did Mr Stephen Loosley introduce James Hardie executives to one of the Minister's advisers? Did the Hardie executives tell the Minister's adviser that they were confident that all liabilities associated with their workers suffering from asbestos-related diseases could be met? Did the Minister accept the word of Mr Loosley and the James Hardie executives or did he commission further investigations into this claim? If he did not commission further investigation of the Hardie funding models, was it on the basis of this meeting that he accepted that the Government would not have to intervene to ensure liabilities were met?

The Hon. JOHN DELLA BOSCA: I am confused by the honourable member's question. It ought to come as no surprise to her or any other honourable member that ministerial staff members, including my own, and Ministers are briefed and lobbied from time to time by corporations and their representatives on important matters or points of view. There is nothing surprising about that. I have been clear about what has been said regarding James Hardie and asbestos liability. The honourable member is aware of the Jackson inquiry, which is ongoing. The best and most responsible commentator or honourable member would await the outcome of that inquiry.

I point out to the honourable member and anyone else who shares her concerns that the Government established the Jackson inquiry for the specific reasons implied in her question. The Government wanted to ensure all the information was relevant. The honourable member knows that the key issue being addressed by the inquiry is the level of disclosure about those liability issues. I will not take the answer further or beyond the matters already commented on because of that inquiry. If the honourable member intends to start a scare campaign about the Government's or anyone else's position regarding James Hardie and the liability issues she should be cognisant of the fact that that is the reason the Jackson inquiry has been established.

BANKSTOWN HANDICAPPED CHILDREN'S CENTRE ASSOCIATION

The Hon. JOHN RYAN: I direct my question to the Minister for Community Services. What actions has the Department of Ageing, Disability and Home Care taken in response to publicly expressed concerns about a non-government agency that receives approximately $5 million in funding from the State Government called the Bankstown Handicapped Children's Centre Association, commonly known as "the centre"? Who is investigating what issues and when are those investigations expected to be completed?

The Hon. CARMEL TEBBUTT: The honourable member has shown significant interest in a number of clients who have been accommodated by the Bankstown Handicapped Children's Centre Association, known as the centre. I am aware of a number of concerns raised by the honourable member and others about the centre's operations. The centre provides supported accommodation and community access services to people with a disability. The issues raised about its operations concern the quality of the support services provided, the level of supervision and support provided by staff, especially for residents with challenging behaviour, and the level of contact maintained with families. Because of these concerns, the Department of Ageing, Disability and Home Care commenced a comprehensive review of the organisation's operations and the director-general of the department has recently met with the board of the centre and secured its commitment to co-operate with the review.

I understand that the board has welcomed the review and is co-operating fully. The review will examine all aspects of the organisation's operations and will address the specific issues recently raised by

families and others and will involve them in the review process. As part of the review, departmental officers will be visiting each of the organisation's group homes and services funded by the department. The first stage of the review has seen the provision of additional support to the organisation to enhance its ability to deal with clients with challenging behaviour. I am advised that the review is scheduled for completion in early August 2004.

EMERGENCY SERVICES BUDGET

The Hon. IAN WEST: I direct my question to the Minister for Emergency Services. How is the Government supporting our emergency service workers in the 2004-05 budget?

The Hon. TONY KELLY: Last weekend I was in Eglington, just outside Bathurst—in the new Bathurst Regional Council area—with the Deputy Premier to announce a $666 million allocation to emergency services, which is an 8 per cent increase on last year's previous record funding of $616 million. It is also the tenth increase in a row and a doubling of funding since 1995. Thanks to a decade of record budget increases, our 82,000 emergency service workers are now the best equipped in the nation. The $666 million in State Government funding includes $25.5 million to provide more than 200 new and high-quality reconditioned bushfire tankers for the Rural Fire Service; $18 million for the NSW Fire Brigades to purchase almost 50 new vehicles, including 35 new fire engines, hazardous materials trucks and alpine rescue vehicles; $2.5 million, which is part of the $18 million, will be provided for two new specialised aerial appliances, known as Brontos, to be used for fighting fires in high-rise buildings and factories; and $800,000 to acquire 53 emergency response vehicles for local State Emergency Service units. The Government is committed to ensuring that the State's front-line services have the resources they need—

The Hon. Duncan Gay: Point of order: Madam President, I seek your clarification on whether this question and the answer are in order as the budget papers were tabled with the second reading speech today in this House.

The PRESIDENT: Order! I remind the honourable member of the recent changes to the standing orders. New Standing Order No. 65 (4) provides:

> Questions must not anticipate discussion upon an order of the day or other matter on the Notice Paper, except an item of private members' business outside the order of precedence or an order of the day relating to the budget estimates.

The question is in order.

The Hon. TONY KELLY: As I was saying, while it is the job of our emergency services workers to protect the community in times of crisis, it is the Government's job to ensure that those on the front line have the most up-to-date, safe and well-equipped vehicles possible for their work battling fires, storms, floods and other emergencies. That is why we have increased the budgets of the NSW Fire Brigades, the Rural Fire Service and the State Emergency Service by more than 95 per cent since 1994-95. The NSW Fire Brigades' budget this year will total $473.4 million and includes $18 million to upgrade the NSW Fire Brigades' fleet; $11.1 million to continue building or renovating fire stations and training facilities in the greater Sydney area, the lower Hunter and regional areas; $6.1 million to upgrade information technology, communications and paging equipment; and $1.7 million for additional rescue equipment. This budget represents an increase of $232 million, or 96 per cent, since 1994-95 or a 7.7 per cent increase on last year. The budget also allocates $134.2 million to the Rural Fire Fighting Fund, which is an increase of more than 164 per cent since 1994-95 and 7.3 per cent on last year. That $25.5 million will provide— [*Time expired.*]

The Hon. IAN WEST: I ask a supplementary question. Will the Minister elucidate his answer?

The Hon. TONY KELLY: As I was saying—

The Hon. Duncan Gay: Send the press release.

The Hon. TONY KELLY: The reason The Nationals do not want me to explain how big an increase the Rural Fire Service has received under this Government is that this year its budget is $134 million. That is two-thirds of what the Coalition Government gave in total during its seven years. All it gave the Rural Fire Service was $197 million. In one year we have given the service $134 million. No wonder The Nationals want to silence me and the State Government about what we are doing for our emergency service workers.

As I was saying, the budget provides $32 million for district equipment and operating costs, $3.2 million to build or upgrade brigade stations and fire control centres, and $2 million for communications upgrades. The State Emergency Service will spend $34.3 million on expenses and asset acquisitions, an increase

of 138 per cent since 1994-95. This year's budget will provide funding for the work of the 9,000 volunteers who respond to more than 30,000 incidents a year. It includes $4.3 million for upgraded communications, paging and information technology systems, $1.3 million for rescue equipment, and $978,000 to meet the day-to-day operating costs of the 232 State Emergency Service volunteer units.

The Hon. Duncan Gay: Have you got a tanker for Torrington?

The Hon. TONY KELLY: I will give the Deputy Leader of the Opposition an answer in due course. When I get around to specifically allocating the budget for this year I will give him an answer. As one can see, since coming to office the Government has increased the budgets of all our emergency services. After years of Opposition neglect of volunteers and paid emergency service workers, this Government has invested in providing training and proper facilities for our emergency service workers. Actions speak louder than words.

The Hon. JOHN DELLA BOSCA: I suggest that if members have further questions, they place them on notice.

DEFERRED ANSWERS

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

CITYRAIL SECURITY

On 12 May the Leader of the Opposition asked the Minister for Transport Services a question without notice regarding CityRail security. The Minister for Transport Services provided the following response:

> I'm advised by RailCorp CEO Vince Graham:
>
> There are currently over 700 Help Points linked to more than 6000 CCTV cameras which provide coverage of every station on the CityRail network. Signals from a Help Point, when activated by a customer or CityRail staff member, are directly relayed to either a local security Group Remote Monitoring Location (GRML) or the RailCorp Security Control Centre, and immediately responded to by staff monitoring the live feed.
>
> There are 17 Group Remote Monitoring Locations across the metropolitan network. In the event any GRML is unattended, the camera coverage is transferred to the Security Control Centre at the Rail Management Centre to ensure live monitoring of Help Points can continue.
>
> The RailCorp Security Control Centre has a dedicated link direct to the Police Radio Room to notify NSW Police of the need for assistance in relation to incidents on the CityRail network.
>
> In addition to these measures, RailCorp Transit Officers patrol stations and trains to ensure passenger safety. These officers are equipped with radio and mobile phone contact to ensure a rapid response in the event of a major security incident on the CityRail network being broadcast from the Security Control Centre.
>
> CityRail has a staff training and deployment plan in place to increase the pool of staff available to undertake CCTV operator shifts. Staff are required to be properly qualified and to have security licences.

PRINCES HIGHWAY UPGRADE

On 6 May Reverend the Hon. Dr Gordon Moyes asked the Minister for Transport Services, representing the Minister for Roads, a question without notice regarding the Princes Highway upgrade. The Minister for Roads provided the following response:

> The State Government has committed $380 million to upgrade the Princes Highway to 2010. Major projects completed so far under the program include:
>
> - $34 million for the Oak Flats interchange.
> - $1.55 million for north and southbound overtaking lanes between Yowaka River and Harts Creek, south of Pambula.
> - $4.4 million for the extension of north and southbound overtaking lanes south of Belinda Street, Gerringong.
> - $10 million for the realignment of the highway between Yellowpinch and Millingandi, south of Bega.
> - $2.3 million for the new southbound overtaking lane at Alsops Creek, north of Bega.
> - $3.4 million for the widening and realignment of the highway at Mogo and widening of the remaining narrow sections of the highway between Mogo and Moruya.
>
> The $141 million North Kiama Bypass is currently under construction and proposed dual carriageways from Oak Flats to Dunmore are part of a wider plan to provide a four-lane divided highway to Kiama and then to the Jervis Bay Road turnoff south of Nowra.

Options are currently being investigated for the length of the Princes Highway between Gerringong and Bomaderry to meet future demands on the road.

In addition, on 27 May 2004 I announced a major road safety review of the Princes Highway. The investigation will cover:

- The circumstances of recent fatal crashes on the highway.
- An audit of road conditions along the highway from Yallah to the Victorian border.
- Facilities along the highway, including rest areas, overtaking lanes and signage.
- The appropriateness of current speed limits.
- Police enforcement activities along the highway.
- Issues associated with heavy vehicles on the Princes Highway.
- Future priorities for upgrading the Princes Highway.

The Princes Highway Safety Study findings will be announced later this year.

SYDNEY FERRIES *LADY STREET* DISPOSAL

On 5 May the Leader of the Opposition asked the Minister for Transport Services a question without notice regarding Sydney Ferries *Lady Street* disposal. The Minister provided the following response:

I am advised by Sydney Ferries:

Since the decommissioning of the Lady Street a number of parties have proposed alternative uses for the vessel.

Sydney Ferries proposes to consult further with the community on these alternatives via a call for expressions of interest.

Responses received will be assessed and possible alternatives will be presented to the new Board of the Sydney Ferries Corporation.

As part of the process, Sydney Ferries will be seeking to minimise its own costs and costs to the taxpayer.

CASINO TO MURWILLUMBAH RAIL LINE

On 6 May the Hon. Peter Breen asked the Special Minister of State, representing the Premier, a question without notice regarding the Casino to Murwillumbah rail line. The Premier provided the following response:

The Minister for Transport Services has previously provided a comprehensive response to questions regarding the closure of the Casino-Murwillumbah rail line (refer Hansard 12 May 2004).

I confirm that the Government's decision to replace train services on the Casino-Murwillumbah line with additional air-conditioned coach services was a direct result of the Commonwealth Government's decision to take $376 million out of the NSW Budget every year for the next five years.

M5 EAST EXHAUST STACK HEALTH IMPACTS

On 13 May Reverend the Hon. Dr Gordon Moyes asked the Special Minister of State a question without notice regarding the M5 East exhaust stack health impacts. The Minister for Health provided the following response:

I am advised that for conditions routinely measured across the State, such as asthma, there is no difference in the prevalence rate in the community around the M5 East Tunnel stack compared to the State.

A recent study conducted by NSW Health has demonstrated that there is no significant difference in the prevalence of symptoms of eye, nose and throat irritation in the area most exposed to stack emissions, compared to other similar residential areas less exposed to stack emissions. The methodology of this study has been reviewed and supported by experts in the areas of epidemiology and atmospheric science.

Based on current knowledge and available methodologies, there are no plans for further epidemiological studies in this area at this point in time.

PORT MACQUARIE BASE HOSPITAL

On 12 May the Hon. John Tingle asked the Special Minister of State a question without notice relating to Port Macquarie Base Hospital. The Minister for Health provided the following response:

There is a 20 year Services Agreement in place between Mayne Health and the New South Wales Health Administration Corporation.

The contract was signed in 1992 and commenced in 1994.

The contract has been the subject of extensive criticism by the Auditor General in his Report to Parliament of 1996. The Auditor General noted that the deal struck means that NSW is "*Paying for the hospital twice and giving it away*".

The community interest will continue to be at the forefront of the Government's consideration about future arrangements for the operation of the Port Macquarie Base Hospital and the provision of public health services to the community. In this regard the Government would not rule out consideration of the purchase of Port Macquarie Base Hospital if it considered such an outcome were in the best interests of the community.

MULTICULTURAL PROGRAM FUNDING

On 5 May the Hon. Dr Peter Wong asked the Treasurer, representing the Premier, a question without notice regarding Multicultural Program funding. The Premier, provided the following response:

> As a result of pressures on the State's fiscal position, the recent mini Budget for 2004-05 announced that funding cuts would be necessary from 2004-05 to accommodate expenditures in the priority areas of transport, health and education.
>
> In the Education and Training portfolio, the NSW Government's Migrant Skills Strategy, which included the Skilled Migrant Placement Program, has ceased as a consequence of the Commonwealth's reduction in general assistance payments and the fact that support for immigration and employment programs are clearly a Commonwealth responsibility.
>
> I am advised by the Department of Education and Training that funding levels for the Community Languages Schools Program have not been reduced, consistent with the Government's commitment to education.
>
> The removal of funding for Carnivale was a difficult decision for the Government. However, the Government continues to support a wide range of multicultural arts activities and maintains its commitment to multicultural arts and heritage activities in New South Wales.
>
> In 2003-04 some $1.6 million was allocated in grants to multicultural arts activities other than Carnivale, including:
>
> - $470,000 to Western Sydney multicultural community events; and
> - $385,000 for seven multicultural arts worker positions.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION CROWN LAND PERPETUAL LEASES

On 6 May Mr Ian Cohen asked the Minister for Justice, representing the Attorney General, a question without notice regarding Department of Environment and Conservation Crown Land perpetual leases. The Attorney General provided the following response:

> The Department of Environment and Conservation will continue to work with the Department of Lands to determine the conservation and heritage values of the Crown leases and on measures to protect those values.

FERAL CATS AND FOXES

On 6 May the Hon. Jon Jenkins asked the Minister for Justice, representing the Minister for the Environment, a question without notice regarding feral cats and foxes. The Minister for the Environment provided the following response:

> The nocturnal and elusive nature of foxes and feral cats make population density estimates difficult to determine and, as a result, they are often inaccurate. Further, the cyclical changes in fox and feral cat densities associated with prey abundance and the occurrence of feral cats and foxes in a wide variety of habitats makes comparisons between different populations tenuous. The Department uses an index of abundance to estimate changes in fox populations (not actual numbers) as a result of control measures at a subset of sites as part of the Fox Threat Abatement Plan.
>
> In 2003-04, the Department of Environment and Conservation estimates that it will spend more than $17 million on the control of pest animals and weeds.
>
> I am advised by the Department of Environment and Conservation that a total of 34 threatened species are at high risk from predation from foxes. These include rufous bettong, brush-tailed rock wallaby, yellow-footed rock wallaby, broad-toothed rat, plains wanderer, malleefowl, Bellinger River turtle and shore nesting birds such as the little tern and the pied oystercatcher.

NATIONAL PARKS AND WILDLIFE SERVICE AND FOUR WHEEL DRIVE NEW SOUTH WALES AND AUSTRALIAN CAPITAL TERRITORY COMMUNITY PROGRAMS

On 4 May the Hon. Jon Jenkins, asked the Minister for Justice, representing the Minister for the Environment, a question without notice regarding National Parks and Wildlife Service and four-wheel drive New South Wales and Australian Capital Territory community programs. The Minister for the Environment provided the following response:

> Four wheel drive clubs have assisted the National Parks and Wildlife Service (now part of the Department of Environment and Conservation) with over 20 management and conservation projects across NSW since entering into the memorandum of understanding.
>
> The Department of Environment and Conservation has advised that the joint programs are progressing well. For instance, a major cleanup program conducted with the assistance of club volunteers in late 2003 in the Watagan National Park resulted in the removal of many hundreds of dumped tyres. Four wheel drive clubs have also assisted the Department with park management and conservation projects such as hut restoration and rebuilding in Kosciuszsko National Park; track management and trail assessment in new reserves on the North Coast, and in tree planting projects aimed at re-establishing habitat for the threatened Regent Honeyeater. The Government is committed to ensuring that such volunteer community programs continue.
>
> With regards to feral animal control programs, I am advised by the Department of Environment and Conservation that it uses an integrated approach to the control of feral animals using a combination of control techniques, with carefully planned programs utilising its own resources, professional (licensed) shooters under contract, and co-operative programs with neighbours.

NATIONAL PARKS BUSHFIRE HAZARD REDUCTION

On 12 May the Hon. Jon Jenkins asked the Minister for Justice, representing the Minister for the Environment, a question without notice regarding national parks bushfire hazard reduction. The Minister for the Environment provided the following response:

> As at 1 June 2004, I am advised that the National Parks and Wildlife Service (now part of the Department of Environment and Conservation) has conducted fuel management activities over more than 50,000 hectares of parks and reserves. The Department of Environment and Conservation has also maintained some 4,430 km of fire trails and Asset Protection Zones in preparation for the coming fire season.
>
> In addition the Department has also conducted fuel management activities on more than 2,800 hectares of neighbouring estate to assist local communities to prepare for the on coming bush fire season.
>
> The Department does not treat wilderness areas any differently to non-wilderness areas when it comes to fuel management activities. The conduct of such activities is related to the assessed risk, not to whether or not the area is wilderness.
>
> On average the Department spends around $20 million on fire management per annum. This does not include the additional expenditure it spends on fire suppression activities.

POLICE FIREARMS REGISTRY

On 11 May the Hon. John Tingle asked the Minister for Justice, representing the Minister for Police, a question without notice regarding the police firearms registry. The Minister for Police provided the following response:

> The NSW Firearms Registry has been allocated an additional $2.9 million to fund the recruitment of extra staff to deal with the workload currently facing the Firearms Registry.
>
> The Firearms Registry has advised that it expects to have completed recruitment and premises fitout by July 2004. Backlogs are expected to be significantly reduced during the second half of 2004.

ABORIGINAL PARTICIPATION IN CONSTRUCTION IMPLEMENTATION GUIDELINES

On 11 May the Hon. Dr Arthur Chesterfield-Evans asked the Minister for Community Services, representing the Minister for Aboriginal Affairs, a question without notice regarding Aboriginal participation in construction implementation guidelines. The Minister for Aboriginal Affairs provided the following response:

> Responsibility for Aboriginal Participation in Construction Implementation Guidelines of the Department of Housing comes within the administration of my colleague, the Hon. Patrick Carl Scully MP, Minister for Roads and Housing. Therefore these questions should be referred direct to him for response.

SCHOOLS FUNDING

On 11 May the Hon. David Oldfield asked the Minister for Community Services, representing Minister for Education and Training, a question without notice regarding schools funding. The Minister for Education and Training provided the following response:

> In the 2003-04 budget the NSW Government provided $585 million for non-government schools.
>
> This is in addition to assistance from the Commonwealth Government, which provides the majority of the public funding that goes to non-government schools.
>
> The Federal Budget handed down on 11 May 2004 was the eighth Budget in which non-government schools received real funding increases while government schools received funding increases only in line with cost indexation.

Questions without notice concluded.

NATIONAL COMPETITION POLICY LIQUOR AMENDMENTS (COMMONWEALTH FINANCIAL PENALTIES) BILL

Second Reading

Debate resumed from an earlier hour.

Reverend the Hon. FRED NILE [5.02 p.m.]: Prior to question time I was referring to the membership of the Liquor Administration Board and the proposal that it should include a representative of the Commissioner of Police. I have received a copy of a letter from Les Tree, the Director-General of the Ministry for Police, which reads:

> I have been informed about the proposed amendment to the National Competition Policy Liquor Amendments (Commonwealth Financial Penalties) Bill 2004, which would provide for a nominee of the Commissioner of Police to the Liquor Administration Board.
> I have discussed this matter with the Commissioner of Police, Mr Ken Moroney, and I can advise that we both have serious concerns about the proposal.
>
> The Commissioner has a range of statutory functions under the *Liquor Act 1982*, the *Registered Clubs Act 1976* and the *Gaming Machines Act 2001*, some of which relate to matters that are ultimately determined by the board. For example, the Commissioner is one of the parties who can make a complaint to the board of undue disturbance of the quiet and good order of the neighbourhood of a particular licensed premises. In our view, it would be entirely inappropriate for the Commissioner to have powers to take noise complaint action against a licensee, and also to be represented on the body that determines the outcome of such a complaint.
>
> The Commissioner and I both feel that any proposed appointment of a representative of the Commissioner to the Liquor Administration Board would represent a conflict of interest and would be contrary to the doctrine of the separation of powers.

The Local Government and Shires Associations of New South Wales have put to the crossbenchers a similar proposition concerning the composition of the Liquor Administration Board. In their letter, signed jointly by the respective presidents, Councillor Dr Sara Murray and Councillor Phyllis Miller, the associations state:

> We believe that it would improve fairness, transparency and accountability in the administration of the proposed legislation for the Liquor Administration Board to include local government and other community representatives as Board members.

That is another matter for concern. It seems that the social impact assessment comes back to the views of the Liquor Administration Board and the members of the board. Therefore we feel a sense of uneasiness about the proposition. It should not lead to expanded outlets, if the social impact assessment process is followed correctly, but the danger is that the assessment process may not work in the way in which it is proposed.

As I said, the Minister for Gaming and Racing has provided a lot of information about how the social impact assessment process will work. Factors to be taken into account by the board in determining a social impact assessment include drink-driving and other related road safety data for the local area command; the proximity of the proposed premises to any area where police have identified problems with public drinking; public transport facilities available to patrons; the demographic profile, particularly data that may indicate certain social and economic risk factors, such as high unemployment; impact on the ability of the broader community to service potential increases in social health outcomes from increased access to licensed venues; and the proximity of the proposed licence to relevant facilities, measured in metres.

I note that the exposure draft of the Liquor Amendment (Social Impact Assessments and Licensees) Regulation provides a comprehensive list of the various people to be invited to contribute to the social impact assessment. However, the list does not refer to such bodies as local schools. Section 18F provides that a copy of the social impact assessment must be provided to the local council, the neighbouring local council, NSW Police, the Roads and Traffic Authority, the Chamber of Commerce, tourism organisations, the Council of Social Service of New South Wales, the Department of Community Services, the area health service for the relevant locality, the Network of Drug and Alcohol Agencies, and any person or body who is a party to any local liquor accord concerning licensed premises in the locality. That is an extremely extensive list, but it does not include local schools. A local school could be a kindergarten, a primary school, or a high school. Perhaps the term "educational bodies" may be more embracing.

I also feel that as local churches have a vested interest in this issue, they should have some involvement and be notified of the social impact assessment and invited to comment on it, rather than be left out in the cold and perhaps try to lobby somebody after the event. I therefore believe that local churches and other religious organisations should also be included in the list. A mosque, synagogue, Hindu temple, or other religious organisation that may be affected by the liquor licence should also be invited to participate in the social impact assessment process.

The big question is whether replacing the needs test with the social impact assessment will make it more difficult for liquor outlets. The Government and the Minister have said that this new approach will make it more difficult to expand liquor outlets. We believe that those restrictions should be in place. It gets back to the machinery of how the Liquor Administration Board carries out its very important duties. The New South Wales Parliamentary Library Research Service provided us with a resource paper on alcohol abuse that indicates that, because of the Liquor Administration Board being fairly liberal in carrying out its role, there are currently 12,220 licensed premises and registered clubs in New South Wales.

So, New South Wales could certainly not be called a dry State. Everybody has licences: there are 3,632 restaurant licences, 2,053 hotel licences, 1,563 registered clubs licences, 1,501 retail bottle shop licences, 986

permanent function licences, and 469 wholesale licences. There are theatre licences, motel licences, wine licences, university and college licences, aircraft licences—I suppose for the sale of liquor on aircraft—public hall licences, auction licences, airport licences and casino licences. In many ways it is going to be a major task for any government, current or future, to work out how to wind back the availability of alcohol in this State and how to reduce its social impact.

We know from one of the recent studies that in 1998-99 the social cost of alcohol was estimated to be $7.6 billion per annum, including $225 million for health, $1.875 billion for road accidents, $1.949 billion for production in the workplace, $402.6 million for production in the home and $1.235 billion for crime. That is leaving aside the impact of alcohol in human terms: 37 per cent of road injuries involving males and 18 per cent of road injuries involving females have been caused by the impact of alcohol; alcohol contributes to 12 per cent of male suicides and 8 per cent of female suicides, 34 per cent of injuries resulting from a fall, 44 per cent of injuries resulting from a fire, 34 per cent of drowning accidents, 47 per cent of assaults and 16 per cent of cases of child abuse. The list goes on.

At the Alcohol Summit the Premier put on record his concern about the impact of alcohol in our State. When this legislation was proposed there was an outcry because it seemed to be going in the opposite direction. The Alcohol Summit confirmed the social costs to our society, and that does not include hospital admissions. More than 71,000 admissions—including patients who had been transferred, discharged or died—were attributed to harmful and hazardous consumption of alcohol. So there is a health cost, road accidents cost, a workplace cost, and so on. The Government wants to be very sure that this bill will in no way expand liquor outlets in our State and add to the social cost of alcohol, which is already too high. Legislation should be introduced to wind back the impact of alcohol in our State.

The Hon. Dr PETER WONG [5.13 p.m.]: Today I speak on the National Competition Policy Liquor Amendments (Commonwealth Financial Penalties) Bill. I have serious reservations about deregulating the sale of alcohol from a community and a social justice perspective. Many communities would be seriously disadvantaged if they were able to purchase alcohol with greater ease than is already possible. Indeed, my serious concern and doubt, as stated earlier on by Reverend the Hon. Fred Nile, is that if this legislation is passed in its existing form that is exactly what might happen.

