

LEGISLATIVE COUNCIL

Thursday 20 October 2005

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

The Clerk of the Parliaments offered the Prayers.

ASSENT TO BILLS

Assent to the following bills reported:

Property Legislation Amendment Bill
 Security Interests in Goods Bill
 Local Government Amendment (Stormwater) Bill
 Standard Time Amendment (Daylight Saving) Bill
 Luna Park Site Amendment (Noise Control) Bill

PETITIONS

Freedom of Religion

Petitions praying that the House reject legislative proposals that would detract from the exercise of freedom of religion and the employment of persons whose beliefs and lifestyle are consistent with religious doctrine and values, and retain the existing exemptions applying to religious bodies in the Anti-Discrimination Act, received from **Reverend the Hon. Dr Gordon Moyes** and **Reverend the Hon. Fred Nile**.

Same-sex Marriage Legislation

Petitions opposing same-sex marriage legislation, received from **the Hon. Greg Donnelly** and **Reverend the Hon. Fred Nile**.

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**.

Desalination and Sustainable Water Supply

Petition opposing construction of a desalination plant in Sydney, and requesting a sustainable water supply through harvesting and recycling of water, and water efficiency, received from **Ms Sylvia Hale**.

LOCAL GOVERNMENT ACT: DISALLOWANCE OF LOCAL GOVERNMENT (MANUFACTURED HOME ESTATES, CARAVAN PARKS, CAMPING GROUNDS AND MOVEABLE DWELLINGS) REGULATION 2005

The PRESIDENT: Pursuant to standing orders the question is: That the motion proceed as business of the House.

Question agreed to.

Motion by the Hon. Jon Jenkins agreed to:

That the matter proceed forthwith.

The Hon. JON JENKINS [11.16 a.m.]: I move:

That, under section 41 of the Interpretation Act 1987, this House disallows the Local Government (Manufactured Home Estates, Caravan Parks, Camping Grounds and Moveable Dwellings) Regulation 2005 published in *Government Gazette* No.107, dated 26 August 2005, page 5207, and tabled in this House on 13 September 2005.

I foreshadow that I will adjourn this debate to the next sitting day after I have spoken briefly. Most of the regulation I wish to have disallowed is fine. I have no problems with the bulk of the regulation. However, being a regulation it suffers from the problem that we cannot amend a point where there is error, so I have to move a motion to disallow the regulation. An adjournment will give the Government and the Opposition time to look at the problem and decide if there is some way we can fix it.

The problem is the clause that limits groups of campers camping together in council-owned and Crown land primitive camping areas. The specified limit is two tents per hectare. This restriction means that family groups, organised groups such as church groups, boy scouts, recreational groups and other social groups are effectively prevented from camping in these areas. In some cases far-flung families have for generations camped in the same spot. In particular, rural and regional families who have a meeting-in-the-middle approach will be affected by the regulation.

This came to my notice through a group of people at Gloucester, several family groups who have already been told to split up or move on. In response, the group moved its tents the required distance apart and then proceeded to drive, in some cases several kilometres, to each other's tents on a routine basis for the time they were in the camping ground to have dinner together and to commune together, which is what they intended to do. This had far more environmental impact and impacted on other people camping in the area far more than if the ranger had left them alone to camp in their group.

I am not trying to change the camping density—although I would very much like to—from two tents per hectare; rather, I am trying to have the regulation modified so that within, for instance, any 20-hectare area as many as 40 tents can camp in any configuration the campers choose. In other words, it is up to the people who are camping there to choose whether they want to camp next to each other or camp in isolation. This change would require only a minor modification to the regulation to indicate that campers could do this by choice. Arguments concerning environmental impact are completely superfluous as this change would have no impact whatsoever on the total number of campers or the average camping density.

Debate adjourned on motion by the Hon. Jon Jenkins.

CRIMES AMENDMENT (PROTECTION OF INNOCENT ACCUSED) BILL

Second Reading

Debate resumed from 12 October 2005.

The Hon. DON HARWIN [11.20 a.m.]: On the last occasion when this bill was debated our colleague the Hon. David Oldfield was unwell so I sought an adjournment to cover the period of his sickness. Sadly, he is still unwell so I will again move for the adjournment of the debate until the next sitting day on which private member's business takes precedence.

Debate adjourned on motion by the Hon. Don Harwin.

LEGISLATION REVIEW AMENDMENT (FAMILY IMPACT) BILL

In Committee

Clauses 1 to 3 agreed to.

Reverend the Hon. FRED NILE [11.26 a.m.]: This morning I was given a copy of an amendment to schedule 1, which would define a family as "two or more individuals who, regardless of age or sex and whether or not they are related by blood or marriage, are bound together by ties of mutual interest, support or affection". I understand that the amendment will not be moved, but had it been moved the Christian Democratic Party would have strongly opposed it.

Schedule agreed to.

Title agreed to.

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

ANTI-DISCRIMINATION AMENDMENT (RELIGIOUS TOLERANCE) BILL**Second Reading**

Debate called on, and adjourned on motion by Ms Sylvia Hale.

**ANTI-DISCRIMINATION AMENDMENT (EQUALITY IN EDUCATION AND EMPLOYMENT)
BILL****Second Reading**

Debate called on, and adjourned on motion by the Hon. Peter Primrose.

DISTINGUISHED VISITORS

The DEPUTY-PRESIDENT (The Hon. Kayee Griffin): I draw the attention of honourable members to the presence in the gallery of Senator Steve Hutchins.

PORT MACQUARIE BASE HOSPITAL

Debate resumed from 13 October 2005.

The Hon. CHRISTINE ROBERTSON [11.32 a.m.]: The experiment by the Liberal-National Coalition towards the stealthy introduction of American-styled health services and the user-pays principle has quite rightly come to an end. I am pleased to note that the New South Wales Labor Government worked to deliver this result. The people of this country have universal health care, want universal health care and, through the efforts of Labor, will continue to receive universal health care. This is despite continued attacks by the Howard Government on the principle that all people are able to access health services, moving the goalposts in relation to increased charges, diddling New South Wales of its share of goods and services tax revenue and being particularly mean in negotiations for the distribution of Federal health dollars—which every year the Minister for Health is forced to sign off on.

The people of New South Wales will not allow a New Orleans situation to develop here. We watched the televised broadcasts of people dying in New Orleans, people who should have been in hospital but had nowhere to go. Who would take them? They were charity cases with no private health insurance. It is so important for long-term health in New South Wales that our public health services are maintained in the best possible way. The experiment with Port Macquarie was based on good philosophy. There was access to public beds in Port Macquarie and the State paid for access to those public beds. The cost per patient was phenomenal during the time that Port Macquarie Base Hospital was operating as a private centre. The cost per patient borne by the individual area health service was much more than that borne by other referral hospitals in that area. It was not a success story. The issue of the hospital not being an integral part of the health service, so far as planning and delivery of services are concerned, caused many problems.

In my past life I had the benefit of participating with a group of people, community people from across the State. It was not a political organisation. The group dealt with health issues—which included representatives from the Country Women's Association and many other organisations. The group produced a document entitled, "Report of the Rural Health Implementation Co-ordination Group". I seek leave to table that document.

Leave granted.

Document tabled.

Over a period of months we travelled to Sydney where we sat around and argued about health priorities. One of the major issues to come out of those discussions was the need to ensure that all of the health services work together, that people become the centre of the health service, not the institution. The core of our health services, and the ones most often used, are not the hospitals that we fight about so often in this House; it is made up of primary health care services, community services, public health and health promotion. They are the services that most people use. The next layer is made up of community hospitals. Again, although the numbers may not be great, the percentage of population that accesses community hospital services is much higher than the percentage that accesses acute health care services. That is because they are the places that make sure we stay well.

The services that we understand so well are the district-level services in our average-sized towns. It is important that we maintain our medical services in those hospitals, and that we maintain the referral processes. It is important that they know exactly where the next level of service is available. We have had several debates in committee over time about this particular process and, in our political confusion we have sometimes actually threatened that very important process. On the next level are the rural referral hospitals, which are all joined together. They are not individual bits in one town or another; they are all part of the health service in the local area.

We need to know that rural health services are an integral part of the overall service. We need to know that they are working closely with all other levels of service, including the major referral hospitals, the next step up. The people should always be in the middle—not the hospital, not the profit-making, not the health department. People must be considered when we are working through how a health service works. This planning process happened after the privatisation of Port Macquarie Base Hospital and it was difficult for Port Macquarie Base Hospital to be an integral component. The majority of the communication between Port Macquarie and the health service, so far as I can gather, related to topping up the funds, which were not sufficient for the way they wanted to operate, not necessarily the hospital becoming an integral component of the health service.

Another major issue in relation to referral hospitals—and honourable members heard from the Hon. Melinda Pavey about how people within the Port Macquarie region had been disaffected—is that Port Macquarie's medical staff, nursing staff and physiotherapists are not simply isolated groups working in Port Macquarie; they are the people who influence health services across the entire region. The smaller hospitals around Port Macquarie need to know that specialty services available in Port Macquarie—and must be kept there, because it is rural referral hospital—are also servicing people in a much wider geographic area. None of our country hospitals at referral level belong to themselves, they belong to the local communities around them and health services that they support. It is important to know that that will continue.

