

LEGISLATIVE COUNCIL AND LEGISLATIVE ASSEMBLY

Wednesday 3 May 2006

JOINT SITTING TO ELECT A MEMBER OF THE LEGISLATIVE COUNCIL

The two Houses met in the Legislative Council Chamber at 4.00 p.m. to elect a member of the Legislative Council in the place of the Hon. John Saxon Tingle, resigned.

The Clerk of the Parliaments read the message from the Governor convening the joint sitting.

The ACTING-PRESIDENT (The Hon. Amanda Fazio): I am now prepared to receive proposals with regard to an eligible person to fill the vacant seat in the Legislative Council caused by the resignation of the Hon. John Saxon Tingle.

Reverend the Hon. FRED NILE: I propose Robert Leslie Brown as an eligible person to fill the vacant seat of the Hon. John Saxon Tingle in the Legislative Council, for which purpose the joint sitting was convened. I propose that Robert Leslie Brown be elected as a member of the Legislative Council to fill the seat in the Legislative Council caused by the resignation of the Hon. John Saxon Tingle.

I indicate to the joint sitting that if Robert Leslie Brown were a member of the Legislative Council he would not be disqualified from sitting or voting as such a member, and that he is a member of the same party, the Shooters Party, as John Saxon Tingle was publicly recognised by as being an endorsed candidate of the party and who publicly represented himself to be such a candidate at the time of his election at the eighth periodic council election held on 22 March 2003. I further indicate that the person being proposed would be willing to hold the vacant place if chosen.

Reverend the Hon. Dr GORDON MOYES: I second the nomination.

The ACTING-PRESIDENT: Does any other member desire to propose any other eligible person to fill the vacancy? As only one eligible person has been proposed and seconded, I hereby declare that Robert Leslie Brown is elected a member of the Legislative Council to fill the seat vacated by John Saxon Tingle. I declare the joint sitting closed.

The joint sitting closed at 4.06 p.m.

LEGISLATIVE COUNCIL

Wednesday 3 May 2006

The Chair of Committees (The Hon. Amanda Fazio), in the absence of the President, took the chair as Acting-President at 11.00 a.m.

The Acting-President offered the Prayers.

ADMINISTRATION OF THE GOVERNMENT

The ACTING-PRESIDENT: I report the receipt of the following message from Her Excellency the Governor:

MARIE BASHIR
GOVERNOR

Office of the Governor
Sydney 2000

Professor Marie Bashir, Governor of New South Wales, has the honour to inform the Legislative Council that she re-assumed the administration of the Government of the State at midday on 2 May 2006.

2 May 2006

MOTOR ACCIDENTS (LIFETIME CARE AND SUPPORT) BILL

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

LEGISLATIVE COUNCIL VACANCY

Resignation of the Honourable John Saxon Tingle

The ACTING-PRESIDENT: I report the receipt of the following communication from the Official Secretary to the Governor in relation to the vacant seat in the Legislative Council caused by the resignation of the Hon. John Saxon Tingle:

The Honourable
President of the Legislative Council
Parliament House
Macquarie Street
SYDNEY 2000

Office of the Governor
Sydney 2000
3 May 2006

Dear President

I have the honour to inform you that I have received a letter from the Honourable J. Tingle MLC tendering his resignation as a Member of the Legislative Council of New South Wales with effect from 2 May 2006.

I have acknowledged receipt of the letter from Mr Tingle and have informed him that you have been advised of his resignation.

A copy of the resignation is attached.

Yours Sincerely
MARIE BASHIR

Governor

I have acknowledged Her Excellency's communication. An entry regarding the resignation of the Hon. John Saxon Tingle has been made in the Register of Members of the Legislative Council.

PRIVILEGES COMMITTEE

Report: Person Referred to in the Legislative Council (Mr G. Mandarino)

Motion by the Hon. Peter Primrose agreed to:

That the House adopt report No. 34 of the Privileges Committee, entitled "Citizen's Right of Reply (Mr G. Mandarino)", dated April 2006.

Pursuant to standing orders the response of Mr Mandarino was incorporated.

Reply to comments by the Honourable Catherine Cusack MLC in the Legislative Council on 12 November 2003

In accordance with Standing Order 202, I make this submission on the basis that my reputation, and dealings and associations with others have been adversely affected by a statement made in the Legislative Council by the Honourable Catherine Cusack MLC in a speech on 12 November 2003.

In her speech the Honourable Catherine Cusack MLC referred to the Port Kembla Main Street program, for which I had responsibility in my former position as Economic Development Coordinator, Port Kembla Chamber of Commerce and Industry. She then stated that:

Mr Gino Mandarino—who, I hear, continues to have his eye on preselection for Throsby—has been paid \$50,000 to run this program. Where are the accountabilities for taxpayers' funds on this project?

On 18 September 2003, I publicly announced that I was not a candidate for Australian Labor Party preselection in Throsby. This was reported in the Illawarra Mercury and ABC Illawarra on 19 September 2003.

Further, any suggestion that public funds allocated to the program were not properly managed or accounted for is incorrect. All conditions set out in the government funding offer for the Main Street/Small Towns program were met, and this has been verified by the NSW Department of State and Regional Development.

LANE COVE TUNNEL

Production of Documents: Order

Motion by Reverend the Hon. Fred Nile agreed to:

That under Standing Order 52 there be laid upon the table of the House within 14 days of the date of the passing of this resolution the following documents in the possession, custody or control of the Roads and Traffic Authority or Treasury relating to the Lane Cove Tunnel:

- (a) the Public Sector Comparator developed for the Lane Cove Tunnel project,
- (b) any document relating to the Public Sector Comparator,
- (c) any document relating to negotiations between the Roads and Traffic Authority and the successful tenderer for the Lane Cove Tunnel project prior to the contract being signed, including the final versions of the Roads and Traffic Authority's Pre-signing Report and Finalisation Report,
- (d) any document created subsequent to the contract being signed relating to variations to the Lane Cove Tunnel project deed,
- (e) any document relating to community consultation or information provided to the community in relation to the Lane Cove Tunnel project, and
- (f) any document which records or refers to the production of documents as a result of this order of the House.

BROADACRE PROJECT

Production of Documents: Order

Motion by Ms Lee Rhiannon agreed to:

That under Standing Order 52 there be laid upon the table of the House within 14 days of the date of the passing of this resolution the following documents in the possession, custody or control of the Department of Transport or Treasury:

- (a) the community service obligation contracts relating to the Broadacre Project between the Department of Transport and the Freight Rail Corporation (FreightCorp), signed prior to the sale of FreightCorp in 2001, together with any deeds under the contracts imposing service obligations on Pacific National (formerly known as National Rail Consortium (SSL) Pty Limited (NRCSSL)), including any Works Deed (Grain) or Grain Haulage Services Deeds,
- (b) any document which relates to the community service obligations, and the compliance by Pacific National, under the contracts, and
- (c) any document which records or refers to the production of documents as a result of this order of the House.

SYDNEY HARBOUR DIOXIN LEVELS

Production of Documents: Order

Motion by the Hon. Duncan Gay agreed to:

That under Standing Order 52 there be laid upon the table of the House within 14 days of the date of passing of this resolution the following documents created since 1 January 1997 in the possession, custody or control of the Department of Environment and Conservation, the Department of Planning, the Department of Primary Industries (NSW Fisheries), the Premier's Department, NSW Health, Sydney Ports Corporation or the responsible Ministers:

- (a) all documents relating to dioxin levels in Sydney Harbour, medical testing for dioxin levels on humans and the marine environment, commercial fishing bans in Sydney Harbour, information for recreational fishermen on contamination of the harbour, and compensation for commercial fishermen, and
- (b) any document which records or refers to the production of documents as a result of this order of the House.

POWERCOAL ASSETS SALE

Production of Documents: Order

Motion by Ms Lee Rhiannon agreed to:

That under Standing Order 52 there be laid upon the table of the House within 14 days of the date of the passing of this resolution the following documents in the possession, custody or control of the Treasurer, NSW Treasury, the Minister for Commerce, the Minister for Energy and Utilities, and all agencies within the portfolio responsibilities of the Minister for Energy and Utilities:

- (a) all documents relating to the sale of former PowerCoal assets to Centennial Coal in 2002, and
- (b) any document which records or refers to the production of documents as a result of this order of the House.

ACMENA JUVENILE JUSTICE CENTRE INCIDENT

Production of Documents: Order

Motion by the Hon. David Harwin, on behalf of the Hon. Catherine Cusack, agreed to:

That under Standing Order 52 there be laid upon the table of the House within 14 days of the date of the passing of this resolution the following documents in the possession, custody or control of the Department of Juvenile Justice or the Minister for Juvenile Justice relating to Acmena Juvenile Justice Centre:

- (a) the Department of Juvenile Justice reports, including any documents attached to the reports, received by the Minister for Juvenile Justice regarding the incident at Acmena Juvenile Justice Centre on Sunday 29 January 2006, and
- (b) any document which records or refers to the production of documents as a result of this order of the House.

UNPROCLAIMED LEGISLATION

The Hon. Eric Roozendaal tabled a list detailing all legislation unproclaimed 90 calendar days after assent as at 2 May 2006.

PETITIONS

Anti-Discrimination (Religious Tolerance) Legislation

Petition opposing the proposed anti-discrimination (religious tolerance) legislation and the introduction of heavy penalties that will prevent religious groups from speaking frankly and openly for fear of allegations of vilification, received from **Reverend the Hon. Fred Nile**.

Same-sex Marriage Legislation

Petition opposing any legislative changes that would violate the basic principles of marriage, and opposing same-sex marriage legislation, received from **Reverend the Hon. Fred Nile**.

BUSINESS OF THE HOUSE**Withdrawal of Business**

Private Members' Business item No. 29 outside the Order of Precedence withdrawn by the Hon. Dr Arthur Chesterfield-Evans.

BUSINESS OF THE HOUSE**Routine of Business**

[During notices of motion]

The Hon. Christine Robertson: Point of order: Notices of motion are a fairly important component of the House's business. We do not get a formal record of the notices of motion, although I believe we can request a formal record at the time they are put. We will not get a formal record until tomorrow. I request that Ms Lee Rhiannon inform the House of the full notice of motion.

Ms Lee Rhiannon: To the point of order: I am happy to read out the notice of motion. I was trying to save time. I understand and I am quite happy for this notice of motion to go straight to any member who requests it.

The ACTING-PRESIDENT: Order! Standing Order 71 (2) states, "Lengthy notices need not be read, provided a summary of the intent of the notice is indicated to the House", as it was in the comments made by Ms Rhiannon. As the member has indicated she is quite happy to provide a copy to any member who is interested, there is no point of order.

SNOWY HYDRO LIMITED SALE**Adjournment (Standing Order 201)**

The ACTING-PRESIDENT: I have received from the Hon. John Della Bosca a notice under Standing Order 201 of his proposal to move the adjournment of the House to discuss the following matter of urgency:

The sale of New South Wales shares in Snowy Hydro Limited.

The Hon. JOHN DELLA BOSCA (Minister for Finance, Minister for Commerce, Minister for Industrial Relations, Minister for Ageing, Minister for Disability Services, and Vice-President of the Executive Council) [10.17 a.m.]: As members are aware, the Premier announced in December last year that the Government has decided to sell shares in Snowy Hydro Limited. This decision is good news for Snowy Hydro Limited and for the people of New South Wales. The matter is urgent because there has been quite some public debate about this decision and a great deal of misunderstanding about what the sale will mean for the people of New South Wales.

Recently at a meeting in Cooma, in the heart of the Snowy Mountains, I gave a commitment that the decision to sell Snowy Hydro Limited would be debated in this Parliament. This is the first opportunity to debate the sale and I believe it is urgent for the House to do so now. As I said a moment ago, the Government's decision to sell its shares in Snowy Hydro Limited is good news for the people of New South Wales and good news for the company. It is the right decision, and we have been joined in our decision by Snowy Hydro Limited's two other shareholders, the Victorian and Australian governments.

The sale is good for the taxpayers of this State. It allows the Government to realise the value of its shareholding in the company and to reinvest those funds here in New South Wales. Snowy Hydro Limited has spent nearly half a billion dollars in the past two years investing in electricity generators and retail businesses in Victoria. These are excellent investments for Snowy Hydro Limited, but it is not where the money of the taxpayers of New South Wales should be spent. We will reinvest the proceeds of the sale in infrastructure projects here in New South Wales, such as schools, hospitals and police stations. The people of New South Wales rightly expect their money to be invested in infrastructure projects and services here in New South Wales, not interstate. I notice that yesterday the Leader of the Opposition called on the Premier to give assurances that all proceeds from the sale of Snowy Hydro Limited will be directed towards infrastructure projects around the State. Where has he been? That is exactly what has been said all along.

The Hon. Michael Gallacher: Point of order: The Minister is supposed to debate urgency instead of reading the speech that he has prepared for debate later this morning. He is going beyond urgency and debating issues reserved for later in the debate.

The Hon. JOHN DELLA BOSCA: To the point of order: I am speaking on why the debate is urgent. The point of order is spurious.

The ACTING-PRESIDENT: Order! The Minister was speaking to urgency. I do not uphold the point of order.

The Hon. JOHN DELLA BOSCA: The debate is urgent because, apart from the sale being good news for the people of New South Wales, it is good news for Snowy Hydro Limited. There has been considerable deliberate misrepresentation. The sale will give the company much-needed access to new capital, something the company has sought for some time. The company has correctly identified that the current three owners, the New South Wales, Victorian and Federal governments, are unlikely to commit major new funds to the company. Over the past few years the company has funded its growth through sensible borrowing and through reinvesting much of its profit into new projects.

The Hon. Greg Pearce: Point of order: Clearly, the Minister is not debating urgency but urgency of a sale. He has explicitly said that. I ask you to direct him to debate urgency of the debate or to cease speaking.

The ACTING-PRESIDENT: Order! I remind the Minister that his comments should relate to urgency. However, given the level of noise emanating from the Opposition benches it is difficult to hear the Minister's comments. I remind members that interjections are disorderly at all times. If there is not more decorum during this important debate, I will call offending members to order.

The Hon. JOHN DELLA BOSCA: I will conclude my remarks by saying that the matter is urgent because of the illogical furphies, ignorance and game playing of the Opposition, which will become apparent during this debate and other debates. The Hon. Greg Pearce sat there like a parrot on a biscuit tin unable to even understand the debate. Yesterday I gave him notice that there would be a ministerial statement today and he trembled in his shoes because he has nothing logical or sensible to say.

The Hon. John Ryan: Point of order: The Minister said that the debate is urgent because he needs good news. That is hardly a point of urgency. He has now moved on to a tirade against Opposition members. That has nothing to do with urgency. If he wants to have a tirade about Opposition members he should stop speaking and have the debate.

The Hon. JOHN DELLA BOSCA: To the point of order: I thought it was very relevant to why the debate is urgent. I simply gave the background that I had a discussion with the Hon. Greg Pearce yesterday about why I would be doing this. I indicated it was urgent for there to be parliamentary debate about this matter. Subsequently, the Opposition has formed a different view, as is its entitlement under the standing orders. It is urgent to have proper debate so that everyone may have a say. The Leader of the Opposition has a different view. He wants to use this as a political football. If he wants to use the financial interests of the people of New South Wales in this way, that is his business. They will hold him to account in the future.

The Hon. Greg Pearce: To the point of order: The Minister and I had a conversation yesterday in which he told me that there would be a ministerial statement today, not an urgency debate.

The ACTING-PRESIDENT: Is the Hon. Greg Pearce speaking to the point of order?

The Hon. Greg Pearce: Yes.

The ACTING-PRESIDENT: Order! I advise the Hon. Greg Pearce that he should speak to the point of order and not attempt to make a personal explanation. If he wishes to continue speaking, he should make his comments relevant to the point of order.

The Hon. Greg Pearce: The point of order was in relation to the Minister's attack on members of the Opposition, including me, instead of speaking to the urgency of his proposed debate. In relation to that debate he said, at the beginning of his speech to justify urgency, that he had given a commitment at the meeting at Cooma, which I attended, that the matter would be debated. The commitment that people at that meeting wanted was for the Parliament to debate and vote on whether the sale was to proceed.

The ACTING-PRESIDENT: Order! The Minister should speak only to urgency. However, I remind members that they should not attempt to take points of order or speak to points of order on matters that are not relevant to the standing orders. They should not use points of order as a means to make debating points or personal explanations. Has the Minister finished his contribution?

The Hon. JOHN DELLA BOSCA: The Hon. Greg Pearce used a point of order to debate the question. That is the pot calling the kettle black.

The Hon. Catherine Cusack: Is this a personal explanation?

The Hon. JOHN DELLA BOSCA: No, I am speaking in the debate. Why do you not listen for a change? Yesterday I told the Hon. Greg Pearce that there would be a statement today about this and he was told that under the current standing orders only the Opposition would have a say and that we would do it as a matter of urgency so that Ms Sylvia Hale and anyone else—

The Hon. Greg Pearce: That is a lie.

The Hon. JOHN DELLA BOSCA: No, that is true and you know it is true.

The Hon. MICHAEL GALLACHER: Madam Acting-President.

The ACTING-PRESIDENT: Order! Standing Order 201 provides that only the mover and Minister can contribute to the question of urgency. I understand that when the standing order was drafted it was not envisaged that this situation would occur, and I believe the matter should be considered further by the Procedure Committee. In the interests of permitting the intent of the standing orders to be followed I will allow the Leader of the Opposition to speak on this issue, but for no more than 10 minutes.

The Hon. MICHAEL GALLACHER (Leader of the Opposition) [11.27 a.m.], by leave: Madam Acting-President, I thank you for your support and generosity. I make a couple of observations. As the Minister indicated to the House, he gave an undertaking to the people at Cooma that this matter would be debated in the Parliament. In fact, a debate in the Parliament, in the minds of the people, is one that ends in a vote, one where the House divides, if it sees fit, and determines whether there is support for the proposition. This morning the Minister has circumvented and ignored the commitment that he gave to the people of Cooma in that there will be no vote. Standing Order 201 simply sees the House dissolve into a debate in relation to this matter before it deals with orders of the day as per the notice paper. Commitment number one is broken.

The Minister failed to tell the House that he also told the people of Cooma that, irrespective of any action they may take, they will not be able to stop the proposal. The matter is not urgent and the Government knows that. At 10 o'clock this morning, when we were unaware of the urgency motion because we were told yesterday that it would be a ministerial statement, I informed the Government of my intention to move contingent notice under Standing Order 198, notice of which was given yesterday, to set up a select committee on the issue. Instead, the Government has sought to circumvent that. I invite the Minister to say what he wishes to say in the context of a true debate—the debate on the motion under Private Members' Business item No. 198—and not waste his contribution in a debate on an urgency motion. I invite the Minister to give his prepared speech not during this debate but during debate on my motion under Private Members' Business item No. 198.

It is extremely important that this matter be resolved by the House, and that it be resolved in such a way that honourable members can vote on it rather than simply talk for a number of hours but resolve nothing. All members of this House could speak against the Government's proposal but that would not show in the record because at the end of the day there is no vote. The people of Eden-Monaro and the people who attended the meeting at Cooma would be no further advanced in knowing the views of honourable members because there is no opportunity for us to put up our hands and vote on exactly where we stand on the matter.

This matter is not urgent in the context in which the Minister has put it. He knows that once this debate has concluded we will debate a motion relating to the establishment of a select committee. Debate on the Minister's motion will simply soak up more time of the House, which would mean we simply could not establish the committee in time. No doubt the only urgency in the Government's mind is the urgency to sell this icon to prop up its beleaguered budget bottom line. That is the urgency. It is not about debate; it is not about placating the people or giving the House the opportunity to review the Government's decision. There is no opportunity for us to review the decision because there is no opportunity for us to vote on it.

Question—That the matter is urgent—put.

The House divided.

Ayes, 18

Ms Burnswoods	Mr Kelly	Ms Sharpe
Mr Catanzariti	Mr Macdonald	Mr Tsang
Mr Costa	Reverend Dr Moyes	
Mr Della Bosca	Reverend Nile	<i>Tellers,</i>
Mr Donnelly	Mr Obeid	Mr Primrose
Ms Griffin	Ms Robertson	Mr West
Mr Hatzistergos	Mr Roozendaal	

Noes, 18

Mr Breen	Miss Gardiner	Mr Ryan
Dr Chesterfield-Evans	Mr Gay	Dr Wong
Mr Clarke	Ms Hale	
Mr Cohen	Mr Lynn	
Ms Cusack	Mrs Pavey	<i>Tellers</i>
Mrs Forsythe	Mr Pearce	Mr Colless
Mr Gallacher	Ms Rhiannon	Mr Harwin

Pair

Dr Burgmann

Ms Parker

The ACTING-PRESIDENT: The vote being equal, I give my casting vote with the ayes and declare the question to be resolved in the affirmative.

Urgency agreed to.

SNOWY HYDRO LIMITED

Adjournment (Standing Order 201)

The Hon. JOHN DELLA BOSCA (Minister for Finance, Minister for Commerce, Minister for Industrial Relations, Minister for Ageing, Minister for Disability Services, and Vice-President of the Executive Council) [11.38 a.m.]: I move:

That this House do now adjourn to discuss the following matter of urgency:

The sale of New South Wales shares in Snowy Hydro Limited.

The House has already heard a number of matters in relation to the sale of Snowy Hydro. The first and most important thing this House needs to be aware of is that a number of important achievements occurred as a result of the corporatisation of the Snowy Mountains Authority. Among those important achievements was an agreement to improve the flows of the Snowy River. Of Course, the Snowy River had been the subject of great environmental and ecological degradation as a result of what most people regard as an economic miracle, the engineering achievement, the Snowy hydro electricity generation system.

In implementing corporatisation a series of agreements were put into place. Those agreements took about seven or eight years to negotiate and involved a series of technical initiatives to restore flows to the Snowy without damaging the economic future of Snowy Hydro. As most honourable members are aware, the most important part of that achievement is a legally enforceable agreement to return flows to the Snowy of 21 per cent of its original flow, which will allow the Snowy to return substantially to health—not so much as a wild river, as there is a dam system in the upper montane regions. According to urban world opinion, this is one of the most important riparian ecological recovery projects in the world. People are watching very closely. Yesterday I had an opportunity to give an answer to Parliament outlining some of those important scientific and ecological achievements. Without taking up the time of the House, I refer those important outcomes to members who are interested in some of the impacts just three years down the track.

The sale of Snowy Hydro Limited will not affect the availability of water for either irrigation purposes or environmental flows. It is crucial to set the record straight and dispel the myths that have been circulating lately, particularly in the past week or so. Most honourable members will know that water in the Snowy hydro scheme is not only used to generate electricity; it is also released into the Murray and Murrumbidgee rivers for irrigation and into the Snowy River as environmental flows. That is part of the engineering genius that is so widely admired.

It is important to acknowledge the protections that are already in place, protections that ensure that the sale of Snowy Hydro Limited will have no impact on water use on either side of the mountains. Water use will continue to be protected by a series of agreements made between the New South Wales, Victorian and Australian governments when Snowy Hydro Limited was corporatised in 2002. All parties put a great deal of time and effort into getting the balance exactly right between the competing water interests—the environmental flows, water for irrigators and water for clean renewable hydro electricity. It was accepted by all parties that we got the balance right.

We enshrined that balance in a set of legally binding agreements that are unaffected by any change in ownership of Snowy Hydro Limited. In short, it is through our role in regulating Snowy Hydro Limited, rather than as part owners of the company, that the Government ensures that the important environmental outcomes are achieved and the important economic resource of the Snowy is maintained. As part of those agreements the Government committed \$150 million to increasing environmental flows to the Snowy River so that it reaches 21 per cent of natural flows by 2012. We will honour that commitment and continue to work with the Victorian and Australian governments to achieve those increases.

Already in the four years since corporatisation there have been 100 gegalitres of additional environmental flows in the Snowy River. This is a direct result of the commitment made by the Government. The same period has also seen an extra 19 gegalitres of environmental flows in the Murray River. This is a massive increase in flows, and none of it is affected by the sale of Snowy Hydro Limited. I point out the obvious—that much of that has been achieved in drought years. We anticipate that in the coming year we will find a further 92 gegalitres of additional water savings. Again, this is the practical outcome of the Government's commitment upon corporatisation, and again it is unaffected by the sale of Snowy Hydro Limited.

As well, the Government has recently committed an additional \$30 million to maximise the benefits to the Snowy River system from the increased environmental flows. Part of these new funds will be set aside for the future, to assist the Government to work towards achieving flows greater than 21 per cent of the river's natural flows. The rest of the funds will be used for immediate environmental works, to maximise the benefits to the Snowy River from the existing environmental flows.

Yesterday I took time to inform the House that some of those environmental projects are already seeing considerable, and measurable, improvements in the health of the Snowy. The projects include clearing the riverbanks of willows and blackberries, rehabilitation of the riverbed and banks, recovery of various species of native fish, and replanting of native trees and shrubs. None of this excellent work is in any way affected by the Government's decision to sell Snowy Hydro Limited. Most of these achievements are a direct result of the decision to corporatise Snowy Hydro.