This bill is not about decreasing alcohol outlets in New South Wales. The Premier made it clear that this bill is all about money—somewhere between $12 million and $15 million, depending which side of the argument one listens to—that the Labor Government will need to obtain from the Federal Liberal Government. Indeed, in the past the New South Wales Government has carried out an excellent review on the issue of alcohol deregulation. I quote from a letter written by the Director, Policy and Development of the Department of Gaming and Racing, to Warren Bovis, the Executive Director of the Liquor Stores Association of New South Wales in 2002, in which the department says:

> To finalise the review, a Discussion Paper has been prepared containing information on:
> - The principles underpinning the National Competition Policy;
> - The current regulatory regime for liquor and club management in NSW;
> - Restrictions on competition which result from the current laws;
> - Alternative approaches to the current regime;
> - Developments in other jurisdictions; and
> - Future liquor licensing and club management options for NSW.

The department goes on to state:

> You will note that the Discussion Paper refers to previous consultation with stakeholders, and includes certain licensing options that have been developed to take account of issues raised during that consultation.

In its introduction the discussion paper states:

> It provides an opportunity for stakeholders in this discussion to make final submissions to the review before the Government considers the final recommendations of the review. The options outlined in this paper do not represent Government policy.
>
> The paper focuses on the regulation of the sale and supply of liquor, the operation of licensed venues, and the management of registered clubs. It presents for discussion a series of options for licensing reform in New South Wales. These should be considered within the context of the Government's overall strategy of harm reduction, encouraging responsible drinking, and protecting local amenity, as outlined in documents such as New South Wales Adult Alcohol Action Plan 1998-2002 and the companion Youth Action Plan 2001-2005.

On the issue of probity the paper states:

> Though unstated, another key objective of the legislation is to ensure probity within the liquor and club industry, and the appropriate ownership and management of these venues. Both the liquor and club industries are major contributors to NSW in terms of creating employment opportunities, leisure opportunities and economic activity.

Reverend the Hon. Fred Nile raised a question about probity. Any new legislation must ensure that the issue of probity is clear and transparent, and have community involvement. Chapter 5 of the discussion paper refers to alternative approaches. It states:

> 5.2.2 Removal of the licensing system would increase competition within the industry and provide business opportunities for new entrants into the market.
>
> 5.2.3 However deregulation is not an appropriate policy alternative. The unanimous view of the Steering Committee was that the costs to the community as a whole from total deregulation would outweigh the benefits that may accrue to individuals. The potential costs arising from deregulation would include a lessening of local amenity and increased alcohol-related harm.
>
> 5.2.4 There is a strong community expectation that the advances achieved so far by Government, industry bodies and consumer advocates, in terms of responsible serving and consumption of alcohol and all forms of harm minimisation, must be preserved.

These gains will be threatened in the absence of some form of regulation that compels those involved with the sale and supply of liquor to act responsibly and in the public interest, rather than purely for their own commercial interests, and allows for effective sanctions to be applied when that does not occur. The Government agrees that stricter control is necessary for deregulation and that it should not be left to market forces to do nothing, or the facade of minimal impact. Reverend the Hon. Fred Nile referred to condition A in the Government's discussion paper on licensing categories, which states that the primary activity of the business must be the sale of packaged liquor as an alternative to the existing needs-based legislation. Paragraph 7.3.5 of the Government's discussion paper states:

> The Government is committed not to allow the sale of liquor through supermarkets, convenience stores, milk bars, service stations or other inappropriate venues.

Paragraph 7.3.6 states:

> Under Condition A above, the "package" category includes a requirement that the primary activity of the business must be the sale and supply of liquor. This has been included as it recognises that the responsible service of alcohol and responsible operation of the premises are likely to be higher priorities for an operator where the business focuses on the sale and supply of liquor, rather than liquor being ancillary to some other form of business.

In other words, an individual selling alcohol has a higher ethical and moral duty to ensure stricter measures, and outlets such as Woolworths, Coles and service stations should not be allowed to sell alcohol with other food products. Paragraph 7.4.1 states:

> However, in any new licensing system in NSW, licence conditions should focus more clearly upon harm minimisation, local amenity and probity objects of the legislation, rather than being overly restrictive as is currently the case.

No-one is suggesting that the needs-based approach is perfect, but the new legislation must be tougher than the current loose arrangements. Reverend the Hon. Fred Nile referred to the New South Wales Summit on Alcohol Abuse held in 2003. Recommendation 2.8 states:

> Control of the economic and physical availability of alcohol can be effective in preventing alcohol misuse and harm in specific situations.

In other words, the more outlets we have, the more crime, abuse, accidents and other alcohol-related issues, including poor health. Unfortunately, under this legislation there will be more outlets and, consequently, a higher risk of cheaper alcohol, with the almost inevitable consequence of increased social harm. The Alcohol Summit acknowledged in its findings the importance of local government. However, when discussing real reform with the Government, it would not entertain the appointment of local government representatives on the Liquor Administration Tribunal. Following debate in the lower House, the Government expressed its intention to bring on this bill, despite considerable community concern. As a result I sent a letter to many community leaders and churches and I have received more than 2,000 petitions. I shall quote some of them. Peter Remfry, Secretary of the Police Association, stated:

> The Association records its deep concern for the potential results of this bill to increase proliferation of liquor outlets contributing to a rise in crime and violence as well as a risk to the safety of the public and our members.

Gary Moore, Director of the Council of Social Service of New South Wales, stated:

> The government's own Alcohol Summit and other recent international research shows explicitly that increasing the availability of liquor in the community increases social harm. On this evidence base this bill is a retrograde step.

Monsignor Tony Doherty, Dean of St Marys Cathedral, commented:

> One of the most serious pastoral questions facing Sydney at the moment is the incidence of underage drinking. The recently released AMA figures about binge drinking among 12 year old girls makes any question of deregulating the availability of alcohol an issue that must be considered very seriously by the community, my pastoral instinct is to oppose this bill.

Harry Herbert, Uniting Church Director for Social Justice, stated:

> This is another example of competition policy gone mad. We need to be just as concerned about the social impacts of the sale of alcohol as we are about having absolutely pure competition policy. Abuse of alcoholism is among the most serious issues facing our society. Having sales outlets everywhere is a move in the wrong direction.

The Salvation Army spokesperson had this to say:

> Making alcohol more readily available will only see an increase in binge drinking among teenagers and other at risk groups. It will increase social dislocation as well as add to mounting pressure on The Salvation Army to meet the needs of these groups.

Reverend the Hon. Fred Nile stated that the Government seeks to reform the Liquor Administration Board. What is the alternative? At present the Liquor Administration Board can consist of up to six members—three magistrates and three ministerial appointees. At the moment I believe there are four magistrates on the board. At this stage there is no transparency or community involvement, and no doubt the process of obtaining a licence is confusing to everyone.

In discussions with the Government it was stated that the Government was thinking about going down the path of an amendment to be moved by me. However, the Government has not yet given any undertaking, even in the Minister's second reading speech, that it intends to make such a body accountable and transparent, with community involvement. Therefore, it is obviously a bad bill. Anyone who supports the bill and expects not to have an increased number of liquor outlets will be trusting the Government 100 per cent, and I doubt anyone would do that. In a letter to all members of the crossbench and the Opposition, Reverend Bill Crews from the Ashfield Parish Mission—he is also the founder of the Exodus Foundation—wrote:

> I am aware the NCP liquor bill is going through the Upper House in the NSW Parliament today. As I understand it is the intention of the legislation to deregulate the sale of alcohol.
>
> I honestly feel this legislation will cause untold long term damage to the community. I support Dr Peter Wong's amendment to the composition of the board and all of the other amendments including the primary purpose clause.
>
> I believe that reform of the board with the participation of representatives of the Police the RTA and the LGA is essential to ensure accountability, transparency and integrity as well as proper community representation.

As Reverend the Hon. Fred Nile said, the Local Government Association and the Shires Association support a similar sentiment. Without going into the amendments in detail, the Police Association of New South Wales supports the proposal for a police representative on the Liquor Administration Board. The association stated:

> We do so on the basis that the current arrangements fail to adequately take into account the views of local police in respect to applications for licenses and variations to licenses. It is generally accepted that a large proportion of police interventions are alcohol related, that they are often violent and our members are placed at risk as a consequence. Your amendment would serve to ensure that the Board would properly consider the ramifications of its decisions in terms of policing and community safety.
>
> We do not believe that this would result in a conflict of interest, as there are other examples such as the security industry where police have both a regulatory and enforcement role.

Indeed, among the membership of the Parole Board are a member appointed by the commissioner and a police representative, and the Parole Board is a government body. So I do not understand the Government's argument. It will be sad if this bill is passed in its present form. For $12 million to $15 million, the Government will betray the faith that New South Wales citizens have in us. We should ask ourselves: Should we serve the community first, or should we serve a political party, a government, first? One could argue it is the fault of the Prime Minister, John Howard, that such unreasonable demands have been imposed upon us. As individuals, as Christians and as non-Christian humanists, will we still support a bad law because the Federal Government has forced us to draft a bad law?

The Hon. Duncan Gay: That's not right. That is a whole crock of rubbish. It is absolute rubbish.

The Hon. Dr PETER WONG: Obviously the answer is no.

The Hon. Duncan Gay: You have nearly put me to sleep.

The Hon. Dr PETER WONG: Maybe, it is yes. A bad law is a bad law, and I agree that we should not support it. On the other hand, we have every duty to amend it in such a way that it becomes better legislation in the process.

The Hon. DAVID OLDFIELD [5.35 p.m.]: In the first instance I should clarify something for the Hon. Dr Peter Wong. It is not the Howard Government that has forced national competition policy on anything we may be doing here today. What is taking place here today is the result of the Federal Keating Government forcing national competition policy on the country.

The Hon. Duncan Gay: And Bob Carr, who signed off on that.

The Hon. DAVID OLDFIELD: I take up the interjection of the Deputy Leader of the Opposition, who points out that it was entirely an Australian Labor Party initiative and that Bob Carr had his hands and fingerprints all over it. So the Hon. Dr Peter Wong is wrong to blame the Howard Government, although I would like to see the Howard Government do something about amending the process, rather than simply being caught up in it. At the outset I state that I am not a fan of the national competition policy. Indeed, in most instances I very much oppose the national competition policy, if for no other reason than purely on the basis of being concerned about the monopolies that can be created out of such legislation, particularly by large international corporate structures that simply rob Australia of its taxes by transfer pricing and various other means, putting the entire onus of cost of running the country and all its services on simple pay-as-you-earn taxpayers—and that includes all of us here in this Chamber.

Certainly, on the basis of multinational raping and pillaging of Australia, I have many problems with national competition policy as a whole. However, in all things that are bad or that appear to be bad in total, occasionally there are one or two good things involved. I will support this legislation this evening. One reason for that is that the only real negative that has been pointed out to me and is continually being forced down my throat—I say that with the greatest respect for those who are trying to force it down my throat—is that there will be a huge proliferation of alcohol and that Australians will suddenly be drinking more. Throughout the country people who are drunk will be rolling down the streets as a consequence of goodness knows what—being able to pick up a six pack at their laundromat perhaps? I am sorry but I simply do not see that at all. I think it is absolute rubbish.

Of course, I understand that certain communities have particular problems, and we are all aware of the problems facing Aboriginal communities in terms of alcohol use. At times there has been talk of restricting access to alcohol, but the same sorts of people who in some respect may actually want to restrict or change this legislation have actively been against restricting access to alcohol by Aboriginal groups because it is seen as taking away some of their rights. Frankly, I think it is wrong. I think that when people have a problem with alcohol, society should step in and do something about their access to alcohol.

Many people in the community do not have a problem with alcohol and simply wish to purchase alcohol. People can purchase alcohol at just about any hour of the day in so many ways now. The suggestion that this legislation will somehow change things so dramatically that we will have streets full of drunks and that there will be increased violence, abuse and criminal activity in our society is the greatest load of nonsense I have ever heard.

If there was some issue with young people and we were talking about access by juveniles to alcohol, there would be an argument. But that is another aspect of the law. It is already illegal for people under 18 to drink. We should not try to stop people under 18 from drinking by having fewer outlets or being concerned about the possibility of more outlets. People under 18 years of age are not supposed to drink, and that is a matter of policing and public awareness, and young people in particular being aware of the dangers to themselves of consuming too much alcohol and of certain kinds of alcohol. If it were a question of access by minors, there would be some argument, but the law is in place already so far as minors are concerned.

If there are to be six packs on the shelves of Woolworths, it will be a matter for Woolworths to police to ensure that people under 18 are not picking up those six packs with their Rice Bubbles. I have been told that Woolworths and Coles stores are going to get alcohol. I do not know how many of the members who are

opposing this bill do their own shopping, but I can assure them that Woolworths and Coles already have alcohol. Both the Woolworths store and the Coles store that are within 100 metres of where I live have their own bottle shops. I do not see what the difference will be when this bill is enacted so far as those stores are concerned.

I have some difficulty coming to terms with the desire to restrict access to a product that is legal. Frankly, we should not restrict advertising of a product that is legal. Even though I personally am very much against some products that are restricted, I have a tremendous problem with the fact that advertising certain products is illegal when the products themselves are not. There is a significant level of hypocrisy attached to that. We are not living in Sweden. We do not have bonded liquor outlets controlled by the Government and we are now talking about suddenly increasing the numbers of those outlets. I am not sure whether members who oppose this bill understand how much alcohol is consumed by Australians from the proliferation of outlets currently available to them. There are hotels, bottle shops, restaurants, bars, bottle drives and auctions. One can get on the Internet—I do it at least once a month—and go to the Langton's and Oddbins sites. That is the best way to pick up some extremely good wine, including back vintages. My point is that alcohol is freely available everywhere now. I say again, we are not living in Sweden. We are not talking about alcohol being available at certain times of the day and only at a very small number of outlets. It is not a question of people queuing for hours.

Reverend the Hon. Fred Nile: They are going to introduce the Swedish model in due course.

The Hon. DAVID OLDFIELD: I have been out with a couple of Swedish models, and they are worth being introduced to. But as a married man these days I do not follow such pursuits. Alcohol is everywhere. Is alcohol abused? Of course it is. There is no question that it is abused by some people. But it is not abused by everyone. On a recent visit to the United States of America I noticed that one can purchase alcohol anywhere. Alcohol is available for purchase in all the supermarkets. One can stroll down one aisle and pick up Steelo soap pads and stroll up another aisle and pick up a 1.75 litre bottle of Cuervo Gold. Alcohol is available everywhere in enormous amounts. But what I found most interesting in the United States was how cheap the alcohol is. A six pack of beer costs about $4. A six pack of Heineken costs about $6.50. A six pack of Corona costs about $18 in an Australian bottle shop, but in the United States Corona is $6 or $7 for a six pack.

Reverend the Hon. Fred Nile: Is that US dollars?

The Hon. DAVID OLDFIELD: Yes, but the United States dollar to the Americans is like what our dollar is to us. The exchange rate is not a problem for the Americans when it comes to buying products off their own shelves. Consequently, the exchange rate is not an issue in, nor is it relevant to, this argument. I point out to Reverend the Hon. Fred Nile that even after taking the exchange rate into consideration, alcohol is still much cheaper in the United States than it is here in Australia. In the United States my wife purchased a bottle of Veuve Clicquot for $21.99. It sells in Australia for about $75. You might get it cheaper—for $68.99—on special or if you were to buy it by the dozen. Even after applying the exchange rate to that purchase, it was still less than half the price.

Reverend the Hon. Fred Nile: Who makes all the money?

The Hon. DAVID OLDFIELD: I do not have a problem with people making money. If people did not make money, there would not be any money to cover all the social services that Reverend the Hon. Fred Nile is concerned about. If people do not make money, no-one will pay tax and without taxes nothing will be funded. People have to make money. That is the nature of the society we live in. My point is that if we are concerned about access to alcohol, we should be talking about the price of alcohol rather than the number of liquor outlets. If one were able to buy a six pack in a supermarket for $4 or $5 or a 1.75 litre bottle of Cuervo Gold tequila for $21.99, the available access to alcohol would be incredible, because quite often price is more of an impediment to alcohol access than is the number or location of liquor outlets.

That was the only real argument put to me to try to convince me that I should oppose this bill. I am afraid that argument just does not wash with me. Australians drink a great deal of alcohol now. I am not suggesting that is a good thing; however, I am sure that any reduction in the level of alcohol consumption would have its health benefits and would be good for the overall health budget. But I could not vote against this legislation on the basis that it will result in an incredible proliferation of outlets or that alcohol will suddenly become so much more accessible—that we would have "coolers" in every Laundromat and corner shop, and that anywhere we can pick up a chicken roll we could pick up also a Crown lager. That will just not happen. Currently, Australians can buy alcohol 24 hours a day quite easily, by any conceivable means, without restriction or restraint. This bill will not make any difference to that availability. Australians who want to buy alcohol will be able to do so in the same way as they are able to now.

The Hon. JOHN DELLA BOSCA (Special Minister of State, Minister for Commerce, Minister for Industrial Relations, Assistant Treasurer, and Minister for the Central Coast) [5.47 p.m.], in reply: I thank honourable members for their contributions to the debate. I particularly thank members of the crossbench for their helpful suggestions to improve the legislation. The simple purpose of this bill is to enable New South Wales to avoid the imposition of competition payment penalties by the Federal Government on the advice of the National Competition Council. The continued threat of penalties every year gives New South Wales no choice but to comply with the Commonwealth's demands to change the way we regulate liquor licensing. The amendments made by this bill aim to ensure that penalties are not imposed on New South Wales in future years. The National Competition Council has insisted that there can be no economic hurdle to the issue of a new liquor licence. It has, however, confirmed that the Government can put in place public interest restrictions on the basis of preventing social detriment.

The Government believes that these amendments strengthen the protection of our community from any potential harm caused by liquor. The National Competition Council believes the practical effect of the needs test in the current Act means that the only bar to entry is competitors objecting on the grounds of damage to their existing business. The new social impact assessment is rigorous and broad. For the first time the advice of police, health workers, community workers, child protection workers and many others relating to potential harm to local communities will be the central criterion in the assessment of a licence. We believe that far from enabling proliferation, the social impact assessment process will restrict proliferation, arguably more so than the needs test.

Let me start by addressing some of the concerns raised in debate. First, I quash the abject nonsensical suggestion that this bill will allow open slather for supermarkets to sell liquor. Under the Liquor Act, supermarkets cannot sell liquor. They are banned from doing so under section 49C (1), which provides:

> An application for, or to remove, an off-licence to sell liquor by retail that relates to a business whose primary purpose is not the sale of liquor, may only be granted if the court is satisfied that:
>
> > the sale of liquor under the licence will take place in an area of the premises … that is adequately separated from other areas of the premises in which other activities are carried on …

That is why stores such as Liquorland and Woolworths Liquor are located next to Coles and Woolworths supermarkets but have dividing walls and separate cash registers. Nothing in this legislation will amend this requirement. In other words, there will be no change to the current laws with regard to supermarkets.

I turn now to the suggestion by Opposition members that the Government could have simply overturned the penalty recommendations of the National Competition Council [NCC] by taking the matter back to the Council of Australian Governments [COAG]. The key issue is that the fines are not imposed by the NCC; they are imposed unilaterally by the Commonwealth Treasurer. Unfortunately, COAG has absolutely no power to compel the Commonwealth to do anything. One person decides whether to accept the NCC's recommendations in regard to fines and how much to penalise State governments, and that person is Federal Liberal Treasurer Peter Costello. New South Wales has been at the forefront of all the important competition reforms in electricity, gas, water, rail and national road transport.

Several members raised in debate whether or not national competition policy is a good thing. The reason for this bill is that the Commonwealth imposed significant competition penalties on New South Wales without justification. The bill is not an attack on national competition policy. New South Wales has completed the majority of reforms required under the 1995 National Competition Policy Agreement. These reforms have helped to make Australia's gross domestic product [GDP] 2.5 per cent higher than it would otherwise have been and they have added about $7,000 per year to the average household income compared to income at the start of the 1990s.

The growth in GDP and household incomes does not come from rats-and-mice amendments to liquor outlets, health professions and farm debt mediation. It comes from important reforms in electricity, gas, water and national road transport, as I have mentioned. The competition payment entitlement for New South Wales of $254.4 million in 2003-04 reflects New South Wales's share of productivity gains achieved under the national competition policy. A penalty of 20 per cent of New South Wales competition payments in 2003-04 for non-completion of a handful of comparatively minor matters under the legislation review program is completely inappropriate, and I suspect the Commonwealth Treasurer knows it.

Liquor licensing is one of two areas in which New South Wales copped the heaviest penalty. The Commonwealth imposed a penalty of $12.7 million for incomplete and non-compliant review and reform activity, despite the National Competition Council and the Commonwealth Government being kept informed of the need for New South Wales to delay premature action in this area in order to properly consider the outcomes of the August 2003 Alcohol Summit—to which the relevant Commonwealth Minister was an invited guest.

The Opposition has quoted the National Competition Council's assessment that as at June 2003 New South Wales had completed reform of only 73 per cent of its legislation. This was meant as a criticism, but the Opposition failed to point out that this was higher than the average of all other jurisdictions. The Opposition also failed to point out that the Commonwealth Government had completed only 50 per cent of its legislation reform. New South Wales was 50 per cent in front of the Commonwealth, and yet the Commonwealth kept our $51 million. The few incomplete matters under the legislation review program did not warrant the deduction of 20 per cent of competition payments and the threat of continuing deductions every year until reforms are made. New South Wales has repeatedly appealed to the Commonwealth Government, which has declined to reverse its penalties.

The Government, however, acknowledges members' concerns about the national competition policy process. We welcome the Productivity Commission's current independent review of the national competition policy arrangements, which will provide an appropriate opportunity for members and the Government to raise their concerns. The New South Wales Government will make a submission to this review. The Productivity Commission's review will inform COAG's own review of national competition policy [NCP] arrangements, which is due by September 2005. New South Wales will use the opportunity provided by the upcoming COAG review to make sure the focus is on reform that delivers real value to the community of New South Wales through competition.

Much of the debate on the liquor licence provisions in the bill has focused on the great harm that the unrestricted availability of alcohol could do to local communities and the State as a whole. That is why this bill establishes a rigorous process for assessing the social impacts of each and every proposed new liquor outlet and relocated liquor outlet before any licence is approved. We have put in place a tough, transparent test in which it must be proved that a new licence will not be detrimental to either the local community or the broader community. The bill strengthens our existing liquor laws and makes it effectively impossible for a bottle shop or hotel to open to the detriment of the community. Since the introduction of this bill the Government has continued to consult on the social impact assessment process to ensure that it is as robust as possible and that it will protect the community from alcohol-related harm.

I thank those members, especially crossbench members, who made a number of valuable suggestions when the bill was first introduced about the practical implementation of these reforms. The Government took the opportunity provided by the splitting of the legislation in the other place to incorporate many of those suggestions. I flag that the Government will move an amendment in Committee to vary the commencement date of this legislation. The bill as it currently stands provides for a commencement date of 1 July 2004. The Government will amend the date to 1 August 2004.

Members of the crossbench have made several sensible suggestions for improving the liquor social impact assessment process. The Hon. Jon Jenkins has advised the Government he will move an amendment that will make the ministerial guidelines a disallowable instrument. This will ensure that no government, current or future, can arbitrarily change the guidelines. The Government believes this is a most sensible improvement to the bill and will accept the amendment. The Government will oppose two amendments to be moved by the Greens. We have very sound reasons for doing so, but I will leave that part of the debate to the Committee stage.

I take this opportunity on behalf of the Minister to thank the Council of Social Service of New South Wales [NCOSS] and its director, Gary Moore, for their input into this legislation. NCOSS originally had a variety of concerns, which it put to honourable members, on the operation of social impact assessments. Those concerns were to be dealt with via the amendments foreshadowed by the Greens and the Unity party. The Government believes that such amendments would result in unworkable legislation and has advised NCOSS that it is better for the legislation to be passed as it is and ensure that NCOSS and the groups it represents have a genuine role in liquor licence approvals.

To allay the concerns of NCOSS the Government indicated it will review the operation of social impact assessments in two years and table the report in the Parliament. The Government also offered to establish a ministerial advisory committee on the operation of social impact assessments that would include representatives

of NCOSS, NSW Police, the Roads and Traffic Authority, the Local Government and Shires Associations, NSW Health and the Department of Community Services. I am advised that in discussions between the Office of the Minister for Gaming and Racing and Mr Moore, NCOSS has indicated that it accepts the Government's arguments and is willing to accept a review and advisory committee to ensure that the introduction of the social impact assessment process is accountable and open. I would hope that NCOSS's support for the legislation would lead the Greens and Unity not to proceed with their amendments.

I also take this opportunity to thank the Australian Hotels Association [AHA] and the Liquor Stores Association [LSA] for their hard work to ensure this new process is rigorous and sound. Both the AHA and the LSA support this legislation and are convinced that it is an improvement on the current legislation. During debate on the bill members asked how the bill would apply to existing licences. I know some members have been particularly concerned about the effect of the bill on those general stores in our rural and regional communities that act as the local post office, petrol station, grocery store and liquor outlet. I can assure them that stores that have been granted a liquor licence under the current licensing system will not lose their authority to sell liquor. None of the impacts of this bill will be retrospective. The bill applies only to new applications for bottle shops and hotels.

The social impact assessment process is a test to see whether a new licence should be granted. The test will not apply to licencees that have already been granted a licence under the current system unless the licensees propose to change the conditions of their licence or to move the licences to another location. The question of how the Government regulates the conduct of liquor licencees is one of licence conditions. The appropriate manner for ensuring that existing licensees operate to uphold harm minimisation standards in line with community expectations is through the sanctions and licence conditions already established under the Liquor Act.

A number of members have raised the issue of staff in bottle shops being trained in the responsible service of alcohol principles. Regulation-making powers were introduced into the liquor laws in 1996 to make provision for the mandatory responsible service of alcohol training in the liquor industry. Following the Alcohol Summit and consultation with key industry groups, these regulation-making powers were used last year to introduce mandatory responsible service of alcohol training for liquor licensees, club secretaries and all serving staff at the retail level of the liquor industry. These provisions apply to hotels, registered clubs, restaurants, liquor stores and all other retail liquor outlets. While licensees, club secretaries and permanent serving staff were required to be trained by 31 December 2003, casual serving staff have until 30 June 2004 to be trained.