Unfortunately, I do not know the specific details about the integral services within Port Macquarie Base Hospital. I will now speak about Tamworth Base Hospital, particularly with regard to ambulance and emergency services. I know that as a referral hospital Port Macquarie Base Hospital will, as the changes are implemented, receive further resources for emergency services and critical care services. In regional areas, critical care services are based at referral hospitals, which have larger units and staff with the appropriate expertise. This is not a bad thing. Community and district hospitals have educators to ensure that staff are equipped with the expertise and knowledge required to enable them to administer critical care to patients up to a level at which referral services can attend the hospitals to assist the patients, or alternatively the referral services can transfer the patients for resuscitation. It is all about resources and education.

When no general practitioner is on duty at Tingha Hospital, the nurse in charge must know that there is somebody at the referral hospital who can be contacted for advice on exactly how patients should be treated, who should be called in, and where the patient should be sent. This is an incredibly important role of rural referral hospitals, which administer clinical services for a large geographic area. Port Macquarie has a large and growing community and many demands are placed on its health services. It is important that rural referral hospitals form an integral part of the overall health services in the region, to ensure that adequate services are provided to the district and community hospitals in the area.

I wish to reinforce the importance of not farming off little bits of our health service as quasi-private sector organisations. It is incredibly important that they be maintained as a whole. In relation to strengthening rural referral hospitals, I wish to read from the report entitled "The Report of Rural Health Implementation Co-ordination Group—The NSW Rural Health Report", to which I referred earlier, to reinforce that this is currently part of the Government's plan. Given the current status of Port Macquarie Base Hospital, it is pleasing that the hospital will benefit from these measures. The report reads:

Rural Referral Hospitals make a significant and increasingly important contribution to the provision of accessible quality health care in rural NSW. Their role needs to be strengthened to better meet the needs of rural communities in the future.

Another component of rural health services is that their quality programs have to be shared across a much larger geographic area to ensure clinical expertise in relation to the provision of quality health care. The term "quality" does not simply apply to issues addressed by people such as members of Parliament, planners and others; it also applies to clinical staff assessing the quality of services. That expertise must be available for everyone in the community—not just those who are lucky enough to have a rural referral hospital in their area. The report continues:

As the base for specialist medical practice in medicine, surgery, obstetrics and paediatrics these hospitals:

- manage the majority of the acute care workload in all specialties in each Area, are the hub of the Area Critical Care Network and provide the basis for local specialists to provide outreach and consultation services for District Health Services and for general practitioners.
- often provide acute mental health services and specialist aged care and rehabilitation expertise for an Area or supra-Area catchment.
- have developed oncology and renal services as satellite/outreach services from major metropolitan centres, thereby reducing the need for rural people to travel for dialysis and chemotherapy;
- are providing a level of complex care in rural NSW that is second only to the Principal Referral Hospitals.

The Rural Referral Hospitals provide the base for teaching and training in rural health care, a role that is being enhanced by the development of Rural Clinical Schools and University Departments of Rural Health. Teaching and training at undergraduate and postgraduate level for all disciplines is a key strategic role that will be enhanced to ensure NSW has a skilled and viable rural health workforce in the future.

Rural Referral Hospitals will be the central focus of the acute health service networks. Rural Referral Hospitals should provide a broad range of clinical programs within their delineated role with the more complex services provided by major referral hospitals.

It is important that all rural referral hospitals understand their role with regard to the services they are set up to provide, the clinical expertise of staff, and the equipment available to them. It is also important that rural referral hospitals are able to deliver their services within that role, and that when a patient requires more complex services they are referred to the next level of health service. A document entitled "Guide to the Role Delineation of Health Services" refers to the process of the role delineation of health services, which is worked through by clinicians and planners.

It is important that rural referral hospitals remain an integral component with regard to the role delineation of health services. The essential core services provided by rural referral hospitals include anaesthetics; critical care, which includes emergency department, intensive care unit and retrieval services; dental health; drug and alcohol services; gerontology and aged care access; mental health services; obstetrics services; and many others. The list is a generic list, and not every rural referral hospital delivers every service. However, many rural referral hospitals that do not deliver specific services are working towards delivering such services.

Despite the fact that the Port Macquarie community was very disturbed about the issue, the community knew that they had to have a public hospital. They knew that they were entitled to access as public patients, but they did not want to be forced to be a public patient in a private hospital. They simply wanted to have access to the public system that they had always had. I went to Port Macquarie hospital at the time they were still talking about how they were going to rebuild it. It was a mishmash of unbelievable proportions. Many of our hospitals are very old, but most of them, as they have grown, have managed to get decent buildings to operate from.

At the time I visited Port Macquarie Base Hospital it was in a very bad state, so in no way did I question the need for a new building. The hospital must remain an integral component of the State health service system in order for it to benefit from all the advantages of such a system. That includes quality programs, belonging to the critical care group that operates a quality training program, and belonging to the renal services program that runs throughout New South Wales. This does not mean that these services in any way devalue the services delivered by community or rural referral hospitals. It simply means that those services know they have the experts, skills and expertise at their fingertips to operate at the level at which they are delineated. I congratulate the Port Macquarie community and members of the Labor Party who have worked so hard and long to ensure that this health service was returned to public ownership, so that it can remain an integral component of a very good rural health service.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS [11.49 a.m.]: I do not normally participate in debate on motions in which the Government congratulates itself, nor motions in which the Government criticises the Federal Government or the Opposition criticises the State Government, because I believe it is basically an abuse of the House's time. In this case some important points can be made about private-public partnerships, and this project was one previously, although it has now come back into the fold. The Auditor-General said that this hospital was paid for twice and given away once. Indeed, I wonder whether the land returned to Government ownership or whether it is still owned by the American, who bought it for a peppercorn and receives rent, separate from the buildings and the running of the hospital, as those were separate elements.

This hospital has been extremely expensive, although the owners used the money skilfully. High-cost services were to be undertaken in the public hospital and high-return services in the private hospital because it had a monopoly. I do not know to what extent Taree and Kempsey were part of the contract, but the people of Taree had great difficulty accessing resources and Kempsey services were bled to ensure that services went to Port Macquarie. Of course, the doctors in this fairly optimum and doctor-friendly system went to Port Macquarie, which, compared with Coffs Harbour or Lismore, fared very well.

One must acknowledge that doctors need to be looked after to the extent that they are happy in their jobs. Having worked in 1979-80 for the British National Health Service with bureaucrats in control and doctors totally demoralised and depowered, I saw excessive bureaucracy with an extraordinary lack of management understanding and doctors doing good work against the odds. I came back to a far more efficient health service in Australia, but there has since been a change, with management trying to ration medical services, managers being paid large salaries and the percentage of managers to front-line workers totally out of whack.

I remember my father, who recently died but who was previously the senior surgeon at Wollongong Hospital, telling me that there used to be three people in administration and the hospital superintendent had the largest surgical list, which was questionable, but at least it meant that he was well connected with patients and knew what was going on. The doctors car park was eventually taken over by the administrators and then found not to be large enough. In fact, I think the chapel was built on that site. Previously the hospital owned three cars and now there are more than 150. This is an indication of the huge rise in hospital bureaucracy. When I worked in Britain the management was totally out of touch. In fact, it took over some hospitals in rural areas and turned them into administration centres, like little empires: totally out of touch with what was happening in the clinical setting.

That is happening in New South Wales and it is a huge problem. We have to re-empower the people who deliver services. We must take a hard look at prevention, which cannot be left simply to the providers. With respect to the tobacco debate, doctors will happily operate on tumours and use expensive drugs—indeed, they will lobby for them to be included in the PBS—but they do not encourage preventative measures. Despite the publicity about avian bird flu, similar epidemics have been going on for years. The difference now is that an anti-viral drug is available and countries are given a benchmark on how much vaccine to have in storage. That is a prudent measure, but the possibility of bird flu is beneficial to those selling the anti-viral drugs. We have probably had the same threat of bird flu for the past 20 years, but the fear is now being turned into cold, hard cash. That is my fear.

So we cannot entirely trust the pharmaceutical industry or the treating doctors. We have to take steps to understand public health and administer services efficiently. Private-public partnerships are a huge problem. At the moment what is going on in the Mater hospital in Newcastle is somewhat disgraceful. John Fletcher Hospital, the psychiatric hospital, has been established there to attract a critical mass of \$1 billion, which apparently is what private sector partners like. The emergency department staff, who had been augmented, and emergency department consultants are very hard to get; not enough are trained, and the Mater hospital has more than its quota so they are being cut back. Services are being reduced so that the Government can say, "We have got a private sector partner delivering the same establishment size for less money."