It is also important to acknowledge that the interests of irrigators are not adversely affected by the sale of Snowy Hydro Limited. Release of the water for irrigation is guaranteed by the Snowy water licence, the company's operating licence, which is regulated and monitored by this Government. As I said earlier, all parties worked very hard during the corporatisation of Snowy Hydro Limited to make sure we got exactly right the balance between these various water interests—environmental flows, water for irrigators and water for renewable energy.

A number of advocates from the other side of the Murray River have taken the view that they would take the opportunity to unpick elements of these water agreements in the debate over the change of Snowy ownership arrangements. I have staunchly refused to consider some of them. As everyone would know, and as I have asserted here today and previously, this is a delicate balance. We have managed to secure water for the irrigators. We have made major improvements to the environment already and can look forward to significant improvements in the health of the Snowy River as a result of the environmental flows. We have also managed to achieve a position where Snowy Hydro Limited as a corporation can go forward in the electricity market as a major producer of clean, quality electricity.

I conclude my remarks on the important point of the destiny, the future, of Snowy Hydro itself, the electricity generation asset. It is important that all members know that it is now an inevitability—not a point of theory or economic modelling—that there will be, and indeed there is, a national electricity market. At the moment that national electricity market is limited technically to south-eastern Australia but over the next few years as the interconnectors are strengthened between the States and when—what was unthinkable 10 years ago—the Bass link project is completed and extensions into South Australia occur, we will see the reality of a national electricity market. Not only do we have an economic model that creates a national electricity market but we have a technical model coming to fruition, which means there is all but a single electricity grid from south-eastern Queensland to Tasmania and into South Australia and eventually into central Queensland.

The difficulty that Snowy Hydro would have had and the difficulty that New South Wales taxpayers would have had, as 58 per cent owners of the asset, is that Snowy Hydro needs capital to participate in that market. It is well-positioned to provide high-quality, environmentally best practice electricity, and also urgent electricity because of its capacity to sell insurers and derivative products—it is one of the few providers able to do that on a large-scale basis—and also its capacity as a black star provider.

Snowy Hydro has a number of unique features, but in order to grow in what has become a national market it needs capital. Of course, Snowy Hydro's call on capital is a call on taxpayer funds. So, apart from the investment in the Snowy already, the reality is that if members opposite do not support the change of ownership arrangements they have to nominate—I do not think the Greens or other crossbench members have to nominate, but those who want to claim government do—where they will get the capital to support Snowy Hydro into the future. Where will they get the capital from and what will they not spend it on if they are going to put substantial capital into Snowy Hydro. I am most anxious and interested to hear what Coalition speakers in this debate will have to say about that.

If the Opposition is pretending to be an alternative government it must have an alternative to what we intend to do about Snowy Hydro. I understand we will soon debate the formation of a select committee of the Parliament or a reference to an existing committee. It is important that we know the Opposition's alternative policy position to provide the capital for Snowy's growth. If it will not support a change of ownership, what does it propose? Would it spend perhaps a billion dollars worth of taxpayers' funds that would otherwise be put into road infrastructure, hospitals, schools or some other important infrastructure on power stations in Victoria, electricity grids in south-eastern Queensland or other electricity products right around the nation? In other words, what does the Opposition propose when Snowy, as it must to go forward economically, comes knocking for a—

The Hon. Greg Pearce: Prove it.

The Hon. JOHN DELLA BOSCA: I do not think it needs to be proved. It is essentially a transparent and public matter. The Hon. Greg Pearce can look on the Internet to see the kinds of things that Snowy Hydro has to do in the future to remain competitive in a national electricity market. The interjection of the Hon. Greg Pearce is a sad indictment of the Opposition's capacity to even pretend to be an alternative government. It obviously has nothing useful to contribute to the debate.

The Hon. DUNCAN GAY (Deputy Leader of the Opposition) [11.52 a.m.]: The Opposition is opposed to the fire sale of Snowy Hydro. As the Minister indicated, we cannot stop it, but we would like to stop it. The Government has put the Opposition and the people into an appalling situation. The Opposition does not support this urgency debate because it would be more appropriate to debate the matter when the next item of business is called on—the reference of the sale to a committee. I will be the only Opposition speaker to the urgency motion, but Opposition members who wish to speak on this matter—and that will be most of them—will do so in the debate that will immediately follow this debate, the debate on the reference of the sale to a committee. We understand that the reference will succeed as the two crossbench members who voted with the Government for the matter to be debated as a matter of urgency have indicated that they will vote with the Opposition for the formation of a committee. We appreciate that and are heartened by that.

If any indication were needed of why this debate is spurious and why we should be saving our contributions until we debate the reference to the committee, it was the Minister's contribution. The questions he asked the House are questions that should properly be dealt with by a committee. The questions he asked the Hon. Greg Pearce should be dealt with by a committee. In this urgency debate members are putting their preconceived positions. That will not do anything to allay the concerns of the Monaro community or the wider community. Those issues of concern can be raised and exposed by the proposed select committee. We will not

be able to air all the concerns and see the probable pitfalls in this fire sale until the ramifications of this fire sale are exposed through a select committee of this Parliament.

Reverend the Hon. FRED NILE [11.54 a.m.]: The two Christian Democratic Party members voted for the urgency motion because we felt it was logical to allow members of the House to debate the sale of the New South Wales shares in Snowy Hydro Limited, and then to vote on the formation of a select committee as foreshadowed in Private Members' Business item No. 198, which the Christian Democratic party will support in due course. I would prefer that the matter be referred to a general purpose standing committee. The general purpose committees were set up to handle such inquiries and they have the structure to do so without setting up a new secretariat. Be that as it may, we will support the establishment of a select committee.

The second point I make is that there is frustration and anguish over this issue. We have been lobbied by people to vote against a bill that would approve the sale of the New South Wales share of Snowy Hydro Limited. But as has been made clear, there is no bill, there will be no bill, and, as no legislation is required, there will be no vote in the House for or against the sale of the shares that would have any impact on the sale. Mischievous information has been spread in the community and as a result we have been lobbied to debate against a mythical bill. There will not be a bill. Whether the select committee and its findings will deter the Government from proceeding with the sale remains to be seen.

But when a decision has been made by the three governments—the Federal Liberal-National Party Government, the Victorian State Labor Government and the New South Wales Labor Government—to sell their shares it is hard to see how the whole process can be overturned. In other words, the gate will have been opened and the horse will have bolted. Nevertheless, an inquiry may discover valuable information that could affect the process of the sale and perhaps lead to safeguards in sale contracts, as happened with Telstra—and as will probably happen with Medibank Private—to ensure there are protections for consumers. The protections may already be planned but they may not be sufficient.

Finally, the debate we are having today indicates that we are moving into election mode for next March. It is the right of any political party to score as many political points as it can in the lead-up to a State election, but I urge members to maintain a sense of logic and control as we debate issues between now and next March. I warn all members of the House, except the Greens, that the Greens will be seeking to make as much mileage as possible with a view to increasing their vote at the next election and electing two or more members to this House, which may have a dramatic impact on the conduct of legislation in the future. I urge all members of the House, particularly Opposition members, to bear that in mind as they discuss their tactics and strategies for the future. I do not think any members want to do anything that helps increase the Greens vote—certainly the Christian Democratic Party does not.

The Hon. TONY CATANZARITI [11.59 a.m.]: It is important to acknowledge that the interests of irrigators and the environment are not affected by the Government's decision to sell its shares in Snowy Hydro Limited. The hard work was done during the corporatisation process, which was completed in 2002. During that process, the Government was careful to ensure that water releases for irrigators and environmental flows into the Snowy River were protected. Legally binding agreements between the three governments—the New South Wales Government, the Victorian Government and the Commonwealth Government—ensure that Snowy Hydro Limited releases the right amount of water regardless of any change of company ownership. Discussions are taking place to help ensure that irrigators receive better information about the timing of the releases. Minister Della Bosca met with Dick Thompson, the chairman of Murrumbidgee Irrigation Limited just last week. I have discussed with the Minister arranging a visit to the region to talk to irrigators in the near future.

The sale of Snowy Hydro Limited will take place through an initial public offering. All Australians will have an opportunity to buy shares if they wish. The Government will put a shareholding cap in place to limit the amount of shares that can be owned by any single investor. This will help to ensure widespread ownership and a balanced share register for the company.

Pursuant to sessional orders business interrupted.

QUESTIONS WITHOUT NOTICE

MAITLAND HOSPITAL OBSTETRICS UNIT

The Hon. MICHAEL GALLACHER: I direct my question to the Minister for Health. What is the Minister's response to a young Rutherford mum who was in labour and delivered her baby in the back of an

ambulance outside the local McDonalds after being turned away from Maitland Hospital and being told by hospital staff to "hold on a bit" because there were not enough beds and who was then later allowed to stay only 12 hours at John Hunter Hospital because it did not have enough beds?

The Hon. JOHN HATZISTERGOS: I am advised that the patient went into labour on the morning of Friday 28 April 2006. I am further advised that the obstetrics unit at Maitland Hospital was busy that day, which is rare for that hospital. Of course, hospitals work together to manage periods of peak activity. Therefore, in the interests of both the mother's and the child's safety, it was recommended that she be transported by ambulance to John Hunter Hospital. Ambulance officers are highly trained to deal with all types of emergencies, including childbirth. I am advised that both mother and baby are doing well and that the Maitland Hospital community midwives continue to be in close contact with the family and have visited the family at home to ensure the postnatal care is appropriate.

HOME AND COMMUNITY CARE PROGRAM FUNDING

The Hon. IAN WEST: I direct my question to the Minister for Ageing, and Minister for Disability Services. Can the Minister advise whether the New South Wales Government is hoarding community care funding?

The Hon. JOHN DELLA BOSCA: I thank the honourable member for his question, and, of course, the answer is no. Every cent allocated to New South Wales for people with a disability and the frail aged will be spent on people with a disability and the frail aged. Sadly, successive Commonwealth Ministers have tended to play political games at the expense of these vulnerable people. Today, the Commonwealth has been rewarded for the games played by previous Ministers—not the current Ministers—with a front-page story in the *Sydney Morning Herald*, which fails to mention the reason New South Wales has been unable to spend the nominated funds. The previous Commonwealth Minister took months to approve the Home and Community Care [HACC] Plan and, as the Opposition and the Commonwealth know, the State cannot allocate one cent of growth funds until it is approved. The reason the New South Wales Government has underspent is that last year the Commonwealth Minister for Ageing, Julie Bishop, did not sign the plan until 2 June—seven months after receiving it.

The Hon. John Ryan: She didn't get it until a year later.

The Hon. JOHN DELLA BOSCA: That is a lie. That gave the New South Wales department just four weeks to spend growth funds in a \$440-million, fully acquitted plan. We should have had months. What is happening this year? To his credit, the current Commonwealth Minister, Santo Santoro, finally signed the plan on 1 March, after it had been languishing on the previous Minister's desk for months. I regret to say that this is a consistent strategy. Last month the Prime Minister complained that New South Wales was the only State without funding for respite for older carers. Why? His Minister, Mal Brough, will not sign our plan. That plan will deliver more than 1,000 extra respite places for people with disabilities in New South Wales. He has the plan—he has had it for four months. I have written to him on three occasions, we have emailed him, we have telephoned him and our departments have written a huge amount of correspondence. However, the plan is still sitting on his desk after more than four months. This Government has put up with it because it has no choice if it wants money from the Commonwealth to provide services for the elderly and people with a disability. Fortunately, HACC money not allocated from previous years will be rolled into the next year, and the Government has been trying to do that.

The Hon. John Ryan: And you will have the hide to add it to the budget this year and announce it—

The Hon. JOHN DELLA BOSCA: Once again the Opposition spokesman's accounting acumen is stunning. He is suggesting that we should hide the \$38 million and not refer to it in the budget. The money we are talking about is not recurrent; it is one-off funding. New South Wales asked former Minister for Ageing, Julie Bishop, for permission to use it for capital projects, including dementia day care centres. She said she needed more information. We provided it, but we still do not have permission.

Again, the Commonwealth requires permission for every line item and it delays the delivery of services to vulnerable people. I want a different system: I want an agreement that focuses on outcomes; I want an agreement that delivers services rather than paperwork. The Commonwealth Government must remove the red tape and improve this archaic agreement. I am pleased to say that I am convinced that the new Commonwealth Minister, Santo Santoro, is committed to doing that.

The Hon. Michael Gallacher: You two look like brothers.

The Hon. JOHN DELLA BOSCA: No, he is a southerner.

The Hon. Michael Gallacher: They will look like brothers if they turn up together. They are a couple of oil paintings.

The Hon. JOHN DELLA BOSCA: I am happy to acknowledge the Leader of the Opposition's interjections. They are quite flattering.

The Hon. Michael Gallacher: Can I withdraw them?

The Hon. JOHN DELLA BOSCA: As I said, I had the opportunity to speak with the new Commonwealth Minister and he has agreed to work with me to deliver these urgent improvements to the Home and Community Care Agreement. I am sure that all the other State and Territory Ministers will agree. I will take the Commonwealth Minister at his word. An ongoing dispute about these matters helps no-one. We want to put aside the Opposition's bickering and political opportunism and do the right thing by vulnerable people in this community.

NATIVE VEGETATION ACT COMPLIANCE INSPECTIONS

The Hon. DUNCAN GAY: I direct my question to the Minister for Natural Resources. What was the total cost to the Department of Natural Resources [DNR] of the native vegetation compliance inspections in the Warren and Coonamble districts during the week of 10 to 14 April 2006? What was the total cost to the NSW Police for its attendance at these inspections and harassing widows? Given that this Government forces the organisers of country shows to pay for police presence, who paid for it on this occasion? Did the DNR pay all or any of the costs incurred by the NSW Police?

[Interruption]

The Hon. IAN MACDONALD: Be quiet, baldy! You will get a go in a minute. It is good to see that Duncan is in such wonderful spirits today! He is the most professional interjector in this House, but when he gets one little interjection from the Treasurer he slings off at him! He should just calm down.

I do not have the details of the cost of the compliance operation. In due course I will consider the issue. I do not think I am here to answer every little destructive question asked by the redundant and out-of-date Nationals. Suffice to say, the Native Vegetation Act was enacted in 2003 and it is supported by very progressive and well thought out regulations. Extensive consultations were conducted and the New South Wales Farmers Association and other stakeholders had a lot—

The Hon. Rick Colless: There are no farmers who believe it.

The Hon. IAN MACDONALD: I have not finished with the Hon. Rick Colless from yesterday. I will remind the House about his contribution on the Native Vegetation Act and his great relationship with the Leader of the Opposition, Mr Debnam.

The Hon. Duncan Gay: Point of order: I ask you to bring the Minister back to the question that was asked. It was a specific question relating to the area for which he has portfolio responsibility. How much did it cost for the operation, how much did it cost for the police presence, and who paid for the police, given that we cannot get police to riots in various areas? I ask the Minister to answer the question before he goes off on a tangent.

The ACTING-PRESIDENT: Order! I remind the Minister that his answer should be relevant. Members on the Opposition bench might bear in mind that if they continue to interject and distract the Minister, he may well continue to stray from the strict subject of the question.

The Hon. IAN MACDONALD: Members opposite are very sensitive about this native vegetation issue. The Deputy Leader of the Opposition asks me how much the police spent on this operation. Clearly, I am not in charge of the police in this State. The honourable member might ask the police Minister. In any event, the Treasurer is quite happy with this operation, so I am quite happy as well. The plain fact of the matter is that it is

a professional investigation, and the poor old Nationals are struggling for relevance—particularly when the Leader of the Opposition in the other place, the Liberal member for Vacluse, is out there at Nyngan on his way to Narrabri, 150 kilometres away, and the poor old Nationals do not even know he is there. He is out there with the Wilderness Society. I must say, I have not been out there with the Wilderness Society; I have been out there with New South Wales farmers.

The ACTING-PRESIDENT: Order! I call the Hon. Melinda Pavey to order for the first time.

The Hon. IAN MACDONALD: I assure honourable members that when I am out there, I let my Country Labor members know that I am in the area. But did the Leader of the Opposition, Mr Debnam, inform the Hon. Rick Colless that he was out there? He was out there with the Wilderness Society, peering over the fence at allegations of illegal land care. That is what he was doing—and he got sprung! I must thank the *Land* for one of the most wonderful articles— [*Time expired.*]

SYDNEY HARBOUR FISH CONSUMPTION HEALTH RISKS

Mr IAN COHEN: My question is directed to the Minister for Primary Industries. What data on dioxin contamination has been collected on at-risk groups other than commercial fishermen, such as recreational fishers, some of whom rely on urban waterways for the main source of protein for their families? Will the Minister order testing for any member of an at-risk group that may have been exposed to high levels of dioxins from the consumption of Sydney Harbour seafood? Is the Minister aware of a black market in seafood in Sydney whereby so-called "shamateurs" sell their seafood to restaurants? Will he investigate the existence of such a market and the impact of dioxins in Sydney Harbour seafood, which may have been passed on to diners? Members of the Government have previously stated that contaminated sediment in Homebush Bay is safest if it remains undisturbed. Does the Minister agree with this assessment? Will he direct that a coffer dam be built at Homebush Bay and that remediation of the source of dioxin contamination be undertaken?

The Hon. IAN MACDONALD: The most interesting part of that question is the fact that I am not in charge of the environment or waterways and therefore I am not in charge of remediation, and I am certainly not in charge of human health testing, which, under the memorandum of understanding between the Food Authority and the Department of Health, is clearly within the ambit of the Department of Health. Therefore I suggest that the honourable member direct that part of the question to the Minister for Health. I suggest that he direct the part of the question relating to the remediation program to the Minister for Waterways, and in relation to the further aspects of the remediation perhaps he could talk to the Minister for the Environment.

In relation to shamateurism—the one aspect of his question for which I am responsible—the honourable member would have noted that in recent times we have conducted a whole series of operations, checking with both restaurants and retail outlets for the chain of order for the fish to make sure they have been legally caught. The honourable member would have noted that in the brochure issued in March we announced that several large fines had been meted out to fishmongers who were selling fish that was not caught legally or were substituting fish. As to that part of the question, yes, we are continuing our activities. However, the remainder of the question should be directed to the appropriate Minister.

BREAST SCREENING SERVICES

The Hon. JAN BURNSWOODS: My question without notice is addressed to the Minister for Health. What is the latest information on breast screening services in New South Wales?

The Hon. JOHN HATZISTERGOS: The Australian Institute of Health and Welfare has today released figures that show that more women are undergoing early detection screening and that the cancers found are smaller and more treatable. The institute advises that over 1.6 million women participated in the BreastScreen Australia program in 2002 and 2003. More women in the target age group of 50 to 69 years are now undergoing regular breast screening. For this group of women the mortality rate dropped from 66.7 per 100,000 women in 1989 to 54.1 in 2003.

As the institute reports, there is a significant benefit in regular screening. Screening for breast cancer in New South Wales has reduced the death rate for cancer by over 20 per cent in the last 10 years. BreastScreen New South Wales provides free two-yearly mammograms for women aged over 40. However, under a national agreement, the service specifically targets women aged between 50 and 69 based on expert scientific advice. I am advised by New South Wales Health that this target group is set nationally, on advice from the National Health and Medical Research Council.

There is strong medical evidence to suggest that women aged between 50 and 69 who have regular mammograms can reduce their chance of dying from breast cancer by around 30 per cent. BreastScreen New South Wales provides screening at 40 health centres and fixed locations around the State, as well as from a fleet of 16 mobile vans. Two additional mobile vans capable of 8,000 to 10,000 new breast screens per year have been commissioned. The mobile vans visited 248 suburban and rural locations in the last two years. Locations are selected on the basis of local demand and distance to fixed locations and health centres.

I am pleased to advise that the Cancer Institute has also increased overall screening funds by \$4.2 million a year. This will enable an extra 35,000 women to obtain an appointment. A further \$11.1 million will be spent over the next three years to build or rebuild six screening centres, on the Central Coast and at Wagga Wagga, Albury, Port Macquarie, the North Coast and The Hills. The New South Wales Government and the Cancer Institute are looking at ways to improve our screening coverage, especially inasmuch as it faces a shortfall in radiologists and radiographers associated with the delivery of BreastScreen New South Wales services.

The institute has established the Cancer Institute New South Wales Breast Imaging Fellowship Program. The program will provide fellowship funding for 6 to 12 months whereby advanced trainees in diagnostic radiology and newly qualified specialists can undertake clinical practice improvement through further training and research and contribute to the BreastScreen New South Wales program. Up to 10 new breast imaging positions are available under this scheme. The Cancer Institute has recruited a Director of Cancer Screen New South Wales, and a new booking and appointment service particularly for women in the target age group has been established.

In conclusion, participation rates for women aged 50 to 69, which is the target group, have increased from 50.7 per cent in July 2005 to 53 per cent in March 2006. New South Wales is above the national standards in small cancer detection rates. The national standard is 25 per 100,000 screened, whereas New South Wales has a rate of 28.9 per 100,000 screened as at 2004. Today's report is good news for Australian women, and I can assure the House that New South Wales will continue to work to improve breast cancer screening and detection rates.

GREATER SOUTHERN AREA HEALTH SERVICE MENTAL HEALTH FAMILY AND CARER SUPPORT PROGRAM

Ms SYLVIA HALE: I direct my question to the Minister for health. Given that the Greater Southern Area Health Service's Mental Health Family and Carer Support Program was recognised by the Australian and New Zealand Mental Health Services Conference as the best example of such a program across Australia and New Zealand, why has the Government decided to close this best practice, highly valued rural mental health service and replace it with an untested and limited new approach? Will the Government guarantee that the replacement program will provide an equal or better service to the 11 rural communities and 400 clients serviced by the existing program?

The Hon. JOHN HATZISTERGOS: I do not have specific information on the program to which Ms Sylvia Hale refers, but I will obtain that information and report to the House. However, the context in which the honourable member's question is raised suggests that you can have a program and somehow it has to stand still, that it cannot be altered, it cannot be changed, and it cannot be recalibrated to address the needs of individual communities. I will come back to the honourable member on this question.

[Interruption]

This is a member who once asserted as a definite fact in question time that Sydney Hospital was going to close. That is the accuracy of her information.

Ms Sylvia Hale: Point of order: Madam Acting-President, I draw your attention to the complete irrelevance of the Minister's answer and the fact that he is debating the question.

The Hon. John Hatzistergos: To the point of order: There is no point of order. The member's credibility is highly relevant to the question.

The ACTING-PRESIDENT: Order! The Minister was speaking about health issues. However, I remind him that the question was related to a specific mental health service, which he should address.

The Hon. JOHN HATZISTERGOS: I am happy to use this opportunity to inform the House of a number of Government initiatives in rural and regional New South Wales in mental health because I think it is important that the House be informed properly about what has been happening. The Government has committed some \$7.4 million annually to roll out new emergency mental health services across rural and regional New South Wales, a model specifically designed for rural and regional New South Wales, including round-the-clock access to mental health triage care, treatment, security and transport.

The Centre for Rural and Remote Mental Health was established in 2004. As members would know, the centre is based in Orange and it is a major initiative that involves the New South Wales Government in collaboration with the University of Newcastle. The centre is undertaking research projects aimed at increasing knowledge about the mental health and wellbeing of rural and remote communities. The learning from this research will be used in the future planning of mental health services in rural and regional New South Wales. The drought has no doubt put pressure on farmers and has placed considerable pressure on individuals in rural New South Wales. The pressure is likely to continue as farmers attempt to recover from several years of negative income.

A number of projects are under way to build better ways of meeting the mental health care needs of farmers and farming communities. The Centre for Rural and Remote Mental Health is leading a project with rural area directors of mental health services to develop a strategy to link agricultural support primary health workers and mental health practitioners in local rural areas. Mental health first-aid training is being delivered to agricultural support workers, such as rural financial counsellors, along with the training of health practitioners on the pressures that farmers face and ways of improving access to services.

The centre has a lead role in the implementation and evaluation of the Rural Support Line, a 24-hour, seven-day week mental health support line that has been put in place to support farmers and other rural people. Many people in rural communities face pressures; they find it difficult to cope and need to speak to someone about their problems. The support line allows access to trained mental health professionals to enable people to obtain support where they require it. This service has been widely promoted to communities affected by drought and, more recently, by floods and bushfires.

PRISON RIOT TEAMS

The Hon. CATHERINE CUSACK: My question without notice is directed to the Minister for Justice. Where are specialist prison riot teams physically located, and what incidents have they responded to in the past 12 months?

The Hon. TONY KELLY: I assume the honourable member means in relation to the justice system as opposed to the juvenile justice system, which it is proposed to use now. I will obviously take the question on notice to find out what people have been doing in the past 12 months.

The Hon. Catherine Cusack: Where are they?

The Hon. TONY KELLY: They are located at various prisons around the State.

The Hon. Catherine Cusack: Which prisons?

The Hon. TONY KELLY: I will get the honourable member that detail. For example, at the new prison at Wellington I have seen the pod where both the dog squad and the specialist team will be housed. They will be spread around the State. The response team for Orana is located at the Dubbo court cells. About 18 to 20 correctional staff work at the Dubbo court cells and they provide six to 10 officers at short notice. Dubbo court cells are about a five-minute drive from Orana. Only in cases where a prolonged disturbance is experienced will the officers be called from the Bathurst Correctional Centre. I presume that answers the honourable member's question.