The continued threat of a $12.7 million penalty every year gives the State Government no choice but to comply with the Commonwealth's demands to change the way in which it regulates liquor. The Government has done everything in its power to ensure that the provisions of this bill maintain, if not strengthen, the integrity of the New South Wales liquor licensing system. I understand that the Australian Hotels Association, the Liquor Stores Association and the Police Association are broadly supportive of the legislation because it will better protect communities from alcohol-related harm, ensure that key stakeholders such as NSW Police, health authorities and local government have a genuine and formal role in determining whether a new licence is granted, and ensure a rigorous social and public interest test is applied so that a no social detriment hurdle is cleared before the granting of a new licence. This is one area of competition policy reform that has actually led to a vastly improved set of regulatory arrangements.

The Hon. Dr Peter Wong and Reverend the Hon. Fred Nile raised the need for the Government to ensure that the bill will not result in the proliferation of liquor outlets. The State Government has communicated to the Commonwealth its strongly held view that a robust liquor regulatory regime must remain in place given the substantial harm associated with alcohol abuse in the community. Honourable members may be assured that the Government will do everything in its power to prevent the Commonwealth's demands resulting in a proliferation of liquor outlets across New South Wales to the detriment of the people of this State. That is why the bill provides the strong and robust framework that I have referred to previously.

The applicant must advertise the social impact assessment and put it on public display so that the local community has every opportunity to provide informed submissions to the Liquor Administration Board outlining opinions on licences for new hotels and bottle shops. The board may approve a social impact assessment only if it is satisfied that the overall impact of the application being granted by the court will not be detrimental to the local community or to the broader community. That means the immediate impact on the local community as well as the general population of New South Wales of issuing the licence can be taken into account.

The regulations and guidelines stipulate that applicants must satisfy a comprehensive set of factors in a social impact assessment to ensure that any likely impact is submitted to the board. The guidelines stipulate that the onus is on the applicant to demonstrate that there will be no adverse impact resulting from the granting of a bottle shop or hotel licence. They also stipulate that an application will not be approved by the Liquor Administration Board unless it can be established by the applicant that there will not be an unreasonable risk of social detriment to any element of the community in the event that the application is approved. This will ensure that the people of this State are not disadvantaged by the spread of alcohol outlets in their communities. A similar social impact assessment has been implemented in Queensland and it has been assessed by the National Competition Council as complying with national competition policy guidelines. In developing this system, the Government has taken the best parts of the Queensland system and strengthened them to protect the people of New South Wales.

Reverend the Hon. Fred Nile asked why schools and churches are not sent copies of social impact assessment applications. The bill requires that any application be advertised in both local and statewide newspapers. If a school or church community has concerns about a proposed new liquor licence it can comment on the application when invited to do so through the advertising process. It should be noted that it is a requirement of any social impact assessment that the applicant detail whether the premises is in close proximity to a school, church or other sensitive facility. This information must be considered by the board in determining whether there will be any detriment to the local community. The honourable member also asked about the membership of the Liquor Administration Board. Four ex officio members are licensing magistrates.

The honourable member also asked about convenience stores in rural communities. As I stated earlier, the bill strengthens the current restriction on the sale of liquor in convenience stores. Convenience stores as defined in the Act may not be granted liquor licences unless they are in remote areas where no other takeaway liquor stores are available to the local community. This applies only to convenience stores that are open longer than the standard hours for bottle shops. These stores must also demonstrate that they will not encourage liquor-related harm, including drink-driving, before they can be issued with a licence. This is a strong safeguard that ensures that people in regional New South Wales are not disadvantaged and it supports regional business. This bill expands the application of the Act by changing the term "convenience store" to "general store". General stores include mixed businesses, corner shops and milk bars. It also expands the restriction to cover general stores regardless of their opening hours. This is a great protection for everyone in the State and it is consistent with measures adopted in Victoria that have been assessed by the National Competition Council as being in compliance with competition policy. As I said, this is an area in which competition policy reform has led to improvements. I commend the bill to the House.

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

The House divided.

Ayes, 21

Mr Breen	Ms Griffin	Ms Tebbutt
Mr Burke	Mr Hatzistergos	Mr Tingle
Ms Burnswoods	Mr Jenkins	Mr Tsang
Mr Catanzariti	Mr Kelly	
Dr Chesterfield-Evans	Mr Macdonald	
Mr Costa	Mr Obeid	*Tellers,*
Mr Della Bosca	Mr Oldfield	Mr Primrose
Ms Fazio	Ms Robertson	Mr West

Noes, 18

Mr Clarke	Mr Lynn	Mr Ryan
Mr Cohen	Reverend Dr Moyes	Dr Wong
Ms Cusack	Reverend Nile	
Mrs Forsythe	Ms Parker	
Miss Gardiner	Mrs Pavey	*Tellers,*
Mr Gay	Mr Pearce	Mr Colless
Ms Hale	Ms Rhiannon	Mr Harwin

Pair

Mr Egan	Mr Gallacher

Question resolved in the affirmative.

Motion agreed to.

Bill read a second time.

Suspension of Standing Orders

Motion by the Hon. Dr Peter Wong agreed to:

That standing orders be suspended to allow a motion to be moved forthwith that it be an instruction to the Committee of the Whole that it has power to consider an amendment relating to the appointment of members to the Liquor Administration Board.

Instruction to Committee of the Whole

The Hon. Dr PETER WONG [6.13 p.m.]: I move:

That it be an instruction to the Committee of the Whole that it has power to consider an amendment relating to the appointment of members to the Liquor Administration Board.

I have moved the motion simply because at the moment the Liquor Administration Board is almost, but not quite, an administrative body. The Liquor Administration Act provides that the membership of the Liquor Administration Board comprise six members, three of whom are to be magistrates and three of whom are to be ministerial employees. I believe that the current Liquor Administration Board membership comprises four magistrates. As referred to by many speakers, there ought to be transparency, accountability and community participation in such a body. The amendment will rectify that aspect with regard to the Liquor Administration Board. Furthermore, a judicial officer administering the granting of licences may be against the constitution of the High Court in Australia. I believe that the Minister considered taking this course in the long term in any event. Perhaps the Minister will indicate in his reply whether the Government would be receptive to community involvement in such a body and, if so, specify a time frame for a review of the membership of the Liquor Administration Board.

The Hon. JOHN DELLA BOSCA (Special Minister of State, Minister for Commerce, Minister for Industrial Relations, Assistant Treasurer, and Minister for the Central Coast) [6.15 p.m.]: The Government does not support the motion. I do not propose to take up the time of the House in detailing all the reasons for the Government's position, except that in our view the motion is well outside the leave of the bill.

The Hon. JON JENKINS [6.16 p.m.]: During the Committee stage I will relate conversations I had with the Minister and his advisers in which they gave a guarantee to review the Liquor Administration Board within a certain time frame. Perhaps the Hon. Dr Peter Wong is trying to ensure that the Liquor Administration Board is a level playing field. I understand that the Government may give a commitment to review the membership of the Liquor Administration Board within a specified time frame.

Reverend the Hon. FRED NILE [6.17 p.m.]: We support the motion in principle. The Government said it opposes the motion because it is outside the leave of the bill. Even though the motion may be outside the leave of the bill, we are debating whether permission should be given to consider the amendment.

Motion negatived.

In Committee

Clause 1 agreed to.

The Hon. JOHN DELLA BOSCA (Special Minister of State, Minister for Commerce, Minister for Industrial Relations, Assistant Treasurer, and Minister for the Central Coast) [6.18 p.m.]: I move:

Page 2, clause 2, line 6. Omit "July". Insert instead "August".

As I explained in my reply to the second reading debate, the commencement date for the legislation has been amended to 1 August 2004 to allow sufficient time to implement administrative arrangements and update operational systems to support the Act.

Amendment agreed to.

Clause 2 as amended agreed to.

Clause 3 agreed to.

The Hon. Dr PETER WONG [6.19 p.m.], by leave: I move Unity party amendments Nos 1 and 2 in globo:

No. 1 Page 3, schedule 1. Insert after line 16:

[8] Section 49C grant of off-licence (retail)

Insert before section 49 (1):

(1A) Except as provided by subsection (1), an application for, or to remove, an off-licence to sell liquor by retail may not be granted unless the court is satisfied that the primary purpose of the business to which the licence relates is the sale of liquor by retail.

[9] Section 49C (1)

Omit 'a business whose primary purpose is not the sale of liquor may only be granted'.

Insert instead 'a general store may, subject to subsection (2), be granted'.

No. 2 Page 3, schedule 1 [9], line 22. Omit 'An application'. Insert instead 'Without limiting the generality of subsection (1A), an application'.

As I said during the second reading debate, these amendments ensure that the primary purpose clause applies. The Government advocated the primary purpose clause. It was one of the conclusions of the Gaming and Racing Board's discussion paper. I thought it was an excellent conclusion and an excellent idea. As a result, I have moved my amendments.

The Hon. JOHN DELLA BOSCA (Special Minister of State, Minister for Commerce, Minister for Industrial Relations, Assistant Treasurer, and Minister for the Central Coast) [6.20 p.m.]: The Government does not support the amendments moved by the Hon. Dr Peter Wong. Supermarkets are already prevented from holding a liquor licence under the existing terms of section 49C—that is, there is a primary purpose test. The test operates to prevent any business whose primary purpose is not the sale of alcohol from gaining a retail off-licence unless the liquor retailing is carried out in separate premises with separate cash registers—effectively a separate business. As I explained during my reply to the second reading debate, without more detailed legal scrutiny there is a question as to whether this amendment would act to prevent liquor retailers owned by larger chains such as Liquorland or BWS from gaining future liquor licences. This would be a major problem for the industry, including independent liquor licence store owners who, when they retire, more often than not sell their personal franchises to businesses such as Coles Myer or Woolworths. These chains are among the more responsible operators in the marketplace and serve to ensure that responsible service principles are put in place.

Amendments negatived.

Ms SYLVIA HALE [6.21 p.m.], by leave: I move Greens amendments Nos 1 and 2 in globo:

No. 1 Page 5, schedule 1. Insert after line 31:

62C Social impact assessment required in connection with continuation of hotelier's or off-licence (retail)

(1) It is a condition of a hotelier's licence or an off-licence to sell liquor by retail that the licensee must:

(a) in the case of licence that was in force as at the commencement of this section—provide to the Board a social impact assessment in relation to the licence before the end of each period of 5 years following the commencement of this Division, or

(b) in the case of a licence that is granted after the commencement of this section—provide to the Board a social impact assessment in relation to the licence before the end of each period of 5 years following the grant of the licence.

(2) The provisions of this Division that apply to and in respect of a social impact assessment that is provided in connection with a relevant application apply to and in respect of a social impact assessment that is required to be provided under this section in relation to a licence. Accordingly, a reference in this Division to the applicant includes a reference to the holder of the licence to which the social impact assessment required under this section relates.

(3) If the Board does not approve a social impact assessment that is required to be provided under this section in relation to a licence, the licence is cancelled.

No. 2 Page 6, schedule 1. Insert after line 20:

(2) Without limiting subsection (1), a social impact assessment must provide the following information:

(a) the number of licensed premises per head of population in the area in which the premises to which the assessment relates are situated (***the relevant area***) and a comparison with the rates for other similar areas in the State,

(b) the number of apprehended violence orders, child protection notices, property thefts, assaults, drug and alcohol service admissions and suicides that have occurred or been made in the relevant area during the previous 12 months and the number of occasions on which supported accommodation services and mental health services have been used in the relevant area during the previous 12 months, along with a comparison with the State-wide number of such matters.

The intention of the Greens amendments is to strengthen and clarify the Government's proposed social impact assessment regime. The Minister has said that it will be similar to the regime that applies to the issuing of gaming machine licences. The Government stresses that the gaming machine system has resulted in the granting of only three successful licences compared to five rejections. The Government is less keen to draw attention to the fact that there are dozens more applications in the pipeline and, as yet, no-one knows how many will be granted and how many will be refused. While this administrative bottleneck may suit the Government's political agenda, it is clearly not in the interests of the smooth running of the State. There is a lack of clarity in the gaming legislation about just what is required in a social impact assessment.

The Greens prefer to learn from some of the mistakes in the gaming machines regime and institute an improved system for the approval of liquor licences. Therefore, our amendments seek to specify what is involved in social impact assessment in relation to information to be provided and community consultation procedures. Greens amendment No. 1 ensures that the social impact assessment regime will apply to existing retail liquor licences as well as to new applications. Existing licence holders will be required to provide the Liquor Administration Board with a social impact assessment in relation to the licence within five years of the commencement of the legislation. In the case of licences issued after the commencement of the section, the requirement will be that they supply a social impact assessment within five years of being granted a licence. Unless the Liquor Administration Board approves the assessments the licence will be cancelled. In effect, we are saying that there should be a level playing field—as the cliché goes—with the same regime applying to future licence holders as applies to existing licence holders.

The effect of national competition policy overall, and this bill in particular, is to advantage existing businesses over new entrants. The Greens consider that the need for social impact assessments applies equally to both existing and new outlets. The Greens amendment puts existing businesses on the same footing as new outlets in requiring them to pass the social impact assessment test. More fundamentally, those who benefit from selling liquor have a responsibility to measure and test the harm they might cause to the community over a period of time, not just at the point at which they are first granted the licence. We have put forward a five-year cycle as an appropriate interval to review the social impact of all outlets. This is a sufficient period of time for social change in a neighbourhood to be measured, but short enough for communities not to be obliged to tolerate inappropriate outlets for an unnecessarily long time.

Currently, once a liquor licence is granted it is held indefinitely, requiring review only if the premises are moved. This is clearly an out-of-date approach to licensing, as communities across the State who are burdened by inappropriate outlets in locations that have changed their character will attest. It is anticipated that this amendment will have the incidental benefit of flushing out some of the many thousands of unused licences that are being held in the system. In the period since the bill was initially proposed in March the Government has worked constructively to tighten up the social impact assessment process. As I said in my contribution to the second reading debate, the Greens support the SIA process and congratulate the Government on developing a mechanism that would begin to collect the data necessary to comprehensively assess the impact of alcohol on our communities.

The Minister told us in his second reading speech that the liquor industry is supportive of the social impact assessment process. The industry supports it as a hurdle over which new entrants must jump, but it does not support it if it applies to existing liquor licences. This is the height of hypocrisy. The Greens recognise that a social impact assessment process, as outlined in the draft regulations, represents a significant task. In fact, the cost may discourage smaller operators from entering the market. To collect and assemble the necessary data would require considerable time and some thousands of dollars. With this in mind, the Greens, in close collaboration with the community services sector, settled upon the period of five years. As I have already indicated, this represents a period of time sufficient to measure change, without being an overtly onerous impost on the liquor industry.

Clearly, the liquor industry is unlikely to be happy with the social impact assessment proposal if it applies to existing licence holders. However, I urge the Committee to put the interests of the community before the profits of those with a vested interest in reducing their own accountability. For the residents of New South Wales who believe that decisions affecting their lives will be made on a rational and objective basis, this is the least they can expect. It is perfectly reasonable to apply this requirement to existing as well as new liquor outlets. The Greens seek the support of the Committee for this amendment. We also challenge anybody to defy the rationality or fairness of those amendments, particularly if they ostensibly subscribe to a notion of competition that applies equally to all.

Greens amendment No. 2 goes to the heart of our intention to tighten up the social impact assessment regime in this legislation. It specifies the information that must be provided in a social impact assessment, ensuring that a minimum standard will be met and that decisions based on these assessments will be comprehensive. The first requirement relates to the number of licensed premises per head of population in the relevant area and a comparison with other areas in the State.

The value of this information for decisions on licensing is surely obvious. It is rarely in the interests of a neighbourhood to establish itself as a regional drinking centre or, at the very least, to do so without an assessment of the cumulative impact of each individual licence. This provision does not stop the strategic location of liquor outlets close together but it will allow an assessment of what special arrangements may be needed to ensure the safety and amenity of both drinkers and local residents under these circumstances.

The second requirement is for information to be provided on a range of social indicators, which together form a picture of the social health of an area. This essential baseline information not only allows the assessment of the potential impact of a new outlet, but also permits the ongoing tracking of the impact of outlets over time. The introduction of this requirement would be a major step forward for liquor licensing, placing assessment of applications on solid statistical grounds rather than linking it to how vocal and organised an interested party may be. The Government has argued that specific provisions such as this should be relegated to the regulations rather than enshrined in legislation. In a perfect world this may have some validity. But the Greens simply do not trust the Government to create a sufficiently detailed and rigorous system through its regulations. It is important that any changes to social impact assessment requirements not be hidden away in the regulations but be subject to public debate and approval.

I am advised that one of the issues holding up decisions on gaming licences is the uncertainty surrounding the standards and requirements for social impact assessments. As I mentioned earlier, this problem is exacerbated by the inappropriate judicial model applied to these particular licences. Nonetheless, we can learn from this experience and ensure that the system we set up now for liquor licensing will be both rigorous and clear. Once again, I commend these amendments to the Committee as a way of ensuring that the social impact assessment process is genuinely participatory and worthwhile. The temptation for the Government, once the media attention has moved on, will be to fudge these requirements in the regulations, as it has done all too often before. I call upon all members to support these provisions as our only opportunity to guarantee that liquor licensing will be determined in a way that truly takes into account the needs, views and vulnerabilities of the community.

I understand that the Government does not support either of the Greens amendments. Its failure to do so simply highlights its hypocrisy on matters relating to the harmful impact of alcohol and the lengths it will go to to protect its mates in the grog industry. The motivation for this legislation is supposedly a need to comply with the requirements of national competition policy and to end the non-competitive nature of the liquor industry. Yet what does the legislation propose? It aims to construct a completely uneven playing field, one that favours existing licence holders while severely disadvantaging new entrants—none more so than smaller operators. New licensees will be subject to a rigorous process, to be undergone every five years, while existing licence holders will be totally exempt from those requirements.

Who are the existing licence holders? They are predominantly the pubs and 190 clubs that contribute so generously to Labor's slush funds. They are the members of the liquor industry who have donated in excess of $2 million to the Labor Party over the last five years. But the Government's hypocrisy is not confined to its endeavours to preserve the dominance of existing pubs and clubs. Last year we all participated in the Alcohol Summit and listened to the Government's pious protestations that it would endeavour to moderate the harm inflicted on the community by alcohol. Yet here, when the Government has the opportunity to oblige all liquor outlets to provide detailed information on their impact, it refuses to act. It does not even want to confront the

information that a social impact assessment might reveal, nor entertain the prospect that it might have to cancel an existing liquor licence.

The Government urges us to pass this bill because, if we do not, the State will be fined $12.7 million. Yet this is small beer compared to the cost that the liquor industry imposes on the State's health and welfare systems and the toll of human misery it exacts. If the Government were genuine it would support these amendments and thus help to ensure the passage of the bill through this House, save the State from additional fines and, most importantly, institute an assessment system whereby we can track and quantify over time the ravages being wrought by alcohol and, the Greens hope, ensure that licences continue to operate only where the impact on the community can be shown to be acceptable.

Reverend the Hon. FRED NILE [6.35 p.m.]: The Christian Democratic Party supports the detailed arguments of Ms Sylvia Hale. Obviously the amendments will not be agreed to if the Government and the Opposition oppose them. However, I believe they have merit and therefore the Christian Democrat Party supports them in its new coalition with the Greens.

The Hon. JON JENKINS [6.35 p.m.]: I would have liked social impact assessments to apply to existing licences and, therefore, believe that the proposal has some merit. However, the amendments are fatally flawed because of the impracticality of cancelling existing licences. One cannot rescind the licences of the Sheraton Hotel or country pubs. The amendments should have been considered in a little more detail. Indeed, the operating hours of liquor outlets may have been a way to control the amount of liquor in the community. Although I support the thrust of the amendments, I do not support the amendments themselves.

The Hon. DUNCAN GAY (Deputy Leader of the Opposition) [6.36 p.m.]: The Opposition does not support the amendments. Ms Sylvia Hale said she hoped that the amendments would be passed so people would support the bill. Frankly, the Opposition will not encourage people to support the bill because we believe it is bad legislation. The Opposition opposed the second reading of the bill and will oppose the third reading.

The Hon. JOHN DELLA BOSCA (Special Minister of State, Minister for Commerce, Minister for Industrial Relations, Assistant Treasurer, and Minister for the Central Coast) [6.37 p.m.]: The Government will not support either amendment. Although the Greens amendments, which require existing licensees to undergo social impact assessment every five years, may look attractive, they are profoundly flawed. First, the social impact assessment process is designed to be a public interest hurdle to the issue of a new licence and therefore an entry requirement for potential licence holders only. It is not a yardstick for the assessment of compliance with the terms of an existing licence and a requirement existing licence holders have to fulfil.

The test is social detriment compared to the status quo. A continuous assessment process will mean that there is no benchmark against which to measure social detriment. I point out to honourable members that the bill is not about destroying the liquor industry, as it currently exists. It is about minimising the harm associated with alcohol by limiting the industry's growth and the granting of new licences in unsuitable or sensitive communities. Second, the Greens amendments have the effect of converting perpetual licences to five-yearly licences. The amendments would require all licensees to effectively reapply for their licences every five years.

Third, the amendments would prove to be a significant burden on many liquor stores. The cost of conducting a social impact assessment every five years may shut down many small liquor outlets, which would have the opposite effect to that articulated by Ms Sylvia Hale. This would have the consequential effect of consolidating the industry into the hands of a few very large players, capable of sustaining such additional costs. Fourth, the administrative burden of the amendments would be immense. The proposal would result in an inefficient use of the available regulatory resources. Currently there are approximately 1,500 bottle shops and 2,000 hotels in New South Wales. The way the amendments are drafted, all 3,500 premises would be scheduled for new social impact assessments in five years. The Liquor Administration Board would receive more than 100 times the number of new licences applications it received last year.

That means that 140,000 pages of information in social impact assessments, plus appendices, will be lodged every five years. Even if the renewal process for social impact assessments was spread evenly over the five-year interval, this would mean that 700 social impact assessments need to be prepared and assessed each year. The only way the Liquor Administration Board could cope with 700 social impact assessments on an annual basis or, worse still, 3,500 social impact assessments in a short period in five years, would be to give only a cursory and superficial examination to each document, which would defeat the whole purpose of social impact assessments.

This would mean that the time spent on preparing social impact assessments, and the efforts made by local community members in responding to them, would be completely futile and a waste of mutual energy. How would community organisations cope with responding to 3,500 social impact assessments or, at the very least, 700 each year? How would this protect the people of New South Wales? In my view the amendment is simply ludicrous. In relation to Greens amendment No. 2, the draft regulation requires that indicators of alcohol-related crime for the area be provided where available. It is important to note the two expressions "alcohol-related crime" and "where available".

As honourable members would know from the Alcohol Summit, NSW Police has been trialling a linking project to identify those crimes and incidents that are alcohol related. As was announced in the Government's response to the Alcohol Summit, it is likely that this project will be expanded in the future to cover all areas of the State. The Greens amendment proposes that information on a range of different types of incidents should be included in a social impact assessment. If there is research that establishes a causal link between the availability of hotels and bottle shops and the types of incidents nominated by the Greens, and if it can be established that statistical information on these incidents is readily available at both a local government area level and for local communities, then the Government would be prepared to consider including these items in the regulation as matters that must be included in a social impact assessment. The Government does not support including arbitrary lists of statistical measures that may or may not be relevant or available in the primary legislation. It does not support the amendments.

Amendments negatived.

The Hon. Dr PETER WONG [6.41 p.m.], by leave: I move Unity amendments Nos 3, 4 and 5 in globo:

No. 3 Page 7, schedule 1 [17], proposed section 62E. Insert after line 17:

(5) The Board must also, no later than 21 days before the commencement of that 30-day period, provide a copy of the social impact assessment to the person in charge of each of the following organisations or places and invite written submissions on the matter to be made within that 30-day period:

(a) the Local Aboriginal Land Council for the relevant area,

(b) any facility (including housing) in the relevant area that is used primarily by Aboriginal people,

(c) any place of worship or school in the relevant area,

(d) any game arcade (or other building or place where young people congregate) in the relevant area,

(e) any women's refuge in the relevant area,

(f) any counselling centre (in particular any centre associated with alcohol-related problems) in the relevant area,

(g) any home or hostel in the relevant area caring or providing for homeless people, for people with psychiatric illnesses or intellectual disabilities or for people with alcohol-related problems,

(h) any public housing facilities in the relevant area,

(i) any detoxification facility in the relevant area,

(j) any authorised place for detaining intoxicated persons.

(6) For the purposes of subsection (5), the ***relevant area*** is the local government area in which the premises to which the relevant application relates are situated.

No. 4 Page 7, schedule 1 [17], proposed section 62E (6), lines 21 and 22. Omit all words on those lines.

No. 5 Page 8, schedule 1 [17], proposed section 62F (3) and (4), lines 1 to 13. Omit all words on those lines.

Basically, Unity amendment No. 3 provides for the board to grant extra time for stakeholders to lodge submissions. Amendments Nos 4 and 5 provide that the Minister should not have an exceptional right to issue a guideline from time to time or, indeed, to exclude any specific class of social impact assessment from anybody whatsoever.

The Hon. JOHN DELLA BOSCA (Special Minister of State, Minister for Commerce, Minister for Industrial Relations, Assistant Treasurer, and Minister for the Central Coast) [6.43 p.m.]: The Government does not support the amendments as they are impractical in general terms and would add nothing to the legislation.

Amendments negatived.

The Hon. JON JENKINS [6.43 p.m.]: I move the Outdoor Recreation Party amendment:

Page 8, schedule 1 [17], proposed section 62F. Insert after line 13:

(5) sections 40 and 41 of the *Interpretation Act 1987* apply to the guidelines in the same way as those sections apply to statutory rules.

I ask for a little latitude when discussing this amendment. Before I progress to the main thrust of the amendment I remind honourable members of what I said during my contribution to the second reading debate. I commented that the whole concept of the National Competition Council [NCC] interfering in pharmacy and other non-government instrumentalities is ludicrous. That was never the council's intention and the fact that it has done this is ridiculous. In the case of pharmacies, the Federal Government, probably under some public pressure from 500,000 signatures, had the wherewithal to interfere in the process and remove pharmacies from part of the NCC's purview of influence. Why has the Federal Government not interfered in this case and removed alcohol from the list of things that the NCC can consider? In other words, if there had been a political will to remove alcohol, I am sure it would have done so.