There is quite a lot of literature on this subject in the *British Medical Journal* under the heading "Private Financing Initiatives" [PFIs], where budgets tend to blow out and services delivered tend not to fit. Of course, the profit margin on these PFIs is huge, basically because they do not deliver the same degree of service. The British Area Health Service is negotiating with the private sector, which is like taking candy from a baby. These are the facts in the *British Medical Journal* on PFIs. An article by Allison Pollock in the *British Medical Journal* of May 2002 analysed the costs and benefits of PFIs as opposed to owning the hospitals. She said:

The way PFIs operate in the hospital sector is that the private consortium designs, builds, finances and operates the hospital. In return the Government, through an NHS trust pays an annual fee to cover both the capital cost, including the cost of borrowing, and maintenance of the hospital and any non-clinical services provided over the 25-35 year life of the contract.

Furthermore, there is no evidence that PFIs have increased overall levels of service. On the contrary, its use has had two adverse effects. Firstly it has displaced the burden of debt from the central government to the NHS trusts, and with it the responsibility for managing spending controls and planning services. Secondly the high cost of PFI schemes has presented the NHS with an affordability gap. This has been closed by external subsidies, diversion of funds from clinical budgets, sale of assets and more reliance on charitable donations. This has led to a 30% cut to bed capacity and 20% reduction in staff in hospitals financed through PFIs.

She concluded:

Not only are the macroeconomic arguments in favour of PFIs illusory but there is also a negative impact on levels of service ... The government claims that PFIs deliver value for money through lowering costs over the life of the project because of greater private sector efficiency and because the private sector assumes the risk that the public sector normally carries.

There have also been two failures of PFIs with hospitals in Australia. The Victorian Government had to buy back La Trobe Hospital from Australian Hospital Care in October 2002 because "the losses incurred by AHC on the contract meant it could no longer guarantee the hospital's standard of care". It is bad enough that this Government had to bail out the M2 consortium, but when this is transferred to a service as critical as health care the stakes are much higher.

A second example was the Modbury Hospital in South Australia. In that case the South Australian Government had to come to the rescue of the contractor and increase contractual payments, otherwise the contractor would have defaulted. There are also the problems of ongoing risk of technical obsolescence, changing regulations, and unmet patient needs, which invariably fall back on the Government, local communities and patients. Should conditions change during the life of the 30-year contract, which almost certainly will happen, rendering the facility unsuitable, the Government will find itself locked into a long-term contract with an unusable facility that will have to be replaced. I believe PFIs and PPPs are a classic example of short-term political gain for long-term taxpayer pain. Because the Government does not have the willingness to plan and build a hospital, it thinks it can just hand the matter over. If it does not have the expertise to plan and build a hospital, it certainly cannot control someone else doing it when the objectives are quite different.

The objective of private enterprise is to make money; the Government's objective is to pretend to deliver a health service, when, in fact, it is divesting itself of responsibility. However, the public wants government to take control of things, to know what it is doing and to plan. Before the last election in March 2003, the Premier gave a commitment to allocate \$80 million for the refurbishment and upgrade of the Mater hospital. In the second half of 2003, surprisingly after the Carr Labor Government had been re-elected, it was announced that the Mater hospital would be redeveloped by private-public partnership.

The plan would include the integration of services presently provided at James Fletcher Hospital on the Mater site. The Government has plans to make up some of the money for the Mater redevelopment from the use or sale of the James Fletcher site, which is a magnificent site opposite the cliff top park, which is within a stone's throw of the beach. Of course, that site would be highly desirable to any developer. It is consistent with the Government's policy of selling off assets to balance the books.

The Government, through Hunter Health, has gone into hyperdrive to sell this redevelopment. The Hunter Health web site has helpful fact sheets simplifying the issues so that the redevelopment sounds like the best thing since sliced bread. It is exactly the sort of rhetoric that was used in the M5 prospectus. The Government has even gone so far as to have an article published by Frank Cordingley, Director of Corporate Development at Hunter Health, in the joint medical and health sciences journal of the Faculty of Health at the University of Newcastle. The article extols the virtues of public-private partnerships [PPP] and even tries to differentiate the Mater PPP from the failures at La Trobe, Modbury and even Port Macquarie. It uses dubious figures to argue that United Kingdom PFIs are good value for money, which goes against the articles in the *British Medical Journal*. It seems ludicrous that the Government should pay lease payments to a private consortium when there will be a guaranteed higher than market rate of return—say, 12 per cent to 15 per cent—when this money could be borrowed from the bank at lower rates. And the Government would also own the infrastructure.

Pursuant to sessional orders business interrupted.

DISTINGUISHED VISITORS

The PRESIDENT: I welcome to the President's gallery a former Premier of New South Wales, the Hon. Barrie Unsworth.

QUESTIONS WITHOUT NOTICE

MENTAL HEALTH COUNCIL REPORT

The Hon. MICHAEL GALLACHER: My question without notice is addressed to the Minister for Health. What is the Minister's response to comments by the Chair of the Mental Health Council of Australia yesterday that "turning around 10 years of neglect is the key mental health challenge facing the New South Wales Premier"? Will the Minister now accept that the New South Wales Labor Government has failed to

provide adequate mental health resources for New South Wales? Given that 40 per cent of people in New South Wales will need access to mental health services at some stage in their lives and that one in five people will require mental health services in this year alone, what is the Minister's immediate response to the mental health crisis?

The Hon. JOHN HATZISTERGOS: I gave a detailed response to the House yesterday in relation to the report entitled "Not for Service". First, I say this about the question. I am probably one of the few members of the House who sat on the select committee inquiry chaired by Brian Pezzutti into mental health services several years ago. As a member of that committee I experienced first hand the anguish and distress that many people who presented themselves before that inquiry relayed in relation to their experiences with mental health services. But the decline in mental health services is not something that occurred only yesterday or the day before. Indeed, when the Coalition was in office some 711 mental health beds were closed, and a considerable reduction in the bed base occurred over that period without adequate support in relation to community services.

The key to achieving positive change is not only to increase the number of beds, which we have done under our four-year plan. I concede we have further work to do in that regard, and I can relate the statistics of all beds that will be opened at various locations. The key is also to provide appropriate community support, as we have done through last year's additional funding of \$10 million. But let me make this point clear: The report was commissioned by the Commonwealth. The individuals who prepared that report obviously were as distressed as many of the people who made their submissions in relation to service provision.

If we are to get a better result in relation to mental health, the Commonwealth and the States must co-operate. Yesterday when this report was released the Federal Minister, Mr Abbott, said that it is a matter for the States and that the Commonwealth will not fund the States with any more money to provide these services. He did say that the best way to avoid all the duplication and the buck passing that occurs is to hand over responsibility to the Commonwealth. I made the point this morning, and I reiterate it to the House today, that we will deal with the offer that comes from the Commonwealth. We have had good progress on a national level with the States on drug and alcohol policy, and we have gained significant achievements. I am happy to work along with these recommendations at the next meeting of health Ministers and also through the Council of Australian Governments process to work through a similar arrangement. But if the only offer on the table from the Commonwealth is that it takes over mental health, and it is serious about that, my interest will be in better service provision for those who are affected by mental illness and their carers.

The Hon. Michael Gallacher: But I asked what you are doing now.

The Hon. JOHN HATZISTERGOS: Yes, absolutely. I refer to the additional beds that we are offering, the \$240 million plan which was announced in July, the additional beds we are opening in 2005 and 2006—24 at Campbelltown, at Dubbo, the remainder of the beds at Liverpool, Blue Mountains, St Vincent's hospital, St George Nepean, Liverpool and Broken Hill. One criticism the report makes is that there is too much focus on acute care in New South Wales mental health services. I want to know whether any Opposition member is prepared to put up his or her hand and say, "I don't want these additional facilities." I say to those members, "Put your hand up now and say that you do not want these additional beds." The Coalition closed 711 beds and it depleted the mental health work force. As I indicated in answer to a question by the Hon. Robyn Parker yesterday, the figures used for the report were the 2001-02 figures. There has been a substantial increase in expenditure since then.

PAROLE AUTHORITY

The Hon. JAN BURNSWOODS: My question without notice is directed to the Minister for Justice. Will the Minister advise the House about the performance of the New South Wales Parole Authority and how it is serving the interests of the community?

The Hon. TONY KELLY: The New South Wales Parole Authority is an integral part of our corrective services system. We have the largest corrections system in Australia, and as such the New South Wales Parole Authority has the most significant workload of any parole authority or board in the nation. The Parole Authority deals with a variety of offenders, from the most serious offenders to the moderate, and in every case the authority's main consideration in granting parole is the need to protect the interests of the community. Last year alone the New South Wales Parole Authority considered 11,541 cases. The number of cases in which parole was ordered has dropped nearly 30 per cent, from 1,222 in 2003 to 881 in 2004.