CIGARETTES NATIONAL FIRE SAFETY STANDARD

The Hon. PENNY SHARPE: My question is directed to the Minister for Emergency Services. Would the Minister inform the House of progress in the introduction of reduced fire risk cigarettes?

The Hon. TONY KELLY: The introduction of reduced fire risk [RFR] cigarettes remains a pressing fire safety issue for this country. This is a simple but effective fire prevention measure that can potentially save

lives, millions of dollars in property damage and emergency services' time and resources. Reduced fire risk cigarettes are designed to be self-extinguishing rather than to keep burning. Their great benefit is that it makes them less likely to spark a fire if dropped.

In March 2005 the Augmented Australasian Police Ministers Council, which includes the emergency services Ministers, supported my submission that Australia should follow the example set in America and Canada and develop a national fire safety standard for cigarettes. Requiring all cigarettes manufactured or imported for sale in Australia to meet this standard would have the effect of reducing a major cause of fires in homes and bushland. I am pleased to report to the House that significant progress is being made towards this goal.

A committee of key stakeholders has been established to work on the new standard. This body includes representatives of the Australasian Fire Authorities Council, Standards Australia, the Fire Protection Association of Australia, the Australian Consumers Association, CSIRO, the Insurance Council of Australia, NSW Health, Ferntec—a testing laboratory, British American Tobacco, Philip Morris, Imperial Tobacco and the University of Sydney. The committee has supported a fire brigades' recommendation that Australia adopt the cigarette fire safety standard currently being used in New York and recently adopted in Canada and California.

An Australian standard is now being drafted in line with the international standard, with some minor variations. The details of the requirements of this standard will be set out in legislation and regulations. A first draft of the new standard is being assessed now and the public will have a chance to comment at an appropriate stage later this year. The reason this is such a vital public safety issue is apparent from some alarming statistics. In Australia cigarettes are known to be responsible for around 4,500 fires annually, but the figure is probably much higher. Cigarettes are also one of the leading causes of fires resulting in death. The National Coroners Information System shows that in Australia between 2000 and 2005, 62 people died in fires directly attributed to cigarettes.

The early figures from America are encouraging. In New York State, deaths associated with smoking-related fires dropped from 20 to 11 in the first six months of the standard's implementation. Obviously, longer-term evaluations will need to be carried out. A study by that august research institution, Harvard University, indicated the cigarettes were "less prone to ignite fires" and concluded that, "other states and nations should adopt similar standards." I am proud to say that we are now well advanced down that track.

I stress that there is no such thing as a fire-safe cigarette. My ministerial colleagues and I are in no way encouraging people to smoke. The reality is that people continue to smoke, and cigarettes cause fires that can result in death, injury and major property damage and endanger the safety of firefighters who respond to these emergencies. There is no valid reason that these cigarettes should not be made mandatory in Australia to boost the safety of the community and the nation's firefighters. It has great potential to save lives and I see no reason at all to argue against that.

PUBLIC HOUSING TENANTS WORK DISINCENTIVES

Reverend the Hon. Dr GORDON MOYES: Is the Minister for Health, representing the Minister for Housing, aware of a recent report entitled "Reshaping Public Housing and Work Disincentives" by the Tenants Union of New South Wales, that says the Government's new housing policy, "Reshaping Public Housing", has brought in almost insurmountable disincentives to work once public housing tenants cross the moderate income threshold? Is the Minister aware that single tenants and single-parent tenants can incur a net loss from 70 per cent to 100 per cent of all wages earned in excess of \$125 per week when their increased public housing rent and decrease in social security are taken into account? Does the Minister agree that by taking away the benefits of working, or working more, a huge disincentive is created for motivating singles and single parents out of public housing? What will the Minister do to redress this disincentive?

The Hon. JOHN HATZISTERGOS: I will refer the question to the Minister for Housing.

HOME AND COMMUNITY CARE PROGRAM FUNDING

The Hon. JOHN RYAN: My question is directed to the Minister for Disability Services. Does the Minister recall telling a parliamentary estimates committee in the middle of last year that he was going to provide to the former Commonwealth Minister for Ageing an independent audit into unspent New South Wales Home and Community Care [HACC] funds? When did he finally send that audit to the Commonwealth? Does

the problem of unspent HACC funds date back to 1998, and why is it that New South Wales is the only State in the Commonwealth that has this problem? Is it true that the money not spent on HACC would have bought one million hours of domestic care or one million hours of personal care, or provided 6.5 million meals for people in need?

The Hon. JOHN DELLA BOSCA: As I have said on a number of occasions in relation to unspent Home and Community Care [HACC] funds—so that the honourable member does not get carried away with his rhetoric and his obvious poor knowledge of public accounting given his interjection during a previous debate—none of these growth funds, provided they are approved by the Commonwealth, are lost for this purpose. Any funds that have been allocated will be spent on the frail aged and disabled to provide community care in the home. That is the purpose of the scheme.

I had a quick opportunity this morning to discuss with the Commonwealth Minister the audit the member is talking about, and the Minister is satisfied that the audit addresses the Commonwealth's concerns. We will have further discussions about the HACC plan and the way it impacts on the New South Wales HACC system. I am sure that those discussions will be fruitful. As to the assertion of the honourable member, I simply say that with regard to the amount of money he is talking about and the origins of the original underspend, as it is called in today's *Sydney Morning Herald* and colloquially known within the sector, for reasons best known to her the previous Commonwealth Minister was unable to sign the HACC plan until less than a month before the end of the financial year. I suggest the member ask the former Minister about that.

Given that it is a \$400 million plan, the Hon. John Ryan knows that it is absurd to suggest that such money could be disbursed with proper acquittals in the time frame available, in a matter of days, before the end of the accounting period. Therefore, those funds have been rolled over. I commenced negotiating with the previous Commonwealth Minister about the best way to use some of those undischarged funds. In relation to the change in the needs of the frail aged and disabled with respect to in-home and community context care, I made the point about the provision of capital for some of the non-government organisations that provide key services, the obvious organisation being Meals on Wheels. However, a wide range of non-government organisations are involved in the provision of these sorts of community services.

Unfortunately, despite a very high-quality submission by my agency—and I take this opportunity to congratulate the officers who put together that submission—the Commonwealth Minister at that time declined to give us the go-ahead on some of the issues. However, I am pleased to reiterate that the current Federal Minister is very keen to straighten out some of the issues that impact on the New South Wales HACC system. The unspent dollars that the honourable member is talking about are a one-off. We are waiting for the Commonwealth Minister to approve our proposals to spend the outstanding money that was reported on today and commented on by the Opposition member.

The Hon. JOHN RYAN: I ask a supplementary question. Could the Minister elucidate his answer and advise when he sent the information about the audit to the Commonwealth Government? He seems to be avoiding that question. Is it not a fact that he has sent that audit to the Commonwealth Government only within the last few days?

The Hon. JOHN DELLA BOSCA: I have answered everything that the honourable member could possibly have put to me.

The ACTING-PRESIDENT: Order! I call the Hon. John Ryan to order for the first time.

The Hon. JOHN DELLA BOSCA: The Hon. John Ryan is incapable of breaking out of the mode of being wrapped up in red tape and process. It augers very badly for the Opposition's claim to be the alternative Government in this place. The Hon. John Ryan is incapable of understanding the substantive issues. I reiterate that fortunately his Commonwealth counterpart, a member of the Liberal Party, Senator Santo Santoro, does not have the same cognitive problems.

The ACTING-PRESIDENT: Order! I call the Hon. John Ryan to order for the second time.

The Hon. JOHN DELLA BOSCA: The Commonwealth Minister understands the process that I and my predecessor, the Hon. Carmel Tebbutt, have engaged in with him time and again with regard to the HACC plan. And there have been many reports, not just one report. We have been working on these issues for a long time and the answer is always the same. Until the present Commonwealth Minister came on the scene there had

been a reluctance by the Commonwealth to be flexible in its support for certain arrangements. The arrangements we need as an outcome-based plan—

The Hon. Duncan Gay: Did you send it yesterday?

The Hon. JOHN DELLA BOSCA: Actually, I frequently correspond with Commonwealth Ministers and I correspond about this matter, in particular, very regularly. I reiterate that Opposition members seem unable to understand that the point of the exercise is to get the best possible community support for the frail aged and people with disabilities and a co-operative framework for doing so.

The Hon. Duncan Gay: What was the date?

The Hon. JOHN DELLA BOSCA: And dates are irrelevant to that. What is important is that the Commonwealth and the States have agreed to do that. [*Time expired.*]

WATER REFORM

The Hon. GREG DONNELLY: My question without notice is directed to the Minister for Natural Resources. Is the New South Wales Government continuing with the water reform process despite the unfair fines imposed on the States by the Howard Government?

The Hon. Don Harwin: Point of order: The question contains argument about the nature of the fines imposed on the States and is, therefore, out of order.

The ACTING-PRESIDENT: Order! I uphold the point of order. The Hon. Greg Donnelly may rephrase the question when he is next given the call.

KINGS CROSS MEDICALLY SUPERVISED INJECTING ROOM

Reverend the Hon. FRED NILE: I ask the Minister for Commerce, representing the Premier, a question without notice. Is it a fact that businesses are closing or leaving Darlinghurst Road, Kings Cross, at an unprecedented rate, with over 60 stores now standing vacant? Is the Government aware that some of these businesses had been in the area for more than 80 years? Does the Government acknowledge that this change has been brought about by the concentration of drug dealers and users in the area, many of whom have been drawn to the area by the Government's heroin injecting room, also known as a shooting gallery? Does the Government now acknowledge that early community concerns that such a move would prove to be a "honey pot for drug dealers and users" have since been confirmed? Will the Government now assist the residents and shopkeepers of Kings Cross by scrapping its policy of harm minimisation, close the heroin injecting room and replace it with a policy of harm prevention and drug addict rehabilitation?

The Hon. JOHN DELLA BOSCA: I note that the honourable member has asked me this question in my capacity representing the Premier and I am happy to answer in those terms, although I take the liberty of referring the specific question to the Premier. To the extent that the question is asked directly of me, perhaps alluding to my previous ministerial capacity, I simply say that I have not recently been a frequenter of Darlinghurst Road, Kings Cross. I have noted the nature of a lot of the businesses along that particular precinct, however, I am not sure to which kind of business Reverend the Hon. Fred Nile is alluding. If he can produce for me, either by the end of this session or during this question time, a list of the sorts of businesses he is talking about, I would be happy to add it to the inquiries to the Premier. On a couple of occasions Reverend the Hon. Fred Nile has tended to stretch the envelope on definitional points. To the extent of subscribing to any harm minimisation or harm prevention policy, the Government does what works.

The drug policy put in place after this Parliament, the community and many community interests worked through the issues at the Drug Summit and came up with a strategy, has been effective. The supervised injecting room trial to which the honourable member referred was then, and remains, a small part of the highly beneficial policy impacts of the series of initiatives that came out of the Drug Summit. Something not often referred to is that the good outcomes in recent years in relation to crime statistics are partly due to a much more effective and corruption-proofed police force, to which the previous Premier, Bob Carr, alluded. The new Premier, Morris Iemma, has redoubled efforts in that regard, and the Minister for Police, Carl Scully, has redoubled his efforts in relation to securing those outcomes and policing reforms.

It is not an insignificant part of the success in dealing with a range of crimes that all the initiatives to get people out of the crime drug cycle and into treatment have been successful. Reverend the Hon. Fred Nile and I have a difference of opinion on the extent to which the medically supervised injecting room trial is part of getting people out of the crime drug cycle and into treatment. I have a view that is based on the latest evidence I looked at. I admit that I have not reviewed the evidence for some time and I will now take the time to do so to enable me to advise the honourable member in greater detail—

The Hon. Michael Gallacher: Go for a drive up there. Will you give us an undertaking that you will go for a drive up there and have a look? At least do that! The decent thing is to drive through the area and have a look.

The ACTING-PRESIDENT: Order! I call the Leader of the Opposition to order for the first time.

The Hon. JOHN DELLA BOSCA: I acknowledge the Leader of the Opposition's interjections. Perhaps we could go for a drive up there together! Reverend the Hon. Fred Nile and I have a difference of opinion. My opinion—I think there is a weight of evidence to support the view—is that a substantial number of people who had had no contact with appropriate drug and health services, other than through their contact with the medically supervised injecting room, are now in contact with drug counselling and other services that get them out of the crime drug cycle.

AUDIT OF EXPENDITURE AND ASSETS

The Hon. GREG PEARCE: My question is directed to the Treasurer. Is the Treasurer aware that the New South Wales Audit of Expenditure and Assets recommended that the Government should build an operating surplus of at least \$1 billion to fund the State's capital works program? If so, does the Minister regard the Government's response as a failure in that the budget measures outlined in the Premier's economic and financial statement will not produce a \$1 billion surplus in the foreseeable future?

The Hon. MICHAEL COSTA: The honourable member should be aware of the principle—and it is a principle I will be following—of the Treasurer not speculating on a budget before it has been released. It is a longstanding principle, and it is absolutely appropriate that I do not speculate on the budget. However, I can say that one factor that affects the budget outcome is interest rates. Today's rise in interest rates will not only affect consumers in New South Wales, particularly those seeking to purchase their first home, in a way that will lead to a downward impact on the New South Wales economy. The increase will have to be factored into our forward estimates. If the honourable member is concerned about the budget position in New South Wales, I can only suggest that he use his influence and talk to his Commonwealth colleagues about their mismanagement of the national economy.

[Interruption]

I understand the embarrassment of members opposite, asking a question about the New South Wales economy on the day that the Commonwealth Government's economic mismanagement has led to an increase in interest rates for first home buyers in New South Wales and a general downward impact on the New South Wales economy. I too would be embarrassed if I were one of them. It is an outrageous situation given that the Commonwealth Government inherited the legacy of the Hawke and Keating governments—that of budget surpluses—a reform that the Coalition parties were too gutless to undertake. We all remember Malcolm Fraser and John Stone.

The Hon. Greg Pearce: Point of order: My point of order is relevance. My question related to building a budget surplus to fund the State's capital works program. It had nothing to do with mismanagement by the Hawke and Keating governments, which led to interest rates of 18 per cent.

The ACTING-PRESIDENT: Order! There is no point of order. The Minister may proceed.

The Hon. MICHAEL COSTA: It is not surprising that members opposite are embarrassed. Having asked the question, they are now trying to gag me with pointless points of order. It is embarrassing. Average home buyers in New South Wales will need to find an additional \$76 per month to meet their mortgage payments. That will mean \$76 less that they will be able to spend on consumption items, which would stimulate our economy.

The ACTING-PRESIDENT: Order! I call the Hon. Catherine Cusack to order for the first time.

The Hon. MICHAEL COSTA: This has happened at a time when petrol prices are at record levels because of the Commonwealth Government's mismanagement. It is no surprise that everyone has condemned what occurred today. Everybody with sense realises that the increase in interest rates is not only surprising but also premature. It has not allowed for a factoring into the State and national economies of the petrol price increases to which I referred. It will lead to further pressure on the New South Wales budget. It is a clear sign that the Commonwealth Government has lost control of the national economy. It is unable to manage economic activity in any sensible way. The Commonwealth Government is obsessed with penalising New South Wales taxpayers through the GST and its mismanagement of the Commonwealth economy.

WATER REFORM

The Hon. GREG DONNELLY: My question without notice is addressed to the Minister for Natural Resources. What is the Government doing with water reform in view of the fines imposed on the State Government by the Commonwealth Government?

The Hon. IAN MACDONALD: I thank the honourable member for giving me the chance to comment on the Howard Government's gross hypocrisy on water policy. This was brought into stark relief last month after the Commonwealth Government imposed unfair fines of \$26.3 million on New South Wales, only to be forced to reconvene a meeting of natural resources Ministers to discuss water. The Commonwealth Government's environment Minister, Ian Campbell, at the Natural Resources Ministerial Council, finally conceded that it would be sensible to bring all parties together, including key Commonwealth figures, to discuss this important issue. This came only one day after the Commonwealth Government penalised New South Wales, Victoria and South Australia for failing to meet the timetable for implementing water trade.

Interestingly, while the Commonwealth Government was happy to fine the States, at the same time it was asking for our support to extend the deadlines that the National Water Commission had failed to meet. What was worse was that it fined the people of New South Wales for leading the way on water reform. Instead of showing leadership and leading by example, the Howard Government chooses instead to take any chance to boost its already burgeoning coffers. But even better, the fine does not make a lot of sense. On one hand the Commonwealth Government tells us to hurry up and get commercial water trading going, whether or not the system will harm the environment; on the other hand it tells us to ensure that we have sufficient documentation of the scientific input into our macro water sharing plans. Then the Commonwealth Parliamentary Secretary responsible for water, Malcolm Turnbull, made an announcement last week signalling the purchase of water resulting from on-farm water efficiencies in the Murray Valley. I wish this was new, but it is not. These moves echo our water-wise program, which started back in the 1990s. It is good to see the Commonwealth Government is finally catching up. The national water initiative [NWI] is a two-way street. If the States are going to be penalised for not meeting the deadlines, the least the Commonwealth can do is show leadership and live up to its own commitments. This has not happened. The Commonwealth was supposed to deliver a process for achieving national consistency by February this year, yet none of the States has even sighted a draft and the process will now take at least until December to be finalised.

This is the fault of the Howard Government, not of the New South Wales Government. Time and again the States have expressed their frustration at the failure of the Commonwealth to deliver any substantive funding for programs under the NWI. Since its formation a series of promises have been made by the National Water Commission but very little has been delivered. Both the Macquarie and Gwydir marshes are in desperate need of water, and despite putting a rescue package to the Commonwealth a year ago New South Wales has yet to be officially notified by the Commonwealth whether it is willing to support the package. Areas like the Macquarie Marshes cannot afford to wait for another year while bureaucrats in Canberra twiddle their thumbs. If the Commonwealth Government is going to hold the States to ransom with national competition policy payments, the Coalition had better start putting its money where its mouth is, and those opposite ought to start supporting this State instead of kowtowing to their partners in Canberra.

Let me put it in terms even The Nationals can understand—and I know that is a difficult concept for many of us. New South Wales has gone even further than other jurisdictions in implementing its NWI obligations. This was the first State to separate water rights from land rights, to submit NWI implementation plans, to establish an independent pricing regulator, to implement water sharing plans covering 80 per cent of water use, to introduce a 4 per cent interim trade threshold for permanent trade, and to introduce the NWI risk assignment framework.

I conclude by referring to water trading. Even the honourable member for Murrumbidgee, the Opposition spokesman on natural resources, got it right when he supported my approach that we not sell out New South Wales interests in water trading. We believe very much in tagged water and we will be continuing to press for it. It is a most important issue and our stance in relation to it will not waver.

M5 EAST TUNNEL AIR QUALITY GUIDELINES

Ms LEE RHIANNON: I direct my question to the Minister for Roads. Given that the M5 East tunnel's air quality monitoring project report of July 2003 recommended that relevant New South Wales Government agencies work to better understand the health impact of nitrous oxides in road tunnels and develop appropriate guidelines for this purpose, will the Minister inform the House whether these guidelines have been drawn up and whether they are publicly available?

The Hon. ERIC ROOZENDAAL: I am advised that quality standards for the M5 East tunnel are among the most stringent in the world and the tunnel continues to be operated in accordance with those standards. In normal conditions, air quality in the M5 East tunnel is managed using ventilation fans. Reductions in air quality arise from traffic in stop-start conditions. These air quality conditions occur when a traffic incident has already caused severe congestion within the tunnel. The tunnel has been closed approximately once every 2.8 million vehicle journeys over the past 12 months. However, the Government has acknowledged community concerns regarding haze in the M5 East tunnel. I am committed to finding a commonsense solution to improving air quality in the tunnel, and work is continuing.

Ms LEE RHIANNON: I ask the Minister a supplementary question. My question was about guidelines. Will the Minister answer the question? Will he inform the House whether he has responded to the recommendations and, if the guidelines have been drawn up, whether they are publicly available?

The Hon. ERIC ROOZENDAAL: I refer to my previous public comments in relation to the M5 East tunnel.

BATHURST HOSPITAL HELICOPTER ACCESS

The Hon. JENNIFER GARDINER: My question without notice is directed to the Minister for Health. Is the Minister aware that during construction of the new Bathurst hospital CareFlight helicopters have been diverted to Bathurst airport instead of to Victoria Park, which is much closer to the hospital and which was the site for CareFlight landings prior to the provision of a helipad at the hospital? Is the Minister aware that after the recent tragedy at the Bathurst Show it took an hour before the trauma doctor who was transported into Bathurst by helicopter could get from Bathurst airport to the hospital to tend to the injured? Has the Minister ever seen how much traffic there normally is on the highway between Bathurst and the airport turn off? Will the Minister ensure that CareFlight services can once again land at Victoria Park to ensure fast emergency access to Bathurst hospital during the construction?

The Hon. JOHN HATZISTERGOS: I am aware of some aspects of this question but I will have to take it on notice. I have not had any approach about this issue from CareFlight but I will get a fuller answer and come back to the honourable member.

MAIN ROAD 92

The Hon. CHRISTINE ROBERTSON: My question is addressed to the Minister for Roads. Will the Minister provide the House with the latest information on upgrading roads in southern New South Wales?

The Hon. ERIC ROOZENDAAL: Last Monday I had the pleasure of travelling to the Shoalhaven on the South Coast to join the hard-working member for Kiama and Parliamentary Secretary for Roads, Matt Brown, and the Prime Minister to turn the first sod on the Main Road 92 project. This project is an upgrade of a 54-kilometre section of road between Hames Road, south-west of Nowra, and Nerriga. The people of the South Coast have warmly welcomed the start of work on this project, which has been subjected to rigorous environmental planning and investigation required with all major roadworks that pass through a national park. It has faced other environmental complications also, including the existence of a natural gas pipeline that passes through the park.

The \$80-million project will be funded in partnership by the New South Wales Roads and Traffic Authority [RTA], the Federal Department of Transport and Regional Services and Shoalhaven City Council.

The New South Wales and Federal governments have each contributed \$34 million, and \$12 million will come from Shoalhaven City Council. The first stage of construction is now under way and should be finished late next year. It involves a 24-kilometre section of road worth \$15 million that will improve travel times and road safety by widening and strengthening sections of pavement and sealing the existing gravel road. Work on this section will also include the reconfiguration of the intersection of Turpentine Road as well as the realignment of four kilometres of road at Georges Yard, 18 kilometres west of Hames Road. Detailed investigation and final design to upgrade the next section, from Bulee to Nerriga, is under way now, so work can start as soon as possible once stage one is complete.

While announcing this worthwhile project I met with the RTA project services manager and supervisor on the contract, Bob Watson, one of the engineers on the project, Scott Fayers, and the Mayor of Shoalhaven, Greg Watson. The upgraded Main Road 92 will connect with the regional road network west of Nerriga, improving links from the Shoalhaven area to Braidwood, Canberra and Queanbeyan. Main Road 92 will provide a new route across the escarpment, and connect Nowra and the Shoalhaven to Canberra and the Hume Highway—providing opportunities to boost the Shoalhaven's economy.

The project will deliver major benefits to both the local Nowra and broader Shoalhaven and Illawarra communities by improving road safety; supporting and encouraging regional economic growth; reducing freight transport costs through reduced fuel usage, reduced wear and tear on vehicles, reduced travel times and reduced crash costs; reducing heavy vehicle traffic through Kangaroo Valley and Moss Vale townships; and increasing opportunities for tourism between the South Coast and inland regions of southern New South Wales. The Main Road 92 upgrade is an important project for the Illawarra and Shoalhaven communities and I commend it to the House.

DIOXIN HEALTH EFFECTS

The Hon. Dr PETER WONG: My question is addressed to the Minister for Health. Is he aware that World Health Organization [WHO] literature mentions that dioxin is a human carcinogen? Is he also aware that WHO literature mentions that exposed populations should be examined to establish the level of contaminants in blood or mother's milk and its effects—for example, surveillance to detect signs of ill health? What measures has the Minister implemented in this regard?

The Hon. JOHN HATZISTERGOS: With great respect to the Hon. Dr Peter Wong, he is asking me for a medical opinion. I am qualified to give opinions on a wide range of matters, but I do not know that medicine is one of them. The honourable member has asked me to comment on opinions he has extracted from other sources. I gave him a fairly comprehensive answer yesterday about dioxins. I think if he were to test all the honourable members of this Chamber, he would find a level of dioxins in the blood of each and every member. The issue is whether that creates a danger to human health.

The material that I gave yesterday was the information that the Deputy Chief Health Officer of the Department of Health has put out in relation to this issue. It is also information that is confirmed by the expert panel that the New South Wales Food Authority managed to get. I understand that the panel included a representative from the Commonwealth and a representative of the Queensland Government. If the honourable member wants to carry on an academic debate with those learned people, he is welcome to do so—but keep me out of it.

GRAYTHWAITE ESTATE, NORTH SYDNEY

The Hon. DON HARWIN: My question is to the Minister for Health. Why has the Department of Health commenced court proceedings to vary the trust in which the Graythwaite estate is held without consulting the North Sydney community or notifying North Sydney Council, which has been actively discussing the future of property bequeathed to the Government for care of convalescing veterans as far back as 1915?