I must say up front that I consider alcohol to be the single greatest social problem in our modern society. However, I realise that alcohol is a legal product to which a large percentage of the population want access. Earlier the issue of a proliferation of alcohol outlets was raised. I think that alcohol outlets, particularly in the city, are already what I would call prolific. As I said during my contribution to the second reading debate, early in the morning, within a few hundred metres of the gates of Parliament House, one can find three bottle shops open. I have spoken to the Premier's advisers and the Government advisers on this issue and I told them that this legislation was not negotiable and that I would be absolutely sure in my own mind that this legislation would not result in the wholesale proliferation of liquor outlets. I accept the will of both the Federal and State governments that this legislation should proceed in one form or another. However, I say again that I will not compromise and I will not negotiate on this bill.

There were several aspects that I required to be included in the bill. First, I required that there be significant community and government input in the licensing and social impact assessments, and those requirements have basically been adhered to through the guidelines. Secondly, I required that the Minister not be able to interfere in this process arbitrarily. I understand that the Government will accept this amendment, which will make these guidelines a statutory instrument and therefore bring them before this House for consideration before they can be changed. I had the most trouble with the third requirement, which was that there be no undue influence on the Licensing Court or the Liquor Administration Board, or that there be at least a fair playing field and no undue influence from the government of the day of whatever persuasion.

The Government has addressed item one by including significant input, and it has addressed item two by allowing the amendment to make the guidelines a statutory instrument. Item three caused me the most problems. I am cognisant of the argument that the board should include wide community consultation. Ideally, I would like to have seen representatives of any group adversely affected by this legislation represented on the Liquor Administration Board. Suggestions such as that police, the Council of Social Service of New South Wales and other community bodies be represented on the board have merit. However, the Government argued that there could be a potential conflict of interest, for example, with police input in a social impact assessment and police representation on the board. I understand that argument and I agree with its logic.

However, I point out to the Government that in the Northern Territory an experiment was conducted whereby the price of alcohol was increased slightly. During that period deaths and other damage due to alcohol fell by 20 per cent with some crime figures falling by 40 per cent. Other social damage, apart from deaths, fell within the range of 20 per cent to 40 per cent simply by the increase of a few per cent in the price of alcohol. In a landmark court case the Federal Government had the tax abolished under the excise laws—I am told that that is what it was—and as a result the price of alcohol fell again. As a direct and absolute consequence of that fall in the price of alcohol, deaths and other social damage returned to their normal pre-tax levels. I do not think one can get a clearer example of what happens when alcohol is cheap and more readily available.

Reverend the Hon. Fred Nile: It happened during the prohibition in America too.

The Hon. JON JENKINS: Yes. The problem we have at the moment with the alcohol licensing board is quite simple. The alcohol licensing board is a legally bound body and as such—I consider this to be one of the greatest failings of our modern society—the court system is grossly overinfluenced by the quality of one's legal representation. So in terms of representation in the licensing court it boils down to who has the most Queen's Counsel on the bench beside them. The alcohol industry is a $12 billion a year industry, which represents 2 per cent of the Australian economy. How can community organisations compete on a level playing field with that sort of financial resource aligned against them?

Herein lies my final opposition to this bill. The Government should, as quickly as possible and within a reasonable time, instigate a complete review of the licensing mechanics to ensure there is a level and equal playing field in all representations to the Liquor Licensing Board. It should ensure that all those representations are treated equally and not in proportion to the quality of legal representation parties can afford. I return to my original amendment, which is to ensure that the guidelines are entrenched in legislation and cannot be changed without them coming before Parliament. I trust I will receive widespread support for that amendment.

The Hon. JOHN DELLA BOSCA (Special Minister of State, Minister for Commerce, Minister for Industrial Relations, Assistant Treasurer, and Minister for the Central Coast) [6.50 p.m.]: The Government accepts the Hon. Jon Jenkins' amendment.

Amendment agreed to.

Schedule 1 as amended agreed to.

Title agreed to.

Bill reported from Committee with amendments and report adopted.

Third Reading

The Hon. JOHN DELLA BOSCA (Special Minister of State, Minister for Commerce, Minister for Industrial Relations, Assistant Treasurer, and Minister for the Central Coast) [6.51 p.m.]: I move:

That this bill be now read a third time.

The House divided.

Ayes, 21

Mr Breen	Ms Griffin	Ms Tebbutt
Mr Burke	Mr Hatzistergos	Mr Tingle
Ms Burnswoods	Mr Jenkins	Mr Tsang
Mr Catanzariti	Mr Kelly	
Dr Chesterfield-Evans	Mr Macdonald	
Mr Costa	Mr Obeid	*Tellers,*
Mr Della Bosca	Mr Oldfield	Mr Primrose
Ms Fazio	Ms Robertson	Mr West

Noes, 18

Mr Clarke	Mr Lynn	Mr Ryan
Mr Cohen	Reverend Dr Moyes	Dr Wong
Ms Cusack	Reverend Nile	
Mrs Forsythe	Ms Parker	*Tellers,*
Miss Gardiner	Mrs Pavey	Mr Colless
Mr Gay	Mr Pearce	Mr Harwin
Ms Hale	Ms Rhiannon	

Pair

Mr Egan	Mr Gallacher

Question resolved in the affirmative.

Motion agreed to.

Bill read a third time.

[*The President left the chair at 6.59 p.m. The House resumed at 8.30 p.m.*]

CRIMES (ADMINISTRATION OF SENTENCES) AMENDMENT BILL

NATIONAL PARKS AND WILDLIFE AMENDMENT (JENOLAN CAVES RESERVE TRUST) BILL

WORKERS COMPENSATION LEGISLATION AMENDMENT BILL

CHILD PROTECTION (OFFENDERS PROHIBITION ORDERS) BILL

Bills received.

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

Motion by the Hon. Tony Kelly agreed to:

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

Bills read a first time and ordered to be printed.

NATIONAL COMPETITION POLICY HEALTH AND OTHER AMENDMENTS (COMMONWEALTH FINANCIAL PENALTIES) BILL

In Committee

Consideration resumed from an earlier hour.

The Hon. TONY KELLY (Minister for Rural Affairs, Minister for Local Government, Minister for Emergency Services, and Minister for Lands) [8.35 p.m.], by leave: I move amendments Nos 1 to 9 in globo:

No. 1 Page 7, schedule 2 [7], line 12. Omit "400". Insert instead "800".

No. 2 Page 7, schedule 2 [7], line 13. Omit "800". Insert instead "1600".

No. 3 Page 10, schedule 2 [7], line 17. Omit "400". Insert instead "800".

No. 4 Page 10, schedule 2 [7], line 18. Omit "800". Insert instead "1600".

No. 5 Page 10, schedule 2 [7], line 24. Omit "100". Insert instead "200".

No. 6 Page 12, schedule 2 [7], line 32. Omit "400". Insert instead "800".

No. 7 Page 12, schedule 2 [7], line 33. Omit "800". Insert instead "1600".

No. 8 Page 13, schedule 2 [7], line 8. Omit "400". Insert instead "800".

No. 9 Page 13, schedule 2 [7], line 9. Omit "800". Insert instead "1600".

Since earlier this afternoon the Government has held discussions with the Australian Dental Association [ADA]. While the association would prefer the status quo, its primary concern is to ensure that the corporate owners of dental practices are held to proper account for their management of dentists as employees. The association has asked the Government to make amendments to increase the fines that would be attracted by corporate owners of dental practices for malpractice. The Australian Dental Association argues that the dentistry, in particular, corporate owners, may not be deterred from malpractice due to the level of fines to be imposed.

While the Government believes the existing level of fines and penalties, which are identical to those in the Medical Practice Act 2000, is sufficient, we appreciate the ADA's position that a corporate owner of a dental practice could reasonably be served by a higher level of fines. This amendment doubles the fines for corporate offences in the bill. The ADA has also asked the Government for certain assurances. First, the Government will

establish a committee to review the operation of the legislation comprising NSW Health, the Dental Board of New South Wales and the ADA. Second, the Government will, with the assistance of the ADA, examine a possible code of conduct for corporate employers of dentists. Third, the Government will take into account recommendations of the review committee in considering any further amendments that may be necessary to the dentistry legislation to deter inappropriate corporate behaviour.

The ADA has indicated that this amendment and these assurances essentially satisfy its concerns. As such, it has asked the Opposition to support the amendment in schedules 1 and 2 of the bill. The ADA advises that the shadow Minister for Health has given it a commitment that the Opposition will now not oppose this schedule and will not oppose recommitted schedule 1. While the Government believes the legislation as drafted was sound, we also wish to ensure the return of vital Commonwealth funds to fund essential public services in New South Wales. We thank the ADA for its suggestions to make this legislation more acceptable to the dental profession.

Progress reported from Committee and leave granted to sit again.

BUSINESS OF THE HOUSE

Postponement of Business

Government Business Orders of the Day Nos 3 to 15 postponed on motion by the Hon. Tony Kelly.

FINES AMENDMENT BILL

Second Reading

The Hon. TONY KELLY (Minister for Rural Affairs, Minister for Local Government, Minister for Emergency Services, and Minister for Lands [8.40 p.m.]: I move:

That this bill be now read a second time.

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

Leave granted.

In 2002, the Fines Act was the subject of a statutory review to determine whether the policy objectives of the Act remain valid and whether the terms of the Act remain appropriate for securing those objectives.

While the review confirmed the validity and appropriateness of the Act, a number of issues were raised in submissions to the review. These primarily relate to the role of the State Debt Recovery Office [SDRO] as the co-ordinating body in the fine enforcement system and concerns about the efficiency and fairness of review processes.

One concern was the inconsistency of procedures between SDRO and the Infringement Processing Bureau [IPB], including a lack of procedures for review of matters once they had been referred from IPB to SDRO. IPB is the source of approximately 80 per cent of fines administered by SDRO. This concern has been addressed in part by the transfer on 1 October 2003 of the IPB from NSW Police to become a part of SDRO. This move has improved the administration of fines in New South Wales and further improvements will continue to be made.

The amendments to the Fines Act contained in the bill will further improve the efficiency and fairness of the fines enforcement system.

The first group of changes under the bill relates to the mechanisms for review within the fines enforcement system.

The review of the Fines Act identified a number of concerns regarding a lack of knowledge of SDRO review mechanisms and how to apply for them.

The bill therefore clarifies and codifies review mechanisms in the legislation.

This includes a requirement for SDRO to specify in the notice given to a fine defaulter, the review processes that are available if the fine defaulter wishes to challenge the liability for the fine, is unable to pay the fine, or has concerns with the fairness of the enforcement process. This will formalise and extend SDRO's existing practices.

As part of these changes, the bill expands on the circumstances in which enforcement orders could be withdrawn. These include where a motor vehicle that is the subject of a fine was sold prior to the fine being incurred; the fine is a duplicate; or an error has occurred in identifying the person named in the enforcement order.

The bill codifies a part of the process for lifting sanctions where the defaulter is paying by instalments. The provisions that allow time to pay a fine currently suspend any further enforcement action, but do not require the lifting of sanctions already in place.

For example, a fine defaulter whose licence has been suspended is not entitled to have the suspension lifted until the fine is paid in full.

The bill provides that a licence suspension and any other restrictions on dealings with the Roads and Traffic Authority must be lifted after six payments have been made in accordance with SDRO's initial time-to-pay order. Further sanctions can be implemented if the fine defaulter fails to pay in accordance with that order.
The Fines Act already specifies some of the circumstances in which a penalty notice enforcement order must be annulled, including where the person was unaware of the penalty notice, or where the person was hindered by accident, illness or misadventure from taking action in relation to the penalty notice. The bill clarifies and expands on the circumstances in which enforcement orders may be annulled.

Currently, a fine defaulter may apply to SDRO for annulment of a penalty notice enforcement order within one year after the making of the enforcement order. The bill will remove the time limit for lodging an annulment application.

The bill introduces a new process for review of fines relating to penalty notices. In some cases, evidence is provided to SDRO to raise a doubt about the person's liability for the penalty.

The bill provides an alternative to referral to court in those cases where the available evidence suggests that the fine defaulter might not be found guilty of the offence. Prior to annulment of the enforcement order, SDRO will be required to refer the fine back to the issuing agency or referring agency to review the matter and determine whether to withdraw the fine.

The bill provides for a further administrative review of decisions made by SDRO in relation to a person's capacity to pay, such as decisions on an application to allow time to pay a fine, or to write off a fine. Although SDRO approves the overwhelming majority of such applications, the bill establishes a statutory hardship review board with the authority to review specified decisions of SDRO. The board will have the power to direct SDRO to allow further time to pay a fine, to defer a fine by way of write off, or to lift a sanction in advance of full payment of the fine.

Although the board will have a wide discretion to make such a direction, the board will be required to consider matters such as the fine defaulter's capacity to pay, the likelihood of successful enforcement using civil sanctions, and the fine defaulter's suitability for community service.

However, the board will not be limited to consideration of financial hardship and could, for example, consider factors such as serious economic and social hardship experienced by Aboriginal or people in remote communities. SDRO protocols will enable the board to take into account the special circumstances of people with physical or intellectual disabilities.

The board as formally constituted would consist of the Secretary of the Treasury, the Chief Commissioner of State Revenue, and the Director-General of the Attorney General's Department. A board member may appoint a person to act in the member's place at meetings of the board.

One notable change to enforcement procedures is in relation to fines imposed on people aged under 18 years. The Act currently provides that certain types of enforcement action cannot be taken against a fine defaulter who was under the age of 18 years at the time that he or she committed the offence.

If the fine defaulter, at the time of the offence, was not and had never been the holder of a drivers licence, a drivers licence acquired after that date cannot be suspended or cancelled in relation to that fine.

The bill restricts the use of RTA sanctions, in the case of a defaulter under the age of 18, to fines for traffic and parking offences and not by reference to whether or not the offender held a licence at that time. This will ensure that enforcement action is appropriate to the nature of the offence.

Each step in the fine enforcement process incurs additional costs that are payable by the fine defaulter. People aged under 18 years generally have limited means to pay even minor fines. Enforcement costs subsequently attached to a fine can be more than the original fine.

The Director of SDRO has the power to waive costs on a case-by-case basis and it is not unusual for juveniles to have enforcement costs waived.

The bill provides that all enforcement costs incurred by people aged under 18 years will be waived, with the exception of the initial fee for the issue of an enforcement order. Retaining that fee will act as a deterrent to deferring payment, although the power to waive in individual cases will remain. However, the fee for an enforcement order will be reduced from $50 to $25 for fines incurred by people aged under 18 years.

If any further offences are committed after the fine defaulter reaches the age of 18 years, any fine enforcement action by SDRO in relation to the further fines would be subject to the full range of sanctions and enforcement costs.

The bill also extends the limitation period for certain actions in the fines recovery process to ensure that any delay in issuing infringement notices does not cause a backlog, resulting in people who break the law avoiding the consequences of their actions.

In September 2002, the IPB relocated from Parramatta to Maitland. Following the loss of experienced staff and the introduction of a new fines processing system, a backlog of infringement processing built up during the 2002-03 financial year.

The Government has since taken steps to improve the efficiency of the IPB including increasing staff, but it is also taking action to reduce the risk of a fines backlog occurring in future. Last year the limitation period for commencing proceedings for owner-onus offences, such as speeding, red light and parking offences, was extended from 6 to 12 months.

The Fines Amendment Bill will make a similar extension of time for offences that currently have a limitation period of less than 12 months, if a penalty notice is issued within the original limitation period. It should be noted that the onus remains on the relevant agency to issue notices within the applicable limitation period.

The bill also makes a number of amendments to clarify administrative provisions in the Fines Act.
The bill removes an anomaly in the provisions dealing with imprisonment. A fine defaulter will be liable to imprisonment only if he or she is capable of and suitable for community service and has defaulted on a community service order.

The bill authorises SDRO to disclose personal information on fine defaulters to prosecuting agencies, but only to the extent that the information is reasonably necessary to monitor the status of outstanding fines.

Other amendments include allowing SDRO to use information obtained from other government agencies as the address for service of notice of a fine enforcement order and authorising electronic transmission of documents to the RTA, Sheriff, police officers, or an officer of the court. The bill also clarifies the circumstances in which SDRO may make a penalty notice enforcement order and clarifies the authority given by a warrant of commitment to a correctional centre under the Fines Act.

The bill incorporates a number of the provisions of the Fines Regulation into the principal Act with no substantive change. In particular, the amounts of enforcement costs and application fees are not increased. The remaining provisions will be remade in a new regulation.

Following the review of the Fines Act in 2002, a Fines Enforcement Reference Group was established comprising representatives of the Attorney General's Department, the Juvenile Justice Department, NSW Police, the Probation and Parole Service, Roads and Traffic Authority, State Electoral Office and a number of Treasury agencies.

This group has overseen a number of administrative changes over the past two years that have improved procedures. Most of the remaining issues raised by the review are addressed by the amendments contained in this bill.

The Government will continue to monitor the fine enforcement process to ensure it is fair and efficient. The Fines Amendment Bill represents a significant improvement in fines enforcement in New South Wales.

I commend the bill to the House.

The Hon. PATRICIA FORSYTHE [8.42 p.m.]: The Fines Amendment Bill is an administrative measure designed to improve the operation of the fines enforcement system. The key elements of the bill relate to the operations of the State Debt Recovery Office [SDRO], the establishment of a hardship review board and the extension of the statute of limitations for all fines to 12 months. About 80 per cent of fines imposed for road and traffic offences have a 12-month statute of limitations, and it is proposed that all six-month statutes of limitation be extended to ensure uniformity. The Opposition does not oppose this legislation. However, it would not want the extension of the statute of limitations to allow inefficiencies to develop in the operations of the SDRO. Of course, a six-month statute of limitations means fines must be issued within that time frame. That is particularly relevant to the Infringement Processing Bureau [IPB].

The statute of limitations for road and traffic offences was extended by regulation in August 2003 because of the serious problems being experienced in the IPB as a result of its move from Parramatta to Maitland. That significant backlog of fines has led to a Public Accounts Committee inquiry. Fines were not issued for a variety of reasons, none of which has been explained by the Government. The problem seems to relate to the loss of key personnel as a result of the move. I do not understand that. Surely anyone would readily grab the opportunity to live and work in Maitland. It is an outstanding city. I have had the pleasure of calling it my home for some years, and my family has a long history in the area. I do not understand why key staff were lost. Problems were also experienced with the new computer system. Regardless of the excuses offered for the difficulties, the Government lost in excess of $30 million, and that is not good enough.

If fines are imposed for legitimate reasons—that is, because people have acted outside the law—the failure to recover them effectively means a loss of revenue. That money is then not available to employ police officers and other personnel who ensure that people do the right thing in our community. Fines must be legitimately imposed—in other words, because people have broken the law, whether by speeding or by committing some other offence. We hope that speed cameras and so on do not record an offence when none has been committed. The Opposition believes that if a person has broken a law, he or she should be issued with a fine and recovery action taken if the fine is not paid.

The bill will establish a hardship review board to deal with applications for extensions of time to pay fines and, indeed, in some cases to write off fines. The Opposition supports the proposed membership of the board. It includes the Director-General of the Attorney General's Department, the Chief Commissioner of State Revenue and the Secretary of the Treasury, or their nominees. The Opposition also supports the concept of a hardship review board. Occasionally even those with the best will in the world who have incurred a fine experience legitimate hardship in paying. The board will be able to review fine defaulter cases and determine

the review procedure. It may also conduct a review in the absence of parties. The Opposition supports those provisions.

The bill clarifies the role of the SDRO and provides it with the discretion to make a court fine enforcement order on referral of a matter to it by the registrar of the court in certain circumstances. As I said, it also extends the statute of limitations to 12 months. The Opposition supports uniformity if that is the intention of the legislation. The previous extension was introduced by regulation, but it is more appropriate that it be dealt with in this legislation. The bill also restricts action taken against the licences of persons who commit offences while under the age of 18 to cases involving vehicle or parking offences. They are probably the most significant elements of the legislation. I am sure all honourable members could provide myriad examples of inappropriately imposed fines—for example, the person issued with the fine may not have committed the offence, there could have been a case of mistaken identity, or the sale of a vehicle might not have been correctly recorded.

In other cases, it may well be that dodgy speed cameras have been used. For a variety of reasons, people are sometimes wrongly fined. I could go close to taking up the remainder of the evening citing other examples. The Government must improve this process. We hope that the review of the Public Accounts Committee will point the way forward to ensuring that there is justice in the system. Having said that, I advise that the Opposition does not oppose the bill. We recognise that fines are an important part of the hierarchy of results relating to people breaking the law, and we hope that the Government is able to recover those fines efficiently and effectively.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS [8.50 p.m.]: The Australian Democrats support the Fines Amendment Bill. We believe there should be a statutory review of the Fines Act. The drafting of the bill has involved a consultation process to improve fines, and that is a good thing. The statutory review of the Fines Act in 2002 flushed out a number of complaints about the efficiency and fairness of the process of levying fines in New South Wales. The State Debt Recovery Office is the co-ordinating body in the fines enforcement system. There were criticisms of inconsistency of procedures between the State Debt Recovery Office and the Infringement Processing Bureau, and the bill will hopefully improve that state of affairs.

Fine revenue for 2003-04 is of the order of $238 million, and more than 90 per cent of that revenue comes from traffic fines. As most people would be aware, the revenue increased substantially with the introduction of speed cameras. The main concern addressed by the bill is the unfair impact that the burden of traffic fines has on low-income earners or the unemployed. The Council of Social Service of New South Wales [NCOSS] noted its concerns in its submission to the review of the Fines Act. The Act discriminates against those who are unable to pay fines, because their licences are not returned until the fines are paid.

I understand the Greens will move amendments in Committee that have been proposed by NCOSS to make the Act fairer in this respect. Interestingly, in Finland the level of a fine is tied to the income of the person against whom an infringement notice is written. This practice seems fine and fair in theory, but it results in rather large fines for those who are well heeled. The record fine in Finland is $283,419 for Jussi Salonoja, the heir to a Finnish sausage fortune, who was caught speeding at 80 kilometres an hour in a 40 kilometres an hour zone. The previous two highest fines were $131,104 for Jaakko Rytsola, an Internet millionaire, and $57,358 for Nokia president Pekka Ala-Pietila. It just might work in Australia! Any improvement to the inconsistencies in the levying of fines would be of benefit, but there must be fairness in its application. We support the bill and, in the interests of fairness, we will also support the Greens amendments that will be moved in Committee.

Ms LEE RHIANNON [8.53 p.m.]: The Greens support the Fines Amendment Bill, but we will seek to improve it through amendments to be moved in Committee. The bill follows a review process and generally seeks to make the system more fair and transparent. This stands in contrast to the mismanagement surrounding the Government's politically driven transfer of the Infringement Processing Bureau from Parramatta to Maitland. Obviously the Greens welcome the creation of new jobs in the Hunter, but we deplore the cynical timing of the move, just before a State election, to a Liberal-held marginal seat. Because the move was so politicised, it seems to have created all sorts of problems, including a number of errors and much waste. The Greens await with interest the outcome of the Public Accounts Committee inquiry into this grab for votes in Maitland.

Although we support the bill, we seek to make several minor changes that should improve the fairness of the measures. The Greens amendments were circulated to members by the Council of Social Service of New South Wales, and I hope they will be supported by both the Coalition and the Government. The Greens amendments would not limit revenue raising, but would bring relief to those who do it hard when they are hit by fines and lose their licences.

The Hon. TONY KELLY (Minister for Rural Affairs, Minister for Local Government, Minister for Emergency Services, and Minister for Lands) [8.54 p.m.], in reply: The Fines Amendment Bill will improve the operation of the fines enforcement system, particularly the review mechanisms. The amendments expand the circumstances in which enforcement orders can be withdrawn, particularly where an error has occurred.

Lifting a licence suspension when a person is complying with a time-to-pay order, and removing the time limit for lodging an application for annulment of a penalty notice enforcement order, benefit the fine defaulter. Improvements in the treatment of juvenile offenders, and the establishment of the statutory Hardship Review Board—which will not be limited to consideration of financial hardship but may take into account factors such as the serious economic and social hardship experienced by Aboriginal people and people in remote communities—demonstrate the Government's commitment to improving the fines enforcement process. I commend the bill to the House.

Motion agreed to.

Bill read a second time.

In Committee

Clauses 1 to 3 agreed to.

Ms LEE RHIANNON [8.57 p.m.]: I move Greens amendment No. 1 on sheet c-061A:

No. 1 Page 10, schedule 1 [31], line 28. Omit "6 instalments". Insert instead "one or more instalments for a period of not less than 28 days".

Greens amendment No. 1 amends the practices of the State Debt Recovery Office in the management of fines. The bill allows a person suffering hardship to get his or her drivers licence back after paying six instalments of the fine. However, if those instalments are spread over a long period, this can mean an unduly long loss of the person's licence. A more equitable arrangement is proposed in the Greens amendment. Under the amendment the person would recover his or her licence within the 28-day period following the payment of the first instalment. This payment would be taken as an indication of the person's commitment to pay off the fine. If further payments are not forthcoming, sanctions can again be applied. As the Council of Social Service of New South Wales has pointed out, this will mean that people who are genuinely trying to pay off their fines will not be penalised with an overly long licence sanction. Specifying a period, rather than a number of instalments, prevents discrimination against those who do not have the capacity to make more frequent payments. I commend the amendment to the Committee.

The Hon. TONY KELLY (Minister for Rural Affairs, Minister for Local Government, Minister for Emergency Services, and Minister for Lands) [8.58 p.m.]: Approximately 75 per cent of all instalment arrangements are entered into before the State Debt Recovery Office imposed licence sanctions. The remaining 25 per cent are those that have sanctions imposed after failing to comply with infringement notices, penalty notice reminders and enforcement orders. The average instalment arrangement amounts to approximately $1,200, and the majority of instalment arrangements are on a fortnightly basis. Therefore, the Greens amendment would mean that the sanctions could be in place for a period of 2½ months, on average, before automatic lifting. One instalment payment is not considered sufficient to demonstrate a client's commitment to pay the fine. There are existing policies and procedures for the lifting of sanctions without the payment of six instalments in cases where the licence is linked to the client's ability to earn an income, their medical situation or their domestic situation. These policies will remain in place. The Government will not support the Greens amendment.

Ms LEE RHIANNON [8.58 p.m.]: I assume, given the Opposition's silence, that it also does not support the Greens amendment. I feel compelled to comment on the lack of support from the Government and the Opposition. This minimal change to the bill would bring real relief to those who do it hard after losing their licence.