Of the cases considered, parole was refused in 481 instances, 51 of which were serious offenders. Parole was refused in 185 cases in 2003. That represents an increase of 160 per cent in the number of refusals of parole since 2003. This reaffirms the Government's commitment to serving the interests of the community and ensuring a safer community for the people of New South Wales. It needs to be understood that parole is not an automatic right or a given at the end of an offender's non-parole period; it is granted only in the public interest. In saying that, the Parole Authority must specify the reasons for refusal of parole and allow all issues and concerns to be addressed by the inmate or representative at a review hearing.

In 2004 the Parole Authority revoked 1503 parole orders—an increase of 33.6 per cent from 2003, when 1,125 orders were revoked. The number of parole orders revoked due to reoffending decreased from 724 in 2003 to 511 in 2004. This represents a drop of 30 per cent since 2003. That means that we are catching more people who breach parole as opposed to people who are reoffending. As one aim of the corrections system is to educate offenders so they can become productive citizens of this State, this figure represents a positive step forward. The State Parole Authority also accepts submissions from registered victims of crime when an offender is being considered for release. The Government believes that the emphasis of the parole system should be on community safety.

[Interruption]

I do not know why the Hon. John Ryan is laughing about this. I will repeat what I have just said and he may laugh again if he wishes. The Government believes that the emphasis of the parole system should be on community safety, and it has undertaken significant reforms in this area. Building on its strong record, the Government introduced the Crimes (Administration of Sentences) Amendment (Parole) Act 2004. Victims groups have welcomed the reforms, which among other things remove the automatic right of the offender to a public hearing.

The Parole Authority also tries to deter people from re-offending through the use of a warning system: 454 formal warnings were issued by the Parole Board to borderline parolees who were at risk of breaching their parole conditions. The warnings are an effective tool to encourage parolees to improve their behaviour and adhere to parole conditions, as well as assisting parole officers to case manage offenders. The Iemma Government is unswerving in its commitment to strengthen the operations of the State Parole Authority. We will continue to ensure that the interests and safety of the public are protected, whilst upholding a fair and transparent parole system.

BRIGALOW BELT SOUTH BIOREGION

The Hon. DUNCAN GAY: My question without notice is directed to the Minister for Primary Industries. Does the Minister recall the following statement by the New South Wales Labor Government on 4 May 2005 regarding the Brigalow Belt South bioregion decision: "Seven mills will continue to operate at around their current allocation"? Can the Minister name the seven mills that will continue to operate?

The Hon. IAN MACDONALD: I stand by the statement made in May—I have no evidence to the contrary—that there will be seven mills open.

TRAVELLING STOCK ROUTES

The Hon. JON JENKINS: My question without notice is directed to the Minister for Primary Industries. Is it true that travelling stock routes are being turned into national parks or offered for sale to adjoining farmers? Where will people travelling long distances in regional and rural New South Wales stop overnight now that the travelling stock routes are no longer available? Where will people travelling with horses or other stock in regional and rural New South Wales stop overnight now that the travelling stock routes are no longer available? Considering the current Government's safety advertisements for people to "Stop, revive and survive", is it not completely incongruous to be closing access to the only publicly available free stopover points in regional New South Wales? Is this just another money grab by selling off more public assets?

The Hon. IAN MACDONALD: To my understanding that is a totally inaccurate question.

FEDERAL GOVERNMENT INDUSTRIAL RELATIONS POLICY

The Hon. IAN WEST: My question is addressed to the Minister for Industrial Relations. Will the Minister inform the House about the job security implications for New South Wales workers should the Howard Government proceed with its proposals on industrial relations?

The Hon. JOHN DELLA BOSCA: I commend the honourable member for his ongoing interest in industrial relations matters. Four million employees in more than 99 per cent of private-sector firms stand to lose their rights to claim an unfair dismissal. Under the Howard Government's proposals, four million employees can be sacked at will as long as the employer does not cite reasons such as race or gender. The Federal Government is attempting to convince the Australian public that unlawful termination laws will protect workers. However, these laws cover only a very narrow range of criteria. As the Prime Minister knows, unlawful termination cases are costly and complex, and must be heard before the Federal Court. The Commonwealth is even promising employees \$4,000 in legal aid to run these cases. I do not know that too many in small business would be aware yet that the Commonwealth proposes to provide \$4,000 for people to run costly cases against them in the Federal Court.

The New South Wales Government believes that a simple and accessible unfair dismissal remedy such as provided for in the New South Wales jurisdiction is an important part of our fair industrial relations system. Most Australians believe in the concept of fairness and a fair go all round. Most Australians believe there should be protection to ensure everyone gets a fair go. It is interesting that when one is faced personally with the prospect of losing one's job, support for the concept of fairness and protection in the workplace comes from the most unlikely source. The Leader of The Nationals in New South Wales, the honourable member for Oxley, spoke to a caller on ABC radio just yesterday. The caller said that if she had behaved in the workplace like the honourable member for Coffs Harbour had, she would probably be sacked. The Leader of The Nationals told listeners on that ABC program:

Well look, in the workplace there are procedures for disciplining, including the issuing of warnings and there is an unfair dismissal procedure in place to protect employees.

The Hon. Duncan Gay: Point of order: The Leader of the Government is an experienced member of this House and he knows that, if he wishes to do a hit on a member in the way he is endeavouring to with regard to the honourable member for Coffs Harbour and the Leader of The Nationals, he should do so by way of substantive motion and not under the guise of an answer to a dorothy dixer. I request that you direct the Minister to address the question he was asked.

The Hon. JOHN DELLA BOSCA: To the point of order: I was quoting what was said by the Leader of The Nationals. My answer is so far, and will always be, within standing orders.

The PRESIDENT: Order! The Minister must not make imputations against a member of the other House. However, he can make general comments in the course of his answer.

The Hon. JOHN DELLA BOSCA: The Leader of The Nationals is supporting the need for unfair dismissal laws. Good on him! Where has he been? These are exactly the protections the Commonwealth is proposing to eliminate for employees in 99 per cent of private-sector firms in New South Wales. When faced with the suggestion of a Nationals member losing his or her job for violence and objectionable behaviour in the workplace, the Leader of The Nationals clings to the life raft of unfair dismissal. Does the Leader of The Nationals support the Commonwealth's radical reshaping of the Australian employment landscape to remove the protections he is now, on fairly spurious grounds, claiming for one of his colleagues? The Leader of The Nationals in Queensland, Robert Springborg, described the Commonwealth proposals as stupid. Australians want balance and fairness in the workplace. [*Time expired.*]

BOARDING HOUSE REFORM

The Hon. JOHN RYAN: My question without notice is directed to the Minister for Disability Services. What plans has the Government made to implement the recommendations of the Allen Consulting report into licensed boarding houses? Given that this report was commissioned by the Government and finalised in 2003, has the Minister decided whether new legislation will be introduced to ensure that the rights of vulnerable residents are protected?

The Hon. JOHN DELLA BOSCA: The honourable member's question is important. We have all been concerned with licensing issues in relation to boarding houses. It has been an ongoing part of the Disability portfolio, and it concerns the Community Services portfolio and the Planning portfolio. The boarding house reform program commenced in 1998 with the objective of improving the standard of accommodation and support for residents of licensed residential centres or licensed boarding houses. It aimed to relocate residents who had high support needs into more appropriate community-based accommodation and provide support services to residents remaining in the centres.

In this financial year, \$48 million will be spent through the boarding house program. This includes more than \$42 million in community-based accommodation support services to former residents of boarding houses who have high support needs, including an additional \$1.5 million in growth funds; \$4.2 million in support services to assist people remaining in licensed residential centres; and \$2 million in recurrent growth funds for the relocation to more appropriate accommodation of residents affected by boarding house closures. In addition, \$2 million in capital is available for the purchase of accommodation.

Boarding house residents will also receive personal care services valued at \$1.4 million through the Home and Community Care Program. More than 460 people with high support needs have been provided with new community-based accommodation and support from the reform program. One of the aims of the program is to improve conditions in licensed residential centres and address the issue of industry viability by easing pressures on centre operators. The provision of a range of targeted personal care, health care and community access services has enabled residents living in these centres to have an improved quality of life and better access to the community.

CLEARVIEW NEW SOUTH WALES WINE AWARDS

The Hon. TONY CATANZARITI: My question is addressed to the Minister for Primary Industries. Will the Minister advise the House about the winners of the Clearview New South Wales Wine Awards announced last night?

The Hon. IAN MACDONALD: Last night I had the pleasure of attending the Clearview New South Wales Wine Awards, which recognise the outstanding products that have been produced by the wine industry in this State. I am delighted to inform the House that the winner of the New South Wales Wine of the Year Award was Westend Estate's 2004 Richland Shiraz, which, incidentally, retails at about \$12 a bottle.

The Hon. Melinda Pavey: From a National party electorate.

The Hon. IAN MACDONALD: Yes, the Murrumbidgee has had to carry a big burden in recent years because of the National party in the area. Westend is a second-generation family business located in Hanwood, near Griffith. It is run by Bill Calabria, whose family came to Australia in 1927. Last year, after the drought concert, a few of us, including the maestro and the Hon. Tony Catanzariti, went to Westend and had some pizzas. It was a very pleasant afternoon. It is a business that has shown great innovation in the last few years, expanding its vineyards for domestic and export growth and beautifying its estate to attract tourism. This is a great win not just for Westend Wines but also for all the wineries in this booming region. The Riverina is one of the fastest-growing wine production areas in the State, with many promising vineyards being established in the region. The growth of the industry is a fantastic development for Murrumbidgee, boosting employment and tourism opportunities in the area.