The Hon. JOHN HATZISTERGOS: There is a lot of misinformation about this issue. I want to make the position absolutely clear so that no-one is under any illusions about this situation. This property is not public property. The Graythwaite property is subject to a charitable trust. It is property that is held in trust for specific purposes as defined in the original gift, which provided for the use of the property for convalescence. The objects of that charitable trust are no longer able to be met in the circumstances particularly of changing laws in relation to the care of aged people. These are Commonwealth requirements. I think that is acknowledged by all of the participants that have been involved in the discussions. The Graythwaite buildings in particular are no

longer suitable for the provision of convalescent or nursing home services and will not meet the Commonwealth accreditation standards that will apply from 2008. So in 2008 this place cannot function any longer for the purpose for which that trust was originally given.

The other thing to remember is that this facility is administered as a third schedule facility by Hope Healthcare, not directly by the NSW Health. The department is the trustee under the charitable trust. As the property is the subject of a charitable trust the area health service, acting as trustee, cannot sell, lease or otherwise deal with the property without the consent of the Supreme Court. Consequently, in circumstances in which the trust is not able to be administered in the way envisaged because of the changes to the laws which, as I said, will apply from 2008, and bearing in mind the specific purpose for which that property was vested in the area health service, the only option available to the area health service is to prepare an application to the Equity Division of the Supreme Court for the approval of the Cy-pres scheme. The area health service will seek orders from the court that it be permitted to sell the property and apply the proceeds to Cy-pres, which is as near as possible to the intention of the original gift.

In the event the application is granted, the disposal of the land will be dealt with in the normal way, ensuring compliance with the tendering requirements, probity requirements and also the requirements of the charitable trust. I am advised that the area health service has been approached by North Sydney Council and other parties interested in purchasing the property. I have corresponded with a number of parties in relation to this issue. It is not appropriate for me to discuss this matter beyond what I have already said until the outcome of the Cy-pres application has been dealt with by the court.

The Hon. JOHN DELLA BOSCA: If honourable members have further questions, I suggest that they be placed on notice.

HOME AND COMMUNITY CARE PROGRAM FUNDING

The Hon. JOHN DELLA BOSCA: Earlier in question time the Hon. John Ryan asked me about a number of matters related to home and community care funding. During my answer he referred by way of interjection to an audit. An independent audit of funds in the Home and Community Care (HACC) Program was completed by Walter Turnbull in February this year. This related to the HACC program funds dating back 10 years. I provided this report to the Commonwealth Minister shortly after it was provided to me on 20 April. The report has nothing to do with the \$37 million of unexpended home and community care funds that the honourable member's question referred to. I wrote to the previous Commonwealth Minister and the current Commonwealth Minister to arrange release of these funds for capital projects such as dementia day care centres. This approval is still not signed and I cannot allocate funds for these purposes until the Commonwealth Minister approves it. This morning the Commonwealth Minister reiterated to me that he was satisfied with the outcomes that he had received in the Turnbull report.

GREATER SOUTHERN AREA HEALTH SERVICE MENTAL HEALTH FAMILY AND CARER SUPPORT PROGRAM

The Hon. JOHN HATZISTERGOS: Earlier in question time Ms Sylvia Hale asked me a question in relation to a program being funded by the Greater Southern Area Health Service to support carers, particularly carers of the mentally ill. She asked why the Government was discontinuing funding for the service, which she claimed was in recurrent grants. For her edification and for the information of the House I state that in 2002 the Government funded a number of pilot projects through the New South Wales Carers Program. These projects aimed to determine appropriate models of care and support for families and carers of people with a mental illness. The Greater Southern Area Health Service Family and Carer Support Project was given funding for two years for one of these pilot projects. Funding has been extended beyond the two-year period to allow NSW Health to consult on improved approaches to support families and carers. There is no intention to cut funding to the program or to reduce the services it provides.

The Government is targeting mental health resources to deliver results for patients, their families and carers. Mental health programs are being designed to deliver the best outcomes. Pilot projects such as this have armed us with better information about how to provide effective mental health services. The New South Wales Family and Carer Mental Health Program will deliver a range of supports and services across the State. The model recognises the role of families and carers in supporting people with mental illness and is based on strong partnerships between families, carers, non-government organisations and mental health services. It aims to develop family friendly mental health services, provide mental health family and carer support services and improve access to family and carer supports. I am advised that the area health service is working with the

Family and Carer Support Project team to review the scope and services offered by the project. The area health service aims to identify components that will continue as part of the Family Friendly Mental Health Service. The area health service has been successful in obtaining an extension of funding to continue the current project during the transition period while the new program is implemented.

The Government announced increased funding to support families and carers, through the Family and Carer Mental Health Program, in June 2005. The Premier, in his former role as Minister for Health, announced the new service model and an increase of \$2.6 million in funding to the program from 2005 to 2008. This funding increase takes the total budget for the Family and Carer Mental Health Program to \$3.6 million per year. I am pleased to advise the House that this new funding will deliver a net increase in funding to the Greater Southern Area Health Service in the order of \$300,000 per annum from 2005 to 2008. This brings the total funding available for the family and carers program in the area to approximately \$440,000. The community has welcomed this increased funding and improvement in services. Jenna Bateman, the Executive Officer of the Mental Health Co-ordinating Council, had this to say about the increase:

This additional funding... will mean families and carers have better access to the knowledge, support and care they need, when they need it. The Government is to be congratulated on recognising this area of community need.

NSW Health is currently in the process of rolling out this funding statewide. Area health services will receive increased funding of \$1.7 million annually from 2005 to 2008 to support the development of family and carer support programs. The funding will be targeted to provide better support and training to allow families and carers to continue doing the important job they are doing across the State.

DEFERRED ANSWERS

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

SYDNEY WATER SELF-INSURANCE STATUS

On 29 March 2006 the Hon. Dr Arthur Chesterfield-Evans asked the Treasurer, representing the Minister for Utilities a question without notice regarding Sydney Water self-insurance status. The Minister for Utilities provided the following response:

Sydney Water has advised me:

As part of an annual review process for all insurance requirements Sydney Water's Board will consider a range of options in relation to the placement of its workers compensation insurance.

CHILDREN AND YOUNG PEOPLE COMMUNITY GROUPS PARTICIPATION

On 29 March 2006 Reverend the Hon. Dr Gordon Moyes asked a question without notice of the Minister for Health, representing the Minister for Education and Training. The Minister for Education and Training provided the following response:

Opportunities for students to participate in community groups are built into the curriculum. To meet the needs of students and the local community, schools use a variety of strategies to involve their students in community service.

Many primary and secondary schools undertake various forms of community service such as working with disability groups and charities, visiting nursing homes and taking part in community campaigns such as Clean Up Australia.

Opportunities for service are provided through organisations such as Rotary and the St Vincent de Paul Society. Some students do their community service by coaching junior sport teams after school. Some schools teach courses which involve learning about communities, understanding the nature of service to the community and undertaking an individual project within a local service organisation such as Meals on Wheels and the local hospital.

As well as curriculum focused service learning opportunities, thousands of secondary students every year take part in the challenging Duke of Edinburgh Award Scheme, administered by the Department of Sport and Recreation. This scheme has a very strong community service component and the value of this is that most of our young people continue with their community service after fulfilling the Award requirements.

Questions without notice concluded.

JURY AMENDMENT (VERDICTS) BILL

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

Motion by the Hon. John Della Bosca 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.

COMMITTEE ON THE OFFICE OF THE OMBUDSMAN AND THE POLICE INTEGRITY COMMISSION

Reports: Thirteenth General Meeting with the NSW Ombudsman Ninth General Meeting with the Police Integrity Commission

The Hon. Jan Burnswoods tabled, on behalf of the Chair, the following reports:

Report No. 10/53, entitled "Thirteenth General Meeting with the NSW Ombudsman—Together with Transcript of Proceedings and Written Responses to Questions and Minutes", dated May 2006

Report No. 11/53, entitled "Ninth General Meeting with the Police Integrity Commission—Together with Transcript of Proceedings and Written Responses to Questions and Minutes", dated May 2006

Ordered to be printed.

The Hon. JAN BURNSWOODS [1.09 p.m.]: I move:

That the House take note of the reports.

Debate adjourned on motion by the Hon. Jan Burnswoods.

[The Acting-President left the chair at 1.10 p.m. The House resumed at 2.45 p.m.]

LEGISLATIVE COUNCIL VACANCY

Joint Sitting

The DEPUTY-PRESIDENT (The Hon. Christine Robertson): I report the receipt of the following message from Her Excellency the Governor:

MARIE BASHIR
GOVERNOR

MESSAGE

I, Professor MARIE BASHIR AC, CVO, in pursuance of the power and authority vested in me as Governor of the State of New South Wales, do hereby convene a joint sitting of the Members of the Legislative Council and the Members of the Legislative Assembly for the purpose of the election of a person to fill the seat in the Legislative Council vacated by the Honourable John Tingle, and I do hereby announce and declare that such Members shall assemble for such purpose on Wednesday the third day of May 2006 at 4:00 pm in the building known as the Legislative Council Chamber situated in Macquarie Street in the City of Sydney; and the Members of the Legislative Council and the Members of the Legislative Assembly are hereby required to give their attendance at the said time and place accordingly.

In order that the Members of both Houses of Parliament may be duly informed of the convening of the joint sitting, I have this day addressed a like message to the Speaker of the Legislative Assembly.

Office of the Governor
Sydney, 3 May 2006.

BUSINESS OF THE HOUSE

Postponement of Business

The Hon. DON HARWIN [2.48 p.m.]: I move:

That Committee Reports—Orders of the Day Nos 1 to 26 be postponed until a later hour of the sitting.

The House divided.

Ayes, 21

Mr Breen
Dr Chesterfield-Evans
Mr Clarke
Mr Cohen
Mrs Forsythe
Mr Gallacher
Miss Gardiner
Mr Gay

Ms Hale
Mr Lynn
Reverend Dr Moyes
Reverend Nile
Mr Oldfield
Ms Parker
Mrs Pavey
Mr Pearce

Ms Rhiannon
Mr Ryan
Dr Wong

Tellers,
Mr Colless
Mr Harwin

Noes, 16

Ms Burnswoods
Mr Catanzariti
Mr Costa
Mr Della Bosca
Mr Donnelly
Ms Griffin

Mr Hatzistergos
Mr Kelly
Mr Macdonald
Mr Obeid
Ms Robertson
Mr Roozendaal

Ms Sharpe
Mr Tsang
Tellers,
Mr Primrose
Mr West

Pair

Dr Burgmann

Ms Cusack

Question resolved in the affirmative.

Motion agreed to.

SNOWY HYDRO LIMITED SALE**Adjournment (Standing Order 201)**

Debate resumed from an earlier hour.

The Hon. TONY CATANZARITI [2.55 p.m.]: As I said earlier, the sale of Snowy Hydro Limited will take place through an initial public offering. This means that all Australians will have an opportunity to buy shares if they wish. The Government would put the shareholding in place to limit the number of shares that can be owned by any single investor. This will help ensure a wide spread of ownership and a balanced share register for the company. The Government is also very conscious of the need to maintain the Australian identity of Snowy Hydro Limited and is taking this into close consideration as the structure of the sale is finalised.

Snowy Hydro has always been heavily involved in tourism activities and community activities. I am very satisfied there is no reason to believe that any of Snowy Hydro's commitments to tourism or community activities will be affected as a result of the change in ownership. Indeed, I am happy to note that Snowy Hydro recently announced that it has renewed its major sponsorship of the Southcare rescue helicopter service for five years.

The Hon. JOHN DELLA BOSCA (Minister for Finance, Minister for Commerce, Minister for Industrial Relations, Minister for Ageing, Minister for Disability Services, and Vice-President of the Executive Council) [2.57 p.m.], in reply: I am somewhat surprised at the extent of participation in this debate on the part of the Opposition and the crossbench; there has been less participation than I expected. I think it could be put down to a misunderstanding, but certainly not my misunderstanding.

The facts of the matter are clear in relation to any change of ownership in respect of Snowy Hydro. The critical interest group in this is the environmental group, whose interests have been protected by the agreements put in place since corporatisation. Those agreements are ironclad: they are unaffected by any change in ownership. The second interest group that has the greatest stake in Snowy Hydro is the irrigation industry, which includes the Murrumbidgee and Murray irrigators, many of whom are not living within our jurisdiction but nonetheless have a critical interest in this. Their interests are also absolutely protected by the water licences and the Snowy Water outcomes inquiries documents, which ensure that all the irrigation waters that are required, and have been traditionally required, under the Snowy agreements are in place and are legally binding on any future owner.

The logic of what otherwise might have been an argument put by the Opposition or the crossbench but which was not put is that potentially the corporate behaviour of an owner of the company after capital has been raised through the share market will change. However, under the Commonwealth law the board of Snowy Hydro, as it is currently, is obliged to behave with its fiduciary obligations in place, and the standards of its corporate behaviour and decision making will be no different to the board's current arrangements and requirements as a corporatised public entity with three public shareholders.

I make the additional point that the generating component of the Snowy Hydro scheme, the Snowy Mountains Hydro-electric Scheme, which is the component of the scheme that is proposed to be floated, is likely

to have a very limited future in the national electricity market if it cannot raise capital. Earlier an Opposition member interjected that it should go further into debt. Everybody would be aware that a responsible business can only go so far into debt and that any examination of Snowy Hydro's financial situation would lead any sensible observer to draw the conclusion that it cannot tolerate further debt, and that very significant debt levels would be necessary for the level of infrastructure investment that is required.

There has been a lot of debate in the community and there will be further debate about where Snowy Hydro should be investing in its infrastructure. The fact of the matter is that—given that the current tripartite ownership arrangements do not give New South Wales majority control of the company; we own only a majority of the shares—the fiduciary obligations of the board as it is currently constituted, and the shareholding arrangements, guarantee that in an actual electricity market, given the nature of Snowy's business, it will build a significant part of its further infrastructure over the next 5, 10, 15, 20 years outside of New South Wales.

If we do not know where Snowy Hydro will raise its capital in the future, we are committing a future New South Wales Government, maybe this New South Wales Government—now, in a year's time, two years time, three years time; God knows exactly when, but for certain, unless Snowy Hydro has a very grim future indeed—to put very, very substantial packets of scarce taxpayers' capital into electricity infrastructure outside of this State. As I said in my introductory remarks, I understand that members of the crossbench and the Greens may approach this debate from a different perspective, but there is a liability on the Opposition to be serious in this debate.

Regardless of concerns about how we could secure environmental futures, how we could secure the irrigators entitlements, how we could satisfy ownership requirements and issues connected with foreign ownership and other matters that effectively fall within the capacity of the Commonwealth Government as the regulator of those matters, it is incumbent on the Opposition—either now or, if it does not want to do so in this debate, at some future time—to say what it will do to overcome Snowy Hydro having no future as an electricity generator without significantly more capital.

The New South Wales Government cannot force or coerce the Commonwealth—it would be improper for New South Wales to attempt to do so, and wrong from the point of view of Snowy Hydro—to invest more, or solely, in New South Wales. That would be an absurd situation. Presumably the Commonwealth Government will set aside substantial public capital in the next budget or the budget following to be invested in building power stations in Victoria and Queensland, potentially electricity infrastructure in South Australia and maybe—who knows—in Tasmania or central Queensland at some future point in time.

That is crazy, and it is incumbent on the Opposition to put forward a better proposal than our proposal, which is to allow Snowy Hydro to go forward as an electricity provider into a national market, properly capitalised, and able to do its job for the Australian people and the Australian economy, while preserving the environmental benefits that were achieved during corporatisation and the economic benefits for the Murrumbidgee irrigators that have existed since the scheme's inception.

Pursuant to standing orders motion lapsed.

BUSINESS OF THE HOUSE

Suspension of Standing and Sessional Orders

Motion by the Hon. Michael Gallacher agreed to:

That standing and sessional orders be suspended to allow a motion to be moved forthwith that Private Members' Business item No. 198 outside the Order of Precedence, relating to a select committee on the sale of Snowy Hydro Limited, be called on forthwith.

Order of Business

Motion by the Hon. Michael Gallacher agreed to:

That Private Members' Business item No. 198 outside the Order of Precedence be called on forthwith.

SELECT COMMITTEE ON PROPOSED SALE OF SNOWY HYDRO LIMITED

The Hon. MICHAEL GALLACHER (Leader of the Opposition) [3.04 p.m.]: I move:

1. That a select committee be appointed to inquire into and report on the proposed sale of Snowy Hydro Limited by the Government, and in particular:
 - (a) the need for the sale of Snowy Hydro Limited,
 - (b) the intended use of funds raised from privatisation,
 - (c) the control of water regulation,
 - (d) the future location of Snowy Hydro Limited headquarters,
 - (e) job security for the current work force post-privatisation,
 - (f) access to land controlled by Snowy Hydro Limited by members of the public,
 - (g) limits to foreign and majority share ownership,
 - (h) impact on tourism in the region,
 - (i) the continuation of support of community events and activities by Snowy Hydro Limited,
 - (j) the contribution of rates to local councils,
 - (k) heritage issues,
 - (l) land release issues for Jindabyne, and
 - (m) any other related matters.
2. That the committee consist of seven members, of whom:
 - (a) three must be Government members,
 - (b) two must be Opposition members, and
 - (c) two must be crossbench members.
3. That the Chair and Deputy Chair be elected at the first meeting of the committee.
4. That the committee report by Friday 27 October 2006.

The Hon. GREG PEARCE [3.04 p.m.]: This is a very important motion for the House to consider. The Opposition opposes the way the Government has gone about this sale. It is a fire sale of an iconic asset to fill Labor's budget black hole, without adequate safeguards. The deal has been pushed through without community consultation and, importantly, without proper debate in the Parliament. As the Leader of the Opposition said earlier, what the community expects by "proper debate" is a thorough investigation of the sale and a proper parliamentary debate leading to a vote by both houses of Parliament on whether the sale is to proceed.

As the Minister said, I attended the same meeting he attended in Cooma on 20 April. I can assure the House that everyone at that meeting, other than the Minister, expected that a proper debate meant a thorough review and analysis by the Parliament and a vote by it. It is less than disingenuous of the Minister to pull the stunt he pulled earlier today and expect that people would accept that that was in any way complying with his undertaking to ensure there was a proper investigation into and debate on the sale.

One of the major concerns for the Opposition is that there has not been sufficient explanation of and guarantee of the safeguards that all of the people who are entitled to have an interest in this sale expect. Let us look for a moment at the Government's performance on this matter, because the corporatisation of this iconic business occurred in 2000, pursuant to an Act that was passed in 1997. It is instructive to look at *Hansard* and what was said at the time of the corporatisation in 1997. The Minister who introduced the bill in the other place said:

The aims of the corporatisation process are: to establish a viable Snowy electricity generation business on a competitive commercial basis and thereby contribute to implementing national competition policy reforms; to improve the management of the Snowy scheme, simplifying its governance arrangements and therefore maximising its capability to generate greenhouse friendly electricity ...

The corporatisation was said to do exactly what the Minister now claims the company cannot do: to achieve a viable business that would be able to perform an important role within the national electricity scheme, as well as deliver the water outcomes that are so important in this scheme. The Minister went on to say:

The vision for a new company, Snowy Hydro Ltd, and the model on which its future structure is based, sees the company as a freestanding, self-determining electricity generator, subject to controls and regulation which: neither advantage nor disadvantage Snowy Hydro as compared with the other generators ... and provide security for the company to operate as a commercial business but with continuing significant environmental obligations, particularly in relation to the release of water.

I do not need to quote further from the speech other than to state:

The company will have normal commercial governance arrangements and will be able to operate the Snowy scheme on a commercial basis as a generator in the emerging competitive national electricity market. Snowy Hydro will be able to play a unique role in that market by virtue of its generating flexibility.

Back in 1997 the argument for corporatisation was that this would enable the company to compete within the national electricity market to ensure that the company was viable and could deliver on its other important obligations with respect to water. The then Leader of the Opposition in this House, the Hon. John Hannaford, stated:

The New South Wales coalition is the strongest supporter of the corporatisation and privatisation of the Snowy scheme, but it will not tolerate legislation being passed in this Parliament when the full ramifications of the legislation are unknown ...

Environmental groups and the irrigators do not trust the Government—

nothing has changed—

The Opposition will not allow the Government or the Treasurer to do deals behind closed doors that could significantly affect the financial viability of the agricultural industries in the MIA or the environmental value of the Snowy, Murray or Murrumbidgee river systems.

No-one trusted the Government back in 1997 and no-one trusts the Government now. That is why a select committee of this House must inquire as to whether the sale is in the public interest and whether the proper safeguards, which have been so strenuously proposed by the Minister, are being put in place. On 1 December 2005 it was reported that the board of Snowy Hydro Corporation was seeking further capital and it provided the Government with an equity-raising proposal—not privatisation. If that report can be believed, Snowy Hydro sought to increase its equity; it did not ask the relevant governments to rush off and sell their shares. Within a couple of weeks this cash-strapped New South Wales Labor Government moved to sell its shares and, given its 58 per cent interest, it became obvious that the only thing the other governments could do was to join in the sale, as clearly neither the Federal Government nor the Victorian Government would want to be a minor shareholder in the business.

We should test the Minister's proposition that the company's capital requirements are such that it needs to be sold now—I do not know if that is the case, but it is a damn good business at the moment. The latest annual report shows that revenue from the Snowy Hydro scheme for the year to 2 July 2005 was \$419 million and profit before income tax was \$209 million—a fantastic business! For the prior year, to 28 June 2004 the figure was \$191 million before ordinary activities. Both the Minister and, indeed, the managing director, Terry Charlton, have said that Snowy Hydro needs to raise additional capital. In an interview on 24 January 2006 Mr Charlton is reported to have said:

It is not only desirable but necessary that the Company has access to additional capital in order to continue development of the Snowy Scheme and to ensure that its role in the National Electricity Market remains vital and highly reliable—

that is fair enough—

Parts of the Scheme are 40 years old and must be maintained and in some cases replaced if the world class plant performance and reliability now achieved is to be maintained long into the future.

Having talked about capital to ensure maintenance he then said:

This is critical infrastructure with replacement value well in excess of \$4billion so it deserves many tens of millions of dollars spent on it each year to stay in peak condition.

That is the key point—not hundreds of millions of dollars but tens of millions of dollars out of its revenue of \$400-odd million a year and profit of \$200 million a year. According to the annual report for 2005, capital expenditure commitments is \$71 million for the next five years, so, again, we are not talking about the need for hundreds of millions of dollars. It may well be that the company can explain that it will expand into other parts of the electricity network—that may be a desirable business move—but the people of New South Wales, who are the ultimate shareholders, along with the rest of Australians, are entitled to have that tested and explained to them.

If the sale is to proceed, appropriate safeguards should be put in place, and I would suggest the following commitments: first, to maintain the current minimum amount of water that Snowy Hydro is required to release into the Murray and Murrumbidgee rivers each year; second, to keep Snowy Hydro's head office located in Cooma and to ensure that that commitment cannot be diverted and become a paper commitment only; third, to safeguard against any forced redundancies or relocation of New South Wales workers for a reasonable period of time—probably two years after the sale; fourth, to protect the current arrangements for public access to land controlled by Snowy Hydro for recreational activities; and, finally, in general terms, to limit the number of shares that can be owned by any one entity, probably at 10 per cent for five years, and possibly to look at foreign ownership.

They are basic safeguards that the Minister has arrogantly refused to provide as he has charged ahead, insisting that he will proceed with the sale, along the way spreading all sorts of furrphies and deception about the value and reasons for the sale. The role of Steve Whan, the member for Monaro, is also interesting. He claims to be opposed to the sale.

The Hon. Patricia Forsythe: He is irrelevant.

The Hon. GREG PEARCE: He is completely irrelevant. He is part of the arrogance and deception involved in this.

The Hon. Patricia Forsythe: They are not listening to him.

The Hon. GREG PEARCE: No, they would not listen to him. Why would they listen to him? I attended the meeting at Cooma. I took the view that I was there to listen; I had not been invited to be part of the panel. Interestingly, the Minister was not prepared to listen. He came with his prearranged script and spent the whole evening telling people that they would have to put up with the sale.

The Hon. Rick Colless: One-term Whan!

The Hon. GREG PEARCE: One would not know what Whan was talking about. As the Minister said, the achievement of the Snowy scheme is a feat of engineering genius and one of the most important achievements in terms of Australia's development. The work that has been done to ensure environmental flows on the Snowy is important. As the Minister said, it is one of the three most important riparian achievements in the world. In themselves, these are self-evident reasons why this matter should be the subject of proper scrutiny and should go to a select committee for proper investigation.

The Minister's arguments are compelling for proper inquiry and scrutiny of the sale. The Minister has been forceful in suggesting that the Government, in its role as regulator, will ensure that the scheme continues to operate in the public interest. However, our experience of that is fairly scary. Honourable members are aware—I think the media has already reported on this—that the Government has failed to fulfil its commitment to establish, under the Snowy Hydro Corporatisation Act 1997, a scientific committee to report on environmental flows on the Snowy River. The so-called regulator, the Government we are being asked to trust again, never got around to establishing the scientific committee.