In his reply to the second reading debate the Minister spoke about Aboriginal people and people on low incomes, how they often do it really hard when they lose their licence and how this bill will bring them some relief. This amendment would add to their relief. We know that many people find it hard to pay the instalments of their fine on time and that they need to spread them out over a period of time. This amendment takes that factor into consideration. Many people in our society are dependent on their cars. Many members of Parliament

are dependent on their cars, but they clearly have no concept of what it means to have their main and, in many cases, only means of transport removed.

This amendment is simple. It is a simple change that would bring relief to some of the most disadvantaged people in our community. However, the bill will be rushed through—it will be all over—and it will show the inhumanity. As I said in my contribution to the second reading debate, the Greens acknowledge that the Government is going some way to tackling a difficult problem. We have heard about people who lose their licences but keep driving and get fined, particularly in some of the remote and rural communities. Many of them end up in gaol because they cannot live and they cannot support their families if they do not have a licence. This bill is trying to tackle that issue, but it is not going that little step further. A sensible suggestion has come from the Council of Social Service of New South Wales to bring relief to the people who are part of the most disadvantaged section of our community. While the Minister has talked about Aboriginal people and low-income people, the Government is not tackling this issue and it is not getting the most out of this bill. It should pass this amendment.

The Hon. JOHN TINGLE [9.01 p.m.]: I find myself in a very unusual position. I am disappointed that the Government and the Opposition will not support this amendment. I do not think I have ever supported a Greens amendment before, but I support this one. It is a reasonable amendment. In my book, at least, the amendment shows an understanding that there is a double-jeopardy effect involved. The bill proposes the establishment of a Hardship Review Board to deal with cases involving people in hardship conditions. People already in a hardship situation are having trouble paying off a fine and may be put into a double-jeopardy situation if the loss of their licence means that they cannot use their motor vehicle to easily continue their employment and get the sort of—

The Hon. Duncan Gay: Isn't that what a hardship board is for?

The Hon. JOHN TINGLE: The Deputy Leader of the Opposition says, "Isn't that what a hardship board is for?" That is what I am saying. However, I am suggesting that people who are in a situation of hardship and cannot get their cars back until they have paid off six instalments of the fine may have difficulty maintaining employment and, therefore, getting the money to pay the fine off. This is an absolutely reasonable amendment. I am surprised the Government will not support it.

Question—That the amendment be agreed to—put.

The Committee divided.

Ayes, 5

Dr Chesterfield-Evans
Mr Cohen
Ms Hale
Tellers,
Ms Rhiannon
Mr Tingle

Noes, 26

Mr Burke	Mr Gay	Mrs Pavey
Ms Burnswoods	Mr Jenkins	Mr Pearce
Mr Catanzariti	Mr Kelly	Ms Robertson
Mr Clarke	Mr Lynn	Mr Tsang
Mr Colless	Reverend Dr Moyes	Mr West
Ms Cusack	Reverend Nile	Dr Wong
Ms Fazio	Mr Obeid	*Tellers,*
Mrs Forsythe	Mr Oldfield	Mr Harwin
Miss Gardiner	Ms Parker	Mr Primrose

Question resolved in the negative.

Amendment negatived.

Ms LEE RHIANNON [9.10 p.m.], by leave: I move Greens amendment Nos 2, 3, 4 and 5 in globo:

No. 2 Page 18, schedule 1 [49], proposed section 101A (1). Insert at the end of line 2:

, and

(d) a community representative appointed by the Attorney General.

No. 3 Page 18, schedule 1 [49], proposed section 101A. Insert after line 2:

(2) The community representative is to be appointed for a period of 2 years.

No. 4 Page 18, schedule 1 [49], proposed section 101A (2), line 3. Insert "(other than the community representative)" after ""Review Board".

No. 5 Page 18, schedule 1 [49], proposed section 101A. Insert after line 5:

(3) The Attorney General may appoint an acting community representative to act in the place of the community representative at meetings of the Board.

These amendments recognise that fines can create real social hardship for people on lower incomes. Without questioning the competence of the Hardship Review Board, the Greens suggest that the board's ability to acknowledge and understand the circumstances of such people would be further strengthened by including a community representative on the board because such an appointment is clearly needed. At present the composition of the board is barely representative of any community, let alone the diverse communities that make up New South Wales. This small measure would ensure that the Hardship Review Board is better informed. I commend the amendments to the Committee.

The Hon. TONY KELLY (Minister for Rural Affairs, Minister for Local Government, Minister for Emergency Services, and Minister for Lands) [9.11 p.m.]: The Government does not support the amendments. The amendment in the bill is consistent with the Hardship Review Board, as constituted in the Tax Administration Act, and a community representative is not included on the board. There is an issue of expedience when the board needs to meet urgently to consider issues. Operational effectiveness in arranging meetings of the board could be impacted by having an external representative, who can be substituted only by arrangement with the Attorney General. The representative from the Attorney General's Department would not be a person with a prosecutorial role or a fine-referring agency.

Amendments negatived.

Ms LEE RHIANNON [9.12 p.m.]: I move Greens amendment No. 6:

No. 6 Page 19, schedule 1 [49], proposed section 101C, lines 1-7. Omit all words on those lines.

This amendment seeks to protect the privacy of information disclosed to the Hardship Review Board. At present the information can be shared with the director or staff of the State Debt Recovery Office. As was stated by the Council of Social Service of New South Wales, applicants to the Hardship Review Board should have the right of privacy with regard to information they submit to the board. The Greens are keen to protect their privacy. Unfortunately, we do not see that same commitment from the Carr Government, which, as we speak, is undertaking a major amputation of staff and services at Privacy NSW. This unacceptable gutting of an independent and successful agency, which is already suffering from underresourcing, simply defies explanation. In our information-based society protection of privacy is becoming more important. That is why I have moved the amendment. We need to be vigilant in this area, and all the more vigilant when the Government tends the other way. Privacy NSW has been given extra tasks to fulfil in the past few years—notably in the health area—but its funding has been frozen and staff numbers are decreasing. How can it do its job properly?

The Hon. Duncan Gay: You don't really believe in privacy!

Ms LEE RHIANNON: I acknowledge that rather sad interjection from the Deputy Leader of the Opposition. By supporting the amendment the Government could demonstrate that it still retains at least some shreds of respect for the protection of privacy in this State. I commend the amendment to the Committee.

The Hon. TONY KELLY (Minister for Rural Affairs, Minister for Local Government, Minister for Emergency Services, and Minister for Lands) [9.14 p.m.]: The Government does not support the amendment. The State Debt Recovery Office already has extensive internal privacy protection policies, including a code of conduct and signed confidentiality agreements. It is essential that the board can pass on to the State Debt Recovery Office critical information that impacted on its decision making. Without this information the State

Debt Recovery Office cannot ensure compliance or amend its procedures to ensure that it learns from the outcomes of the board's deliberations. Information given to the board is needed for compliance operations. If a person breaches any orders of the board, operational staff will have the power to take enforcement action against the client. Indeed, information that the board has considered may be necessary to ensure that the cases of clients are managed appropriately and sympathetically.

The Hon. PATRICIA FORSYTHE [9.15 p.m.]: Privacy is an important principle. The Opposition will not support the amendment, but its failure to do so should not be taken as a sign that Opposition members do not otherwise uphold the strong principle of privacy. We note the Minister's comments that codes of conduct and confidentiality agreements already exist within the State Debt Recovery Office. We will carefully monitor the progress of the legislation, but we accept the Minister's assurances that the amendment is not necessary at this time.

Amendment negatived.

Schedule 1 agreed to.

Title agreed to.

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

AGRICULTURAL LIVESTOCK (DISEASE CONTROL FUNDING) AMENDMENT BILL

Bill received, read a first time and ordered to be printed.

Motion by the Hon. Tony Kelly agreed to:

That standing orders be suspended to allow the passing of the bill through all its remaining stages during the present or any one sitting of the House.

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

NATIONAL COMPETITION POLICY HEALTH AND OTHER AMENDMENTS (COMMONWEALTH FINANCIAL PENALTIES) BILL

In Committee

Consideration resumed from an earlier hour.

The Hon. DUNCAN GAY (Deputy Leader of the Opposition) [9.19 p.m.]: I have been informed that dentists and optometrists are now willing to accept the bill. I believe that their decision is folly—for them, for those who have stood up for them and for their patients. However, I emphasise that it is their decision. When the bill was delayed there was conjecture as to how long it would be and how many arms would be twisted before they came on side. In good faith, the Opposition has represented their best intentions and, I would have thought, the best outcome for their patients. However, they have indicated to us, through the shadow Minister, that they want us to pass this legislation and approve this amendment. I cannot say that I do it with great enthusiasm, but I do it in good faith because we gave them an undertaking.

Reverend the Hon. FRED NILE [9.20 p.m.]: The Christian Democratic party, in the same way as the Opposition, has supported the New South Wales division of the Optometrists Association of Australia and the Australian Dental Association. Representatives of those organisations have visited the crossbench regularly, and pleaded with us to do all we can to oppose the bill. As the Deputy Leader of the Opposition said, perhaps there has been some arm twisting behind the scenes. There has been more than arm twisting; the optometrists have been bludgeoned. I received a memorandum from the Optometrists Association of Australia dated 22 June at 2.45 p.m.—that is after I gave my speech quoting the association's 1.00 p.m. statement. I can explain why there has been a change in attitude. In the memorandum the Executive Director, Andrew McKinnon, states:

> However the Association has been contacted by the office of the Premier to advise that if the amendments are passed by the Upper House, the government will seek to recover the lost revenue (in the order of $1,000,000pa) from the optometrists of NSW by way of a 300% (approx) increase in their annual registration fees—from $300 to $1,300pa.

Honourable members may remember that the Leader of the House, the Hon. Tony Kelly, interjected that if the bill is not passed optometrists may be required to pay $1,000 each—I think that is a pretty accurate quote. That must have been conveyed to the association by urgent messenger, and it got the message. It is sad, but the Optometrists Association claims that the Government has made some concessions, which means that it must now trust the Government. If this bill is passed, obviously the changes will not be in the legislation. Mr McKinnon further said:

> The government has made one concession to the Association and has agreed to activate the Bill on proclamation rather than assent in order to give the Association the maximum possible time to reach a resolution with the Federal government. If such a resolution can be reached then the NSW government has agreed that the parliament will be asked to reinstate the ownership provisions in regard to optometry.

How that will happen is another question—whether the Government is talking about doing this after the winter recess or in the hereafter.

The Hon. Duncan Gay: What was the increase?

Reverend the Hon. FRED NILE: From $300 to $1,300.

The Hon. Dr Arthur Chesterfield-Evans: Is this about dentists or is it about all of them?

Reverend the Hon. FRED NILE: This is optometrists, but I assume the same thing would apply to dentists. Any lost revenue would be made up by a levy. Our position again would be to try to represent these organisations. If they are now advising us to support the bill, then we will support the bill.

Ms SYLVIA HALE [9.23 p.m.]: The Greens do not support this move at all. It is an appalling development that legislation is passed through this House because one section of the community is bludgeoned, threatened and blackmailed by the Government. I understand the Deputy Leader of the Opposition's remark that because he had given an undertaking to the organisation he felt that he had gone in to fight the good fight but that, given that they have keeled over and given in to this extraordinary pressure, the Opposition felt obliged to support the bill now. There is another constituency that is being ignored in all this, and that is the public. What we are seeing, and what I believe was the thrust of the opposition to what was proposed for the deregulation of optometrists and the dental profession, was that this could have extraordinarily bad consequences for the general public.

People would find themselves at the mercy of major private health concerns whose interests were more in making a profit from their activities than in servicing the public good, and indeed that profit would be enhanced by the close association and potential ownership of these practices by non-professionals. So while the Opposition may feel constrained to say that it must now also keel over, forget its principles and go ahead with what the Government wishes, the Greens do not find themselves in that position. This is a major blow to the public interest in every respect. It is an appalling way to force legislation through this House. There is not even a pretence that it is not blackmail. The Government is exerting an overt form of pressure in a totally discriminatory and unsupportable way. Regardless of what other members of this House choose to do, the Greens will not support this bill.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS [9.26 p.m.]: The Australian Democrats totally oppose these amendments. We think that these are a slightly larger slap on the hand for corporations that effectively will be able to out-compete practising optometrists because they are vertically integrated in the supply. Some 80 per cent of the profit made from optometric practices is from the sale of frames and lenses as opposed to refractions and the skills of the optometrists. If anything happens from this bill, it will be more that way because new graduates who can do refractions will go into a sort of sausage machine where effectively the practices are corporatised and they are doing refractions at the lowest hourly rate tolerable. I think that is what has happened. If we look at why we cannot find general practitioners, the answer is because the practices have been bought by the big corporations, which take about 50 per cent of the gross and give very little back to the doctors. The Medicare rebate has gone down about 37 per cent because the Government has been too stingy to raise it in line with inflation.

Of course, the Government cannot get general practitioners. People have said, "It is not worth my while working. I will go and do something else." That is what happens when something is corporatised. All the money goes to the corporations; it does not go to the practitioners. And of course prices do not go down for consumers, but I believe the quality is under threat. Because the optometrists had the numbers here—I think the numbers were tested earlier—the Government has said that it will put up fees from $300 to $1,300. As I said to one optometrist, "If you think $1,000 is a lot, mate, I have a friend who is an optometrist in South Australia. His

practice was taken over by one of the corporates. He had been making about $165,000 a year. They said to him, 'Well, you can come back on Monday if you like. Will a salary of $80,000 be all right?'" And there he was with four kids at school.

That sort of thing will happen. The optometrists have rolled over under pressure from the Government. They are less accustomed than we are to the bullying ways of this Government. As I said, the Government is rolling over to the National Competition Council, which is now a quango with an economic theory out of control. This amendment is another example of the implementation of corporatising society, devaluing professions and members of the public becoming consumers rather than patients. I think this is a sorry day for New South Wales and for optometrists.

The Hon. DUNCAN GAY (Deputy Leader of the Opposition) [9.30 p.m.]: I noted the comments of Reverend the Hon. Fred Nile, who has kindly given me a copy of the Optometrists Association of Australia (NSW Division) letter. I read from the second paragraph:

> We have been further advised that the NSW Opposition has indicated that it plans to move amendments to remove the provisions relating to the ownership of optometric practices from the Bill. Such amendments are in keeping with the representations made to the Opposition by the Association and we appreciate their support on this matter.

Mr McKinnon, the executive director, continues:

> However the Association has been contacted by the office of the Premier to advise that if the amendments are passed by the Upper House, the government will seek to recover the lost revenue (in the order of $1,000,000pa) from the optometrists of NSW by way of a 300% (approx) increase in their annual registration fees—from $300 to $1,300pa.

When I heard that—and even more when I read that—one word springs to mind. That word is blackmail. This is the Premier's Department of New South Wales—

The Hon. Dr Arthur Chesterfield-Evans: Bullying.

The Hon. DUNCAN GAY: Not just bullying; blackmailing an organisation over a piece of legislation. I believe that under the charter of the Independent Commission Against Corruption that is conducive to creating a climate of corruption. Appropriately, I will refer this matter to ICAC tomorrow.

Question—That the amendments be agreed to—put.

The Committee divided.

Ayes, 25

Mr Burke	Mr Jenkins	Ms Robertson
Ms Burnswoods	Mr Kelly	Mr Tingle
Mr Catanzariti	Mr Lynn	Mr Tsang
Mr Clarke	Reverend Dr Moyes	Mr West
Mr Colless	Reverend Nile	Dr Wong
Ms Fazio	Mr Oldfield	
Mrs Forsythe	Ms Parker	*Tellers,*
Miss Gardiner	Mrs Pavey	Mr Harwin
Mr Gay	Mr Pearce	Mr Primrose

Noes, 4

Mr Cohen
Ms Rhiannon
Tellers,
Dr Chesterfield-Evans
Ms Hale

Question resolved in the affirmative.

Amendments agreed to.

Schedule 2 as amended agreed to.

Schedule 3 agreed to.

The Hon. TONY KELLY (Minister for Rural Affairs, Minister for Local Government, Minister for Emergency Services, and Minister for Lands) [9.41 p.m.]: I move:

No. 1 Pages 23-28, schedule 4 [1]-[10] and Explanatory note, line 3 on page 23 to line 14 on page 28. Omit all words on those lines. Insert instead:

[1] Section 26 Restrictions on carrying on business of a pharmacist in pharmacies

Omit "3" wherever occurring in section 26 (1) and (2).

Insert instead "5".

[2] Section 27A Exemptions for certain friendly societies

Insert after section 27A (5):

(6) A friendly society to which subclause (1) or (2) applies must not:

(a) carry on the business of a pharmacist in more than 6 pharmacies, or

(b) have a direct or indirect pecuniary interest in the business of a pharmacist carried on in more than 6 pharmacies, or

(c) carry on such a business in one or more pharmacies and have such an interest in one or more pharmacies so that the total number of pharmacies involved exceeds 6.

(7) A friendly society that contravenes subsection (6) is guilty of an offence against this Act.

[3] Section 40

Insert after section 39:

40 Savings and transitional regulations

(1) The regulations may contain provisions of a savings or transitional nature consequent on the enactment of the following Acts:

National Competition Policy Health and Other Amendments (Commonwealth Financial Penalties) Act 2004, to the extent that it amends this Act

(2) Any such provision may, if the regulations so provide, take effect from the date of assent to the Act concerned or a later date.

(3) To the extent to which any such provision takes effect from a date that is earlier than the date of its publication in the Gazette, the provision does not operate so as:

(a) to affect, in a manner prejudicial to any person (other than the State or an authority of the State), the rights of that person existing before the date of its publication, or

(b) to impose liabilities on any person (other than the State or an authority of the State) in respect of anything done or omitted to be done before the date of its publication.

Explanatory note
schedule 4 [1] amends section 26 of the *Pharmacy Act 1964* (the ***Principal Act***) to increase (from 3 to 5) the number of pharmacy businesses that a pharmacist may carry on or in which the pharmacist may have a direct or indirect pecuniary interest, and the number of partnerships carrying on such a business or having such a pecuniary interest of which a pharmacist may be a member.
Section 27A of the Principal Act allows certain friendly societies to carry on pharmacy businesses. **schedule 4 [2]** amends section 27A of the Principal Act to limit to 6 the number of pharmacy businesses that such friendly societies may carry on or in which they may have a direct or indirect pecuniary interest.
schedule 4 [3] provides for the making of savings and transitional regulations as a consequence of the proposed amendments to the Principal Act.

As foreshadowed in the second reading speech the Government is moving this amendment to reflect the Commonwealth Government's revised requirements for reforms to the Pharmacy Act. The amendment deletes the content of schedule 4 and replaces it with two much more limited provisions. The two new limited

provisions will increase the maximum number of pharmacies that may be owned by a pharmacist from three to five and permit friendly societies to own and operate up to six pharmacies.

The Prime Minister advised that the Commonwealth will not penalise New South Wales if we make these two comparatively minor amendments to our existing pharmacy legislation. The Government has argued against making any changes to our existing pharmacy legislation. The Prime Minister's offer, however, represents a major backdown by the Commonwealth and is an important win for the people of New South Wales. In these circumstances the Government considers that the amendments now required by the Commonwealth should be made in preference to the risk of loss of competition payments of as much as $10 million a year. This amendment will enable New South Wales to retain community pharmacies whilst restoring some of the competition payment funding for essential services to New South Wales.

The Hon. DUNCAN GAY (Deputy Leader of the Opposition) [9.42 p.m.]: The Opposition supports this amendment with enthusiasm.

Agreement agreed to.

Schedule 4 as amended agreed to.

Title agreed to.

The Hon. TONY KELLY (Minister for Rural Affairs, Minister for Local Government, Minister for Emergency Services, and Minister for Lands) [8.43 p.m.]: I move:

That the Temporary Chairman (The Hon. Kayee Griffin) do now leave the chair and report the bill to the House with amendments.

The Hon. PETER PRIMROSE [8.43 p.m.]: I move:

That the motion be amended by omitting all words after "That" and inserting instead "the Committee reconsider with a view to inserting a schedule."

Question—That the amendment be agreed to—put.

The Committee divided.

Ayes, 24

Mr Burke	Mr Jenkins	Ms Robertson
Ms Burnswoods	Mr Kelly	Mr Tingle
Mr Catanzariti	Mr Lynn	Mr Tsang
Mr Clarke	Reverend Dr Moyes	Mr West
Mr Colless	Reverend Nile	
Ms Fazio	Mr Oldfield	
Mrs Forsythe	Ms Parker	*Tellers,*
Miss Gardiner	Mrs Pavey	Mr Harwin
Mr Gay	Mr Pearce	Mr Primrose

Noes, 4

Mr Cohen
Ms Rhiannon
Tellers,
Dr Chesterfield-Evans
Ms Hale

Question resolved in the affirmative.

Amendment agreed to.

Question—That the motion as amended be agreed to—put.

The Committee divided.

Ayes, 24

Mr Burke	Mr Jenkins	Ms Robertson
Ms Burnswoods	Mr Kelly	Mr Tingle
Mr Catanzariti	Mr Lynn	Mr Tsang
Mr Clarke	Reverend Dr Moyes	Mr West
Mr Colless	Reverend Nile	
Ms Fazio	Mr Oldfield	
Mrs Forsythe	Ms Parker	*Tellers,*
Miss Gardiner	Mrs Pavey	Mr Harwin
Mr Gay	Mr Pearce	Mr Primrose

Noes, 4

Dr Chesterfield-Evans
Ms Hale
Tellers,
Mr Cohen
Ms Rhiannon

Question resolved in the affirmative.

Motion as amended agreed to.

Amendment by the Hon. Tony Kelly agreed to:

That schedule 1 as omitted be reinserted.

Schedule 1 reinserted.

Bill reported from Committee with amendments and report adopted.

Third Reading

The Hon. TONY KELLY (Minister for Rural Affairs, Minister for Local Government, Minister for Emergency Services, and Minister for Lands) [10.57 p.m.]: I move:

That this bill be now read a third time.

The House divided.

Ayes, 24

Mr Burke	Mr Jenkins	Ms Robertson
Ms Burnswoods	Mr Kelly	Mr Tingle
Mr Catanzariti	Mr Lynn	Mr Tsang
Mr Clarke	Reverend Dr Moyes	Mr West
Mr Colless	Reverend Nile	
Ms Fazio	Mr Oldfield	
Mrs Forsythe	Ms Parker	*Tellers,*
Miss Gardiner	Mrs Pavey	Mr Harwin
Mr Gay	Mr Pearce	Mr Primrose

Noes, 4

Dr Chesterfield-Evans
Ms Hale
Tellers,
Mr Cohen
Ms Rhiannon

Question resolved in the affirmative.

Motion agreed to.

Bill read a third time.

CRIMES LEGISLATION AMENDMENT (TERRORISM) BILL

SYDNEY OPERA HOUSE TRUST AMENDMENT BILL

Bills received, read a first time and ordered to be printed.

Motion by the Hon. Tony Kelly agreed to:

That standing orders be suspended to allow the passing of the bills through all remaining stages during the present or any one sitting of the House.

Second readings ordered to stand as orders of the day.

LOCAL GOVERNMENT AMENDMENT (MAYORAL ELECTIONS) BILL

Second Reading

The Hon. TONY KELLY (Minister for Rural Affairs, Minister for Local Government, Minister for Emergency Services, and Minister for Lands) [10.03 p.m.]: I move:

That this bill be now read a second time.

The Local Government Amendment (Mayoral Elections) Bill reflects the Government's commitment to the proper functioning of local government. It will ensure that mayors who were elected by and from council between March and August 2004 will have sufficient time to implement their policy programs. This means more consistent management for councils. The bill is required because of crossbench amendments made to the Local Government Amendment (Elections) Act 2003. Those amendments resulted in the deferral of ordinary elections from September 2003 to March 2004 only. Subsequent ordinary elections will be held in September 2008 and each four years thereafter.

The Act provides that a mayor elected by councillors holds office for one year, and that a popularly elected mayor holds office for four years. The Act also provides that the first election of the mayor by councillors is to be held within three weeks after the ordinary election, with subsequent annual mayoral elections in September. Without this bill, mayors elected by councillors between March and August 2004 would have to be elected again in September 2004.

The bill will provide for a one-off 12-month extension of the term of office for those mayors, with the effect that their term will expire in September 2005 rather than in September 2004. Such an extension will allow those mayors sufficient time to negotiate and implement their policy programs consistent with the business of council. A number of councils have expressed concerns about the need to conduct two mayoral elections by councillors this year within such a short period of time. The peak industry bodies, including the Local Government and Shires Associations and the Country Mayors Association, have also supported the bill, and I commend it to the House.

Reverend the Hon. FRED NILE [10.05 p.m.]: The Christian Democratic Party supports the Local Government Amendment (Mayoral Elections) Bill, which amends the Local Government Act to extend the term of office of the mayors elected by councillors following local government elections on or after 27 March 2004, but before September 2004, to September 2005. The bill will remove the need for those councillors to conduct their elections twice between the period 27 March 2004 and September 2004 as required under the Act.

As members will be aware, the need for the second mayoral election in 2004 occurred as a result of a Christian Democratic Party amendment to the Local Government Amendment (Elections) Act during its passage through the Parliament. The main purpose of the amendment was to ensure that local government elections were held in September so that political parties, including the Independents, would have a longer period in which to prepare for local government elections. I am pleased that the amendment was adopted by the Parliament and that the bill brings the election of mayors into line with that amendment.

The Hon. DUNCAN GAY (Deputy Leader of the Opposition) [10.06 p.m.]: The Opposition also will not oppose the Local Government Amendment (Mayoral Elections) Bill, an administrative bill that amends the Local Government Act to extend the office of mayors elected by councillors following local government elections on or after 27 March 2004, but before September 2004, to September 2005. The amendments are designed to remove the need for councils to conduct mayoral elections twice between the period 27 March and September 2004, as currently required by the Act. The bill is in response to submissions of the Local Government and Shire's Associations that argue that a six-month term is insufficient time for an incoming mayor to negotiate and implement a program before the next mayoral election in September 2004, although, six months would seem to be adequate for a couple of mayors I have seen operating around the State, particularly one who operates not too far from here. The Opposition certainly agrees that a six-month mayoral stint is too short a time for any civic leader to make his or her mark—with the exception of the mayors I mentioned earlier. For that reason the Opposition does not oppose the bill.

Allowing the incumbent mayor a longer term of 18 months in which to negotiate and implement a policy program consistent with the existing business activities of the council will better facilitate stability and continuity within the council and its community. I assure the House that that is what councils are looking for, given the actions of the Minister and the Government over the last year or so. The introduction of this legislation clearly demonstrates to the people of New South Wales, councils, mayors and general managers that the Government has pushed through a reform program of forced council amalgamations under the guise of structural reform. It did this in such haste that it has now found that its original excuse for holding the elections in September to enable new councillors to have input into new budgets has been found wanting.