The Hon. Duncan Gay: Name the ones you have not been to yet.

The Hon. IAN MACDONALD: I think I have been to most, actually. I take my job seriously. The first vineyards in Griffith were planted early last century following the wave of Italian immigrants settling in the area who brought with them their skills in viticulture. Today the industry is still family based, with some local families now entering their second or third generation of wine production. There are now 18 wineries in the Griffith region, with 25 other wineries sourcing their fruit from the area for the 2005 vintage. A number of local wineries have indicated that they plan to undertake significant expansion in the next five to ten years. Thanks to the strength of the local viticulture industry, Griffith is now one of the boom towns in New South Wales, its population continuing to grow. In fact, the industry has tripled its size over the last decade. New South Wales now accounts for more than 30 per cent of Australia's total market, and nine of the country's top twenty wine exporters are based in New South Wales. Overall, the industry is worth \$2 billion and supports 20,000 jobs—most of which are in rural and regional New South Wales. The standards last night were very high indeed. Other winners of awards included Hungerford Hill 1999 Dalliance, from Tumbarumba for best sparkling; Tatler 2004 Nigel's Semillon, from the Hunter Valley, for best young dry white; and Tower Estate 1999 Semillon, from the Hunter Valley, for best mature dry white.

The Hon. John Della Bosca: Do you have any for cellaring?

The Hon. IAN MACDONALD: I will give a list to the Minister later. Peterson's 2000 Back Block Shiraz, from the Hunter Valley, receive the award for best mature dry red, and Bimbadgen Estate 2004 Myall

Road Semillon, from the Riverina, received the award for the best sweet wine. I am happy to advise that the top 40 wines from last night's awards will form the basis of the wine selection within the State Parliament's dining room, so that people from all across the State can sample and enjoy the products. The new wine list for Parliament will be introduced on 17 November following an official wine tasting event at Parliament House that I will sponsor and to which all members will be invited.

PETROL SNIFFING

Reverend the Hon. Dr GORDON MOYES: I ask the Minister for Primary Industries, representing the Minister for Aboriginal Affairs: Is the Minister aware that the Northern Territory has called for governments around Australia to implement the recommendations of several coronial inquests into petrol sniffing deaths? Has any concerted analysis been made of the extent, if any, of petrol sniffing within local and regional indigenous communities in New South Wales? Do adequate treatment and rehabilitation services exist in New South Wales for indigenous persons who engage in petrol sniffing?

The Hon. IAN MACDONALD: I will refer that serious question to the Minister for his considered reply.

BRIGALOW BELT SOUTH BIOREGION

The Hon. DON HARWIN: My question is directed to the Minister for Primary Industries. Why has State Forests failed to sign off on wood supply agreements more than five months after the New South Wales Labor Government announced its Brigalow Belt South bioregion decision? Is it true that State Forests is not prepared to guarantee quality of the resource?

The Hon. IAN MACDONALD: I remind the honourable member that wood supply agreements on the coast, both north and south—

The Hon. Rick Colless: This is about the Brigalow belt, dopey.

The Hon. IAN MACDONALD: Just listen for once; you might learn something. It took much longer than five months to sign off many of the wood supply agreements for the north coast and south coast, basically because both parties have to enter into very onerous and secure agreements that last 20 years. NSW Forests is discussing these issues in great detail with the owners of the various mills in the Brigalow belt and outside the Brigalow belt because, as members would note, the decision that we took in May was to extend all of the benefits of the exit packages, the reinvestment packages and the Worker Assist program to all those in the cypress pine industry in the west of the State. We are in negotiations with each and every company and we will sign the appropriate contracts in the not too distant future.

CENTRAL COAST BRAVERY AWARDS

The Hon. GREG DONNELLY: Will the Minister for Emergency Services please inform the Chamber about bravery awards being presented tomorrow to two NSW Fire Brigades firefighters and two members of the public?

The Hon. TONY KELLY: Tomorrow Station Officer Dennis Rayner and Senior Firefighter Philip Brown from the Doyalson fire station will be presented with the Royal Humane Society Silver Medal for their brave actions at a Central Coast house fire last year. I am sure that I do not need to remind the House that this tragic house fire, on 26 July 2004, claimed the lives of a little boy, Brent Londrigan, and a firefighter, Phillip Viles. On that day Station Officer Rayner and Senior Firefighter Brown entered the upper level of the burning house by ladder to try to rescue two-year-old Brent. Because of the dark and smoky conditions, and with the house collapsing around them, they lost contact with each other but refused to give up the search. They searched several rooms of the house despite the increasing intensity of the fire and debris falling from the ceiling. Eventually the roof collapsed and they had to flee through separate windows to survive. Senior Firefighter Brown re-entered the house to conduct a further search but was forced onto the roof as flames engulfed the room he was in.

It is always a tragedy when someone dies in a house fire, even more so when it is a child. While nothing will take away the sense of loss that the Londrigan family and the community suffered on that fateful day, I think it helps to know that the firefighters at the scene did everything they could, and that they did not

give up. Firefighter Phillip Viles was also part of the rescue attempt. Phillip's heart gave out as he worked with his crew mates to help find little Brent. It was a double tragedy for the fire brigade that day when it lost one of its own in a valiant rescue attempt. The Royal Humane Society's Silver Medal is a fitting tribute to Station Officer Rayner and Senior Firefighter Brown for the bravery they displayed in their relentless attempts to rescue little Brent. I am sure all my colleagues will join with me in congratulating these fine, upstanding firefighters on their remarkable achievement. Their actions at this fire were previously recognised with the NSW Fire Brigades Medal for Conspicuous Bravery, which is the brigades' highest bravery decoration. They are truly a credit to the Fire Brigades and the people of New South Wales.

Two neighbours of the Londrigan family, Joshua Carew and Brendan Carew, will also receive Royal Humane Society awards for their actions at the fire. They heard Brent's cries for help and, with no training or protective equipment, entered the house to try to find him, stopping only because the smoke from the fire had poisoned the air and made it impossible for them to breathe. Joshua and Brendan, I thank you both, on behalf of every member of this House, for your brave actions that day. Selfless acts like these should not go unnoticed. It is difficult to come to terms with tragedies like this one, but we can be comforted by the brave actions of both neighbours and firefighters. Once again I commend each of the boys for the bravery awards they will receive tomorrow and thank them for their outstanding contribution on behalf of the community.

ANTI-TERRORISM LAWS

Reverend the Hon. FRED NILE: I wish to ask the Special Minister of State, representing the Premier, a question without notice. Is it a fact that Australian security agencies have identified more potential militant Islamic terrorists in Australia? Is it a fact that media reports claim that the Australian Security Intelligence Organisation [ASIO] is monitoring as many as 800 people in Australia? Is it further a fact that the Director General of Security stated publicly on 13 October that, "ASIO currently assesses a terrorist attack in Australia is feasible and could well occur"? Following the confidential briefing and agreement between the Commonwealth and all State and Territory governments at the Council of Australian Governments [COAG] meeting in Canberra on 27 September, will the New South Wales Government continue to give its full support to the agreed anti-terrorism bill for the safety and security of the people of New South Wales, especially the citizens of Sydney?

The Hon. JOHN DELLA BOSCA: The honourable member has asked a very important question about a serious issue. The last part of his question is a matter for the Premier to respond to personally. I will be happy to make available to the honourable member and to the Chamber, as quickly as possible, the Premier's complete answer to that part of the question. As for the balance of the question, the answer to the first part is: Apparently, yes. There are assessments similar to that described in the honourable member's question. I would dare to speculate personally, and have some basis for believing, that the report relating to 800 persons of serious interest may be somewhat exaggerated. I know, as does every member of this Chamber, that not only ASIO but also a number of commentators in a position to know the issues would regard a terrorist attack as feasible, if not necessarily likely, onshore in Australia. I will obtain an answer from the Premier as soon as practicable.

NARRANDERA GRANTS SAW MILLING COMPANY

The Hon. RICK COLLESS: My question without notice is directed to the Minister for Primary Industries. Is the Minister aware of a fire that destroyed a \$500,000 harvesting machine supplying logs to the Narrandera Grants Saw Milling Company? Is the Minister further aware that the company wrote to the Forestry Structural Adjustment Unit, with a copy to the Minister, requesting State Government assistance some three weeks ago, but as yet has not even received a response?

The Hon. IAN MACDONALD: I have not received the details of the matter referred to by the honourable member. I will take up the matter and obtain an answer for the honourable member.

SAFE WORK AUSTRALIA WEEK

The Hon. CHRISTINE ROBERTSON: My question without notice is directed to the Minister for Commerce. Will the Minister inform the House of WorkCover's activities during the inaugural Safe Work Australia Week, which will run from 23 to 29 October?