Much is made of the water licence and other management mechanisms. Again, can we be sure that the Government is capable of playing a proper role as regulator? One question I have for the Minister—he might care to respond to this—concerns the status of the environmental management plan, which was to be developed under part 6 of the Snowy Hydro Corporatisation Act, and which is the basis on which the Snowy Hydro scheme operates within Kosciuszko National Park. I note from the annual report I quoted earlier that although Snowy Hydro prepared a draft environmental management plan and submitted it by December 2003, as at July 2005 the National Parks and Wildlife Service had still not approved the draft plan. Indeed, I do not know whether it has been approved even now. How can we have confidence that the Government, as the regulator, is capable of ensuring that the scheme operates properly?

Many people are also concerned about what will happen to the funds raised from the sale, other than to speculate that they will simply go into the budget black hole over which the Government is presiding. It is interesting to note that when the Victorian Government announced that it would proceed with the sale of its portion of Snowy Hydro it outlined its proposal to reinvest the funds in education, in schools. Of course, the New South Wales Government has not been game to go anywhere near to giving a commitment on what it will do with the funds. And we all know why! That is our concern in a nutshell.

We are opposed to the sale and the way the Government is going about it. We believe that there should be a proper and thorough investigation into all aspects of the sale, and that a select committee as we have proposed is the way to proceed. We do not believe that the Government can be trusted in relation to the sale. The Government has not made out its argument as to why the sale should proceed in the manner proposed. Accordingly, I support the motion to establish a select committee.

Reverend the Hon. Dr GORDON MOYES [3.24 p.m.]: I speak on behalf of the Christian Democratic Party. Other than the Sydney Harbour Bridge, there has been perhaps no more iconic and important piece of infrastructure built throughout the entirety of Australia's history than the Snowy Hydro electric scheme. Its construction represented not just an exercise in engineering but also the building of a nation and its identity. However, times change, and the governments of New South Wales and Victoria, along with the Federal Government, are now considering what would have been thought unthinkable not that long ago—the entire privatisation of Snowy Hydro.

We support the Opposition's motion to establish a select committee into the sale of Snowy Hydro for five reasons. The first reason is the sheer magnitude of the scheme as a financial asset to the people of New South Wales. The New South Wales Government estimates its portion of the scheme to be valued at \$1.3 billion, and the Government receives more than \$100 million annually in dividends. The community has demanded of us that such a decision undergo an exhaustive and open process of investigation and consultation to ensure that we achieve the right result on its behalf.

The second reason is that three governments own a portion of Snowy Hydro. The New South Wales Government owns 58 per cent and should therefore take the lead role in directing and engaging the public debate on the issue. Victoria owns 29 per cent and the Federal Government owns 13 per cent. The third reason is that the scheme needs to balance and maintain the livelihoods of countless communities in New South Wales and Victoria, and people in those communities must be invited formally to have their say before a decision is made. Anybody who has travelled through major country areas in rural New South Wales, as I did recently, knows that at every public meeting the questions being raised by people in rural New South Wales concern the future of Snowy Hydro. They seem to be totally committed to holding onto that important icon.

The fourth reason we must have a select committee inquire into this issue is that the recent debate on private-public partnerships has forced us to reconsider what is in the public interest and how it needs to be maximised. One only has to say the word "tunnel" in New South Wales and we realise the problems that can be involved in private-public partnerships. We as democratically elected members need to ensure that the decision we make will be in the public interest.

The final reason is that the scheme must balance a staggering amount of competing interests, which must each be considered and evaluated upon its merits. The scheme must balance economic, environmental, infrastructural and agricultural considerations. It has to do with water, irrigation, and electricity production and distribution. In addition to all that are the social and historical perspectives, as well as the livelihoods of so many people living and working in towns impacted by the Snowy Hydro. The Christian Democratic Party supports wide public consultation on all the issues involved in the sale, and therefore we will support the establishment of a select committee into the sale of the Snowy Hydro.

Ms SYLVIA HALE [3.28 p.m.]: I am pleased that this substantive motion gives the upper House the opportunity to debate the sale of the Snowy Hydro. In Cooma last month the Minister for Finance started his remarks by denying the need for such a debate but was forced, under pressure from the 300-plus people present at the meeting, to concede that a debate should and would take place. I attended both the Cooma and the Griffith public forums on the Snowy sale. Notable in his absence from the Griffith meeting was the Hon. Tony Catanzariti. In fact, the meetings in Cooma and Griffith have been the only two opportunities to date for any public debate about the sale of Snowy Hydro, despite it being a matter of great concern not only to the communities that may be immediately affected by it but also to the people of New South Wales and Australia as a whole.

I pay tribute to all the speakers from southern New South Wales who spoke with such conviction about their concerns for the Snowy, particularly Max Talbott, Vicki Wallace, Ian Morse and David Haine. I was struck by both the passion the people of the region showed at those meetings and their anger at the lack of public scrutiny of the sell-off of something that they feel defines them and their communities. Clearly, to the people of southern New South Wales the Snowy Hydro scheme is not just an electricity generator, a source of water, or a series of dams. It is a part of their history: a symbol of joint endeavour and unity for their communities and a source of great pride. Both the Cooma and Griffith meetings unanimously called for the suspension of the sale of Snowy Hydro and for a full and open public inquiry to be held.

I undertook to the people of the region that I would bring their call to this Parliament, and that is why I placed on notice yesterday a motion calling for an inquiry. I am pleased that the Opposition has sought to establish a select committee to conduct such an inquiry. The Greens welcome the move to establish an inquiry because Snowy Hydro is an iconic piece of infrastructure that currently belongs to all the people of this State and this nation through the New South Wales, Victorian and Commonwealth governments. It holds an important place in the history of Australia's development both as an economy and as a nation.

It took 100,000 migrant workers from 30 countries 25 years to build Snowy Hydro. From the time of its commencement to the time of its completion, the Australian nation was transformed, not least by the tens of thousands of migrant workers who brought to this country their skills, enthusiasm and desire for a better life. The proposal to sell off such a part of our history, to take it out of the hands of the people and place it into the hands of a small number of investors, should be officially scrutinised by this Parliament.

This scrutiny is required not just because of its history but because of the role the Snowy Hydro scheme now plays. Snowy Hydro Limited is one of the most profitable publicly owned electricity-generating corporations in Australia. In 2003-04 its pre-tax return on equity was 22.2 per cent, while the average for all publicly owned generators was 11.7 per cent. In 2004-05 its return on equity was slightly lower, at 19.8 per cent. Selling off such a hugely profitable public asset raises very serious issues about whether the Government is sacrificing the long-term financial health of New South Wales for a short-term fix to its budget and a boost to its pork barrel for next year's election campaign.

The Government has argued that Snowy Hydro has to raise capital to grow and survive. This is demonstrably untrue. Mr Vin Good, a Snowy Hydro employee for over 23 years and a former commissioner of the scheme, has pointed out that Snowy Hydro has retained earnings of \$188 million since it was corporatised, as well as paying significant dividends to its shareholders, the New South Wales, Victorian and Commonwealth governments. In addition, it has, since corporatisation, invested more than \$500 million from its own balance sheet to buy an electricity generator, Red Energy, to buy a gas fired power station, Valley Power, and to construct another power station in Laverton, in Victoria. The argument that Snowy Hydro must be privatised to grow and survive is therefore completely spurious. The sale is about survival—but it is about the Government's political survival rather than Snowy Hydro's financial survival.

The Snowy Hydro scheme is our greatest source of fresh water and generates more than 70 per cent of renewable energy available to the eastern grid. In a time of drought and climate change, what are the implications for the people of this State of placing our greatest source of fresh water and renewable energy into the hands of private investors, many if not most of whom will not live on this, the driest continent? I would like to quote briefly some edited comments made by Mr David Haine to the large public meeting held in Cooma last month. I do so because, although I do not necessarily agree with all the possible future options put forward by Mr Haine, I think his point is very well made. He said:

We are going to be told [that] the purchaser has contractual obligations to release water downstream as needed ...

Well, what happens if we don't want or need the water released as it now is? We instead want to modify the scheme. So instead of it ... releasing water to the west, we want the water to go north, south or even back east.

Why would we want to do that? Try this for size ... The Australian Business Round Table on climate change ... commissioned the CSIRO to estimate the effect on Australia of rising global temperatures. The results are ... frightening. On a rise of temperature of less than 1°C, snow cover will decrease by 10-40%. On a rise of between 1°C & 2°C, Murray-Darling flows will decrease by 12-25% and Melbourne's water supply will diminish by 7-35%. Sydney is already having water supply problems as is Melbourne.

You are all familiar with insurance. Every one of us, unless they are very brave or very wealthy, has their home, farm or business insured.

The snow scheme is South Eastern Australia's water insurance policy. Who can say that in the national interest it will not be necessary to make a claim on the water insurance policy to rescue Sydney, Canberra or Melbourne, or that some other presently unforeseen scenario requiring a claim on the policy develops. The irrigators and environmentalists will not be at all pleased by such an idea, but hard times will require hard and balanced decisions and maximum options. Water will be much more valuable than electricity. We can deal with electricity needs via ... wind power, geo-thermal, solar, gas turbine etc.

If we sell Snowy Hydro all the water of the Snowies other than some small environmental flows must always flow westwards through the purchasers' power stations. I repeat. All of it ... Otherwise there will be a massive compensation claim from the purchasers of the Snowy to compensate them for lost income from the sale of electricity and derivative products, which will come on top of compensation to the irrigators: double jeopardy; and we will have closed off a very important option to deal with the effects of climate change.

There is no reason in principle that a conduit from the Snowy scheme to the southern reaches of the Warragamba catchment at Goulburn could not be built ... A sale of Snowy Hydro locks in for the next 72 years where the water goes. Sydney, Canberra and Melbourne will have lost their insurance policy.

Mr Haine's point is worth thinking about. In proposing to sell the Snowy, has the Government shown a reckless disregard for future generations? The proposed privatisation of the Snowy Hydro scheme also threatens the environmental health of the region. We have seen over and over again that when a public infrastructure asset is privatised, the profit of shareholders always overrides the welfare of the public. The health of the Snowy River has been shamefully compromised by the three governments responsible for its wellbeing, but at least when it was finally recognised that the Snowy needed to be saved the three governments were able to negotiate improvements in the public interest. The governments had to balance the interests of the community in keeping the river and surrounding environment healthy against the needs of farmers and landholders to irrigate their crops.

I note that earlier this week the Minister for Finance was trumpeting the improvements to the rivers as a result of the increase in environmental flows. But that is the role of governments—to balance competing interests—and that is why public infrastructure like the Snowy should be in public hands. The governments reached an agreement. The target river flow has still not been reached, but progress has been made. Imagine that process with the Snowy Hydro privatised. Instead of three elected governments sitting around a table discussing the public interest, the discussions will be dominated by large institutional investors, many based in Hong Kong, New York or Tokyo, whose only interest is the profit on their investment. Any move to improve the environmental flows in the Snowy will be met by demands for massive compensation.

A major contributor to public wealth will have become a major drain, and the health of the river will be the first thing sacrificed. The proposed privatisation deserves critical scrutiny because of what it will mean for farmers and irrigators who rely on water from the Snowy scheme. We have seen what happened with Sydney airport: a critical piece of public infrastructure was sold to private interests that are now price gouging on every service in order to maximise profits.

The Hon. Dr Arthur Chesterfield-Evans: You get fined for picking up people from the airport.

Ms SYLVIA HALE: Yes. Sydney airport has been transformed from public infrastructure operating in the public interest to a private monopoly ruthlessly exercising its market position to extract excessive profits. What guarantees are there that the ruthless exercise of monopoly power we have seen at Sydney airport will not be repeated with the Snowy? Who will control the enormous market power that the private owners of this new monopoly will have to set prices for water and power? This inquiry is needed because it is the only way to get this important issue dealt with properly, openly, transparently, and with a full public airing of the costs and benefits to the New South Wales community. The call for a full parliamentary inquiry into the sale of the Snowy is widely supported in the community. In calling for an inquiry the *Sydney Morning Herald* stated in its editorial of 13 February:

A government asset as important as the Snowy Hydro should not be sold without detailed parliamentary scrutiny, especially given the present apprehension about any deal involving the transfer of sensitive public infrastructure to the private sector. Irrigators, environmentalists and the public in general need to be reassured that their long-term interests will not be sacrificed to maximise the Government's immediate gain. That means a very public airing of arrangements between governments and Snowy Hydro Ltd *before* the deal is done.

Similarly, the *Land* newspaper, in its editorial of 23 March this year, described the Snowy as "an important public asset that helps deliver essential public services". The *Land* went on to say:

It's strange indeed that any plan to hand the profit hungry private energy sector such an important—and already profitable—enterprise could go ahead without detailed government scrutiny and public debate.

The Australian Labor Party [ALP] itself is divided on the issue. Peter Garrett, a Labor member of the Federal Parliament, was reported in the *Sydney Morning Herald* as saying of the Snowy sale:

It would be premature for governments to be rushing into privatisation. The recent track record of privatisation is mixed. The level of public and political insight into what is going on needs to be much greater.

Similarly, Steve Whan, the Labor member for Monaro, stated explicitly at the Cooma forum that he was completely opposed to the sale, leaving Minister Della Bosca swinging in the breeze, as the ALP likes to say. Such references to the need for a full public airing of the arrangements before the deal is done point to another reason for this inquiry. Has the Government not learned from the cross-city tunnel inquiry and the need for full public disclosure of contract arrangements when public infrastructure and private interests collide? Professor Bob Walker and Betty Con Walker, in their book on the Australian experience of privatisation, note that on many occasions privatisation in this country has been accompanied by "a laxity in parliamentary oversight". That is just what the Government has been aiming for here—not just lax parliamentary oversight but non-existent parliamentary oversight. We are being warned by two of the experts in this field that laxity in parliamentary oversight of privatisation deals has led to the public interest being sacrificed. We should heed the warning. It is imperative that we ensure there is no laxity in this Parliament's oversight of this privatisation proposal. We must insist that this proposed privatisation is properly, critically and extensively scrutinised by an open, public inquiry before any decision is made about whether to proceed with the sale. I now turn to the Greens amendment, which I understand has the support of the Opposition. Because a joint sitting is to take place at 4.00 p.m. I will move that the debate be—

The Hon. Michael Gallacher: Keep going. Just adjourn it until a later hour of the sitting.

Ms SYLVIA HALE: I will do that in one minute.

The ACTING-PRESIDENT: Order! I remind members that interjections are disorderly at all times and that it is not appropriate for members sitting listening to the debate to give instructions to the member with the call.

Ms SYLVIA HALE: Madam Acting-President, I thank you but I also warmly welcome any assistance the Leader of the Opposition can give me. I move:

That the question be amended by omitting all words after "and in particular:" in paragraph 1 and inserting instead

- (a) whether the proposed sale of the Snowy Hydro Limited is in the public interest,
- (b) the need for the sale of the Snowy Hydro Limited,
- (c) impacts on the short and long term financial position of the Government including impacts on revenue and recurrent costs,
- (d) potential compensation payments to affected parties,
- (e) intended use of funds raised from privatisation,
- (f) control of water regulation,
- (g) future location of Snowy Hydro Limited headquarters,
- (h) job security for the current work force,
- (i) access to lands controlled by Snowy Hydro Limited,
- (j) removal of disused Hydro infrastructure in the national parks,
- (k) limits to foreign and majority share ownership,
- (l) impacts on tourism and local communities in the region,
- (m) continuation of support of community events and activities by Snowy Hydro Limited,
- (n) impacts on local councils,
- (o) heritage issues,
- (p) land release issues,
- (q) any other related matters.

The Greens amendment places at the very beginning of the motion the key question for this Parliament and the people of New South Wales: Is the sale in the public interest? This issue should not be prejudged. The inquiry should be about whether the Snowy should be sold and not just about how to divide up the spoils. The amendment goes on to expand the terms of reference.

Debate adjourned on motion by Ms Sylvia Hale.

LEGISLATIVE COUNCIL VACANCY

Joint Sitting

The ACTING-PRESIDENT: I shall now leave the chair for the joint sitting to be held for the purpose of filling the vacancy caused by the resignation of the Hon. John Saxon Tingle. The business of the House will be suspended during the joint sitting. The House will resume at the conclusion of the joint sitting, following the ringing of the bells.

[The Acting-President left the chair at 3.47 p.m. The House resumed at 4.20 p.m.]

The ACTING-PRESIDENT: I report that at a joint sitting of the two Houses held this day Robert Leslie Brown was elected to fill the vacant seat in the Legislative Council caused by the resignation of the Hon. John Saxon Tingle. I table the minutes of the proceedings of the joint sitting.

Ordered to be printed.

CRIMES (SENTENCING PROCEDURE) AMENDMENT BILL

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

Motion by the Hon. Tony Kelly, on behalf of the Hon. John Della Bosca, 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.

TRADE UNION MOVEMENT

Personal Explanation

The Hon. GREG DONNELLY, by leave: I wish to make a personal explanation. I apologise for any offence caused by remarks I made in the Legislative Council on 6 April during debate on the Australian trade union movement. I made the remarks following provocative comments by the Opposition member the Hon. Greg Pearce, who referred to the trade union movement being taken to with a baseball bat. I have spent most of my working life fighting to protect workers rights through the union movement. While I found the Hon. Greg Pearce's comments offensive, there is no excuse for the statement I made in response. I apologise to those who have taken offence and I accept that there is no place in the Parliament for this conduct.

BUSINESS OF THE HOUSE

Suspension of Standing and Sessional Orders

Motion by the Hon. Michael Gallacher agreed to:

That standing and sessional orders be suspended to allow a motion to be moved forthwith that Private Members' Business item No. 198 outside the Order of Precedence, relating to the proposed sale of Snowy Hydro Limited, be called on forthwith.

Order of Business

Motion by the Hon. Michael Gallacher agreed to:

That Private Members' Business item No. 198 outside the Order of Precedence be called on forthwith.

SELECT COMMITTEE ON PROPOSED SALE OF SNOWY HYDRO LIMITED**Debate resumed from an earlier hour.**

Ms SYLVIA HALE [2.56 p.m.]: As I was saying earlier, the Greens amendment goes on to expand the terms of reference to ensure that the medium- and long-term financial impact on the budget is considered, including the potential for future compensation payments to a private owner. We also seek to expand the terms of reference to include consideration of the obligation on Snowy Hydro to remove its disused infrastructure from the national parks and how that obligation may be affected by privatisation. Finally we seek to expand the examination of land release issues beyond just the Jindabyne area so that relevant land release issues in other parts of the Snowy region can be examined.

As I indicated at the commencement of my speech, the Snowy has a significance beyond its economic role for the people of southern New South Wales, and that is equally true for all the people of New South Wales. It is not just an engineering feat; it is part of our history, a testament to the strength of multiculturalism and the ability of the Australian community, working together, to achieve great things. It is a symbol of our nationhood.

The proposal to sell off something of such significance, without proper public scrutiny and a proper consideration of the costs and benefits of such a sale, has rightly given rise to a great deal of anger and resentment. We should not treat our great national assets and the needs of future generations with such disregard. I am glad we are now taking the opportunity to do what the Government should have done at the outset.

The Hon. JOHN DELLA BOSCA (Minister for Finance, Minister for Commerce, Minister for Industrial Relations, Minister for Ageing, Minister for Disability Services, and Vice-President of the Executive Council) [2.57 p.m.]: As the Government has shown by bringing an urgency motion before the House earlier today—

The Hon. Melinda Pavey: Under stress.

The Hon. JOHN DELLA BOSCA: I was not stressed at all; I was very relaxed. We are happy to have our decision to sell our shareholding in Snowy Hydro Limited debated. I have to confess, I was a little disappointed, even a tad surprised, that members of the Opposition and the Greens chose to oppose our earlier motion; I thought they wanted debate on these matters. Hopefully we will be able to proceed with the debate, allowing any member of this House with an interest in Snowy Hydro the opportunity to speak.

The Government is not only ready to debate our decision but is also ready to have that decision examined by a committee of this House. However, the Government does not support the motion in its present form. The motion is to establish a select committee to conduct an inquiry into the sale of Snowy Hydro Limited. It seems to me that it is unnecessary and rather a waste of resources to set up a new committee when this House has five standing committees waiting to inquire into any matter that the House determines. In particular, General Purpose Standing Committee No. 3 is tasked, among other things, with inquiring into matters concerning utilities. That committee would be an entirely appropriate body to consider the sale of Snowy Hydro, which is, after all, a business primarily involved in electricity and water. I therefore move:

That the question be amended as follows:

- No. 1. Paragraph 1. Omit "a select committee be appointed to" and insert instead "General Purpose Standing Committee No. 3".
- No. 2. Omit paragraphs 2 and 3.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS [4.28 p.m.]: I support the motion. It is interesting that the Government has been forced to debate this matter. If it is such an urgent motion, why did the Government not move it yesterday? The Government promised to move the motion to discuss the matter at the meeting in Cooma. I believe that the Government moved the motion this morning because the Opposition had the numbers to support its contingent motion but, as we know, there is no vote on an urgency motion, which is very convenient to the Government. It treats Parliament as an opportunity to blow off hot air while the decisions are made in Governor Macquarie Tower. Sadly, that is the Government's concept of democracy.

As we all know, Snowy Hydro is an extremely profitable corporation. Indeed, I read figures that it had a 19.8 per cent profit. I am interested to know what that relates to. Surely it does not relate to the building price

of many years ago, which must have been depreciated down to nothing by now. I would not think it relates to the price of building it again. So perhaps it would seem to be some sort of a construct by accountants. But I think the Snowy Hydro is reaching the peak of its profitability because, with deregulation, electricity is sold in small aliquots of time. There is a shortage in New South Wales and Victoria of peaking capacity; in other words, electricity generation that can be turned on and off with a switch. That means there will be supernormal profits in the peaking plant until the gas-fired or other peaking plant comes online.

At present the Snowy effectively stores our electricity because it buys power at the off-peak rate, pumps the water up the hill, and then runs it down through the turbines at peak times. The private sector is no doubt attracted to this jewel of basically making a lot of money by offering peak electricity to a new energy market, although it must be a little concerned about the regulation of power. As would have been noticed by Texas Utilities, who bought the Loy Yang Power Station, the Government set a peak on charges and in fact the company could not make a quid and sold with a large loss. So the private sector would have two bob each way on what is effectively a huge peak load capacity system. Indeed, if Snowy Hydro went on to buy some of the gas-fired electricity generators, this would offer the possibility of oligopoly profits on the peak load of electricity.

There is a fantasy amongst Government members that markets fix everything, and indeed this fantasy is to be seen in the buying and selling of electricity where there is supposedly a market for each small piece of electricity time. But in fact the market can be run, distorted and, indeed, manipulated by oligopolies. That certainly happens in New Zealand, which has the same model. This childlike faith in the market is a nonsense. Oligopoly interests can fiddle the price of electricity, and once the caps come off the mean rate for consumers I believe that will increase the price of electricity. If a huge percentage of the peaking capacity in New South Wales ends up in the hands of the private sector operators, it could be extremely profitable and have a huge effect on electricity consumers. It is interesting that none of what I am saying seems to have been discussed in any way. I think that suggests the low level of debate and how the Government knows that this sale is unpopular but it is trying to sneak it under the radar.

Of course, the other function of the Snowy is irrigation. The Snowy River lost its environmental flow until it had no flow at all; Jindabyne Dam did not even have a spillway into it. That was restored, with 21 to 28 per cent, in theory, coming online in 2012. But that has not happened. Surely the river must be greatly in danger, given the need for water for electricity and the need to meet the needs of irrigators who were given allocations based on previous rainfall figures—and perhaps not even reliable flow data—and who were given, effectively, rights to water that does not exist. If we are entering a period of less rainfall—which statistics over the past 50 years would suggest is the case—irrigation is going to be very difficult. The people of Adelaide have to readjust the way they get their water; there is a problem of salinity and so on.

I can remember the first time I drove along the Murray Valley Highway in 1968. I saw a sign that said "Murray-Darling Junction", and I thought that would be interesting. The Murray-Darling Junction was only a couple of kilometres off the highway, so my friend and I drove there. I was horrified to see these two tiny rivers at very low levels with trees falling into them and looking very sick. I thought, "My God, if they are the two biggest rivers in this country we are in strife." And it has been downhill since then. We have a very dry continent and a huge problem that needs to be handled very carefully. This childlike faith in the market is extremely hazardous.

The Government solution to this problem has been to put a price on water and then privatise water rights. This assumes that a price mechanism will solve the problem. There are minimal amounts left for the environment as irrigators' needs are greater than the flow of water. This situation is repeated in every catchment, and the politics of water in catchments is a subject I could discuss for a very long time. Water rights have been created to solve the difficulties of rationing, but that has created other problems. The irrigators want to solve the problem in the Murrumbidgee by replacing channels with pipelines to lessen loss. Presumably, however, this will mean the rivers cease to exist in an ecological sense because they are inside the pipelines, and one wonders about the effect on the land along the so-called leaking canals.

The corporatised Snowy Mountains Authority may be relatively benign, but if a hungry corporation got in it would presumably profit-maximise—the shareholders would demand this. If there is a shortage of water I believe what is available will be used for electricity. How much water will be released will relate to the price of electricity, which is a totally independent variable to what are farmers' needs for water. The price of electricity has about as much relationship to the water needs of farmers as do fashion hemlines, which travel up and down depending on the minds of the fashion designers. The assumption that is inherent in economic rationalism is that if you fix the money everything else will work out all right. This is quite an absurd proposition.