As Reverend the Hon. Fred Nile indicated, the Minister for Local Government was hoisted with his own petard and the big fib was exposed. Indeed, the Minister was forced to accept crossbench amendments to the Local Government (Elections) Act 2004 during its passage through Parliament, which put a lie to the original statement made by the Minister.

Reverend the Hon. Fred Nile exposed the Minister's comments as fraudulent. The effect of these amendments was to delay elections until March 2004, as the Local Government Association did not regard September 2003 as an acceptable date. The Opposition supports the legislation. It believes that it would be unfair for mayors to settle into their role, to gain the support of council members and then to face a further election for their positions within six months. I draw to the attention of honourable members the Opposition's concern about either a significant oversight or an inconsistency in the legislation. The bill will not amend section 231 of the principal Act, which was amended by the Local Government Amendment Elections Act 2003 with respect to the election of deputy mayors. earlier the Government believed it was necessary to amend the provisions relating to deputy mayors, but on this occasion it has not.

The bill refers only to the term of office of mayors elected by councillors after elections held on or after Saturday 27 March 2004 but before September 2004. Unless the Minister addresses this matter by way of amendment or by way of the provision of information to this House, mayors will have an opportunity to serve until September 2005—a measure that I have indicated the Opposition supports—but deputy mayors might have to be re-elected. That oversight, whether or not it is inadvertent, is characteristic of a great deal of local government legislation that has been introduced by this Government—legislation that is often hastily drafted and full of holes and inconsistencies, and that has to be repaired by the Opposition and crossbench members to give it a semblance of order.

The Opposition is seeking an explanation from the Minister as to how he will correct this matter, if indeed it needs correcting. It is my understanding that deputy mayors might not have to be elected later. Is the Act silent on whether elections for deputy mayors are to be held without mayoral elections, or will the elections be held at the same time? This is a further indication of the concern that people have about local government legislation. This bill was introduced with one aim only, and that was to create super councils and to politicise local government for the advancement of the Labor Party. Aside from that concern and the other matters to

which I referred earlier, the Opposition will not oppose what appears to be a reasonably straightforward and welcome piece of legislation.

Ms SYLVIA HALE [10.13 p.m.]: Like other speakers in this debate, I recognise that this bill is the upshot of the extraordinarily hasty and ramshackle legislation—to say that it was ill-considered would be putting it mildly—that has been pushed through this House in the last 12 months or so. We are considering this legislation only because of the deception that has surrounded the Government's activities relating to council amalgamations. In July last year legislation was introduced to enable the Government to implement its amalgamation agenda and to give it additional time to do so. If the elections had gone ahead in September 2003, as they were scheduled to do, the Government was convinced that its program would not have been sufficiently in order, so it delayed the elections until March 2004. Even then there was excessive, undue and unseemly haste in regard to the legislation.

Of interest was the pretext that was given for delaying these elections. Ostensibly it had nothing to do with amalgamations but it had everything to do with allowing newly elected councillors to have a positive and real input into the preparation of their council's budget for 2004-05. That excuse was so patently false and so paper thin that the Government was obliged to adopt an amendment that was first proposed by the Greens—but that was moved by the Christian Democratic Party—that after the March 2004 elections every four years thereafter elections would be held in September. Obviously that is the most appropriate time to hold elections if we want newly elected councillors to understand the implications of their budgets and to have any meaningful input into them.

In view of the fact that planning for those budgets starts well and truly before the end of the preceding year, September is the most appropriate time for elections to be held so that draft budgets can be put out for public exhibition in April and May of the following year. Electing councillors in March supposedly so they could come to grips with the June budget was a palpably absurd pretext for delaying the elections. Obviously the intention of this legislation is to get the Government out of its predicament. Having allowed the elections to be held in March, mayors would then find themselves in the position of having to face re-election six months later in September. As has been pointed out, that situation, which is untenable, led to the necessity for this patch-up legislation.

The evidence that was received by the upper House inquiry into council amalgamations was completely damning of the process that had been undertaken. Once that regional review process was under way the Government ploughed ahead with its forced amalgamations. Since then we have seen nothing but unhappiness, dissent and disaffection in rural communities, whose residents fear the loss of jobs and local accountability if super councils are imposed on them. In the Hume and Albury regions we witnessed the dismissal of Hume Shire Council—a competent and representative council. The referendum that was held in conjunction with the March 2004 elections totally vindicated Hume Shire Council's opposition to the forced amalgamation of Hume and Albury shires, but the Government ploughed ahead regardless.

This afternoon in question time we heard about the difficulties facing the eastern capital city regional council, about the financial strife it is in and the need for government support, intervention and subsidy over the next three years. The case of Liverpool council takes the cake. The situation at Liverpool council was so bad, and the smell so great, that the council was dismissed only a month before the elections and Gabrielle Kibble was appointed as administrator. The pretext on which the Liverpool council elections were to be delayed, not for just six months or 12 months while the administrator sorted things out, was that the situation was so bad that the elections had to be delayed for a whole four years. However, Ms Kibble told the local press that in fact—

The Hon. Tony Kelly: Point of order: This legislation has absolutely nothing to do with amalgamations or Liverpool City Council, it is to do with the extension of terms of office of the mayors of all councils, whether they have been amalgamated or not. Are we going to talk about rates and roads and rubbish removal and everything else that local government does?

Ms SYLVIA HALE: To the point of order: I understand that there is considerable latitude extended when debating bills at the second reading stage. I am about to make the point about how much better Liverpool would have been under a mayor who had been elected according to the appropriate process than under an administrator. But I believe there is latitude. In this case we are discussing matters that are entirely relevant to local government and I think it is appropriate that this line of debate be permitted.

The Hon. Tony Kelly: Further to the point of order: This has nothing to do with whether debate is relevant to local government, but it is to do with whether it is relevant to this particular bill.

The Hon. Duncan Gay: To the point of order: The honourable member is quite within her rights to bring up these subjects because the reason the bill is before the House is that the Government, due to the haste of its forced amalgamations, has had to revisit the mayoral situation. Had that legislation not been passed we would not be dealing with this bill tonight. That is the background to this legislation. Whilst I do not agree with some of the honourable member's comments, particularly against Gabrielle Kibble, I think that she is quite within her rights to make those comments. Minister, you did it; you should wear it.

The PRESIDENT: Order! While it is a convention that members are allowed some latitude when speaking to legislation, I remind the member that speeches should be relevant to the bill being debated.

Ms SYLVIA HALE: I believe that Liverpool council should currently be a council subject to this bill. So that a mayor who had been elected, presumably, at the March 2004 elections would now be subject to the provisions of this bill but, as the Hon. Duncan Gay has pointed out, the chaotic and ramshackle nature of what happened in local government is directly attributable to the Government. I believe that Liverpool council would be better off under a mayor, subject to the deferral of the mayoral election until September of next year. The Liverpool council administrator was appointed for four years on the pretext that the finances of the council were in such a deplorable state that it would take intense and detailed attention to straighten matters out. That appointment had nothing to do, supposedly, with needing four years for the smell and the stink of corruption surrounding—

The Hon. Tony Kelly: Point of order: She is canvassing your ruling again. I am not even sure she understands whether the mayor of Liverpool was popularly elected or elected by the council, in which case, this bill is not even relevant to the mayor. The title of the bill is "An Act to amend the Local Government Act 1993 to extend the term of office for the mayors elected by councillors following local government elections held on or after Saturday 27 March 2004 but before September 2004". It is a very strict, narrow, definitive title. She is out of order.

The PRESIDENT: Order! I remind Ms Sylvia Hale that speeches should be relevant to the bill being debated.

Ms SYLVIA HALE: We are debating this legislation as a result of the ill-considered, hasty and unpopular measures that were forced through this House by this Government, and by this Minister in particular. I believe this legislation would have been totally unnecessary had the legislation not been forced through. What I am attempting to do is to sketch out that in some cases the pretext for dismissing councils was so erroneous that in fact what happened then was insupportable in view of what has transpired since. The case I was using was Liverpool council where Gabrielle Kibble has announced that she only needs one day—

The Hon. Tony Kelly: Point of order: Now she is going back to the original debate. She is not debating the point of order.

The PRESIDENT: Order! I have reminded the honourable member twice now that she should direct her remarks to the bill being debated, the subject of which is fairly limited.

Ms SYLVIA HALE: The point of this bill is to allow mayors who were elected by councils in March of 2004 to remain in office until September 2005, that is, 18 months. The point I wish to make is that a number of councillors have been deprived of the right to have council elections and therefore to elect mayors as a direct result of legislation that was passed by this Government. The specific point I was making was that in the case, for example, of Liverpool council, if it had had the opportunity—

The Hon. Tony Kelly: Point of order: She is now going on to talk about amalgamations that she says are a result of legislation passed by this Government. The legislation that the amalgamations and boundary changes were made under was passed by the Coalition, not by this Government. Boundary legislation was passed in 1993. The legislation she is talking about is the deferral of the election period for councillors. It had nothing to do with amalgamations.

The Hon. Duncan Gay: To the point of order: I go back to my original comments that the bill amends the Local Government Act. By the Minister's own admission, and by the admission of members of this House, this bill has had to be introduced into the House because of the actions of the Government in changing the Local Government Act, and the fact that within those changes to the Local Government Act the election dates were

changed. One of those election dates applied to Liverpool council, so the member is quite within her rights to talk about Liverpool council.

The PRESIDENT: Order! Again I remind the member that she must address the bill.

Ms SYLVIA HALE: I support the bill because it is obviously ludicrous, given the actions of the Government, to have to undertake mayoral elections within six months of an election. However, I support the right of all councils, where it is appropriate, to conduct mayoral elections. I support the 18-month period because I believe that a council and a mayor need a reasonable term of office in which to get on top of the issues that confront the council, let alone get on top of the legislation that the State Government is likely to introduce. Therefore, even though it is not paid as a full-time job, I think it is highly desirable that mayors who are elected to that position as a result of elections by councillors are able to devote their attentions to the business of the council.

Although it is not a full-time job, most mayors are paid more than elected councillors because they are expected to spend more time dealing with council business. It is obviously appropriate that there is recognition of the fact that mayors will devote at least more than one day a week to the business of their councils. In that context, it is a shame that the administrator of Liverpool council is reported in one of the local newspapers as saying that she will devote only one day a week to the council's affairs. That administrator was appointed for four years on the basis that the affairs of the council were so bad—there was such a smell in the air—and its finances were so complicated that a full-time administrator would be required for a lengthy period.

The Hon. Duncan Gay: Or is it because she can do in one day what George Paciullo and Mark Latham took a week to do?

Ms SYLVIA HALE: That is possible. But it is also possible that she is preoccupied with the affairs of Sydney Water, where she has another set of problems and there is another stench. While the Greens support the bill, we think the arrangement forced upon Liverpool council is inappropriate. The unhappiness in rural communities is only enhanced by the Government's activities. The Greens support the bill.

The Hon. Dr PETER WONG [10.32 p.m.]: I support the Local Government Amendment (Mayoral Elections) Bill. It was obviously a mistake to have elections in March and I am glad that that mistake has been rectified. It is also appropriate that mayors serve for 18 months before they become eligible for re-election. Otherwise it would be impossible for them to perform their mayoral duties.

The Hon. TONY KELLY (Minister for Rural Affairs, Minister for Local Government, Minister for Emergency Services, and Minister for Lands) [10.32 p.m.], in reply: I thank honourable members and Ms Sylvia Hale for their comments in this debate. All of the comments about the deferral of elections were relevant. I think some elections will be conducted this weekend in the area of the Deputy Leader of the Opposition. Councils elected this weekend will have to hold mayoral elections within three weeks. If this bill does not pass, councils will have to hold a second mayoral election within approximately two months.

In addition to the comments of the Deputy Leader of the Opposition about deputy mayors, the shadow Minister for Local Government raised the issue with me. I have been advised by the department—I have checked it myself—that the only period defined in the Act is that mayors must be elected in September. I think it is section 231 of the Local Government Act that states that deputy mayors cannot serve a term of office greater than that of the mayor. So if we extend the mayor's term to September 2005, the deputy mayor's term is extended automatically. I commend the bill to the House.

Motion agreed to.

Bill read a second time and passed through remaining stages.

WATER MANAGEMENT AMENDMENT BILL

Second Reading

The Hon. MICHAEL COSTA (Minister for Transport Services, Minister for the Hunter, and Minister Assisting the Minister for Natural Resources (Forests)) [10.35 p.m.]: I move:

That this bill be now read a second time.

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

Leave granted.

We live on a continent whose rivers and aquifers provide life to unique environments, generate wealth for regional communities, provide substantial employment opportunities in rural areas, and support the supply of food and fibre for a nation and growing exports. We live in an arid continent, and the drought that we are still experiencing has reinforced how critical water is to our daily lives. However, we have only begun in recent years to develop a better understanding of our nation's rivers and groundwater sources. It has become clear that the way in which we are using these systems cannot be sustained, particularly given other external pressures on the resource resulting from climatic change, population growth and land use changes. In turn, these pressures are threatening the regional industries and communities that depend on water for their survival and continued prosperity.

This is the backdrop to one of the most significant policy challenges faced by the Commonwealth and State governments in recent times. As custodians of the water resource, governments and the communities they represent have an obligation to ensure that the water resource is used sustainably, so that the regional communities and industries, as well as ecosystems that depend on them, can survive and flourish into the future. The Water Management Amendment Bill sets part of the framework for a new era of water management in this State, which will deliver far-reaching benefits for the economy, the environment and the prosperity of communities. The new framework will provide strong incentives to use water profitably and efficiently, thereby creating not only business opportunities and jobs for Australians but also opportunities for more water to be allocated to the environment.

The bill will establish New South Wales as a leader in implementing the principles of the National Water Initiative and place us in the league of world's best practice. The key objectives of the new legislation are: to establish secure water access entitlements to drive investment in sustainable agriculture, to give clear legal status to environmental water and the capacity of catchment management authorities to administer environmental water as an integral part of total catchment management, to provide a transparent water planning process where any future changes to access share entitlements are based on an independent assessment of catchment outcomes and socioeconomic impacts and to create streamlined and robust administrative arrangements to facilitate trade in water to generate greater economic returns and assist industry adjustment. By focusing on these key drivers for sustainable management, New South Wales will build on its reputation for world's best practice in water management.

Before I turn to the amendments in detail, it is worth mentioning briefly the context in which this bill has been brought forward. When this Government was elected to office in 1995 it embarked on the most significant water reform process ever undertaken by a government in this country. In the period 1995 to 1999, we commenced the process of returning much needed water to the environment by establishing environmental objectives and minimum environmental flows. It was clear, however, that if we were to achieve these objectives without compromising the ability of irrigator and farming communities to plan ahead with confidence, we needed a new framework for managing our water resources. The old Water Act 1912 provided no certainty: not for farmers, not for irrigators, not for the environment.

The passage of this Government's Water Management Act on 8 December 2000 heralded a new approach to water management in New South Wales. Four features of this legislation should be emphasised. First, the Act established fundamental objects and principles for protecting, enhancing and restoring water sources and their associated ecosystems. Second, the Act created the platform for a more certain investment climate and a fully functioning water market through three things: water sharing plans to set the rules for the allocation of water between environment and water users for the next 10 years; clearly defined access share entitlements in available water which are separate from land ownership; and a register to record all water entitlements, the ownership of these entitlements, and third party interests.

Third, the Act established the principle of adaptively managing the resource in light of new information, so that the way in which the resource is shared between the environment and water users is informed by the environmental condition of the resource and overall catchment health. Fourth, the Act provided for the introduction of a more inclusive process for making decisions on allocating water, providing the opportunity for community-based groups to submit their views on water allocations and for a comprehensive assessment of environmental and socioeconomic considerations as part of the decision-making process.

Under the Water Management Act 2000, New South Wales has built the foundations of its new water management framework. Thirty-six water-sharing plans have been developed through extensive consultations with regional-based communities. These plans account for 80 per cent of water use in New South Wales. We have developed access share entitlements to replace the old water licences, to be issued to water users in areas covered by the water sharing plans, and a comprehensive access entitlement register has been installed at the New South Wales Land Titles Office. As honourable members would know, the Minister deferred the commencement of New South Wales's new water management framework. He did so with good reason.

One of the Minister's primary objectives since coming into the Natural Resources portfolio has been to ensure that these significant reforms are ready to be put into operation. These reforms offer great economic and environmental benefits to New South Wales. When the Deputy Prime Minister, John Anderson, promoted the idea of a national water initiative [NWI] last year, the Minister saw the opportunity to do four things: first, to enhance and build upon our reforms so that they align with the major elements of the initiative; second, to secure the support of the Commonwealth, stakeholders and communities for our reforms—reforms that enjoy such support will have far greater success than those that do not—third, to participate in a truly national reform process that will deliver nation-wide benefits. If jurisdictions can act under a common water framework, the environmental, economic and social outcomes of water reform will be vastly improved. The fourth action was to forge an agreement on tackling the environmental problems of the Murray River under the umbrella of the initiative. New South Wales and four other governments have jointly committed $500 million to achieve improved environmental outcomes for six icon sites on the Murray River. This is a first step in providing up to 500,000 megalitres of extra water for the health of those six sites, with a view to improving bird breeding in wetlands and maintenance of red gum forests and floodplain ecosystems.

It is true to say that the work over the past year on the national water initiative sets a strong foundation for our nation to get the sustainability agenda right for future generations. It has been groundbreaking work and in the case of the Murray, the shift to focus on tangible results rather than bog down in arguments about volumes of water represents a major advance in the thinking about water and sustainability. It is now time to commence our new water management framework. With the exception of water-sharing plans for six groundwater sources, to which I shall turn in a moment, we are committed to commencing our new framework on 1 July 2004, so that water users can get on with what they do best: planning their futures to create wealth and opportunities for regional New South Wales. Four further points need to be made before detailing the amendments.

First, the bill is consistent with the fundamental principles agreed to by the Council of Australian Governments [COAG] in March 2003 and which underpin the NWI. The bill reflects those elements of the NWI on which there is broad consensus. By making these changes now, we will hit the road running in meeting our commitments under the NWI, and confirm beyond doubt this State's leadership on water reform and its commitment to world's best practice. Second, one issue awaiting resolution through the NWI is how the costs of any future changes in water access will be apportioned between governments and users. This bill cannot and does not attempt to address the issue of management of risk until the public debate on the matter has advanced further. The governments of Australia are yet to finalise a position on the question of risk. In the meantime, it is fair to indicate the range of options currently on the table for discussion.
So far, one model has been proposed by the Senior Officers Group on Water, a combined State, Territory and Commonwealth task force, which shared risk according to whether a change in access to water was due to government decision, climate change or based on science. The National Farmers Federation has put forward a proposal that would involve a different method for determining whether changes were science based or policy based. Whilst both models are worthy pieces of work, neither provides the degree of surety necessary for investment security and certainty. We must remember that providing certainty and security to both water users and the environment is paramount. That is why New South Wales put forward a further possible model under which the amount of uncompensated change which users could face within a 10-year period would be capped. The Minister has indicated that while he is not wedded to this model, he considers that it offers some advantages over other proposals which suggest that the costs of reduced access be apportioned differently according to whether such reductions were prompted by science or by changes in policy.

Whatever the outcome of the continuing national discussion about risk sharing, the principles which will form the basis of a successful risk assignment model will involve the following four features: one, an acceptable limit on the rate of adjustment that is feasible for water users to accommodate, both within a plan period and between plans; two, the overall level of change in the long term which could be expected to be made without triggering significant adjustment assistance and/or compensation; three, clarifying the extent to which it is feasible to differentiate risk on the basis of whether it is driven by science or by policy; and, four, a high degree of certainty and security to enable water users and the environmental representatives to make sound decisions.

These principles are important for investors, for lending institutions, for government and for the environment. Without this certainty there will be no confidence to invest and very little investment for either production or the environment. The Minister believed that he spoke for other governments and jurisdictions, State and Commonwealth, when he indicated that we welcome additional ideas about the risk-sharing issue before arriving at a final position. In New South Wales this may require further amendments to the Act. Honourable members may be aware that the State's major inland groundwater sources, the Namoi, Gwydir, Murrumbidgee, Murray, Lachlan and Macquarie, are among the most stressed in New South Wales. It is clear that reductions in access are necessary in those systems to ensure their sustainability of groundwater sources and the survival of their dependent communities. However, the Government is reviewing its approach to reducing water access in those systems, and is considering ways of assisting users in those systems to ease the burden of change and avoid causing social dislocation.

Our work has been assisted by the high levels of co-operation and advice from numerous water user groups and individuals. In this Government's view, Commonwealth involvement in the adjustment process is necessary if the burden of change for regional communities is to be minimised. The Government is holding discussions with the Commonwealth Government on this very issue. The Minister considers that these discussions have been very constructive. Both governments support this approach because it allows us to work through complex issues of history of use, environmental sustainability and sustaining regional communities. To allow time for those issues to be resolved, water-sharing plans for those six groundwater sources will not commence until July 2005. I am sure that honourable members would agree that this is a sensible approach to this most difficult issue. The Minister is aware from his personal discussions, that it has the support of the Deputy Prime Minister.

We must recognise that water for any purpose is not a free good. It comes at a cost. Without securing the capacity to invest in water efficient practices and to invest in infrastructure, there can be no real, lasting and substantial change to the way water is managed in this nation. The overwhelming bulk of water is in private hands and without the confidence and security delivered by these measures, there is little prospect of changing farm practices and almost no prospect of large scale gains for the environment. The old notion that it is possible to simply take away components of a property right, in this case water, that has underpinned regional economies is highly misplaced. The fact is that so-called water rights have been tenuous since 1912. The Water Act of 1912 allowed Ministers to take away a water access right without compensation. By moving over recent years towards a regime of water-sharing and planning, the governments of Australia have put a spotlight on these historic assumptions; especially the assumptions that have underpinned bank lending practices. In doing so, we now have a responsibility to confirm the security that has been implied for more than 100 years.

I turn now to the Water Management Amendment Bill 2004. It is considered that the elements of effective water management policy include water access entitlements and water planning frameworks, water resource accounting, water markets and trading, and integrated management of water for environmental outcomes. These elements are reflected in the water management principles on which the Premier signed off in August 2003 at the Council of Australian Governments. These principles underpin the national water initiative and are the focus of this bill. Together with best practice water pricing, which was implemented through the provisions of the Water Management Act 2000, this bill contains bold changes to enable a new water economy where the rights of the environment and users are preserved in perpetuity and the market in water can assist in enhancing economic, social and environmental outcomes.

The amendments fall into three main areas. The first is water planning processes and water access share entitlements. This first group of amendments deals with the building blocks of our water management framework and those issues of primary

significance under the national water initiative. These amendments provide for clearer water planning processes, to ensure access share entitlements and a more robust entitlement register. The second is integrated management of water for environmental outcomes. These amendments consist of a number of complementary initiatives that will help to achieve our objectives of moving to a more market-oriented, innovative and less bureaucratic approach to water management in which the knowledge of regional communities is harnessed to achieve good environmental and economic outcomes.

These amendments will confirm the role of regionally based catchment management authorities in environmental management, provide the authorities with the ability to use innovative approaches to returning water to the environment, facilitate water trading, reduce red tape in the administration of approvals relating to the taking of water through pumps and bores and the use of water for particular purposes on land, and provide improved management of domestic and stock rights. The third is implementation of the water-sharing plans. These amendments primarily correct a number of miscellaneous matters relating to the operation of the water-sharing plans. These amendments are necessary to ensure that the water-sharing plans operate from 1 July 2004 in the manner intended.

Water-sharing plans apply to individual water sources or systems. They set clear rules for providing water to the environment and for sharing the water available for use between different categories of water user—towns, industry and irrigation—for the next 10 years. The water-sharing plans also set rules for water trading. The water-sharing plans therefore play a vital role in protecting the environment, are a principal determinant of access to the resource, and are a key mechanism for fostering certainty and confidence amongst water users. Because so much rides on the plans, we need to ensure that the processes around making future water allocation decisions provide for two things: first, robust and independent assessment of priority catchment health and relevant social and economic issues; and, second, certainty to farmers and rural communities.

The key reference point for making a determination on future water sharing should be the overall health of the catchment. Catchment health is not just affected by water-sharing arrangements. It can also be affected by numerous factors, including water extraction, water contamination, changes to native vegetation, land use and salinity. This is explicitly recognised in this Government's work to integrate its natural resource reforms, including the establishment of catchment action plans. The catchment action plans will contain standards and targets for environmental health and will provide the framework within which a number of natural resource reforms can interact to deliver good outcomes. Given this whole-of-catchment approach to natural resource management, it is logical and appropriate that the water-sharing plans be reviewed in the context of the achievement or non-achievement of standards and targets that have been set for individual catchments.

Unfortunately, the current legislative regime does not allow for an approach that is based on an assessment of overall catchment health. At present, under the Water Management Act 2000, when a water-sharing plan reaches the end of its 10-year life, a new 10-year plan needs to be made. There are no exceptions. This means that our efforts are potentially wasted on remaking plans when there is no compelling reason to do so and when other environmental health issues deserve our attention. Under this bill New South Wales will adopt a clear, transparent and cost-effective process for making future decisions about allocating water between consumptive use and the environment, consistent with a best practice adaptive management approach.

The recently established Natural Resources Commission will provide advice to the Minister on progress in achieving the targets and standards in catchment action plans. Within this context the Natural Resources Commission would also look at water-sharing plans and advise the Minister on whether the provisions in these plans are materially affecting the achievement or non-achievement of targets and standards in catchment action plans. In conducting its reviews, the Natural Resources Commission may refer to information provided by other agencies, along with statewide and regional government policies or agreements that apply to the catchment management area. It will also call for and have regard to relevant public submissions. It will also be able to examine the socioeconomic impacts of the current water-sharing plans and the impacts of any proposed changes to those plans. Once it has concluded its review, the Natural Resources Commission will report the results to the Minister and may submit recommendations on whether a water-sharing plan and/or catchment action plan should be remade or extended.