The Hon. JOHN DELLA BOSCA: I thank the honourable member for her ongoing interest in regional affairs and occupational health and safety. Honourable Members would be aware of this Government's proud record in improving workplace safety for workers and employers across New South Wales. We are

determined to continue the strong efforts that have seen incidences of workplace injury and fatalities at their lowest level in 17 years. As I have mentioned in the House before, the old regime of simple inspection and prosecution for breaches of the law is no longer enough; we have to ensure that there are partnerships between business and the regulator, and between business and employees, in order that people understand and deliver on their various health and safety responsibilities.

Safe Work Australia Week aims to increase awareness of safety issues among Australian workers and employers, and provides another prime opportunity to work with industry to improve workplace safety outcomes. In New South Wales, WorkCover will again be the principal sponsor of the 2005 Safety Conference and Safety Show—which will be held from Wednesday 26 October to Friday 28 October at the Sydney Showground, Olympic Park. The safety conference will feature more than 70 Australian and international speakers, as well as a hypothetical-style discussion. Last year, the safety show attracted almost 8,000 visitors from across the spectrum of industry sectors. This year's safety show will play host to 250 exhibitors, including WorkCover, along with a dedicated building and electrical safety feature, free safety tours led by industry experts, and a live demonstration area where occupational health and safety products will be put to the test.

WorkCover's Business Assistance Unit will play a leading role in this year's safety show, hosting nine interactive workshops over the three days, concentrating on a broad range of topics such as working safely in construction, dangerous goods legislation, and working safely with chemicals and hazardous substances. Since its launch in February 2005, the Business Assistance Unit has hosted over 100 workshops for small- to medium-size businesses, with more than 1,700 business owners and operators in attendance. The recent Business Advisory Day in Penrith is a great example of the unit doing its work. I am pleased to inform honourable members that New South Wales will also host the second WorkCover Safe Work Awards during Safe Work Week. These awards reward efforts in delivering ground-breaking advances in workplace safety.

This year, businesses and individuals will vie for awards in categories including: best solution to an identified workplace safety issue; best solution to a workplace manual handling hazard; best workplace health and safety management system; and Workplace Safety Champion. Honourable members will recall that late last year I was able to report on the winners of the inaugural WorkCover Safe Work Awards. The winning entries included small businesses in regional centres, like the Central Coast-based Continental Ace, the community service organisation Mission Australia, and the multinational Bovis Lend Lease. The Workplace Safety Champion, awarded to the individual who makes the greatest contribution to safety in the workplace, was awarded to Mr Stephen Winner of RailCorp. The variety of entries and the make-up of the eventual winners was a welcome reminder of the role all businesses and individuals can play in improving workplace safety. I commend these events to the House. Further information can be found on the WorkCover website www.workcover.nsw.gov.au.

CENTENNIAL COAL OPEN-CUT MINE

Ms LEE RHIANNON: I direct my question to the Minister for Mineral Resources. Is the Minister aware that a number of Awaba residents are opposed to Centennial Coal's plan to locate an open-cut mine only 200 metres from houses on the outskirts of the town, and only one kilometre from the centre of Awaba? Will the Minister encourage Centennial Coal to organise a community meeting that all residents can attend, or does the Minister support the divide-and-conquer approach of Centennial Coal's PR consultants, Hansen Consulting, to only meet with residents in one-to-one meetings? What is the Minister doing to reduce the environmental damage this project will cause in the Macquarie catchment area, given that three creeks will be diverted, two of which have breeding platypus populations, and the open-cut mine operations will destroy the habitat of yellow tailed black cockatoos and wallabies?

The Hon. IAN MACDONALD: In looking at these issues the Government always takes a very stringent environmental look at each and every one of these proposals. On the matter for consultation, my view is that all companies should engage in prolonged and detailed consultation with local communities. How they achieve that is up to them and how they conduct it is also for them. In relation to all of the environmental issues, they will be considered in any environmental impact statement in relation to this issue, and we would not be approving any development without proper attention to the environment.

I know the honourable member has a fascination with opposition to the coal industry and its attendant work force, who want to live and work in these regions. At some time the honourable member should have a discussion with the Construction, Forestry, Mining and Energy Union [CFMEU] Mining Division. I know that she plays a bit of a game here. She pays a lot of attention to the Construction Division, but there is a Mining

Division and, for the information of the Greens, the Mining Division is an important constituent of the CFMEU. I suggest that she should take her question over to John Maitland or Jim Marr, who would give her a very good view of her apparent opposition to most mining developments in this State.

Let us face it, in New South Wales there are around 15,000 mining workers and workers in companies related to the mining industry. The industry supports families all over regional New South Wales. The mining industry is an important driver of our economic prosperity. I remind Ms Lee Rhiannon that Centennial Coal is a very good Australian company. It runs a large number of mines across the State and it is now exporting some of its product overseas. I applaud companies like Centennial Coal for expanding and growing their businesses and ensuring that there are many jobs in regional New South Wales.

Once again the Greens, in their struggle for relevance, are facing difficulty here. On the one hand, they hate the coal issue. Only Labor bridges environment and jobs. Ms Lee Rhiannon continues to promote this NIMBY-type behaviour, by encouraging people to oppose whatever is happening in their backyard, and by being anti-jobs and anti-Hunter. I can tell the honourable member that members of the Labor Party take a responsible attitude to mining. We will not ignore the environmental issues. We will evaluate the activities of the company effectively. We will make sure it is a sustainable mining development and that it contributes to the economic development of the State by providing jobs for members of the union that Ms Lee Rhiannon continually promotes in this place. I will send Ms Lee Rhiannon's question to all the divisions of the CFMEU to make clear to them her attitude to mining, and therefore to the 15,000 mining workers across the State who derive their living from the mining industry.

Ms LEE RHIANNON: I ask a supplementary question. Is the Minister not concerned that the jobs growth from mining in the Hunter is dropping so dramatically that in the lower Hunter mining jobs constitute only 2 per cent of the total number of jobs and, in the entire Hunter, only 8 per cent of the total number of jobs? Will the Minister acknowledge that mining is not delivering the growth that the Hunter so desperately needs?

The Hon. IAN MACDONALD: I am aware that there is a reduction in the number of jobs in the coal industry in the lower Hunter. That is because the industry is gradually moving up the valley. Ms Lee Rhiannon would have to realise that the location of mining operations has changed. Originally they were carried out along the coast, and gradually the industry moved to other places. Mines are opening up in the Hunter, and also around Ulan, and also we have the Caroon development across the Liverpool Ranges, which is available for public expression. I am sure the Greens will be very interested in and concerned about that one as well. There is also the 500 million tonne coal reserve that will provide hundreds of jobs for that region. The fact of the matter is that the lower Hunter is no longer quite the centre of the coal mining industry that it once was—

The Hon. Michael Costa: But the economic value is still very high.

The Hon. IAN MACDONALD: As the Minister for Finance says, the economic value of the industry is still very high.

Ms Lee Rhiannon: But not the jobs!

The Hon. IAN MACDONALD: There are 15,000 jobs in mining. What do you mean? There are not 15,000 jobs in Greens-oriented basket weaving.

HOSPITAL WAITING LISTS

The Hon. DAVID CLARKE: My question without notice is addressed to the Minister for Health. Given that the current Premier and former Minister for Health promised in February 2004 to provide 3,000 additional elective surgery procedures by August 2005 and 7,000 fewer operations were performed this year, what does the Minister say to the 10,000 people who would have had their operations performed if the Premier, as the then Minister for Health, had kept his promise?

The Hon. JOHN HATZISTERGOS: The waiting list has actually gone down yet again for another month; it is now at around 60,000. The long waiting list is down to under 5,000. What the Hon. David Clarke is concerned about, I believe, are the press releases that Jillian Skinner issued last week in which she said that less surgery was being carried out in New South Wales, which is incorrect. This year the Government will spend \$10.9 billion on health services. We have allocated an additional \$35 million to improve access to surgery for people who had been waiting long periods to undergo their procedures. In 2005-06 we have increased elective

surgery funding by a further \$15 million over and above the additional funding announced in last year's budget. Our Predictable Surgery Plan is currently targeting patients who have waited more than 12 months for low-complexity procedures such as cataracts and ear, nose and throat surgery. The plan makes provision for around 2,000 additional procedures to be performed in public hospitals, and for a partnership with private hospitals to perform a further 2,500 low-complexity procedures.

The Hon. John Ryan: That's the plan. What about the result?

The Hon. JOHN HATZISTERGOS: I told you about the result earlier. You weren't listening, silly.

The Hon. Duncan Gay: When are you going to apologise?

The Hon. JOHN HATZISTERGOS: Apologise for what?

The Hon. Duncan Gay: To the 10,000 people who have missed out.

The Hon. JOHN HATZISTERGOS: There has been a cumulative increase of \$115 million for booked surgery since July 2004, which has been underwritten by the Government funding an additional 1,300 new permanent beds.