If I were to say, "God will fix it", some would agree but most people would look at me somewhat patronisingly. If, however, I were to say, "The market will fix it", it is just as irrational but no-one dares to disagree; they might even give me a column in the newspaper. The real reason why the Government is privatising the Snowy is its shortage of cash—and one might ask why the Government is short of cash. It is short of cash because it does not borrow for infrastructure. The Government has an absurd economic policy, which is embraced by both major parties and both the Federal and State governments. I believe it is simply gross cowardice in the face of the banks. The banks say, "If you do it yourself, you will have to take responsibility for your decisions, and if you do not spend your money wisely and have assets that increase in value you will be in trouble. If interest rates go up you will not have enough cash flow to cover your payments and you will go broke like those governments in Eastern Europe or South America." Our governments all blink and say, "Golly gosh, if we actually have to take responsibility for a decision we will be in trouble. Roll in Macquarie Bank and we will guarantee their profits and their repayments."

This is absurd cowardice. In the days of the Snowy Mountains scheme people had vision; people were building for their grandchildren, and there was a song with a chorus, "Roll on your way till Judgment Day, Snowy River roll". I cannot remember the exact lines but the song went, "Bigger and better than old Uncle Sam". That was what the Snowy scheme was all about. Here we have the Government kowtowing to the merchant banks and their obscene commissions and basically flogging off the farms. The Government calls it "realising the value of assets", but this is only a new euphemism for "selling off the farm" or "selling the family silver".

The Government says it will control the company. If it takes water for irrigators the company will complain. People may say this does not happen, but history shows that over time governments simply will not stand up to private interests. If the Government stood up to the banks now it would borrow in its own right rather than ask the banks to borrow for it. But it has not got the guts. There is a lack of courage, a lack of vision and a lack of commitment on the part of Australian politicians now. Look at Telstra. Telstra does not want to give services to the bush because services to the bush make a loss. If Telstra gives services to the bush it makes a loss on most of those services while its competitors stay where the profits are. The Government realises that it is an impossible situation: it has put Telstra into a market and it has decided that it will now back off from those demands for service from Telstra and it will subsidise it. It recognises that a company cannot be in the market and do charitable work at the same time because the two objects are incompatible.

Just watch what will happen with the water if the Snowy is privatised. Snowy Hydro will be a significant power generator, but it will complain that its water obligations are giving it a competitive disadvantage against other energy generators. The pipes will be put in to save water and replace the channels, and that will take some water away from the environment; then the irrigators will be squeezed, particularly if the rate of rainfall decreases, as the long-term forecasts of greenhouse effects predict.

It is hard enough to balance electricity needs without the corporation having to profit-maximise as well—and the stock market will demand that. It is as sure as any reasonable economic analysis that money will win and the environment will lose, but the Government does not care or have the guts to borrow the infrastructure. It has said that Snowy Hydro Limited cannot borrow the money it needs for infrastructure. If it is a corporation, it can buy borrow on the market like anyone else. It has immense assets and it can borrow for improvements on the basis that the renewals it makes will generate capital. Presumably, it does not have reserves because it has been treated like a cash cow by its shareholders, the Federal, New South Wales and Victorian governments.

With stock markets one cannot control to whom the shares are sold. If Snowy Hydro Limited is put on the market and all the mums and dads are encouraged to take a share of allocations, as was the case with Telstra, gradually overseas interests will buy them and eventually gain control. This process can be facilitated by creating a fall in the Australian dollar. Over a period of about 18 months the Australian dollar went up to 86¢, fell to 48¢ and now it has bounced back to 72¢ or 73¢, depending on which day one talks about. Obviously, we did not lose 40 per cent of value in the Australian economy, but people able to manipulate currencies like ours. The dollar can be manipulated downwards, at which time people buy our assets for a pittance, and the dollar is returned to a suitable level.

We are giving away control of our country basically for a few dollars and, I believe, with extreme political cowardice. Today interest rates rose. The Howard Government was kept in office for keeping interest rates down and keeping away terrorists. The reason the dollar has remained high is basically the booming Chinese economy to which we are selling coal and iron ore, but that is no thanks to the Howard Government. Money is flowing in because we are selling off our assets: all the goldmining companies—the reason the

Australian dollar tracked the gold price—have been sold and are owned now by foreign interests. The dollar is up and until now interest rates have stayed low as a result of the huge inflow of capital related to asset sales and the booming Chinese economy, no thanks to John Howard.

We have not been hit by terrorism because we have spent considerable sums on anti-terrorism, but civil rights have been trashed. The risk of terrorism is far higher because of our belligerent foreign policy. That is not the fault of this State Government, but it has shown a lack of courage to say no to foreign interests, given American foreign policy in the Middle East, even when no petrodollars are involved.

The Government does not care that it lacks a majority in this House; it does not want proper debate. Because the majority of Australians do not support the sale of the Snowy, a majority of members of this proportionally representative House will not support the sale. The Government will ignore the vote of the House and ignore the Parliament, and still go ahead. Effectively, it has complete contempt for parliamentary process because of the way the single-member electorates give a huge gerrymander to the Government in the lower House. That is not true democracy. The will of the people is neither expressed by the Parliament nor implemented by the Government. This is another example of the crying need for electoral reform in this country. It has made Parliament a farce.

Australia went into the Iraq War without a debate in the Federal Parliament; New South Wales is about to sell the Snowy Hydro following a debate in this Parliament in which the vote is irrelevant. The Snowy River—its water flowing, unchecked and free—was a huge Australian icon. The associated tourism has gone, as have the enormous benefits that were generated by the fishing industry at the mouth of the Snowy. There was a negotiated settlement, following good work by Craig Ingram, the member for Gippsland, to increase the present 21 per cent flow towards a 28 per cent flow, which is what environmental experts said was needed. Whether the Snowy River will ever get that water is now in doubt. It is all very fine for the Government to say that it will mandate the flow, but the buyer will seek huge compensation. The Government will assert that if it is being sold for a lower price, the buyer forgoes that value. However, if it were borrowing money to buy solid assets that would not be a problem.

The oligopoly profits of electricity will be very important. It is difficult to balance the electricity and water needs of New South Wales. If the main overriding factor is profit maximisation, we have no hope of getting the balance right. At present, the best approach is to refer this matter to a select committee for consideration. The Government has the casting vote on General Purpose Standing Committee No. 3, so it would be inappropriate for that committee to inquire into the matter. The Government should reconsider this extremely foolish decision to sell off this iconic site. It would be not only a symbolically foolish gesture but also extremely bad policy.

The Hon. MELINDA PAVEY [4.46 p.m.]: It gives me great pleasure to support the motion put forward by the Leader of the Opposition in the Legislative Council to have a full and thorough investigation of the fire sale of this great icon, the Snowy Hydro system. An inquiry by a select committee is required to examine this matter in a professional and unbiased way. We have not publicly debated this issue in this Chamber until today. The urgency motion moved earlier by the Leader of the Government in the Legislative Council was forced by the actions of the Opposition. As was pointed out earlier, there would be no vote on the urgency motion; it was quite simply a cop-out. Opposition members refrained from speaking to that urgency motion. We have reserved our remarks for this more important debate on the establishment of a select committee to look at the many issues that the people of New South Wales, but most importantly the people of my duty electorate, the seat of Monaro, demand answers from the Government on.

We must examine the reason for selling Snowy Hydro Limited. The only reason given today by the Leader of the Government in this Chamber is that Snowy Hydro Corporation has to borrow money to improve infrastructure. He must explain in a public forum why it needs to be sold to do that. We need to know the intended use of funds raised from privatisation. The people of New South Wales are well aware that this State is not short of money. Over the past 11 years it has been short of good, competent financial managers to responsibly care for the money that the good taxpayers of this State have been paying in GST, stamp duty, vendor duty and every other sneaky little tax that this Government has put on the people of New South Wales that has increased this State's budget to double what it was 11 years ago. In 1995 the annual budget of this State was around \$22 billion; now it is around \$45 billion—way above the rate of inflation—yet we are being forced to consider this fire sale to get the Government out of financial trouble.

We need a public inquiry, through a select committee, to put questions fairly and squarely and to get some real answers. My colleagues, including the Leader of The Nationals in the other place, Andrew Stoner, and

the honourable member for Murrumbidgee and shadow Minister for Natural Resources, Adrian Piccoli, have spoken passionately about the control of water regulation. They attended the public meeting at Griffith, which I note the duty member in this Chamber failed to attend. And for that he should be damned!

A select committee must consider the control of water regulation, and the future location of the Snowy Hydro Limited headquarters, job security for the current work force post privatisation, access to land controlled by Snowy Hydro Limited by members of the public, limits to foreign and majority share ownership, the impact on the important tourism industry in the Snowy region, the continuation of supportive community events and activities by Snowy Hydro Limited, the contribution of rates to local councils, heritage issues, land release issues for Jindabyne and other related matters. It would be most appropriate for a select committee of the Parliament to undertake a thorough investigation of these important matters.

The Leader of the Government moved an amendment that the matter be referred to General Purpose Standing Committee No. 3, rather than establish a select committee. General Purpose Standing Committee No. 3 is chaired by a Labor member of this House, and that would be the only reason the Government wants that committee to conduct the inquiry. In terms of ministerial responsibility, Snowy Hydro does not fall under the auspices of General Purpose Standing Committee No. 3. This is a rushed fire sale, and it is important to note that the lack of community consultation is frustrating and saddening the people of the Snowy region. As the people of the Monaro region and across New South Wales and Australia have not had an opportunity to express their views, I will put them to the House today because they deserve to be heard. Until now their views have not been listened to. A letter from Suzy stated:

My generation paid for the Snowy Mountains scheme with our tax. How dare they sell it back to us? We paid for it.

A letter from Coral Talbot of Cooma stated:

My children and grandchildren are no different to yours, if they are taxpayers they will have the burden of additional tax for the next 72 years of the Snowy Hydro Water Licence to make up the shortfall of dividends and taxes presently paid by Snowy Hydro as a corporatised entity. They will also be hit with the additional taxes of unknown proportions as a result of the unknown future needs during the next 72 years of the licence.

The Hon. Tony Catanzariti: Did you tell Howard this?

The Hon. MELINDA PAVEY: In response to the Hon. Tony Catanzariti's interjection, I ask: Which Government, with a majority shareholding of 58 per cent, put this on the table? It was the New South Wales Labor Government. This lazy, financially incompetent Government put this deal on the table, and we need to investigate it. The inquiry should not be undertaken by General Purpose Standing Committee No. 3; it should be undertaken by a select committee. The letter further stated:

The irrigators or at least some of them are calling for their rights/entitlements to be enshrined in legislation, I think they should be more concerned about the timing of the release of their entitlements, no point in having water flow past your door outside the growing season—

I am sure the Hon. Tony Catanzariti would understand that—

Have they forgotten that the Snowy Mountains Hydro Electric Scheme was built to divert the water inland for irrigation at the taxpayers expense and that electricity production was the means to repay the loan and maintain the Scheme. All my life I have believed this was enshrined in legislation, I certainly cannot recall any referendum seeking permission to sell the Scheme.

This is just one of the messages coming through. A letter from Campbell and Evelyn Bearlin stated:

I would like to bring to your notice the fact that one of Australia's most important public assets is about to be sold, possibly to foreign investors, under circumstances which are dubious, if not downright dishonest.

The Bearlins are rapidly sending petitions throughout the whole of Australia. They have asked me to present the returned petitions, and I will be more than honoured to do so. This community concern is clearly within the public domain. David Hain, who spoke at the recent forum in Cooma, said:

I am a Monaro born boy who watched the Snowy Scheme being built. I was one of the guinea pigs in the unintended but very successful social experiment the Scheme became. That experiment took Australia from an inward-looking Anglo society with a cultural cringe, to the confident, competent and diverse but sometimes myopic people we are today.

[The forum] is a very important occasion, not because we are about to get divine guidance about the sale of the Snowy. We will not. It is important because we who are here WITH NO AXE TO GRIND, and hopefully some common sense, must do the best we can to objectively examine the decision to sell the Snowy. When I speak of the Snowy, I mean the Snowy Scheme, with all of its dams, tunnels and power stations. If the sale proceeds it will have far reaching but unforeseeable consequences for all of Australia.

I note that people in the Monaro region have established an important web site—*site.savesnowyhydro.com*—to which everyone in Australia can respond. The web site has been available for only about five or six days, and already it has received more than 1,000 hits. People are responding by visiting the web site. Interestingly, I have been advised that while all the other State Parliaments, excluding Queensland, are able to accept petitions electronically, the New South Wales Parliament cannot, and that matter needs to be addressed. The idea is to provide a petition electronically so that the people of New South Wales, and indeed the people of Australia, can sign it online and directly express their thoughts about the sale of Snowy Hydro. In any case, we will have a register of people who are concerned about the sale, and we will express their concerns to the Parliament.

If the House agrees to establish a select committee people will have the opportunity to make submissions and give evidence at hearings. I imagine that the select committee would also hold important hearings throughout the region if necessary. There is a lot of anger, resentment and concern that this asset will be sold without debate anywhere. Indeed, the sale of Snowy Hydro has not even been debated at the famous annual Labor Party conference at the Town Hall. No such motion was put forward at the conference. I have not heard the few remaining members of Country Labor mention anything about this. In any case, other important issues need to be raised.

The Leader of the Government, the Hon. John Della Bosca, deliberately failed to comment on an important element of the select committee inquiry process—river flows down the Snowy River—although he said that the target figure of 21 per cent will be met and the Government's target is to reach 28 per cent. Under the current sale arrangements, put forward by the Government without debate and without legislation, the Government will be liable to pay hundreds of millions of dollars in compensation to the privatised company if it meets its stated target of 28 per cent river flows down the Snowy River. That issue needs to be thoroughly examined and discussed.

Future land rights for towns such as Jindabyne are uncertain. I have spoken to many Jindabyne people who are concerned about the future growth of the town. I even asked the Minister about future land releases if all the land around Jindabyne that is owned by Snowy Hydro is sold to a privatised company, and his response was unsatisfactory.

[Interruption]

That is the opinion of many good, learned, smart people who live at Jindabyne.

The Hon. John Della Bosca: You have not asked me.

The Hon. MELINDA PAVEY: Yes, I have asked you a question about it. Do you not remember? Has Steve Whan not raised this with you, Minister? That would not surprise me. There are many things the honourable member for Monaro has not raised. He has done the old trick of saying, "This is terrible. They have not discussed this with me. I am opposed to it." He is pretending to be concerned.

The Hon. Christine Robertson: Point of order: I remind the House that Standing Order 91 provides that members should not make imputations about a member of the other House.

The ACTING-PRESIDENT: Order! I uphold the point of order. The Hon. Melinda Pavey will address her comments to the motion and the amendments and not make imputations about or reflect upon members of this or the other Chamber.

The Hon. MELINDA PAVEY: I point out that the honourable member for Monaro—I am not impugning his reputation, I am about to state a series of facts—has not supported this parliamentary inquiry and has failed to instigate a parliamentary inquiry of his own. He has failed to introduce a law to stop the fire sale. He has failed to ask a question of the Premier about the sale. He has failed to introduce a private member's bill. He has failed to organise community meetings and a community rally.

The Hon. John Della Bosca: That is not true. He has organised two.

The Hon. MELINDA PAVEY: Not big public forums. They are very confined. He has failed to table a petition against the sale. He has failed to instigate a proper parliamentary debate, giving all sides the opportunity to express concerns. He has failed to call for a show of hands in the Labor Party room to stop the sale.

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

The Hon. MELINDA PAVEY: We hear. He has voted against debate on the issue brought forward by the New South Wales Opposition and he made his first speech in Parliament on the issue six months after becoming aware of the sale. They are some of the concerns that have been raised with me about the lack of transparency, about the lack of community consultation. If this motion is successful, I encourage the people of Monaro and people across the State and the nation to make submissions to the select inquiry. People like Vin Good, the former head of Snowy Hydro, who has taken a leading role in public debate on this issue.

The Hon. John Della Bosca: He was the commissioner.

The Hon. MELINDA PAVEY: He is a former commissioner, and a very well-respected one with some very good ideas.

The Hon. John Della Bosca: You will be surprised at his views when you hear them.

The Hon. MELINDA PAVEY: I have heard them. We need a select parliamentary inquiry of the upper House.

The Hon. John Della Bosca: I am sure Ms Hale will not agree with them.

The Hon. MELINDA PAVEY: I do not think the Minister should verbal the Greens member.

The Hon. Christine Robertson: Are you going to ask the Feds to come up to be witnesses?

The Hon. MELINDA PAVEY: They are minority shareholders. The sale was forced by the fact that the New South Wales Labor Government had a 58 per cent shareholding. Let us have a public debate and a public inquiry. Let us look at this issue closely, because the people of Monaro deserve it.

Mr IAN COHEN [5.03 p.m.]: I am pleased not only to strongly oppose the proposed sale of the Snowy Hydro scheme but also to support the motion moved by the Opposition, after good and adequate consultation with the Greens, to set up a select committee to inquire into this sale. It is timely. I have listened to the debate in this House with some interest. Seldom do things come up in this House that surprise me, but the sale of Snowy Hydro is one. It defies all logic, flies against the basic culture that is deeply ingrained in society, attacks a cultural icon, and has the diabolical fingerprints of Michael Costa on it. An avowed greenhouse sceptic, he has got his hands on the Snowy scheme and wants to flog it off, pandering to his fixation to stay in surplus. It is obvious that this man who is now in charge of the New South Wales Treasury is looking for ways to balance the budget.

The Hon. John Della Bosca: Are you saying I am a stooge of Costa's?

Mr IAN COHEN: You said it. I have to say that the style of this sell-off really has Michael Costa's paw prints all over it. This is an absurdity. Here we have this symbol of nationhood and the source of multiculturalism—the symbol of all races, new Australians, working together on such a scheme. It is deeply ingrained in the Australian consciousness, and it defies reality to think that in its dying stages this Labor Government is planning to sell it. It also rips to shreds the legacy of Carr, who came to office in 1995 with a semblance of conservation. Now we see the move away from a publicly owned body and, in the process, we are seeing the gutting of the Department of Environment and Conservation. It is being beaten up in this process and it is losing out horribly.

In the course of this debate I will deal with a number of issues that are very sad—the environment loses and our Australian culture loses. We are dealing with a monumental and grandiose spectacle as we come to the end of this period of Labor government. I probably will be laughed at, but it reminds me of an epic—could we call it *Gone with the Wash*.

The Hon. John Della Bosca: No, it does not work. Stick to conservationism.

Mr IAN COHEN: That was a recommendation given to me early in my life. The Labor Government is turning its back on its own people, its grassroots support and its own membership. The Greens strongly oppose, and have always strongly opposed, the sale of the Snowy Hydro scheme. Under government control Snowy

Hydro is ultimately answerable to the people. A privatised Snowy Hydro would be answerable to no-one but its shareholders. The sorry history of privatisation in this country is littered with government promises that public interest would not be compromised. I thought about this while I was standing in line at Sydney airport—now privatised—waiting for a taxi. What a debacle that it is, the state of arrangements at the airport.

The whole sorry history of privatisation in this country is littered with government promises that public interest will not be compromised—promises that generally crumble when public interest is forced to compete with corporate interest. It is simply too great a risk to contemplate that happening with our water supply. Water is our most valuable resource. The Snowy Hydro scheme was originally intended to ensure that water would be available for conservation and irrigation purposes, with energy sales a secondary concern to help pay for the scheme's maintenance.

The Hon. John Della Bosca: It was not conservation.

Mr IAN COHEN: Conservation has become a major issue. I well and truly remember the debate about increasing flows to the Snowy and the work the Hon. Ian Macdonald did as a backbencher and his pride in it. I also commend Minister Della Bosca and the aim to achieve an environmental flow of 28 per cent, though we have a way to go yet. I well remember the Hon. Ian Macdonald's keenness for that project, but now that he has become a Minister he has a different perspective on the matter. The situation has now been reversed with the Snowy scheme. Snowy Hydro is making a significant profit from energy sales and its insurance arm. A privatised entity that is obliged to maximise shareholder returns is likely to move further into these profitable areas at the expense of the core areas of water quality and environmental flows.

The Snowy scheme is not only about electricity production. Selling the Snowy scheme means relinquishing ownership of an important water supply. On 20 April Goulburn's main dam was declared officially empty, deepening the water crisis in the Southern Tablelands of New South Wales. Climate change is upon us, although that may be denied by many sceptics in this House, and it will render water an increasingly precious resource in drought-prone south-east Australia. In this scenario it is important to guarantee the management and delivery of water by publicly controlled utilities.

Environmental flows are essential to maintain the health of our major rivers and their fish populations, and for the riparian vegetation habitat. The level of environmental flows that has now been reached has taken years to secure, but these still inadequate flows are now under threat. Insufficient flows lead to degradation of the riparian vegetation and soil erosion. Precious topsoil is lost, leading to a decrease of native vegetation and the loss of habitat for wildlife.

Under the Snowy Hydro Corporatisation Act the Government was under a legal obligation to establish a scientific committee to study water flows and related issues. The Government failed to meet this obligation and only after this fact became apparent in the media did Minister Della Bosca belatedly announce that the committee would be established. This is not good enough. The committee should have time to at least investigate and report on environmental flows before any sale of the scheme is considered. When will we ever achieve the 28 per cent environmental flow promised originally in discussions about restoring the flows of the Snowy River? I very much doubt that it will ever be achieved. There is concern among farmers that new private owners will not honour agreements to provide them with irrigation water. The State's cost for drought assistance to farmers is likely to increase.

The lack of water flow has had a massive impact on native species that are dependent on water flowing into the Snowy and also the rivers flowing to the west. Blackfish were a great part of the diet of Aborigines and helped the local people feed themselves during the Great Depression. But today the species is confined to a single tributary of the Snowy, the Delegate River. Teams of scientists have caught only 50 of them. The Department of Primary Industries, the Premier's Department and the Southern Rivers Catchment Management Authority have initiated a captivity breeding program to prevent the extinction of this species. Once the habitat is restored blackfish will be released in two parts of the Snowy River where they are now extinct. Privatisation of the scheme will threaten the restoration of environmental flows and jeopardise this project.

The sale of Snowy Hydro goes against an increasing international trend of renationalisation of water supplies. In many cases the privatisation of water has been a debacle, leading to price increases, slowdown in maintenance and infrastructure work, insufficient distribution, and a reduction in water quality. These negative effects of privatisation are leading many countries to reverse their privatisation policy. Last March Argentina announced a complete turnaround from the failed public-private partnership model of the last decade, which will involve progressive public water reforms.

Over the last year water multinationals have been forced to withdraw from concessions in Bolivia, Argentina and Tanzania after failing to deliver promised improvements in water distribution. In El Alto, Bolivia, the Government recently terminated a concession to the French water giant Suez following a strong citizens protest after seven years of privatisation, during which many inhabitants lost access to the water supply because of exorbitant connection fees. The lack of profit motivation in publicly managed utilities should be a guarantee of transparency and truly democratic control of water resources.

Water is life—vital for our survival, our farming, and the health of the land. As such, it is a fundamental right of our communities, and the State is responsible for defending this fundamental right. Private ownership of the Snowy project would jeopardise control of Snowy River water flows. It is outrageous that the Government should try to push through the sale of the Snowy in such a short time and without public debate. It took around nine years to negotiate the corporatisation of the scheme. The corporatisation documentation comprises 46 agreements, deeds, orders, leases et cetera. Surely a proposed sale should have the same degree of scrutiny and investigation.

There has been a public outcry against the sale, and with good reason. The snow scheme is an Australian icon: it took 25 years to build and is a monument to post-war co-operation and multiculturalism. It is an important source of income for the Government and should not be sold in a short-term cash grab. There must be a full and detailed inquiry into whether the sale of the Snowy Hydro is in the public interest.

As the majority shareholder, New South Wales still has the power to put the brakes on the sale. Snowy infrastructure in the national park is another important issue. Some of it is old and disused and must be cleaned up. It is crucial that the Government, or whoever succeeds it as the owner, be held accountable for cleaning up the detritus in the national park. Infrastructure such as pipelines must be handled in a responsible manner. I understand that an environmental management plan for the national park is currently being negotiated within government. I strongly urge the Government to give the public the ability to comment on the plan of management. It must be a strong plan of management. The Government must give legal assurances that the plan of management will still be effective if Snowy Hydro is sold.

I strongly support the motion to establish a select committee to inquire into the proposed sale of Snowy Hydro rather than refer the sale to General Purpose Standing Committee No. 3. The Government would be able to structure that committee to defend the Government rather than carry out an appropriate and transparent investigation into this environmentally, socially and iconically important issue to the people of Australia. It is appalling that the Government is moving with such haste to sell off Snowy Hydro so close to the election without proper investigation and communication. I commend the Opposition's motion to establish the select committee. The Greens strongly oppose the proposed sale of Snowy Hydro.

The Hon. DUNCAN GAY (Deputy Leader of the Opposition) [5.18 p.m.]: I support the motion. Today I received a letter from Jock Laurie, President of the New South Wales Farmers Association, which reads:

I wish to advise that the Association recently held a meeting which included representatives from the Rice Growers' Association of Australia, Murray Irrigation Limited, Southern Riverina Irrigators' Council, NSW Irrigators' Council, Coleambally Irrigation, Murrumbidgee Irrigation and Murray Valley Water Diversifiers' Association. As a consequence of that meeting, the Association has written to the Minister for Primary Industries, The Hon Ian Macdonald MLC, raising concerns in relation to that sale. These concerns included:

- Ensuring via legislation and other means that irrigation rights and operation conditions are maintained;
- Ensuring a 10 per cent cap on individual shareholdings; and
- Ensuring that an irrigation stakeholder committee is created.