The Natural Resources Commission is ideally placed to perform the task at hand. It is an independent body, which will advise the Minister on a number of natural resource issues and will ensure that the Government's decision is informed by the requisite degree of scientific rigour. The Minister will make the Natural Resources Commission's report public within six months of receiving it. The Minister will only extend a water-sharing plan or catchment action plan if this is consistent with the recommendations of the Natural Resources Commission. The Minister will only amend or remake a water-sharing plan if he has the concurrence of the Minister for the Environment. Through this process users will gain considerably more certainty from the knowledge that future decisions on water will be based on the best available scientific and socioeconomic information, collected by regionally based catchment management authorities and assessed through open review processes conducted by the Natural Resources Commission. The Government will be able to determine the priority issues affecting catchment health and how they should be targeted. In terms of protecting investors and the environment, this process is a significant leap forward over the current provisions in the Act.

In August 2003 the Premier and other leaders at the Council of Australian Governments agreed to the principle of defining entitlements as "open-ended, or perpetual, access to a share of the water resource available for consumption". The principle has a firm foundation. Perpetual entitlements are a more robust, bankable and attractive asset. Water users will have more certainty and confidence in planning for the long term, including investing in water efficient infrastructure that is dependent upon access to water. Banks and other lending institutions will be more prepared to assist users on the basis of solid collateral. The value of water is primarily determined by its availability. However, perpetual entitlements will also enhance the value of entitlements, thereby providing strong incentives to conserve water. Those who want to enter the water economy, those who want increased access through buying more entitlements or those who want to profit from selling excess entitlements will need to manage their use efficiently. This will help to ensure that one of our country's most valuable resources—water—is directed towards more efficient and productive agricultural uses.

Amendments to the Water Management Act 2000 will therefore be introduced to give most categories of access share entitlement perpetual duration rather than the 15 years duration currently provided for. There will be some uses for which perpetual access share entitlements will not be granted. Supplementary water access, for example, will not be made perpetual, as under our water

management framework such access will only continue for as long as a water-sharing plan provides for it. Previously known as off-allocation water, this is water that is opportunistic in its availability. It is important that a distinction be made between this type of water and other water such as general and high-security water. It would undermine the value of general and high-security water if supplementary water were treated in the same way. It would send the wrong signal to the industry that it would have the right to obtain access to this water in perpetuity. This may not always be the case. It is therefore important for industry to take this into account when making future investment decisions.

Likewise, some categories of access entitlement are issued for specific purposes at specific locations, and will not be tradeable. Such entitlements are not appropriate to be granted in perpetuity. These would include: major utility access entitlements; local water utility access entitlements; basic domestic and stock access entitlements, which are tied to land and not subject to embargo; and access entitlements in any other category issued for a specific purpose. In relation to perpetual access share entitlements, three important observations need to be made. First, it has been suggested in some quarters that in creating perpetual access share entitlements we are effectively privatising the resource by guaranteeing a particular volume of water to users. This view is premised on a misunderstanding of the rights attaching to an access share entitlement. Indeed, the tenure of the access share entitlement does not affect the ownership of the resource.

The water of New South Wales remains vested in the Crown and the Crown retains ultimate control over the resource. Water users are given the privilege of access to the water by way of an entitlement. Underpinning New South Wales' new water management framework and the national water initiative is the principle that the environment and users share the resource made available by the Crown. Foremost, the rules of water-sharing plans provide and protect water for the environment. They also govern the sharing of the water available for extraction among users. A perpetual access share entitlement gives the entitlement holder a perpetual share of the available pool of water for extraction. It is important to emphasise that last point because what the water user gets is a perpetual share of the available water, not a guaranteed volume of water.

Under New South Wales' new water management framework, the actual volume of water that a water user receives will vary depending on the amount of water in the water source, as affected by climate, the pool of water available for extraction, as determined by the Minister from time to time, according to the rules of the water-sharing plan, and the water user's share of the water available for extraction, as specified on the access share entitlements which he or she holds. Our amendments will reinforce that water users have a share of the available pool of water for extraction by allowing for the access entitlement to specify unit shares in the available pool rather than a volume of water in megalitres.

The specification of entitlements as shares rather than a volume of water in megalitres neither diminishes nor increases the water user's rights. Rather, the intention is to communicate the nature of each person's entitlement with clarity, and this is important not only for future investment but also for the environment. Unit shares are a far more accurate and reliable indication of the nature of the entitlement than a volume because, as we know, the actual volume of water that a user can extract will vary depending on the total amount of water available to users. Users will have a clear signal about what their entitlement gives them, thus avoiding any misunderstandings about the true availability of the resource.

Second, the introduction of perpetual access share entitlements will not affect the Government's ability to provide water for the environment. This is because environmental water is determined by the rules of the water-sharing plan. The tenure of access share entitlements has no bearing on the operation of these rules. Third, it has been suggested that a perpetual access share entitlement will allow water users to use water ad infinitum for potentially damaging environmental purposes. Again, this is a misconception. The access entitlement only governs access to the available pool of water for extraction. It governs neither the construction of works to take water nor the actual use of water on land for a specific purpose. These activities are governed by completely separate instruments—approvals—issued by the Government. The Government retains the power to impose a variety of conditions and other environmental controls on these instruments, as and when appropriate.

A robust entitlement register is integral to encouraging investment in sustainable water industries and water trading. Accordingly, New South Wales will place access entitlement dealings on the same footing as land dealings. The security interests of lending institutions and other third parties will be recorded on the register. Moreover, lending institutions will have the ability to exercise the same powers that they currently exercise under the Real Property Act, for example, in relation to defaults on mortgages. The provision of indefeasibility of title for interests recorded on the register will confirm the register's world-class status. Indefeasibility of title is an absolute guarantee that the details on the register provide a complete and accurate account of the nature of an entitlement, the entities that hold it and all interests associated with it.

At this stage, the register has not been fully validated, as ownership details are still being verified and lending institutions need time to record their interests on the register. The Minister has used the process of converting the old system title to Torrens real property title as a parallel example of the process involved—a complex and exhausting process for about 60,000 licences that will take time. As a result, it is not possible for the register to offer indefeasibility of title immediately. The Government, however, will use its best endeavours to work with lending institutions to provide a model of indefeasibility of title within three years, and will review progress on this front in two years.

People need to be able to develop and implement local solutions for issues that they are often in the best position to understand. As catchment management authorities will be small, skills-based bodies drawn from local communities, they are well placed to be involved in developing future water management plans and in evaluating the achievement of outcomes in existing water-sharing plans and catchment action plans. This will ensure that water management decisions are tailored to address local circumstances and that there is strong local ownership of the reforms. The Water Management Amendment Bill proposes amendments to give the catchment management authorities the capacity to undertake these responsibilities.

Moreover, the catchment management authorities will have the capacity to address some water management issues through catchment action plans rather than through the establishment of new water management plans. Water quality or water quality monitoring could be more fully integrated into the catchment activities within a catchment action plan, thus obviating the need to develop new regulatory plans. This will save time and costs. Those water management issues such as water sharing, floodplain management or water use—that involve the definition of basic statutory rights—will continue to require stand-alone regulatory plans.

In line with world's best practice, innovative approaches for recovering water for the environment will be developed so that governments and communities have greater flexibility to meet their environmental objectives. The Water Management Act 2000 will be amended to enable catchment management authorities to establish trust funds for the purposes of acquiring and managing adaptive environmental water; that is, water which is primarily intended for environmental purposes but which may be taken and used for non-environmental purposes when it is not needed by the environment. Catchment management authorities will be able to hold access licences to which such adaptive environmental water may be credited.

Under these measures, for example, water could be sold to users counter-cyclically: the sale or loan of water to users during droughts on the understanding that more will be returned in wetter periods to achieve the maximum environmental benefit. This type of innovative practice is already occurring with very positive effects in the Murray Basin under the management of the Murray Wetlands Group. The model should be extended. To minimise potential conflicts of interest in the management of environmental water, catchment management authorities will operate according to strict governance procedures requiring, among other things, catchment management authority members to declare financial interests and to provide the Government with annual business plans setting out prospective environmental water management projects.

Setting up mechanisms for new and clever ways of recovering water is an important part of the formula for sustaining environmental assets. Without continuing good information and knowledge, the best results will not be achievable. To this end, the Water Management Amendment Bill provides for the creation of a Water Innovation Council to advise the Minister and catchment management authorities in identifying and pursuing a range of water conservation and environmental protection opportunities, including opportunities for environmental water recovery, water reuse and water use efficiency. It will be in a good position to identify the most promising opportunities having regard to the latest national and international developments and the initiatives of other players.

There will be a number of water recovery schemes under way over the coming years. The Snowy Joint Government Enterprise has commenced operations to allocate increased flows down the Snowy through water savings schemes in the Murray. Once operational, the Living Murray Initiative will also be funding substantial water recovery measures. The council will be in a good position to advise catchment management authorities and the Government on how various schemes might be co-ordinated to achieve the optimal environmental and economic results for every dollar that is spent.

Water trading is the key vehicle for moving water to more productive and efficient uses and assisting water users to adjust to changes in water availability. A robust water-planning regime, secure access rights to water and a strong access entitlement register are necessary to provide users with the confidence to engage in water trading. In order for a water market to operate effectively, however, barriers to trade must be minimised or removed, where appropriate, and users must be furnished with the necessary information and tools to enable them to engage in a range of water dealings. In line with world's best practice, the bill will facilitate water trading as far as possible within environmental limits, through the following initiatives.

Information on volumes of water traded and prices paid will be vital for instilling the necessary confidence for trading to occur. The bill contains amendments to ensure that such information can be made publicly available, as is the case with land dealings under the Real Property Act. Giving water users maximum flexibility to deal with their perpetual access share entitlements in the most profitable way, just as landowners have considerable flexibility to deal with their assets, is one of the key objectives of New South Wales current water reforms. To this end the bill provides for entitlement holders to transfer or assign their access share entitlements for a limited period of time, similar to the way in which a lease operates for land, and for entitlement holders who are tenants in common to transfer their access share entitlements, as can happen with land. There are often delays between settlement and registration, particularly if there are mortgages involved. Under the bill, entitlement holders will be able to gain access to current allocations ahead of a water dealing being registered.

When ownership of an access share entitlement changes, environmental issues only arise if there is also a change in the location at which water is extracted in association with that share entitlement. Under the Water Management Act 2000, all changes in ownership of a licence currently require the Minister's consent, even if the change in ownership does not involve a change in the location at which water is extracted. The effect of this is to burden simple changes in ownership that do not involve a change in the location at which water is extracted with an administrative process. That is unnecessary red tape. In most cases this should not be necessary. This comes at a cost to the Government and to users. The Water Management Act 2000 will therefore be amended to remove the requirement for the Minister's consent to a change of ownership of a licence which does not involve a change in the location at which water is extracted. The Minister, however, will retain the ability to review simple changes in ownership when it proves to be necessary.

The bill allows for perpetual access share entitlements from one State to be used to supply water in another State. The great advantage of this arrangement is that it removes the need for perpetual access share entitlements to be converted, involving the cancellation of an entitlement in one State and the issuing of a new entitlement in another. This will reduce costs. An example of when this could easily and effectively be used is when a Victorian irrigator on the Murray River purchases a New South Wales Murray River access share entitlement and uses it through pumps on the Victorian side of the river. The same could apply on the border rivers between New South Wales and Queensland.

In addition to an allocation, anybody wishing to use water for a particular purpose or to construct works to take water needs a separate approval. The approval system is the key mechanism for ensuring that rivers and groundwater systems are protected against activities that may result in salinisation or soil degradation, and that the environmental effects of water use and associated development are properly considered. An inefficient or slow approvals system can hinder investment planning. Decisions about buying or selling water will often be influenced by the choices available to water users in relation to the permitted use of water and the ability to construct works. The aim of the approvals system should be to focus on those activities that pose significant environmental risks. The current provisions of the Water Management Act 2000, however, require a full environmental assessment for every use and works approval, irrespective of the environmental risk posed. While such an assessment is appropriate for new uses and works, it is unnecessary in relation to existing uses and works that are submitted for renewal.

In line with world's best practice, the Water Management Amendment Bill allows a risk-based approach to be adopted in relation to the renewal of uses and works. Mechanisms will be employed to identify those uses and works in specified areas which pose substantial environmental risks and which therefore require full environmental assessment. Uses and works that do not fall into

this category will not require assessment. This will save time and costs, but it will not compromise the Government's ability to maintain adequate environmental controls over potentially harmful activities. The powers of the Minister to deal with environmentally damaging activities or breaches of approval conditions through direction notices, or suspending and cancelling approvals, will remain in place. Other measures to simplify the approvals system and reduce costs and delays will be implemented, including giving all approvals—works, use and other approvals identified in the Water Management Act 2000—a standard 10 years duration, except for approvals held by major and local water utilities which would be for 20 years, allowing the Minister to issue one approval to cover a range of different water use developments, and allowing approvals to be amended, rather than requiring completely new approvals to be issued.

Mining operations that take place near groundwater sources will normally require an aquifer interference approval. Under the Water Management Act 2000, however, the range of activities that can be authorised by an aquifer interference approval are too narrow. For example, they do not allow for incidental removal of water which frequently occurs during mining operations. Mining operators are therefore forced to obtain an access licence to remove such water. This is unnecessarily cumbersome, and amendments to the Water Management Act 2000 will be made to enable aquifer interference approvals to be issued to permit incidental removal of water. Regulations will be developed to specify in detail the circumstances in which aquifer interference approvals can be issued for this purpose, having regard to the impacts on other water users.

Currently, under the Water Management Act 2000, people who live next to a river or lake can take water without a licence. This is a stock and domestic right. There are no plans to change this basic right. However, there is a problem that growth in these rights through land subdivisions and inefficient or excessive use of stock and domestic rights can have potentially significant impacts on the rights of other licensed water users and the environment. This is a particular problem on the coastal strip where, through subdivision, a single right suddenly expands 20 or 30 times, without any real thought of the overall impact. The Government is determined to take a fair and practical approach to this issue. Under this bill, the Minister will be able to formulate guidelines on the reasonable use of stock and domestic rights. The preparation of such guidelines will involve extensive public consultation; indeed, it will require a partnership with farmers and their representatives to formulate the guidelines and successfully implement them. The guidelines will provide a standard for reasonable use of the resource which landholders will apply to themselves.

The Act sets out three classes of environmental water—environmental health water, supplementary environmental water and adaptive environmental water—and requires water-sharing plans to include rules for the identification, establishment and maintenance of each class of environmental water. Currently the Act limits the purposes for which each class may be used. Environmental health water is only permitted to be used for fundamental ecosystem health purposes while supplementary environmental water and adaptive environmental water are only permitted to be used for specified environmental purposes. The distinction between environmental water provided for fundamental environmental purposes and water provided for specified environmental purposes, however, is artificial and is causing unnecessary confusion. Such water is essentially rules based and is necessary to achieve the environmental objectives of each water-sharing plan.

It is also unclear whether the environmental health water rules must specify a particular flow that must be present at all times, or that the rule must be operative at all times. It would be environmentally damaging in many rivers to require that all plans specify some constant flows that must be maintained at all times. Natural river ecosystems depend on variability in flows. Therefore, the bill amends the Water Management Act 2000 so that there are two kinds of environmental water: environmental water that is provided according to rules in a plan, or planned environmental water; and environmental water that is provided by water licences, or adaptive environmental water. All water-sharing plans must have rules for planned environmental water and provisions for adaptive environmental water. The amendments will also clarify that a minimum quantity of water does not necessarily always have to be present in a water source.

The changes will not affect the rules in plans that have already been gazetted, and will not affect the amount of water these rules provide for the environment. The changes will, however, remove some of the confusion and artificial distinctions that the words in the current Act have caused and provide a little more flexibility with respect to the design of environmental rules in future plans. As indicated above in relation to adaptive environmental water, the catchment management authorities will be the primary vehicle for acquiring and managing this water through the development of environmental water trust funds.

The Act allows the Minister to suspend the rules applying to the making of an available water determination if the Minister is satisfied that there is a severe water shortage. This will only occur in extreme situations. While a severe water shortage is in force, the following rules apply to the making of available water determinations: first priority is given to major utilities and local water utilities in relation to domestic water supply and to basic landholder rights; second priority is given to the environment; third priority is given to major utilities and local water utilities in relation to commercial water supplies, and to high security licences; and fourth priority is given to major utilities and local water utilities otherwise than in relation to domestic and commercial water supplies, and to other categories of access licences.

To allocate fourth priority to stock and domestic licences is inconsistent with the fundamental design of the Act, in which access to water for stock and domestic purposes comes as first priority after water for the environment. Further, water for electricity production is a high value and important activity and should have a higher priority. The bill therefore amends the Act to give first priority to domestic water and essential town sources, whether under a basic right or a licensed entitlement, and to elevate the priority given to major utilities in relation to electricity generation needs and industries in towns. In this way secure access to water for essential human needs can be provided and the important benefits of electricity generation will be recognised and better safeguarded. To give effect to these priorities, it is necessary to allow available water determinations to be made to individual licensed entitlements in accordance with the specified priorities. These provisions will give the Minister the necessary powers to act in the public interest during times of severe water shortage.

Water-sharing plans covering the upper Namoi, Murrumbidgee, Murray, lower Darling and Hunter regulated river water sources include rules intended to permit regulated river, general security licences to take uncontrolled flows—that is, flows that come into the system below the regulating dam—without debit to the respective water allocation account when water allocations are low. The amount of water that can be taken under these rules is limited to a proportion of the access licence share component volume. These rules continue longstanding water management practices. Such rules are necessary to continue to provide entitlement

holders with the ability to make up loss of water supply during times when allocations are reduced because of low water levels in dams. Currently the Act does not explicitly provide for this; the bill corrects this.

With the separation of access licences from land, powers to recover unpaid charges and water taken in excess of that authorised under a licence were lost. Although powers to suspend a licence or prosecute the holder remain, these will often be ineffective for dealing with these matters. It will be possible for water users to exceed their water allocations and incur penalties instead of purchasing the additional water on the market. The bill includes mechanisms to correct this. For example, any charge or fee in respect of an access licence will be payable by the water user from time to time. The Minister will be able to suspend or cancel nominated works for non-payment of fees and charges of the related access entitlement.

Schedule 6 to the bill incorporates savings and transitional regulations to provide for the conversion of existing licences under the Water Act 1912 to the new licences under the Water Management Act 2000. This bill will herald a new level of performance in the way we manage scarce water resources for the good of the community, farmers and the environment. We need to leave behind the conflict between competing users and the environment and recognise that the rights of all users need to be provided for. Water is a zero sum game. Overallocation can wreck the viability of industries and lead to painful restructuring as well as damage to the health of our rivers and wetlands. The way ahead is to achieve the right balance between healthy rivers and competitive industries working efficiently within the sustainable limits of the resource. I commend the bill to the House.

The Hon. RICK COLLESS [10.35 p.m.]: I lead for the Opposition on the Water Management Amendment Bill. I acknowledge that the sustainable use and conservation of our natural resources is a critical part of ensuring the continued enjoyment of a high standard of living by all Australians. All Australians benefit from natural resource based industries. For example, primary industries directly employ about 440,000 people and had an export income of more than $32 billion in 2000-01. One of the key principles for success in the sustainable use of natural resources is governments and communities working in partnership to ensure that rural and regional communities are supported in maintaining and expanding profitable, nutritious and healthy food and fibre production on a sustainable basis.

The New South Wales Parliament passed the Water Management Act in December 2000, providing a new framework for water management in this State. There was long and heated debate on that legislation—the first major debate in which I was involved in this Chamber—and it spent four days in Committee. The Nationals and the Liberal Party forced significant changes in favour of water users from the original white paper upon which the bill was based. Some 36 water-sharing plans, which set rules for providing water to the environment and for sharing water available for use between different categories of water users, such as farmers, towns and industry, have been developed. Access share entitlements replace the old water licences.

The bill amends the Water Management Act 2000 and seeks to deal with aspects of the national water initiative, which the Premier signed off on in 2003 at the Council of Australian Governments. It facilitates the commencement of water-sharing plans that are due to begin on 1 July 2004. This bill gives most categories of access share entitlement perpetual duration rather than the 15-year duration currently provided for in the Water Management Act 2000. We support this provision as it vastly improves the security of tenure for those water users who have invested large amounts of capital in the infrastructure required to support the irrigation industry. It enables the Minister to extend water-sharing plans on the recommendation of the Natural Resources Commission, gives catchment management authorities [CMAs] a role in water management and provides a link with catchment action plans.

The bill also amends the Water Management Act relating to domestic and stock rights and water usage. The amendments limit those rights in certain circumstances, which are to be devised by the Minister outside this legislation. I have some concerns about this issue, upon which I shall expand later. The bill provides for the keeping of the water access licence register in which is to be recorded the grant of water access licences, similar to the register kept under the Real Property Act 1900. Details on the register will be publicly available, including the ownership and prices paid for water, to allow monitoring of the industry. The register will promote trading in licences, leading to the highest value use of the water. It will encourage investment and, importantly, enhance asset security. It will also enable the holder of an access licence to transfer the water entitlements conferred by the licence to another person for a specified period of not less than six months. The bill amends the Catchment Management Authorities Act 2003 to provide for the establishment and operation of environmental water trust funds by CMAs in connection with their environmental water functions.

The Opposition will not oppose the bill, as the Leader of The Nationals in another place indicated. However, he raised a number of concerns relating to our constituency that I shall outline. We are concerned that, unlike the lands title system, the new water licence register will not offer indefeasibility of title. The Minister said he hopes to deliver indefeasibility title in about three years, but we would prefer a firmer commitment. By way of explanation, "indefeasibility of title" means that the registered proprietor of an interest holds it free of any estate or interest not recorded in the register, except in the case of fraud, legislative exceptions or exceptions based on case law. The *Oxford Dictionary* quotes "indefeasible" as "rights or title that cannot be forfeited or annulled".

An indefeasible title is essential to protect and give confidence to purchasers of access licences and to ensure that all owners of access licences are protected from unauthorised dealings. A secure and efficient title system will also minimise conveyancing costs and time. I was somewhat bemused to read schedule 2 [6], which inserts an amendment relating to directions and guidelines concerning the wastage of water. In this new section the Minister has the power to force the landholder to ensure that water is used beneficially and is not wasted. What a shame that the Minister for Energy and Utilities, Frank Sartor, has not embraced a similar provision for Sydney Water because 10.7 per cent of Sydney's daily usage is lost through leaks in the infrastructure, with no penalty imposed by the Minister. However, if some farmer, struggling during the drought, is wasting 10 per cent of his stock water through a leaking pipe or trough, Minister Knowles can take specific measures to ensure that the wastage is stopped.

As I said earlier, the Opposition welcomes the provision for access share entitlement to be given perpetual duration rather than the 15 years currently provided for. However, some categories have missed out on this important improvement. Supplementary water access is the greatest concern to irrigators. This week I spoke with irrigator representatives, who again raised this issue. They would prefer that supplementary water access be granted in perpetuity. In the other place the Minister in reply to the second reading debate skirted around the subject. Perhaps the Minister in this House could explain why these water users do not deserve the same security as other water users. I understand that it is bonus water, that it is over and above the regular entitlement, that it has a lower security status and that it does not share the same priority. I do not agree that if supplementary licences were made perpetual it would devalue higher security water and lead to bad investment decisions. That supposition is nonsense.

The Minister in the other place referred in reply to a comprehensive and long note on supplementary water. I look forward to reading this note and ask the Minister in this Chamber to table the long note for the benefit of all members. As my colleague in another place pointed out, water users, at the behest of governments, took up the challenge to invest and capitalise on this water. They are now seeking certainty to ensure that there is longevity and security in their investment. This perpetual entitlement would give supplementary water users more confidence in investing in their properties and to plan for the long term. This aspect is particularly important in the northern New South Wales irrigation areas where high river flows can occur in the summer months and supplementary water is available for summer cropping programs. Lending institutions will be more prepared to as assist water users because they will have a firmer collateral base.

It is important to highlight that a perpetual entitlement only guarantees water users the right to access water and has no bearing on the amount of water they will receive in the future. What is required is an equitable model to manage the costs or risks associated with new science and knowledge. This is not dealt with in this bill and is being negotiated as part of the national water initiative. The status quo remains that there is no provision for any compensation for loss of access that occurs through the making of a new water-sharing plan.

Section 87 currently sets out the circumstances in which compensation is payable to a holder of an access licence for reductions in water allocations arising from the Minister's amendment of a management plan. The bill amends section 87 by expanding the circumstances in which compensation will not be payable. As noted in the Parliament's cross-party Legislation Review Committee's "Legislation Review Digest", new paragraph (a1) of section 87 (2) provides that compensation is not payable where the bulk access regime is varied in a management plan after the expiry of the plan that first established it. The digest notes that this appears to deny the payment of compensation when adjustments are made in a plan which succeeds the initial plan, even if the Minister diverges from the provisions of the draft plan proposed by the water management committee or bypasses the committee altogether by making a Minister's plan.

Through this bill the Government is seeking to rein in rapid rural subdivisions of farmland that lead to a single stock and domestic water usage right suddenly expanding 20 or 30 times, but the way this has been dealt with in the bill causes some concern. My concern is that the amendment will open the door for licensing of stock and domestic water across the board, despite the fact that the Minister stated in another place that "there are no plans to change this basic right". The amendment that makes the intended change also appears to clear the way in the future for licensing stock and domestic water users as provided for in schedule 2 [6].

The amendment is worded in such a way that if I own a property with a long river frontage and I decide to subdivide that property into two agricultural-sized holdings, there is no guarantee that a stock and domestic right will go with the second block. I take the point about rural residential and small acreage subdivisions on watercourses. It is fine to restrict domestic water expansion, where many small blocks may have large, high water usage gardens on 5 or 10 hectare blocks, but it is inappropriate to remove the stock water rights from that

land. The carrying capacity of that land will not necessarily increase as a result of the subdivision; in fact, it is more likely to be carrying less stock after the subdivision. Stock water rights must be maintained on those blocks. All livestock must maintain the right of access to water.

The Minister has said that he will formulate guidelines on reasonable use, which we are told will involve public consultation. The Coalition has expressed concern at the Government's record on consultation, as can be witnessed in the recent forced local government amalgamations. With this in mind, the Coalition has called on the Minister to ensure that he consults widely and I was pleased to hear the Minister confirm that a Minister's plan will be put on public exhibition in virtually all cases because of the possible effect of the plan on people's rights.

The bill confirms the role of catchment management authorities in water management in New South Wales. However, there is no assurance that water users will be fairly and adequately represented on catchment management authority boards. I note that the bill provides for new penalties. In his contribution to the second reading debate the Leader of The Nationals said that although most irrigators would support strong penalties for those acting illegally, the "Legislation Review Digest" has raised the following issue in respect to proposed section 85B, which provides that, in addition to, or as an alternative to, prosecuting licence holders who take water in breach of their licence, the Minister can also penalise them by, first, debiting their water account by up to five times the amount of water taken, and, second, requiring them to pay a civil penalty of up to five times the fee for the water taken.