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

The Hon. JOHN HATZISTERGOS: Under the former Coalition Government, there were 7,000 fewer permanent beds. The Government's investment in more beds, extra funding, and a successful recruitment of more nurses, both at home and from overseas, is having a real impact. The current statistics clearly show more booked surgery activity and steadily declining waiting lists, with increased surgical access for patients in all urgency categories. The September information will be available later this month. However, as at August 2005 the booked surgical waiting list stood at 59,204, which is less than the figure for the previous month and represents a decrease of 6,191, or 9.46 per cent, since August 2004. The booked medical waiting list stood at 13,310, a decrease of 6.6 per cent since July 2004.

So the Opposition should tell Jillian Skinner to correct the record because she made a mistake. The long waiting list—which refers to those waiting longer than 12 months—has almost been halved over this period, from 9,590 in August 2004 to 4,958 in August 2005, a 48.3 per cent decrease. The long waiting list decreased by 229 patients in August 2005. These figures are decreased not by doing less surgery but by doing more surgery. During August 2005 there were 3,678 more surgical admissions to public hospitals than in the previous month. The next phase of the long waiting list reduction program is in orthopaedic surgery for the remainder of 2005-06. A Predictable Program of Orthopaedic Surgery is being developed with orthopaedic surgeons. It will include a limited number of orthopaedic centres in New South Wales with high throughput, and negotiations with prosthesis supply companies to get the appropriate replacements at the best price.

The Australian Government's Private Health Insurance Initiative has resulted in private hospitals reducing their share of the emergency workload and has also created an incentive for private hospitals to concentrate on more profitable, less complex elective surgery. Over 2004-05 admissions to wards, operating theatres and intensive care units from emergency departments increased by 8 per cent. This increase in activity remains constant for the current financial year, with attendances to our emergency departments up 11.1 per cent on the previous year as at August 2005. Against that background, our achievements are particularly impressive.

PORT BOTANY CONTAINER TRADE DELAYS

The Hon. KAYEE GRIFFIN: My question is addressed to the Minister for Ports and Waterways. Will the Minister provide the House with the latest information regarding delays in container trade at Port Botany?

The Hon. ERIC ROOZENDAAL: This morning I was at Botany Bay to witness the unmitigated disaster brought upon this State by the Coalition's incompetent mate Senator Ellison, the doddering Minister for Customs. In a stroke of genius, the Federal Government and Australian Customs have chosen the Christmas peak, the busiest time in the year, to launch a computer system that they have not bothered to properly test. This is despite the industry asking that the launch not take place now but that it take place in July. But, of course, the Federal Government, wallowing in its \$13 billion GST surplus, is looking for ways to blow money.

The Hon. Duncan Gay: Have you put out a press release on this?

The Hon. ERIC ROOZENDAAL: I have done a bit more than issue a press release; I have been talking to your mate Alan Jones about this, and he agrees with what I have said. I am advised that the integrated cargo system was introduced on 12 October and already it is a disaster.

The system is nothing short of a \$200 million white elephant. The Feds have so much money to waste, it was to cost \$30 million but they made sure it cost \$200 million—\$200 million of taxpayers' money. And does this brilliant system work? No. It is a complete flop. What does that mean to the people of New South Wales?

The PRESIDENT: Order! I call the Hon. Rick Colless to order for the first time.

The Hon. ERIC ROOZENDAAL: The system is nothing short of a \$200 million white elephant which carries the threat of empty shelves in stores across the State in the lead-up to Christmas; they will not be able to get the products onto the shelves at Christmas time. It is bureaucratic bungling of the worst kind. It puts the New South Wales economy at risk; it puts jobs at risk; and it puts business at risk.

The Hon. Duncan Gay: What are you doing about it?

The Hon. ERIC ROOZENDAAL: I am talking about it in here today, which is more than you are doing! Already the port is at 90 per cent capacity and containers need to be urgently taken away. But the freight forwarders cannot because Customs cannot clear the containers for removal. More than \$100 million of trade goes through Port Botany every day. The entire State relies on the proper functioning of the port. Port Botany has the capacity for 15,000 to 20,000 containers at any one time. Technical problems caused by the computer stuff-up have made Port Botany operate at a snail's pace. There is a backlog of containers piling up. Port Botany will reach capacity by the weekend. What does that mean? I will explain it to the slow members on the other side. It means we will have to turn ships away by the end of the weekend if Customs does not fix this problem.

The Opposition may think this is humorous but this is Third World stuff. It is a joke and members on the other side should be ashamed to be associated with the bungling of the Federal Government on this issue. Opposition members should be up there talking to their mates about getting these containers moving. Of course, what does the Federal Government say?

[Interruption]

I am glad Alan Jones takes a more responsible attitude towards this than the Opposition does. The Federal Government does nothing but talk about it.

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

The Hon. ERIC ROOZENDAAL: The Federal Government's Customs need to go back to the original computer system, get this backlog of containers moving and make sure that the New South Wales economy keeps moving.

ABORIGINAL HOUSING COMPANY MANAGEMENT

The Hon. Dr PETER WONG: My question without notice is directed to the Minister for Finance, Minister for Infrastructure, and Minister for the Hunter, representing the Minister for Redfern Waterloo. Is it true, as reported in the media, that senior staffers from the Minister's office and from the Premier's office met with Aboriginal activist Ray Jackson and suggested that he help them overthrow the management of the Aboriginal Housing Company? What sort of message does this behaviour send to the Aboriginal community?

The Hon. MICHAEL COSTA: That is clearly a question for the Minister for Redfern Waterloo and I will refer it to him.

BREAST CANCER SCREENING

The Hon. JENNIFER GARDINER: My question is directed to the Minister for Health. Why has the Minister restricted the BreastScreen program to the 50 to 69 year age group when women in their forties account for 18 per cent of all breast cancer cases and women aged over 70 make up 27 per cent of all breast cancer cases?

The Hon. JOHN HATZISTERGOS: The Opposition does not seem to understand a few basic things about breast screening.

The Hon. Melinda Pavey: Does not understand your arrogance.

The Hon. JOHN HATZISTERGOS: I keep getting letters written to me by members of The Nationals, which I have gone to great lengths to personally sign, read, change and send out responses to address all of their issues. I have also gone to a lot of trouble at the estimates hearings to give a very comprehensive answer on this question but Opposition members do not seem to understand. Let me just explain very clearly. The first thing is: this is a national program. Does the Opposition understand that? And it targets a risk group that has been agreed upon between State and Federal officials. It does not exclude other people from applying for a breast screen, but the target group that has been selected are those that are most likely to benefit from free and regular breast screening.

RICE INDUSTRY

The Hon. EDDIE OBEID: My question is directed to the Minister for Primary Industries. Could the Minister inform the House about the steps taken to try to avoid the \$26 million in penalty payments for the Rice Marketing Act and the response from the Coalition on these matters?

The Hon. IAN MACDONALD: The Hon. Eddie Obeid has asked a really important question. I have seen comments by the Opposition that the State Government acted prematurely on this matter, and those comments are an absolute disgrace. Let me remind members that the National Competition Council [NCC] has had our Rice Marketing Act in its firing line since 2003. In fact, its release of this week clearly stated:

NSW's delay in reforming its domestic rice marketing arrangements has been regrettable and inconsistent with its competition policy commitments.

The New South Wales Government has done everything in its power to protect the industry, and I remind members of the process we have undertaken over the past two years. In March 2004, I held emergency talks with the NCC and was able to convince it to recommend to the Federal Treasurer that he suspend the \$13 million penalty for 2004-05 in return for New South Wales carrying out yet another independent review of marketing arrangements. The Federal Treasurer agreed to suspend that penalty. In fact, the Federal Treasurer has consistently rubber-stamped every recommendation the NCC makes.

We carried out this review—the third such review in 10 years—and consulted closely with industry throughout the process. The NCC then came back requiring more information. Again, we consulted with industry to provide this additional detail in an effort to convince the NCC that arrangements were sound and overwhelmingly beneficial to growers and the broader community. As I indicated earlier this week, industry also put its case to Kay Hull, Peter McGauran and Mark Vaile. Nick Minchin came down to see first-hand what a success story the rice industry is. During each of these briefings with Coalition members, the concerns of industry were heard. They made it absolutely clear that the Federal Treasurer had always accepted the advice of the NCC and that New South Wales had always stated that it could not afford the penalty and would be forced into deregulation if the penalty were to be applied. Federal intervention was requested, but nothing was done. The Premier has even written to the Prime Minister in defence of the arrangements, indicating:

The NCC's insistence that the domestic market be deregulated—

The Hon. Duncan Gay: Will you table these documents?

The Hon. IAN MACDONALD: I am certainly going to do that, don't you worry, brother—

seems excessive given the small efficiency costs associated with domestic deregulation, compared to the ever-growing competition from heavily subsidised imports.