On the basis of these concerns, I wish to advise that the Association would support the referral of this matter to a Select Parliamentary Committee so that this matter can be given further consideration and for appropriate safeguards to be put in place.

Yours sincerely
Jock Laurie
President

That letter is dated 3 May. Several issues arise from it with respect to the concerns of farmers and irrigators and support for the establishment of a select committee. Interestingly, the letter states that the association raised its concerns about the sale with the Hon. Ian Macdonald. Have we heard any of those concerns raised in this

House? The answer is a resounding "No." The Minister has been quiet about that. Two Labor Party members have spoken on this issue—the Hon. Tony Catanzariti and the Minister—and neither detailed these concerns. I doubt that there is more convincing evidence than that. The Government is armed with information that has been fed to it by credible people from the community but it has not acted on that information. I move:

That the question be amended by omitting paragraph 2 and inserting instead:

2. That, notwithstanding anything contained in the standing orders, the committee consists of seven members comprising:
 - (a) three Government members,
 - (b) Mrs Pavey and Mrs Forsythe, and
 - (c) Reverend Dr Moyes and Ms Hale.

I will not speak at length on the issue because my colleagues the Hon. Melinda Pavey, who has already spoken, and the Hon. Patricia Forsythe, who will follow me, are better acquainted with it. However, I will address one concern. As honourable members know, I am the Opposition's spokesperson for Fisheries as part of my Primary Industries shadow portfolio responsibilities. The Hon. Eddie Obeid suggests across the table that Fisheries is a great portfolio.

The Hon. Rick Colless: He should still be the fisheries Minister.

The Hon. DUNCAN GAY: I do not know whether he should be, but he was certainly a better fisheries Minister than the current Minister. No, to be perfectly honest, he was not that hot either when he was the Minister responsible. When I participate in the *High Tide* program on Sunday mornings—

The Hon. John Della Bosca: Do you hold your breath?

The Hon. DUNCAN GAY: No, I do not have to hold my breath. However, these people are holding their breath waiting for some commonsense from the Minister. If the Labor Party's media monitoring service studied the responses to his performance and the concerns expressed by listeners to that program, members opposite would have a serious yarn with him. Concern was expressed to me on that program about access to the pondages on which Snowy Hydro allows people to fish, water ski and so on. When that issue was raised, I did the logical thing and said that I did not know what would be the case in that regard after privatisation but that I would phone Terry Charlton, Snowy Hydro's chief executive officer. I met him through the Hon. Ian Macdonald and found him to be a thoroughly honourable and very capable bloke.

The Hon. John Della Bosca: The same as Ian Macdonald?

The Hon. DUNCAN GAY: No, not the same as Ian Macdonald; not at all.

Mr Ian Cohen: Are you going to cut out the "honourable" or the "capable"?

The Hon. DUNCAN GAY: Capable. Terry Charlton assured me that he would let people continue to fish. That is fine coming from Terry Charlton, an honourable, decent bloke and a good administrator. He hands over a great deal of money to CareFlight every year and does a lot of community good in the area. He has also made commitments about work and the head office. But what if he is not there? What if Snowy Hydro is taken over by a foreign company that decides to make changes? Sure, legislation can be passed to provide protection, but there may be gaps in that legislation. There are many unanswered questions. We just do not know. We need a full and open inquiry to ensure that these justified concerns of the community are addressed. I am happy when a great bloke like Terry Charlton gives me his word; and I can accept that. But I do not know who will be in his place in two, three, four or five years. That is what worries the people from the Monaro; they do not know what the situation will be in two, three or five years. The Minister tells us that we cannot stop it. But we can ensure that proper safeguards are put in place. This inquiry will determine what safeguards should be put in place and what areas we should genuinely be concerned about. The establishment of this select committee has my full support.

The Hon. PATRICIA FORSYTHE [5.27 p.m.]: I support the motion and note the Greens amendments, moved by Ms Sylvia Hale. The motion addresses one of this Government's fundamental flaws since it came to power in 1995: its absolute unwillingness to be open and accountable, whether to this Parliament or to the people of New South Wales. It is not good enough for the Government simply to ask us to

trust it, as it does so often. This Labor Government, under the leadership of both Carr and Iemma, has a long history of doing what it wants to do and of ignoring any measure of accountability. One need only recall the *Egan v Chadwick* case, which ended in the High Court, to understand this Government's unwillingness to be open and accountable. That case was about the Parliament's right to inspect documents.

When the Government says, as it has done in this case, that it does not need to refer the sale to Parliament to proceed and that we should simply trust it because it will get the detail right in the interests of the State, we as parliamentarians have every right, on behalf of the people of New South Wales, to question that approach. A select committee will be able to seek answers to many of the questions that this Government has not been prepared to answer. Perhaps that is because it has not thought through all the issues. Those who attended the public meeting in Cooma, where the Minister gave his set-piece speech, were left with more questions than answers. It is not good enough for the Minister simply to say that it is about realising the assets to improve the infrastructure of the State. The issues are much bigger than that. That is why it is appropriate for a select committee be established to inquire into the many aspects that go beyond the question of whether Snowy Hydro Limited should be completely privatised.

The select committee may do nothing more than require the Government to provide answers about fundamental issues of concern to the New South Wales community, particularly the people of southern New South Wales—issues as fundamental as the location of the Snowy Hydro headquarters. One could well ask about the future of the name "Snowy Hydro". New owners may think that those words are no longer important, that Snowy Hydro should simply become part of a broad multinational company. The new organisation may fail to understand the iconic term "Snowy Hydro".

The committee could inquire into issues such as the ownership of land throughout the region, given that Snowy Hydro is a major land-holder in the area. It could also inquire into fundamental issues for local councils, such as the future rating policy that will emanate from the proposed sale. These are important issues about which the Government has been largely silent, perhaps because it does not have answers. There are other issues to be addressed, such as the heritage of Snowy Hydro. Snowy Hydro is the custodian of many important iconic relics of the early days of construction of the Snowy Mountains scheme—things as simple as significant photographic and other records and early infrastructure, which are of great importance to the people of New South Wales, but particularly to the communities in the Snowy area.

The communities of Cooma, Jindabyne, Adaminaby, Tumut, Tumbarumba and Monaro have a long history as sheep-producing communities—back well into the nineteenth century and the time of the Gold Rush. Those communities have been shaped by the history of post-war Australia and the development of the Snowy Mountains scheme. One need only read the names in the phone book for the Cooma-Jindabyne region, for example, to realise that many of the people who live in the area came from Europe as assisted migrants to work on the scheme. They have shaped the modern history of that part of New South Wales. The future direction of Snowy Hydro is of great importance to the second and third generations of those assisted migrants.

The Government says that the proposed sale is about realising the asset, that we need the money and that the sale is the best way forward. But it is a much bigger issue than that. It is not merely about the privatisation; it is about the many other issues that flow from privatisation. The Coalition has attempted to address the issues through the terms of reference for the select committee. I know that the Greens have sought to amend the terms of reference, and I believe that there is an acceptance of some of their points of view. Part of that is about the future of water use through the region. Although I have focused on the Snowy Mountains area, the proposed sale is of great concern to people in the Murrumbidgee area, which played an important part in the development of the Snowy Hydro.

If nothing else comes out of this, it is important that we get the Government to put on the record what its intentions are for Snowy Hydro. Its intention may well be to sell to the highest bidder, but that may not be in the best interests of the people of New South Wales. It is absolutely fundamental that, in weighing up the so-called benefits of the proposed sale that the Government has flagged, we look at the costs involved, and it is appropriate that that be done by a select committee. Interestingly, the Government sought to refer the issue to General Purpose Standing Committee No. 3. The reasons advanced by the Government for doing so were, first, that among the portfolios that may be examined by the committee is the Utilities portfolio. As we know, however, that is not the basis upon which the sale has been proposed. The sale is not being led by the Minister for Utilities; it is being driven by the Minister with responsibility for Commerce and Finance.

It did not suit the Government to refer the matter to the general purpose standing committee that may examine those portfolios because a Government member does not chair that committee. The Government had to

find a reason to seek to refer the issue to General Purpose Standing Committee No. 3, because it is one committee that has a Government member as its chair, who, of course, has a casting vote. So the Government used a spurious argument about resources. If this House passes the motion and a select committee is set up, of course the committee would be adequately resourced. Resources that are available to general purpose standing committees would be available to it. That argument was the most spurious nonsense from the Minister, and he well knows it.

The Hon. John Della Bosca: That's pretty hard.

The Hon. PATRICIA FORSYTHE: No, it is not pretty hard. If the Minister had a better argument, he would have put it forward, but he did not. We saw through the Government's argument; it was a spurious, indefensible argument. As I said, there are many different aspects to this, but I am particularly aware of the strength of feeling of the people in the region. Recently I wrote to a resident of the Jindabyne area, a former Olympian, a person who has been involved with the committee that is concerned with the heritage of the region. The resident had expressed concern about safeguarding the heritage of the Snowy Hydro, including photographs, equipment, and the items that make up what is very much part of the history of New South Wales. I gave him an assurance that the Liberals and Nationals would do everything in their power to ensure that such items would be safeguarded. The select committee would be able to seek explanations from the Government about those issues, but it would also be able to get on the record the concerns of the residents of the region. The Opposition believes this is one of the most important actions we can take from the position of opposition in this House, where the Government has a majority.

This year we are celebrating 150 years of responsible government in New South Wales. I would like to think that during this sesquicentenary of responsible government in this State when people look back through the history of Parliament in New South Wales they will not ask, "Where were the parliamentarians when the Snowy was sold off? Did they just acquiesce in the Government's approach, or did they do everything possible to safeguard the iconic Snowy Hydro in the interests of the communities of that region and, indeed, the people of New South Wales and Australia?"

I am sure it is absolutely clear to this Government that the Snowy Hydro is fundamental to the history of post-war Australia and that it has shaped the history of the Snowy Mountains region. It is of great importance not only to the residents of the Cooma, Jindabyne, Adaminaby and Delegate areas but also to the residents of Tumut and Tumbarumba, all of whom have significant feelings about how the Snowy Hydro has shaped the history of the area. Even places further afield, such as Wagga Wagga, Albury and Griffith, feel just as much a part of the Snowy Hydro. It has shaped their history as much as it has shaped all of Australia. The best we can do is support a select committee to ensure that everything is being done to get the Government to give guarantees on the record about so many of the issues that matter to the people of Australia and about which we have not had clear answers from the Government.

It is not good enough for Ministers to say, "Trust us"; it is not good enough for the Government to say this is about realising assets so that it can more broadly improve infrastructure. At the end of the day this is a fire sale because the Government has not managed its budget well. The Government all but admitted that in the opening words from the Minister this morning during the urgency debate. We do not think that is good enough for the people of New South Wales and I urge the House to support our motion to establish a select committee.

The Hon. PETER PRIMROSE [5.40 p.m.]: I have been sitting here attentively listening to this debate for what amounts to most of the day. Most of the discussion has been about procedure. The debate began with an assault by the Opposition on the take-note debates on committee reports: that they were not important enough to take place today; that they were not something we should be engaged in. I always listen attentively to take-note debates on committee reports whether I am present in the Chamber at the time or in my room, and frankly I am concerned that the Opposition has so little regard for such debate. Having said that, I acknowledge I was prepared to allow the House to make a decision on whether to proceed with the debate.

But then I heard an assault made on that great institution, the general purpose standing committees, which were established by the House. Today the Opposition has said that the general purpose standing committees do not do their job properly, that they are not effective. Why are they not effective? One reason given for that by the Opposition particularly and most recently by the Hon. Patricia Forsythe is: "Because they will not deliver the outcome that we want." The Opposition says, "Unless we get the outcome we want, we will go outside the established and agreed forms of the House. We will go and do something else."

I am very concerned about such assaults on, and the complete disregard for, the forms and procedures of this House. But, having said that, I am also aware that if we establish a select committee in this place, it should not begin behind the eight ball with allegations of partisanship being raised at its incarnation. In that regard I turn my attention to those who have already spoken in this debate and who have been suggested by the Deputy Leader of the Opposition as members of the committee: the Hon. Melinda Pavey, the Hon. Patricia Forsyth and Ms Sylvie Hale. They have already established the fact that they do not approach this matter from the perspective of wanting to have a debate, or of believing that information should be obtained on this matter. They have already nailed their colours to the mast. For that reason I move:

That the question be amended by omitting paragraph 3 and inserting instead:

3. (1) That the Chair of the committee be Reverend Dr Gordon Moyes.
- (2) That the Deputy Chair be elected at the first meeting of the committee.

I have not spoken with Reverend the Hon. Dr Gordon Moyes about this matter and I do not know his views on it. But I know and believe that he will act in a non-partisan way, as he always does, and make sure that whatever information is obtained is deliberated on fairly. I ask the House to support this amendment.

Ms LEE RHIANNON [5.44 p.m.]: I support the Opposition's motion and congratulate my colleagues Sylvia Hale and Ian Cohen on the Greens amendments that have been drawn up and moved. I was deeply shocked that the Hon. Peter Primrose, a member of the left of the Australian Labor Party, did not address the key issue when he contributed to the debate: the sell off—an issue of privatisation that I thought would have gone to the very heart of his own concerns. There have been occasions in this Parliament when Labor members have spoken against what a Labor Government wants to do but have ended up doing what Caucus requires and have voted for a measure that they do not agree with. Once again we have seen something that goes against the very essence of what should be Labor. The Hon. Peter Primrose was trying to tighten up some loose ends for the Government.

This is a very vital motion for the Snowy and for Australia. The sell-off plan highlights how Labor has not learned any lessons from the failures of privatisations. We have had the disaster of Sydney's cross-city tunnel, the bailout of the Sydney Airport rail link, the sale and buyback of V-Line, the sale and buyback of Latrobe Regional Hospital and the bailout and the heavy subsidy of the Metro Passenger Rail, to name but a few. We have this deficit-obsessed New South Wales Government, which claims to need the \$1.75 billion from its share of the sale to boost its revenues and overcome a financial crisis. How shortsighted. The message from this Government is that it is okay to sell off the assets and sell out future generations because of share mismanagement in maintaining and expanding vital infrastructure.

I wish to share with the House a letter I received that sums up just how ridiculous and irresponsible the Government is to follow this policy. It was written by Mark Williams from Eaglevale, and it was sent to the Government and a copy forwarded to my office. He writes in the first paragraph:

Your government is just like a farmer who sells off the back paddock when they make a financial mistake, instead of sorting out the problem.

That sums up very well the problem we have with this Government: it continues to make huge blunders and is content to sell out future generations. Another paragraph reads:

I was extremely disappointed to find out that your government has decided to sell off the Snowy Mountains Scheme, particularly when we have the worst drought in over 100 years along with Global warming.

I remind members what we face if this public asset is sold off. Governments will lose their ability to make adjustments or amend flow release rules, which may be required when better scientific information becomes available or if any other flaws or omissions are found in the water licences or other corporatisation agreements. The sale will put disputes about future environmental needs of the Snowy River and Murray River systems into the hands of business interests, which could well be controlled by other countries. Although providing a short-term so-called fix for budgetary problems, governments will actually lose a source of ongoing revenue as Snowy Hydro Limited is one of the most profitable, publicly owned, electricity-generating corporations in Australia.

In 2003-04 Snowy Hydro Limited's pre-tax return on equity was 22.2 per cent, while the average for all publicly owned generators was 11.7 per cent. In 2004-05 its return on equity was slightly lower at 19.8 per cent. Up to \$450 million of taxpayers' money will be paid to the new private owners in compensation for water sent

down the Snowy instead of through the scheme's turbines. This will make the scheme less lucrative than first thought. I believe it is excellent that members of this House from a number of parties are working together to oppose the sell-off of the Snowy. But let us remember how members of the Coalition Federal Government voted on this issue in the Federal Parliament.

I understand that Coalition members are trying to excuse their decision on that occasion by arguing that the Federal Government had no choice because of the actions of the New South Wales Government. That is just not good enough. Imagine where we would be if the Federal Parliament had held out against this sell-off and how inspiring that would be for the communities who are now fighting this sell-off. The major parties united during the sell-off at the Federal level but the debate in both the Senate and the House of Representatives was deeply disturbing. In the Senate the debate went for barely an hour, with five out of 76 senators speaking. In the House of Representatives the debate went for barely two hours and 11 out of 150 members spoke. The Beazley Labor Opposition voted with the Howard Government as follows:

... to approve the transfer or disposal of the Commonwealth shares in the Snowy Hydro Company (incorporated under the name Snowy Hydro Limited) that will occur as a result of the Commonwealth participating in the initial public offer [on the Australian Stock Exchange] announced by the NSW [Labor] Government on 16 December, 2005.

Clearly, those members of Parliament forgot or chose to ignore that the Snowy Mountains Hydro-Electric Scheme is a symbol of Australian nation building. We saw 100,000 workers from 25 nations construct the large dams and tunnels of this great scheme. Many of them were migrants from war-torn Europe. That project did so much to establish multiculturalism in Australia. I find it all the more surprising to see the major parties line up against this project, when one considers they like to boast how Australian they are. We could face the terrible situation that by the end of the year the Snowy will no longer remain in public hands.

The Greens position on this is very clear. The governments of Australia should be in control. If the control is lost, the environment is the loser; we are all losers. We will guarantee the slow death of the Murray-Darling system if the sale comes to pass. That is why it is the essential to hold this inquiry. Hopefully we can stop the sell-out and the first step, along with community action, is to commence the inquiry as soon as possible.

Reverend the Hon. FRED NILE [5.52 p.m.]: I wish to contribute to the motion to appoint a select committee to inquire into and report upon the proposed sale of Snowy Hydro Limited moved by the Leader of the Opposition. The Government moved an amendment stating that General Purpose Standing Committee No. 3 should inquire into the matter. I am concerned that a number of statements about the five general purpose standing committees are not correct. It has been said that a select committee would be more appropriate because the Government controls the general purpose standing committees. The Liberal-National Coalition established those committees against the wishes of the Labor Government and made it quite clear that the committees were not to be controlled by the Government. Each of the committees has seven members, which means that it is not necessary for the Chair to have the casting vote.

My normal practice, as Chair of General Purpose Standing Committee No. 1, is that if there is a division when a member cannot be present, we postpone the vote until all members are present. I understand it is the policy of all general purpose standing committees to ensure that they function properly and produce valuable reports at the conclusion of their inquiries. It has been a shame that there has been a tendency in this debate to discredit the structure of these general purpose standing committees. I believe that they play a valuable role in conducting short-term inquiries. Normally the terms of reference for these committees are referred by the House, which I prefer, because they have the support of the members, but sometimes the references are self-referrals.

Members have been critical of the Chair of General Purpose Standing Committee No. 3, the Hon. Amanda Fazio, who is only one member of the committee. Some committees are chaired by Coalition members, some by Government members and some by crossbench members. I believe that is a fair allocation. I favour General Purpose Standing Committee No. 3 but because of the way in which the debate has been conducted I will support the amendment moved by the Deputy Leader of the Opposition to designate two crossbench members, Reverend the Hon. Dr Gordon Moyes and the Hon. Ms Sylvia Hale. I support also the amendment moved by the Government that Reverend the Hon. Dr Gordon Moyes be the Chairman of the committee to try to ensure that it is independent of both the major parties. With such a volatile issue a member from either of the two major parties would find it very difficult to be genuinely non-partisan in the conduct.

The Hon. Duncan Gay: That is not necessarily so.

Reverend the Hon. FRED NILE: One would have to be some kind of idealist to think that a member of The Nationals would be completely independent and detached in considering this issue.

The Hon. Duncan Gay: This is not a Nationals issue. This is an issue for the State. They would be no more detached than Reverend the Hon. Dr Gordon Moyes.

Reverend the Hon. FRED NILE: I am just saying it would be difficult to be detached on this issue when strong feelings are expressed by both sides of the House.

The Hon. Duncan Gay: And by the Christian Democrats.

Reverend the Hon. FRED NILE: No, no strong views.

The Hon. Duncan Gay: I just do not accept your credits.

Reverend the Hon. FRED NILE: There have been no strong views expressed by the Christian Democratic Party.

The Hon. Duncan Gay: I disagree with you.

Reverend the Hon. FRED NILE: We have not expressed strong views; that is the whole point. We have tried to be objective.

The Hon. Duncan Gay: I disagree with you.

Reverend the Hon. FRED NILE: I do not know where the strong views come from. I thought the speech by Reverend the Hon. Dr Gordon Moyes was quite a moderate presentation of some of the issues. I would not have thought he took a strong position.

The Hon. Duncan Gay: And our members were passionate that the matter be referred to a select committee.

The DEPUTY-PRESIDENT (The Hon. Kayee Griffin): Order! I call the Deputy Leader of the Opposition to order.

Reverend the Hon. FRED NILE: I am making a point about their passion. I am agreeing they were passionate. That is a whole point of my comment.

The Hon. Duncan Gay: For a committee.

Reverend the Hon. FRED NILE: But also for the whole issue. One wonders whether the Coalition would do the same thing if it were in government. I do not want to upset the Coalition too much but usually it is in favour of privatisation. It is not a policy it objects to.

The Hon. Tony Kelly: The Federal Government has agreed. It is selling.

Reverend the Hon. FRED NILE: That is right. The Coalition and Labor are working in harmony at the Federal level. The Victorian Government has agreed also.

The Hon. Don Harwin: The Christian Democrats do not have any views on this issue, so let us continue.

Reverend the Hon. FRED NILE: No, we do have views. We want honest inquiries to get to the truth without, in the long run, handing some political issues on a plate to the Greens. That is why I made the point earlier that both sides should be aware that that is quite often the agenda. It should be what is good for the people of this State, not what is good for the Greens.

The Hon. Don Harwin: You have insulted the Greens, you have insulted the Coalition. Is there anyone else you would like to insult?

Reverend the Hon. FRED NILE: No. I am not saying that the Coalition is the enemy. The Greens are the enemy. I am happy to work with the Coalition and if the Hon. Don Harwin likes our support he should be more positive. Sarcasm will get him nowhere. I agree with other members of the House that the Snowy Mountains hydroelectric scheme is an icon. We have all been proud of its introduction and the imagination behind it. In those days governments seemed to have the courage to undertake massive infrastructure programs, whereas there seems to be some hesitancy today. Initially, the scheme, which was completed in 1974, was funded through loans direct to the authority from financial institutions; and Commonwealth loan funds were provided from Australian taxpayers and all States and Territories of the Commonwealth to be of benefit to all the citizens of our nation. It has been beneficial, and hopefully it will continue to be beneficial if Snowy Hydro is privatised.

As I said, there is no indication that there will be a vote in this House on a Snowy Hydro scheme bill. The matter is in the hands of three respective governments. We can criticise the Government for its decision and we can hold an inquiry and investigate the sale, but the reality is that the matter is in the hands of three governments. Being a practical person, I tend to ask the question: what can this House do? As I said, we can debate the sale and make recommendations; and if those recommendations are made in good faith we hope the Government will consider them and, if the opportunity arises, incorporate them in the privatisation process and provide safeguards in any contract documents. Governments usually provide safeguards, but as we know sometimes the safeguards are not as strong as they should be. The inquiry may be valuable in terms of highlighting the need to protect the public interest.

As has been discussed in the media in terms of the sale of Telstra and so on, we need to protect the country sector so that it is not left out in the cold. The same thing applies to the Snowy Mountains scheme. Whatever happens in the future, safeguards are necessary to protect not only those who need electricity but also those who need the water. The irrigators and others need that protection. I noted one comment made by the Hon. Sylvia Hale during her contribution. I suppose she did not put forward the proposal, but she talked about Snowy Mountains water being piped to Warragamba Dam. When she said that I wondered whether the Greens would ever agree to a proposal to take water from the Snowy Mountains.

Ms Sylvia Hale: I was quoting someone else who had suggested that.

Reverend the Hon. FRED NILE: But the honourable member spoke of it in favourable terms; she was not critical of it.

Ms Sylvia Hale: No, I just merely quoted someone.

Reverend the Hon. FRED NILE: I thought it was a bit beyond par, so to speak. We will proceed with the rest of the amendments as I have indicated our party's position.

The Hon. MICHAEL GALLACHER (Leader of the Opposition) [6.02 p.m.], in reply: I thank all honourable members who contributed to the debate. Unfortunately, what *Hansard* does not show is the debate that goes on behind the scenes as we look forward to resolving this matter. The debate has been two pronged: firstly, the need for a committee of inquiry in the first place; and, secondly, the correct vehicle to deliver the commitment given to the community with regard to an inquiry. There was much discussion in the Opposition as to whether a general purpose standing committee should conduct the inquiry. However, it is fair to say that most members concluded that, because of the iconic nature of what we are talking about—it crosses virtually all portfolios—it would be difficult for a general purpose standing committee to undertake the inquiry. It was felt that the significance of the sale of Snowy Hydro was worthy of the establishment of a select committee.