The "Legislation Review Digest" also raised the issue that although such an enforcement strategy does not infringe personal rights and freedoms when it is used as an alternative to prosecution, it could be seen as raising the prospect of double punishment when it is used in addition to prosecution. Neither the court on sentence nor the Minister when making an order is required to take account of the other's decision. The additional penalty is not available when someone who is not licensed takes water and reflects the fact that a breach of trust is involved where a licensed holder is the offender. The Legislation Review Committee is of the view that double punishment for the same offence is contrary to the fundamental right of a person not to be tried twice for the same crime.

The Minister stated in his reply to the second reading debate that there is no such thing; that there is no double punishment, just another option in the penalty regime. The Coalition does not accept this response and calls on the Minister for further clarification. The Minister needs to address other concerns raised by the committee, other than those that he referred to in his reply. As the Leader of The Nationals noted in debate on the second reading, it took the Minister months to respond to the same committee in relation to serious concerns it had with the Government's native vegetation legislation late last year. In the interests of all concerned, I hope that is not the case this time around.

A further concern of the Coalition is that of duplication of resources and general confusion about which body is responsible for what, brought about by the proliferation of committees and bodies—for example, I refer to the Water Innovation Council, the Natural Resources Commission, catchment management authorities, environmental trusts, community service committees and so on. The Coalition seeks an assurance from the Minister that all those bodies are properly co-ordinated. In his contribution to the second reading debate the Leader of The Nationals outlined some taxation issues that have been raised by irrigators. He confirmed that the Australian Taxation Office has prepared a draft ruling indicating that generally the replacement of existing entitlements with access licences will not give rise to any capital gains tax implications.

However, this position is yet to be confirmed where the replacement is issued to the person who is the landowner but is not currently in occupation of the land to which the entitlement was attached. Where there is more than one access licence holder, the co-holding may be as joint tenant or tenant in common. There may be taxation implications for individuals who elect to change the holding arrangement. In relation to the cost of dealing in access licences, such as transfers, the Government has agreed that a nominal amount of $10 stamp duty will apply. Normal duty will be payable on the registration of security interests in access licences such as mortgages. Irrigators were pleased to learn there is no GST payable for applications for water access licences or water access licence dealings. The Minister confirmed in his reply that this information is correct.

I cannot finish this speech without acknowledging the role played in this debate by the Deputy Prime Minister and Federal Leader of The Nationals, the Hon. John Anderson. Without his commitment to leading the water management debate in Australia and setting the agenda for the national water initiative, none of the

improvements would have been possible. I also acknowledge the spirit of co-operation displayed by the Minister for Natural Resources and encourage him to continue along these lines. The Opposition does not oppose the bill.

Debate adjourned on motion by the Hon. Peter Primrose.

ADJOURNMENT

The Hon. HENRY TSANG [Parliamentary Secretary] [10.53 p.m.]: I move:

That this House do now adjourn.

NATIVE VEGETATION CLEARING

Mr IAN COHEN [10.53 p.m.]: Three months ago the Minister for Infrastructure and Planning, and Minister for Natural Resources, Craig Knowles, claimed that "new statistics show a decline in native vegetation clearing". He was commenting on the approvals his department had given for clearing in 2003. Three months later it is still impossible to verify that claim. The Native Vegetation Conservation Act—which is still in force—requires the director-general to keep a register of development consents for any clearing that requires development consent and that the register is to be available for public inspection during ordinary business hours at the head office of the Department of Land and Water Conservation and at the relevant regional office of that department.

Certainly, the latter part of this requirement—that the register is to be available for public inspection—has been flaunted by the Minister's department. The register is not available. It seems that since this Minister has taken over, the register has also disappeared from the department's web site. When my staff visited the head office of the department last week they were told that the register was on line, but only the clearing approvals up to January 2003 are on line. If the Minister has announced the figures for 2003 why are they still not available? Could it be that there are problems reconciling exactly which approvals were included in the Minister's figures? I attempted to clarify the situation via the parliamentary process and placed a question on notice that in large part asked for information that would ordinarily be available on the web site. The answer I received shocked me. It said, "The diversion of public resources necessary to answer this question is not justifiable."

So we have a requirement under the Act for a public register that is being ignored and we have a Minister who treats Parliament with contempt when an answer is sought to questions that should not need to be asked. The Minister then makes claims about land-clearing figures and says the Greens got it wrong, but he fails to provide the proof. It is a positively Orwellian scenario. The Minister said that clearing for 2003 was 63,558 hectares. Of course, this figure does not include illegal clearing and clearing carried out under the range of exemptions. So far there are no publicly available figures for 2004. However, one Department of Infrastructure, Planning and Natural Resources region did supply 2004 figures when requested. They show that for the first four months of 2004 clearing approvals for the far west region of New South Wales were 14,870 hectares approved under the Native Vegetation Conservation Act and 27,880 hectares approved under the Western Lands Act. It has not been possible to ascertain what degree of overlap there is of these areas. As I stated at the outset, none of the flash satellite technology is being used to determine how much additional unapproved clearing is taking place.

This is occurring in an environment where the Minister has stopped prosecutions proceeding for illegal clearing and withdrawn the power of entry to departmental officers trying to investigate breaches of the Act. Far from a moratorium on clearing while the regulations for the new Act are being developed, clearing approvals seem to be going ahead at a great rate, but the figures are being withheld from the public. It is a pity the Treasurer is not here—he is always looking for Stalinists. Perhaps he should look to his own ranks, where a senior Minister has been breaking the law for more than a year, and thumbing his nose at transparency and accountability, including refusing to properly answer questions in Parliament. One hates to think to what depths we will sink if this Minister is ever given any more power in this Government.

When I put questions on notice it is not appropriate for the Minister to provide an answer that states, "The diversion of public resources necessary to answer this question is not justifiable." That is an insult to any member of Parliament who legitimately takes time out to make representations on behalf of the community to ask questions in a most respectful manner—in this case via questions on notice. It is an abomination of the parliamentary process. I challenge Craig Knowles to answer the questions and to live up to the false and superficial promises he has made in relation to land management in this State.

PNEUMOCOCCAL DISEASE VACCINE

The Hon. AMANDA FAZIO [10.57 p.m.]: I wish to comment on the Federal Government's recent announcement to provide a vaccination program against pneumococcal disease from 2005. Having noted the absence of this critical matter in the 2004 Federal budget, the Federal Leader of the Opposition, Mark Latham, in his reply to the budget, announced that a Federal Labor government would make a vaccination program against pneumococcal disease available to every Australian child free of charge. The National Health and Medical Research Council that was purposely set up to provide advice on the funding of vaccines following the tragic influenza epidemic of 1918-19, made a recommendation in support of a Government funded vaccination program against pneumococcal disease almost two years ago.

For the first time since its establishment in 1937, the Federal Government chose to reject this recommendation. Since then there have been countless calls of support for this program. Some of them include the Australian Technical Advisor Group on Immunisation, the National Centre for Immunisation Research and Surveillance, the Meningitis Foundation, the Australian Medical Association, the College of Physicians and, most recently, Mark Latham. On 11 June 2004 the Federal Government finally answered these calls, announcing that it would provide free vaccinations to all newborn babies and children under the age of two. The Government will begin this program from the start of next year. I can feel only a sense of relief that the Federal Government has finally agreed to make this vaccination program available to all Australian children, rather than making it exclusively available to those children whose parents could afford it.

It is unfortunate, however, that so many children have had to suffer in the two years it has taken for the Federal Government to make up its mind on this critical matter, despite the advice from its own expert advisory group. For example, I refer to children such as Isabella Brooks. Isabella contracted this disease on Anzac Day and spent the following two weeks fighting for her life. Fortunately, she is now recovering well. The effects of pneumococcal disease, however, do not always present with the most obvious symptoms, affecting some individuals emotionally. Sufferers can experience behavioural problems, including violent temper tantrums, mood swings, aggression and learning difficulties. One child who contracted this disease at six months continued to have behavioural and social difficulties and was hyperactive. It was not until he started school that it was diagnosed that these were the effects of pneumococcal meningitis. The child has since been assessed for special needs and is trying out a new school, having been excluded from his old one.

Pneumococcal disease is a bacterial infection that is transferred among people through tiny droplets from coughing, sneezing, sharing toys or kissing. It can also be spread through saliva when people share things like food, cups, water bottles, straws or toothbrushes. When contracted it can cause ear problems, sinusitis and pneumonia. It is when the disease spreads beyond the respiratory tract that it can cause death or serious illness. Those who survive this disease are often left suffering disabilities, including blindness, deafness, meningitis, septic arthritis, bone infections, and learning difficulties. Pneumococcal is a disease that masquerades itself as the common cold and yet causes irreversible damage. It creates dread in communities when there are outbreaks.

Effective treatment of pneumococcal disease was once found in penicillin or antibiotics, but the overuse of these drugs in the last quarter century has lead to the disease becoming more resistant, making the treatment of pneumococcal infection more difficult. The only available tool to prevent pneumococcal disease is vaccination. Every year 1,800 children contract this disease, and 50 do not survive. Australian hospitals see over 3,500 patients a year for pneumococcal related infections. Despite this disease being a burden not only on society but also on Government resources, the Federal Government will begin funding the program only from 2005. Both John Howard and Tony Abbott have claimed that the delay in financing the vaccinations was due to supply delays. However, on 14 May 2004 the *Sydney Morning Herald* wrote that a letter to John Howard from the Wyeth Drug Company stated that it had told the Department of Health earlier this year that it could supply a universal pneumococcal program from October 2004.

Although I commend the Federal Government for having finally made a commitment to this program, I am at a loss to understand why it would hold out on providing Australian children with a safeguard against this disease. One theory, raised by John Laws in an interview with Mark Latham on 14 May 2004, is that the Federal Government "might be holding back for a pre-election sweetener". This kind of political game playing is abhorrent. The health of our children cannot be compromised for the sake of political strategy. I applaud Mark Latham and his sensible policies that protect our children for finally convincing John Howard of the need for a government-funded vaccination program against pneumococcal disease. I also call on the Federal Government to value the recommendations provided by the expert advisory groups that were purposely set up to provide advice to the Government on these matters and in future to act on their recommendations immediately.

SCHOOLS OCCUPATIONAL HEALTH AND SAFETY

The Hon. CHARLIE LYNN [11.02 p.m.]: Tonight I wish to speak about a serious anomaly in our education system whereby it appears that the Occupational Health and Safety Act does not cover students in schools. I refer to an incident involving a Newington College student, Aiden Bega, just before his Higher School Certificate [HSC] examination on 23 October last year. Mr Bega was waiting to be called for his ancient history exam when he became involved in an altercation with another student. A second person joined in the assault against Mr Bega and he was knocked to the ground and kicked in the head. After the altercation Mr Bega completed his examination. He was later diagnosed as suffering from concussion. He went on to complete the remainder of his HSC examinations but lodged an appeal to the Board of Studies in respect of his results.

Mr Bega's family was obviously distressed over the assault and placed the matter in the hands of their solicitor, who has been in contact with the Minister for Industrial Relations. The Minster was advised of the terms of the alleged offences against Aiden Bega in a letter on 4 March 2004. The case outlined by Mr Bega's solicitor argues that Newington College, as an employer, failed to ensure that Aiden Bega, being a person other than an employee of Newington College, was not exposed to risks to his health or safety. In my opinion there was clearly a breach of sections 8 (1) and 8 (2) of the Act, which states:

> … an employer must ensure that people (other than the employees of the employer) are not exposed to risks to their health or safety arising from the conduct of the employer's undertaking while they are at the employer's place of work.

In Aiden Bega's case the employer was Newington College, and although Mr Bega could not be defined as an employee as defined in the Act, I believe that he does fall within the provisions of section 8 (2) as a person "other than an employee of the employer" who should not have been exposed to risks to his health and safety. On 26 March the Minister wrote to Mr Bega's solicitor and refused to consent to proceedings being brought against Newington College under section 106 of the Act. I believe the Minister has erred in this decision. The Minister's decision in this matter is misguided, and I urge him to reconsider it. I say "misguided" because a school should be a protected environment for students. Unfortunately, there do not seem to be any effective systems in place to prevent a physical assault against a student.

In this instance a student, Aiden Bega, who was about to undertake one of the most important exams in his life, became involved in a fight with two other students after being provoked by them. The fight was allowed to escalate because of the lack of an effective system to prevent such an occurrence. Mr Bega suffered a bleeding nose as result of being kicked while on the ground. There is no doubt in my mind that this would have adversely affected his exam results. I believe it would take WorkCover or some other appropriate body such as the Departmental Safety and Security Directorate a very short time to investigate this matter. I have no doubt that if Mr Bega had finished up in an intensive care unit with a significant brain injury it would have been investigated immediately. The public outcry would have demanded nothing less. Thankfully that was not the case but it could have been so.

The Minister should not wait until a serious injury occurs in a school environment before he puts preventative remedies in place. It is a cop-out to say, "The school is dealing with it in house." This sort of incident warrants an innovative look at the relevant legislation, including the Occupational Health and Safety Act, and the scope of the provisions of the relevant Acts. To say it has not happened before or since is a curious application of an Act and undermines the very object of the Occupational Health and Safety Act. Let us be quite clear: a school is a workplace and it does not stop being a workplace when students arrive. In fact, it is the presence of students in the school environs that makes it a workplace. At the very least, this incident requires an investigation by a body with the necessary powers to investigate, such as WorkCover.

If a teacher were assaulted by a couple of students in similar circumstances, there would be an investigation under the provisions of the Occupational Health and Safety Act. It is unacceptable to suggest that students be afforded a lesser protection by State Acts of Parliament, such as the Occupational Health and Safety Act, than teachers have. I note that the Government established a $9.5 million Safety and Security Directorate in 2002 with some 67 staff. The task of the directorate is to co-ordinate and improve physical and personal security in schools. However, this has not occurred.

In 1998 there were 883 incidents of assault in our schools, and the figure rose to 1,290 last year. The trend is spiralling upwards and Aiden Bega's case just adds to this statistic in this sorry state of affairs. The Government has a responsibility to ensure that students and staff feel safe in their school environment. Schools and colleges such as Newington have a duty of care to ensure there is at all times a safe working environment for their staff and students. Clearly, the Government is failing in this regard at present. Therefore I believe that the Safety and Security Directorate or WorkCover should be instructed to do an audit on the safety and security

measures that schools have in place, and that section 106 of the Occupational Health and Safety Act should be amended to reflect their responsibilities in this area. I therefore call on the Minister for Industrial Relations to give consent under section 106 of the Occupational Health and Safety Act for the commencement of proceedings for a breach of the Act.

CUMMERAGUNJA COMMUNITY DRUG ACTION TEAM

The Hon. TONY CATANZARITI [11.07 p.m.]: I wish to speak tonight about the recent launch of the "Dangers of Petrol Sniffing" pamphlet by the Cummeragunja Community Drug Action Team [CDAT]. I was recently invited to help launch this pamphlet at the Cummeragunja Family Fun Day ceremonies, and I would like to especially thank the Cummeragunja community for inviting me. It was an honour for me to be able to represent the Government at such an important event. I recognise that the New South Wales Government shares the desire for all the people in this State to live in a society free from drug problems. I am also sure that this desire is felt by everyone in our community. I recognise also that the causes of alcohol and drug use are very complex, and that they can result in significant harm to individuals, families, and communities, and I recognise that these problems have no single or simple solution. Alcohol and drug use problems are always complex, and it is very important that we take a strong approach to helping those who need it.

Management of the impact of drugs and alcohol requires an integrated approach between all levels of government, the community, individuals, and businesses, and it is essential that this approach should be sensitive to local needs. Community Drug Action Teams are a key element of the New South Wales Government's drug strategy. They build strong local alliances and networks, they engage key stakeholders in the issue, and they educate the community on drug and alcohol-related issues. These are becoming extensive across the State. At present, more than 1,200 people are involved in more than 80 CDATs around New South Wales. The Cummeragunja CDAT, which was my host at these ceremonies, is an Aboriginal-specific CDAT that has been working on issues relating to alcohol and drug misuse in Cummeragunja since it formed in 2001.

A range of people participate in this CDAT, including elders, the Cummeragunja Lands Council, the Community Development and Employment Program, the Greater Murray Area Health Service, as well as the Department of Education and Training. The Cummeragunja CDAT is involved in many local projects, including the successful Family Fun Days, one of which I had the pleasure of attending recently. It also organises school holiday programs, and it is now in the process of working towards the development of a youth space for the young people of the area.

In fact, the Cummeragunja CDAT is a professional organisation that is doing so many good things that its work has attracted interest from Aboriginal groups in a number of places around New South Wales with regard to what it does and how it functions. That good work saw me in Cummeragunja for the launch of an excellent pamphlet. The development of the "Dangers of Petrol Sniffing" pamphlet is a partnership between the Cummeragunja CDAT and the Premier's Department, as a part of the Drugs and Community Action Strategy, which is managed by the Premier's Department. This strategy recognises the vital importance of developing local solutions to local issues.

One of the strengths of the Cummeragunja CDAT is that it recognises that it is vital that issues of concern and solutions to them should come from the Aboriginal community itself first and that the community should be supported in this. To this end, the Cummeragunja Community Drug Action Team has developed a petrol sniffing information pamphlet for parents, in response to the concern of local families. The pamphlet explains the harm and effect of sniffing petrol, suggests reasons why people do it, and outlines support services that are available. The pamphlet has the paintings of a local artist, Rochelle Patton, to provide visual messages about the danger of petrol sniffing. It is an excellent production in every way.

I would like to commend the CDAT members for their work in producing this pamphlet. In particular I would like to single out Jessie Cooper for her work in bringing families together to highlight their concerns. She put in a great deal of hard work, and it shows. It gave me great pleasure to launch the "Dangers of Petrol Sniffing" pamphlet. I am sure it will be a very useful resource for the Cummeragunja community and for other communities throughout New South Wales. I commend the CDAT and members of the Cummeragunja community.

EDDIE MURRAY DEATH IN CUSTODY INQUIRY

JUANITA NIELSEN MURDER INVESTIGATION

Ms LEE RHIANNON [11.12 p.m.]: In June 1981 Eddie Murray, a 21-year-old Aboriginal man from Wee Waa, New South Wales, was detained for being drunk and disorderly. Less than an hour later he was dead. There was an inquest and subsequently an inquiry by the Royal Commission into Aboriginal Deaths in Custody. However it was not until 1997 that his body was exhumed and significant new evidence was revealed. Eddie had suffered a fracture to his sternum, and a forensic pathologist determined that this had most likely occurred immediately prior to his death.

In 2000 the then Minister for Police, Paul Whelan, referred Eddie's case to the New South Wales Police Integrity Commission. In the three years that the Police Integrity Commission held the case, it managed to procure just nine documents, ordered the creation of only four more, and talked to 11 people. The family of Eddie Murray remained dissatisfied with the nature of what the Police Integrity Commission described as a "preliminary investigation". The Police Integrity Commission has not released a publicly accessible report on its inquiry. The New South Wales Inspector of the Police Integrity Commission has deemed that the Police Integrity Commission's investigation and decision not to allow material about its investigation to be made public fall within its statutory right. I urge the Minister to recognise that justice is about more than statutory obligations. Sometimes it is about intention as well.

In 1987 the then New South Wales Attorney General, Terry Sheahan, told the Murray family that "if any fresh information came to light in relation to the death of Eddie Murray it would be acted upon". In 2000 Paul Whelan told the Murray family that if the Police Integrity Commission declined to carry out a full investigation into Eddie's death, that would not be "the end of the road" and that other avenues of inquiry were possible. I asked the Minister for Justice, and Minister Assisting the Premier on Citizenship, representing the Minister for Police, 27 questions about this investigation. His response was a 150-word, three-paragraph brush-off.

The Murray family is only asking for a full and thorough inquiry into the death of their son, who died while in the care of the State. What form of justice is the New South Wales Government prepared to offer the Murrays? Is it a tokenistic display conducted by a body that is supposed to offer the New South Wales public confidence in the police force? Or is the New South Wales Government prepared to live up to its capacity and previous promises and finally provide the Murray family with the justice they deserve? I have lodged a further series of questions on this matter and the Police Integrity Commission's handling of it. Once again the response from the Minister verges on insulting. Eddie Murray died 23 years ago this month. Surely it is time for his family to get some justice.

The twenty-ninth anniversary of the murder of Juanita Nielsen falls on 4 July. That is the day when in 1975 she was last seen at a Kings Cross nightclub. Despite several police investigations, her body has never been found and her killers have never been identified or punished. Speaking at the 2003 Juanita Nielsen Memorial Lecture, which I host annually, Rae Francis stated:

> In its bald outlines, her story does not sound so different to those of the many other women who every year in Australia disappear without trace. But Juanita was different. Her disappearance was not some random act of misogynistic violence. All the evidence suggests that her death was deliberate, premeditated and ultimately condoned by the police and the State.

We should remember Juanita as she would have liked to be remembered: as someone who died for a cause—that is, a cause fighting greedy developers, one that the Greens are proud to actively promote. Twenty-nine years later Juanita is not just another woman who was murdered and forgotten. Concern endures even though the original cause, the fight to stop development on Victoria Street, is over. It endures even though Frank Thiemann, the developer who lost more than $3 million because of the action of residents like Juanita, and members of unions like the Builders Labourers Federation are dead. It endures despite many inquiries, royal commissions, and thousands of written words.

The inability so far of the New South Wales police to solve this murder is disturbing. The case has been reopened, but the Minister for Police will not publicly disclose its progress. Canberra journalist Peter Rees, with the help of long-term collaborator Arthur King, in their book *Killing Juanita*, have put together what is so far the best account of the whole matter. They think they know who murdered Juanita Nielsen; they quote a person who claims to have been a witness to the killing. For Juanita, for her struggles to save Sydney's urban environment, and for the rights of all people, the current investigation must solve this murder.

TEACHERS POLITICAL BIAS

The Hon. MELINDA PAVEY [11.16 p.m.]: I wish to speak on a matter of some passion to me. It follows my presentation, along with presentations by several other politicians, at Killara High School last Friday. I was asked to address year 12 students on my party's history and policies. I represented The Nationals; the local Federal member, Brendan Nelson, who is Minister for Higher Education, represented the Liberals; Labor's stalwart and former Whitlam Minister Tom Uren represented the Labor Party; Andrew Wilkie represented the Greens; and Nina Burridge represented the Australian Democrats. It was an extremely well organised event attended by about 100 students, and it was the first occasion on which I had attended what I understand to be an annual exercise to help demonstrate to students the workings of our parliamentary system and democracy.

However, during the forum I was greatly concerned to witness the partisan attitude of a particular teacher who clapped and supported the policies espoused by Tom Uren from the Labor Party. In later private discussions with students I discovered that this teacher was not alone in his political bias: other teachers at the school regularly demonstrated political bias. I feel compelled to raise this issue tonight because I am a product of the public education system and I am a great supporter of it. I would like my two children to receive a public education, but, because of the partisan attitude and actions of teachers that I witnessed and heard about, I am seriously reconsidering that prospect.

The Hon. Jan Burnswoods: One teacher in 2,200 schools, and you are not prepared to send your children to public schools?

The Hon. MELINDA PAVEY: The Hon. Jan Burnswoods is a former teacher from the left. She also would have seen what I saw. There is more than one teacher; students told me about other partisan teachers at that school. That is not acceptable.

The Hon. Jan Burnswoods: One school.

The Hon. MELINDA PAVEY: They are everywhere. That is what is happening in public education.

The Hon. Jan Burnswoods: What an outrageous accusation.

The Hon. MELINDA PAVEY: It is not outrageous. It is about time the honourable member got her head out of the book and tried to understand what is going on in public education and why parents are putting themselves to great cost to send their children to private schools. It is because of what I witnessed and was told at that school.

The Hon. Jan Burnswoods: One school, out of 2,200 schools.

The Hon. Rick Colless: It's not just one school.

The Hon. MELINDA PAVEY: I note the interjection of the Hon. Rick Colless, who said it is not just at that school.

The Hon. Rick Colless: They are in every school.

The Hon. MELINDA PAVEY: Students deserve to be educated by teachers who can present material objectively, by presenting all sides of an issue and remaining neutral. From witnessing the particular teacher's behaviour and the line of questioning from students, it appears to me that perhaps teachers are influencing students' opinions. Teachers are entitled to their own beliefs, values and political persuasions. However, a true test of a good teacher is to hold those opinions and be able to present material in a politically neutral manner, especially when dealing with sensitive political subject matter. In my experience at high school, despite many of the English department being members of the local Labor Party—whom the Hon. Jan Burnswoods knows personally—I never felt influenced by their political affiliations.

I believe it was unacceptable for a teacher to clap in support of Mr Uren in front of about 100 students when he was attacking the Federal Government. Later, two students told me that it was typical of that teacher and they were uncomfortable with it. Yet another young male student told me that teacher was a legend. In further discussion I was told that another teacher regularly laughs at Little Johnny in class and criticises Federal Government decisions. Dr Nelson had the dignity to be able to recognise the presence of Tom Uren and told the

students to remember that they had heard an Australian who had made a significant contribution to our country—a sign of respect for another point of view that I fear is missing in some teachers at the school.

It is important that we encourage students to form their own opinions by presenting them with a variety of arguments and information. Teachers are in a position of power and can greatly, yet subtly, influence the thoughts and perceptions of their students. It is with no pleasure that I bring this matter to the attention of the House, but I do so as a supporter of public education and with a desire to see the community's confidence in our public school teachers lifted.

INTERNATIONAL CLEANERS DAY

The Hon. JAN BURNSWOODS [11.21 p.m.]: On 15 June the Liquor, Hospitality and Miscellaneous Union [LHMU] put out a release marking—unfortunately I cannot say celebrating—International Cleaners Day. That was an important day on which the union launched its dirty money campaign to draw attention to the situation of so many cleaners in New South Wales and around the world. Among the points that the LHMU raised on that day were ensuring that cleaners were paid award wages and conditions—that would be nice; protecting cleaners' job security and leave entitlements during contract changeovers; supporting cleaners' rights to join a union; banning subcontractors, except for specialist work; and making clients take responsibility to ensure that contractors comply with all laws and regulations. I and other honourable members have spoken in this House on previous occasions about the plight of low-paid workers in Australia and the increasing Americanisation of so much of the industry.

[*Time for debate expired.*]

Motion agreed to.

The House adjourned at 11.23 p.m. until Wednesday 23 June 2004 at 11.00 a.m.