I am pleased that honourable members understand that an inquiry is necessary. It appears from the amendment moved by the Hon. Peter Primrose that the Government—at the outset the Government was less than supportive of an inquiry—recognised that the numbers in the House have spoken, that an inquiry will be undertaken, and that the inquiry will be of such a nature that it is worthy of a select committee being established. I must add that the Opposition is supportive of Reverend the Hon. Dr Gordon Moyes being the chairman of that committee. Therefore, there is no reason for this debate to continue further, other than to formalise the creation of the committee. I commend the motion to the House.

Amendment of the Hon. John Della Bosca negatived.

Question—That the amendment of Ms Sylvia Hale be agreed to—put.

The House divided.**Ayes, 19**

Mr Breen	Mr Gay	Ms Rhiannon
Dr Chesterfield-Evans	Ms Hale	Mr Ryan
Mr Clarke	Mr Lynn	Dr Wong
Mr Cohen	Mr Oldfield	
Mrs Forsythe	Ms Parker	<i>Tellers,</i>
Mr Gallacher	Mrs Pavey	Mr Colless
Miss Gardiner	Mr Pearce	Mr Harwin

Noes, 18

Ms Burnswoods	Mr Kelly	Ms Sharpe
Mr Catanzariti	Mr Macdonald	Mr Tsang
Mr Costa	Reverend Dr Moyes	
Mr Della Bosca	Reverend Nile	
Mr Donnelly	Mr Obeid	<i>Tellers,</i>
Ms Griffin	Ms Robertson	Mr Primrose
Mr Hatzistergos	Mr Roozendaal	Mr West

Pair

Ms Cusack

Dr Burgmann

Question resolved in the affirmative.**Amendment agreed to.****Amendment of the Hon. Duncan Gay agreed to.****Amendment of the Hon. Peter Primrose agreed to.****Motion as amended agreed to.****ADJOURNMENT**

The Hon. JOHN DELLA BOSCA (Minister for Finance, Minister for Commerce, Minister for Industrial Relations, Minister for Ageing, Minister for Disability Services, and Vice-President of the Executive Council) [6.13 p.m.]: I move:

That this House do now adjourn.

YASMAR JUVENILE JUSTICE CENTRE SITE USE

The Hon. CATHERINE CUSACK [6.13 p.m.]: The Yasmar estate at 185 Parramatta Road is the most historic property in Haberfield, and one of the most important heritage properties in New South Wales. It is classified by the National Trust, is listed on the State heritage register, and has also achieved listing on the National Estate. Yasmar today ought to be open to the public as precious green space on Parramatta Road, Australia's oldest roadway, which dates back to 1792.

The Hon. Tony Kelly: Yasmar House.

The Hon. CATHERINE CUSACK: The Minister says Yasmar House but I am referring to the entire Yasmar estate with its historical gardens, which uniquely connect the house to Parramatta Road. Yasmar should be on show as a beautiful building, the best surviving example of architect John Bibb's work, surrounded by rare and historic gardens. Yasmar should be shining as one of the finest jewels in urban Sydney's crown, a must-see for local and international visitors. The children of Haberfield Public School, which adjoins Yasmar, should be regular visitors to the site, with opportunities to study their local history, marvel at the design and remains of

what may be Australia's first ever swimming pool, and participate in voluntary programs to restore and care for the garden—an extremely rare example of Loudon's gardenesque style.

I visited Yasmar on 24 April with the local Liberal candidate for Drummoyne, Greg Long, and I am very sorry to report to the House that far from opening this wonderful estate to the community the State Government has closed it and encased the property with a 25-foot steel mesh fence topped with triple barbed wire that runs the full length of the children's playground at Haberfield Public School. Yasmar is now under more security than it was when it was a maximum security detention centre for girls. The only people allowed to view the property now are armed security patrols. When I last saw the house in October 2003 it was in poor condition because the Government had failed to address leaks to the roof. The internal damage was substantial. This beautiful homestead—in which its creator, Alexander Learmonth, passed away in 1877, and in which a later owner Joseph Neal Grace, the founder of Grace Brothers, died in 1931—has sadly been allowed to fall into a dilapidated state.

It is of course closed to the public because the Government would not want the public to see what it has done to this property. How sad—and how symbolic of everything this Government represents. Yasmar has become a tragic icon of ignorance and mismanagement, an icon of Labor's broken promises and bureaucratic inertia, an icon of waste, as money that should be spent on conservation is instead being spent on massive barbed wire fences and armed guards to conceal this Government's neglect. Shame! In 2003 the electors of Drummoyne were told Yasmar was being decommissioned as a juvenile justice facility but were reassured by the Labor Party that a process was in place to secure its future. On 13 March 2003 the then Minister for Juvenile Justice, the Hon. Carmel Tebbutt, issued a media release promising:

... the Government will set up a working Party to work with Ashfield Council, the local community and other stakeholders including heritage plans for the historically significant Yasmar House and Gardens at Haberfield.

... the process has begun to ensure the future preservation of the heritage values of Yasmar House and the community's best interest is served.

Unfortunately, as is so often the case with this Government, after the election the Hon. Carmel Tebbutt moved on to bigger things in the education portfolio, leaving behind juvenile justice and all her fine promises about Yasmar. Ashfield Council heard nothing further until 2005, when it appears the then Minister for Juvenile Justice, Dianne Beamer, contacted council to promise that a joint working party would be established to deal with Yasmar's future. Again, Ashfield Council appreciated the commitment, but nothing further was heard.

Consider the contrast of Liberal candidate for Drummoyne, Greg Long, who is fighting hard to save Yasmar. Last week Mr Long invited me to visit the property and survey the fences and the graffiti that is covering the 148-year-old sandstone gates. Poor Yasmar was a very sad sight indeed. Yesterday the current Minister for Juvenile Justice responded to Mr Long's representations on Yasmar's future. The Minister made the po-faced statement to this Chamber that he plans to meet with Ashfield Council to discuss Yasmar. Talk about groundhog day! The Hon. Tony Kelly is now the third Minister for Juvenile Justice in as many years to make that promise.

A further statement was made that Yasmar will be a juvenile justice training facility. Of course, this breaks the promise to consult with the community before such decisions were taken. The more important point is that the training centre idea is not going to relate to the historic Yasmar homestead or its carriageway or its heritage gardens. It will not save any of these buildings. Whether he knows it or not, the Minister's training idea is a rescue plan for the wrong buildings. It is a plan for reusing the degraded sections of the 2.4 hectare site and continuing the decay and neglect of the heritage parts of the property. Greg Long's plan for Yasmar, including a new conservation plan, guaranteed public consultation and public access, is the only solution. I urge this House and all honourable members to get behind this strategy.

TOBACCO SMOKING FORUM

Reverend the Hon. FRED NILE [6.18 p.m.]: A public forum was held last Monday in the Parliament when people from all over New South Wales shared their concern about the impact of tobacco smoke. The views indicated a complete change in public opinion. Many positive suggestions were made by the representatives, such as Kim Curtis of Lismore, who has succeeded in getting Lismore council to prohibit smoking in children's playgrounds, playing fields and swimming pools. Smoking within 10 metres of a playground has been restricted. Kim Curtis strongly urged that New South Wales implement uniform legislation to prevent confusion.

Dr Margaret Osborne from the Royal Australasian College of Physicians spoke against large numbers of smokers congregating outside office buildings and urged funding increases for the Quit Smoking Campaign and the provision of special assistance for smokers from poorer communities. Julie Heraghty of the Macular Degeneration Foundation gave a serious warning that smoking increases macular degeneration by a ratio of four. Macular degeneration involves a gradual loss of central vision to the extent that sufferers cannot see the faces of people they are talking to.

Margaret Hogge, President of the Non-Smokers Movement of Australia, called for a ban of smoking in cars and even homes, and was very critical of the Government's new definition of open outdoor areas—the 75 per cent to 25 per cent test. Vince Kelly called for tobacco companies to pay for hospital treatment of smokers. Michael Stevens, a chemist, called for chemists to assist smokers who have prescriptions for puffers in the same way that chemists now make inquiries of people who buy cough tablets.

Raymond Graham of Kiama spoke of the effects on unborn children whose mothers smoke. Rhonda Wilson of MyHealth Australia urged more Quit funds for rural areas and increased funding for nongovernment organisations to counsel smokers to help them to quit. Roy Giles called for a ban on smoking where food is served. Leslie Marsh urged Quit Smoking campaigns to target young girls, not simply adults. Christopher Ridings called for a conscience vote on all smoking legislation. Matt Roberts, a musician, spoke of the harmful impact of passive smoke on musicians in clubs, hotels and beer gardens.

Peter Lavak, a barrister, spoke of the harmful impact on nearby units of smoke in an apartment block and even from balconies, and the need for protection from smokers in units. Brian McBride called for a licence for smokers to protect non-smokers' right to clean air. Sharon Eurlings, a casino employee, spoke of the harmful impact of smoke on staff in the high-rollers rooms at the casino and called for Queensland's total ban on smoking to be applied in New South Wales. Isabel Lukas spoke of the problems of people smoking in the common areas of units making it difficult in for non-smokers to use them. She also urged a prohibition on the display of tobacco products in retail outlets.

Renee Bittoun of the University of Sydney medical research department spoke of the need to treat tobacco dependency as a disease and said that we need further funding in that area. Barbara Wright, a retired nurse, was critical of the priority given in supermarkets to people purchasing cigarettes: they are served first. Luke Whittington, a bar worker, urged the adoption of the Queensland total ban and said the new 75 per cent to 25 per cent test was against occupational health and safety legislation.

The panel of experts from the health department and other organisations was very helpful and will assist us in producing the committee's report. I was encouraged in my campaign against the dangers of smoking and look forward to positive votes on my bills to prohibit smoking in cars and to prohibit the public display of all tobacco products to ensure a smoke-free New South Wales and a healthy community, especially for children.

ANZAC DAY COMMEMORATION

The Hon. KAYEE GRIFFIN [6.23 p.m.]: On Tuesday 11 April I attended the combined schools Anzac service at Canterbury Hurlstone Park RSL club. The schools involved were Canterbury Boys High School, Canterbury Girls High School, Canterbury Public School, Canterbury South Public School and Ashbury Public School. Those schools joined together with the RSL club to commemorate Anzac Day and keep the Anzac spirit alive. The event featured more than 500 students. As a precursor to the Anzac commemoration students joined forces with some RSL members to bake Anzac biscuits. The biscuits were later served at the commemoration ceremony. The students from the schools worked hard on researching facts about the history of the Anzacs and on the day they put together a wonderful program for everyone attending.

As an RSL representative said, the schools and students organised the program and the club provided the venue and anything else that had been requested to enhance the program. Students presented the reading of the Ode and a PowerPoint presentation of Simpson and his donkey and, through other performances, captured the enthusiasm of young men leaving on what they saw as a great adventure, the horrors they faced on battle fronts, the casualties, the support from nursing staff, and the difficulties faced by loved ones left at home to await their return.

The Canterbury Boys High School students also had a mentoring program with students from Ashbury Public School. Part of their presentation on the day involved interviews with World War II personnel from all services. The students asked a range of questions—what position the ex-service men and women held, their life

before enlisting, their experiences during World War II and their feelings about people opposing them in theatres of war. The interviews were recorded on compact disc and have sparked a great deal of interest from men and women of all ages. The spirit of Anzac has been passed on to another generation by the RSL club, the schools and the community combining to commemorate Anzac Day. I congratulate the students, teachers and staff of the Canterbury schools on the way in which the program was put together and the enthusiasm of the students to reach all generations on the day.

Many people commemorate Anzac Day by attending dawn services. On 1 November 1915 Reverend Arthur White from Albany conducted a service at 4.00 a.m. for soldiers who were departing Australia with the Australian Imperial Force. Reverend White later became the padre of the 44th Battalion and after his return to Australia he was appointed as the rector of St John's Church in Albany. He decided to conduct a service at dawn to commemorate our fallen soldiers and remember the service of those who returned as very different men. This first dawn service was held on Anzac Day in 1923. Only a small crowd of 20 men showed up at the service, and it was in front of this small crowd that Reverend White proclaimed the now famous statement, "As the sun rises and goeth down, we will remember them". This dawn service did not generate much publicity and it was not until 1928 that Sydney held its first dawn service on Anzac Day. The Australian Legion of Ex-Service Clubs decided to conduct a dawn service at the cenotaph each Anzac Day commencing at 4.30 a.m.—the time of the landing at Anzac Cove on 25 April 1915.

Sydney's first dawn service was attended by approximately 200 people. In 1933 it was estimated that more than a thousand people attended the service at the cenotaph. Sir Philip Game, the State Governor, set some standards that apply at current dawn services, including performances by the Sydney Male Choir, special public transport services to cater for the attendees, and radio broadcasts of the service. Today the Australian Legion of Ex-Service Clubs still conducts the dawn service with the assistance of the New South Wales sub-branch of the National Servicemen's Association. These two organisations have now formed the Anzac Day Dawn Service Trust Inc. to conduct the service in the future. Throughout the various conflicts we have been involved in we have heard remarkable stories of bravery, mateship and honour and of the sacrifices made by diggers who did not return home. We also acknowledge the difficulties faced by retired servicemen and women in picking up the threads of their former lives after their war service.

As was evident from the events of last Anzac Day, the Anzac spirit is well and truly alive. The pride of our diggers is evident on this day, and that is why thousands of people throughout the country continue to participate in services on 25 April. The spirit of Anzac was well captured by the Canterbury schools project. I quote the words of Mrs Mitchell, Assistant Principal of Ashbury Public School: "The beauty of a project of this magnitude is that it gives young people some real life community experience, as well as an understanding of the importance of Anzac Day."

CRIME RATES

The Hon. DAVID CLARKE [6.28 p.m.]: The State of New South Wales, which takes pride in being designated as the Premier State, now also has the dubious but well-earned title of being classified as the crime State of Australia. And Sydney, our nation's premier city, is now acknowledged as the undisputed crime capital of Australia. Official statistics establish beyond any doubt that per head of population, New South Wales has the highest overall rate of crime of any State in the Commonwealth, and it also has the fastest rate of growth of crime. The most basic duty of any government is the protection of the citizens and their property. No success in other areas can compensate for a government's failure to provide such protection. In this the most fundamental of obligations, the New South Wales Labor Government is, by all standards, an absolute and utter failure. Through a steady stream of slick but costly propaganda its spin doctors assure the people of New South Wales that crime is under control, that crime is being contained, and that crime is being reduced.

But the people of New South Wales know otherwise. They know that crime is not under control and is not being reduced. They know that the truth is that crime is flourishing and thriving. The Government is not winning the war against crime; it is losing it. Crime, especially crimes of violence, is out of control and growing out of all proportion to population growth in our State. Over the past 11 years robbery with a weapon not a firearm has increased by 82.4 per cent, assaults have increased by 82.6 per cent and sexual assaults have increased by a staggering 88.5 per cent. The Government's pathetic, effete and underwhelming response to drug crime has allowed the rate of possession and use of cannabis to rise by over 29 per cent and the possession and use of cocaine to rise by nearly 70 per cent. With drug crime being particularly destructive to the youth of our community the State Government stands condemned. It should be hanging its head in shame. The Government's protection of the property of New South Wales citizens from crime likewise is a failure and a fiasco. Malicious damage to property has increased by 43.8 per cent and fraud by 106.4 per cent.

So out of control is crime and so inadequate is the Government's response that a large proportion of crime is not even reported by victims because of a sense of helplessness and a resignation to a belief that the authorities will be unable to do anything. Clearly, the much-touted strategies that the Labor Government claims to have in place to combat crime are a failure. In fact, its strategies are probably non-existent. One area of crime proliferation that I had cause to raise in this Chamber not long ago is graffiti crime. What was the Government's response to this problem? It abolished the highly efficient and successful Police Graffiti Task Force and replaced it with an education program on how to remove illegal graffiti from one's property. What an effective response that has proved to be!

Only a few days ago even the Minister for Western Sydney, the Hon. Diane Beamer, was forced to acknowledge that graffiti crime had become a widespread problem. She has hardly discovered America with that revelation, as the people of Western Sydney can attest. It would seem fundamental that any strategy to combat out-of-control crime would include beefing up our police officer numbers and giving them adequate resourcing. But that is not the way the State Government sees it. Despite trying to con the New South Wales public by fiddling the police staffing figures, just as a Mississippi riverboat charlatan cons his victims by fiddling a pea and three thimbles, the truth is that the State Government has reduced the number of police officers that are out in the community fighting crime, and the community knows it. From time to time the Government trumpets increasing police officer numbers in one area while reducing them on the sly in another area. The truth is that for every suburb or town where the number of police officers fighting crime have increased there are five to six suburbs or towns where their numbers have fallen, and in some case quite dramatically.

One area in which there has been a steady and consistent increase is in the Police Minister's personal staff and ministry advisers and in the ministry budget, which in one recent year shot up by 109 per cent from \$5.7 million to \$11.9 million. The people of New South Wales have had enough spin and hype in place of action and results. They have had enough of parts of Sydney having no-go areas, even for the police let alone for ordinary Australians who cannot walk the streets without being vilified, abused, threatened and assaulted by elements who have no respect for accepted Australian standards.

They have had enough of mass crime outbreaks as evidenced by events in Cronulla, where thugs descended on that peaceful community, smashing and vandalising motor vehicles by the score, if not by the hundred. They are outraged when they witness drug crime engulfing entire areas, like Kings Cross, causing the mass evacuation of local businesses and retail outlets. What is the Government's response? Why does it not act? Where is its plan to counter attack this never-ending, ever-increasing and, as the Government appears by its inaction to concede, unstoppable spread of crime? The people of New South Wales want solutions, they want answers, and they want action.

WESLEY INSTITUTE

Reverend the Hon. Dr GORDON MOYES [6.33 p.m.]: Last week, the Wesley Institute held its Graduation Service in Wesley Theatre, Sydney. It was an inspiring occasion. Because I was involved with the establishment of Wesley Institute almost 20 years ago and in the funding of it ever since, I wish to place on the historical record of this State—*Hansard*—an account of its growth and state of health.

Wesley Institute offers doctorates in theology and doctorates of philosophy in conjunction with the Sydney College of Divinity; masters degrees in counselling and theology; graduate diplomas in counselling, education and dance therapy; and bachelor degrees, advanced diploma and diploma courses in dance, drama, music, graphic design and theology. All courses are accredited with the New South Wales Department of Education and Training and approved for the Youth Allowance, Austudy and Abstudy. The institute has been approved by the Federal Department of the Environment, Sport and Territories as a higher education provider, enabling eligible students to access FEE-HELP loans.

The institute inspires excellence and transforms lives through a college of higher education that provides accredited professional qualifications in an environment that enables the development of Christian character. Faculties and students are encouraged to achieve their potential in an intellectually stimulating, culturally diverse, and academically rigorous environment. It delivers courses of quality to enable graduates to make creative and appropriate contributions in their chosen vocations. We seek to fulfil our mission by integrating higher education with professional skills within a Christian character. Wesley Institute also conducts other vocational courses. Honourable members may be surprised to learn that last year more than 4,000 students enrolled in and completed these short-term courses designed to help advance their careers, through our campuses in Drummoyne, the Sydney CBD and in Wollongong.

The foundation principal, Dr David Johnston, with whom I have worked for 20 years and whom I appointed to the task, reported at the graduation that there were many significant events in the life of the institute. They included the Wesley Institute choir tour of Western Australia, and particularly Perth; the senior dance students' tour of the United States of America; and the growth of the institute as reflected in the accreditation and reaccreditation of our courses—the national recognition of our excellent standards in education at the tertiary level.

Honourable members might realise how difficult it is to establish a primary school or even a secondary school. However, that is nothing compared with the huge difficulty of establishing a university-level tertiary college of education with a wide variety of courses. We started our graduate teacher education courses in 2005 and our first group of graduands now comply with the new educational requirements of professionally educated and accredited teachers. In 2006 the institute achieved successful accreditation of the Bachelor of Music degree and we have received news that our new Master of Music degree has been accredited to commence in August 2006.

Every year we have seen growth in the student body. This year the number has increased by almost 20 per cent to 477 students and we will have our largest ever graduation, with 103 graduands. Wesley Institute has a worldwide profile, growing through the solid development of the Australia Studies Centre Program, a studies abroad program with the Council of Christian Colleges and Universities in America, and official affiliation with other Christian universities and colleges in other parts of the world. The institute has also attained national recognition with international ISO 9000 accreditation for quality management.

Having had the major responsibility for the funding of the development of this tertiary institute, I am pleased to say that after years of support from Wesley Mission Sydney the institute now stands on its own feet financially. I congratulate Wesley Institute on all of its achievements, and particularly its board and directors, under Chairman Dr James N. Pendlebury, Principal Dr David Johnston and his staff, among whom are scores of highly qualified educators. I believe this is the only tertiary institute in Australia that has more than 100 staff with PhDs and the most remarkable student body from all parts of Australia and overseas. It makes me a very proud old founder and superintendent.

GOOD NEWS PRINTING EMPLOYEE ENTITLEMENTS

The Hon. PETER PRIMROSE [6.38 p.m.]: Good News Printing prints Korean religious material and ethnic community newspapers and is located in Campsie, although the owners are currently dismantling the machinery there to move everything to a new location. The previous owner was Dr Lee, a Sydney heart surgeon. The company went into administration in 2003, when I understand that Dr Lee "sold" the company to his mother. I am told that the longstanding practice in this company had been for Dr Lee to run up very significant debts with local suppliers, tradespeople and his workers. When these became problematic, he would give his operations manager, Mr Song, a bag of cash to pay everyone. During the period that Dr Lee owned the business, no wages records were kept and apparently no superannuation payments were made. I believe that taxation payments are approximately 12 months in arrears, and I am told that workers compensation and other statutory payments may not have been made.

The company has been raided by the Immigration Department on at least two separate occasions because it employed people who were illegally in the country. Most of these workers were casuals—Korean, Chinese and Somali speaking. None of the employees were being paid penalty rates or other allowances. I am told that when the new employer, variously known as John Wu or John Hu, took over the business on 6 February this year he told the casuals he would pay them only \$10 per hour—well below the award—with no penalty rates or allowances. They were expected to be available to work "on demand". When the casuals refused to work under these conditions and for this rate of pay, they were all terminated on the spot. They have all been replaced by new casuals, again mostly with no English language skills.

The Australian Manufacturing Workers Union [AMWU], which represents workers in the printing industry, tried for more than one month to speak with Mr Lee and Mr Wu/Hu in an effort to secure the entitlements of the members. Mr Wu/Hu repeatedly hung up on the union, and gave various versions of who actually owned the company. In a very animated conversation, he told the union that he had bought the company and its employees "like buying a used car—once it's mine I can do what I like with it and what happened in the past is none of my business!"

Finally, the union asked the New South Wales Industrial Relations Commission to intervene in an effort to obtain orders that would reveal details of the workers entitlements. Both Dr Lee and Mr Wu/Hu refused

to attend the commission. Indeed, Mr Wu/Hu hung up on the commissioner's associate, who called to make arrangements for his appearance. Since neither Dr Lee nor Mr Wu/Hu turned up to the commission, and failed to present documents as required, subpoenas were served on Dr Lee and Mr Wu/Hu requiring them to attend court with the specified documents.

I am pleased to say that the skill and persistence of the AMWU and the commissioner has resulted in an interim arrangement for payment of the outstanding entitlements. What can I say about this debacle other than that it typifies the sorts of problems that will go unchecked under the Federal Government's WorkChoices legislation! If there were no State commission and the union were forced to rely upon the Federal commission alone, the workers at Good News Printing would face a hopeless cause in their search for their lost entitlements. The new Federal commission does not even have the power to conciliate, much less to issue orders to appear or present documents, or make payments.

The Prime Minister and Federal Minister Andrews constantly tell the public that workers are "better off" and have "more flexibility" under WorkChoices, and that employers will not take advantage of the new legislation to unjustifiably sack employees or treat their employees badly. But if it were not for unions like the AMWU and the New South Wales Industrial Relations Commission, with its highly skilled commissioners, the workers at Good News Print and tens of thousands of other New South Wales workers just like them would have nowhere to turn. John Howard's unitary and complex industrial relations system is bad for industrial relations and it is bad for workers. I congratulate the AMWU and the entire union movement in New South Wales, together with the New South Wales Minister for Industrial Relations, the Hon. John Della Bosca, on their work in defence of New South Wales workers.

ST GEORGE'S DAY

The Hon. DON HARWIN [6.42 p.m.]: The Royal Society of St George attracts an international membership from those of English descent and, indeed, from those who consider themselves Anglophiles. I can proudly say that I fall into both categories. Last Thursday, 27 April, the Royal Society of St George held its annual dinner at Pittwater House School, at Collaroy. The occasion was also an opportunity to mark the eightieth birthday of Her Majesty the Queen. The occasional speaker at the dinner was Dame Leonie Kramer, a great Australian, a former chancellor of the University of Sydney, and a person whom many people hold in high regard. Indeed, as the first professor of Australian literature, Dame Leonie Kramer was, I believe, at the forefront of focusing attention on some of the marvellous work of Australian authors. Dame Leonie spoke extensively—

[Time for debate expired.]

Motion agreed to.

The House adjourned at 6.43 p.m. until Thursday 4 May 2006 at 11.00 a.m.