The Premier's correspondence to the Prime Minister, like all pleas to the Commonwealth on this matter, has been met with a deafening silence. Despite all our efforts, the NCC continually fails to accept the benefits of our rice marketing arrangements. Like us, the industry is flabbergasted by the NCC's continued position. Laurie Arthur of the Rice Growers Association told ABC radio earlier this week that industry is "absolutely at a loss as to why the NCC will not accept an independent inquiry as was required". I could not agree more.

Industry and the New South Wales Labor Government are also at a loss as to why the Federal and State Oppositions have done nothing to intervene. A preliminary search of *Hansard* has shown that over the past two years the Deputy Leader of the Opposition has not said one word about this attack on the rice industry in the

Parliament. He has not issued one press release, that I have seen, demanding that his Federal colleagues do the right thing by growers. The members opposite may sit there and claim the New South Wales Government jumped the gun on this, but let me set the record straight.

The Hon. Duncan Gay: You have got to table your submission.

The Hon. IAN MACDONALD: I will be tabling everything—everything you want, you silly fool. On 17 October, before the State Government made its announcement that it was being forced to take action, I received correspondence from the NCC—

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

The Hon. IAN MACDONALD: That correspondence clearly stated— [*Time expired.*]

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

The Hon. IAN MACDONALD: On 17 October, before the State Government made its announcement that it was being forced to take action, I received correspondence from the NCC—I will table this document as well—which clearly stated:

... the Council cannot assess NSW as having met its NCP obligations and therefore it is likely that the competition payment suspension imposed in 2004 would become a permanent deduction and a further deduction for 2005 would follow.

Clearly, if we do not do what the Commonwealth wants, there will be a deduction. The letter also clearly stated:

... in order to meet its NCP obligations and avoid the prospect of deductions, NSW would need to reform regulation of rice marketing.

The Hon. Duncan Gay: Table your submission!

The Hon. IAN MACDONALD: The Deputy Leader of the Opposition asked me to table our submission. It is on the web site.

The Hon. Duncan Gay: Will you table it?

The Hon. IAN MACDONALD: I will show the Deputy Leader of the Opposition how to use a computer later, because he is obviously not checking anything.

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

The Hon. IAN MACDONALD: The letter further stated:

Under such reform a single desk for export could be retained but sale and purchase of rice for domestic use would need to be opened up to competition.

The \$26 million gun was clearly locked and loaded. Coalition members have had more than two years to intervene on this issue, and work with the New South Wales Labor Government to save this industry from upheaval. They did nothing—not a single thing. And it is an absolute disgrace. It shows why The Nationals are going backwards at a rate of knots. I seek leave to incorporate the four documents in *Hansard* to give the Deputy Leader of the Opposition, who has demanded access to the web site, and other honourable members the opportunity to read them.

Leave granted.

The Hon John Howard MP
Prime Minister
Parliament House
CANBERRA ACT 2600

Dear Mr Howard

I am writing seeking your urgent assistance in resolving a long-running competition policy matter related to rice marketing.

While I appreciate that your Government will not have received formal advice from the National Competition Council (NCC) on this matter yet, the New South Wales Government has been informally advised that it is the Council's intention to recommend a

substantial tranche payment penalty be imposed on New South Wales as a result of the maintenance of the existing *Marketing of Primary Products Act 1983*.

As you will be aware, the Commonwealth Government has previously accepted that a rice export single desk provides a net public benefit as a result of the premiums earned in export markets. I am advised that the NCC continues to acknowledge this position, but considers that domestic regulation constitutes a separate and unwarranted restriction on competition which should be removed. The matter of deregulating the domestic market has, therefore, been the subject of significant dialogue between the NCC and the New South Wales Government in recent weeks with a significant amount of further analysis and consideration having occurred.

Given that rice is almost exclusively grown in New South Wales, the key concern continues to be the likelihood that domestic deregulation will open the way to interstate trade and hence to rice being resold from other states in competition with New South Wales' single desk. This would undercut the export price premiums obtained by growers and exporters in New South Wales. The result would be to lose the net public benefit of the current arrangements which have been acknowledged by both our Governments. In practical terms this would lead to significant adverse regional development and employment impacts.

Unfortunately, the NCC has not accepted the arguments put forward by the New South Wales Government as regards the net public benefits of the current arrangements. Furthermore, the NCC's insistence that the domestic market be deregulated seems excessive given the small efficiency costs associated with domestic regulation, compared to the ever-growing competition from heavily subsidised imports.

The position of the NCC, on the one hand to acknowledge the merits of an export single desk but, on the other, to fail to appreciate the necessary regulatory controls required to maintain effective single desk arrangements under State law, leaves me with no alternative but to seek a positive commitment from your Government to establish a national rice export desk. If it can be agreed that a national desk will be established, New South Wales will undertake to proceed to deregulate domestic rice production confident that it will not jeopardise the current export premiums.

Alternatively, I would ask that you agree to the retention of the current arrangements in NSW, without imposing a payment penalty on NSW.

It is of note that two separate reviews have been undertaken of the *Marketing of Primary Products Act 1983* over the last ten years. Both have concluded that the arrangements as they stand deliver economic benefits for growers and for the community as a whole. Indeed, it was this position that led to a previous agreement between our Governments to deregulate the NSW rice industry in favour of a single export desk under Commonwealth jurisdiction. Regrettably, this proposal did not proceed due to the Commonwealth Government's withdrawal in December 2003.

NSW has considered a number of options to protect the Board's single desk premiums, while posing as little restriction on competition as possible. Providing a single export desk at a Commonwealth Government level remains the simplest and most effective model available.

While I note that Treasurer Costello's letter of December 2003 to former Premier Carr stated that there had been little support from other jurisdictions for a single export desk, in excess of 98 per cent of Australian rice is grown in NSW and as a consequence it is unlikely that the topic will receive any serious interest from other states.

This does not, however, diminish the importance of the matter. The New South Wales rice industry is a true Australian success story, indirectly employing approximately 8000 people in regional towns, and worth an estimated \$800 million a year—with 85 per cent of the total production exported. It would seem unreasonable to place the industry at risk when a clear and substantial net public benefit has been repeatedly demonstrated.

Given the magnitude of the financial penalties likely to be proposed, and the industry uncertainty that will be created by the NCC's assessment, it is most vital that I receive an early response to the issues I have raised. The NCC have indicated that they require a firm commitment as to the New South Wales Government's intended approach by the first week in October. Accordingly, I would appreciate receiving your response to the options I have proposed by Monday 26 September 2005.

Your assistance in this matter would be most appreciated.

Yours sincerely

Morris Iemma MP
Premier and Treasurer

22 September 2005

The Hon John Howard MP
Prime Minister
Parliament House
Canberra ACT 2600

Dear Mr Howard

I am writing to you again regarding rice marketing. Unfortunately, I have not received a reply from you following my letter to you dated 22 September.

In the absence of such a reply, and under the direct threat of the imposition on New South Wales of a \$26 million competition penalty, the New South Wales Government now has been compelled to agree to deregulate the domestic market for rice.

As my recent letter noted, the Commonwealth Government has previously accepted the arguments put forward by New South Wales regarding the net public benefits of the current arrangements derived through the premiums. This was the basis of the previous agreement between our Governments to deregulate the NSW rice industry supported by a national export desk under Commonwealth jurisdiction. Regrettably, this proposal did not proceed due to the Commonwealth Government's withdrawal from discussions in 2003.

Two separate reviews have been undertaken of the Marketing of Primary Products Act 1983 over the last ten years. Both have concluded that the arrangements as they stand deliver economic benefits for growers and for the community as a whole.

The New South Wales Government is committed to the promotion of competitive markets to maximise the economic benefits of efficient, innovative and productive industries. In this case, however, there is a concern that the pursuit of domestic market deregulation seems excessive given the small efficiency costs associated with current arrangements, compared to the increasing competition from heavily subsidised imported rice.

In excess of 98 per cent of Australian rice is grown in NSW. The industry is a local and international success story, employing approximately 8000 people overall, and worth an estimated \$800 million a year. New South Wales will proceed to deregulate while taking all necessary steps to ensure that this record of achievement is not jeopardised. I must reiterate that this is not the preferred position, but one that New South Wales is compelled to take in the face of a threat of a \$26 million fine, and silence from the Commonwealth. It is deeply regrettable that the Commonwealth Government has not taken steps to protect this valuable industry despite repeated requests from NSW.

Yours sincerely

Morris Iemma MP
Premier and Treasurer

17 October 2005

17 October 2005

The Hon Ian Macdonald MLC
Minister for Primary Industries
Level 33 Governor Macquarie Tower
1 Farrer Place
Sydney NSW 2000

By Fax: 02 9228 3452

Dear Minister

Thank you for your letter sent on 14 October in relation to reform of rice marketing regulation in NSW.

Under the National Competition Policy (NCP) Agreements, NSW and other Australian governments agreed to review regulation that restricted competition. Where such regulation was demonstrated to be in the public interest it could be retained. However where no public interest could be established, or where the public interest benefits could be achieved without restricting competition, governments were obliged to reform that regulation.

It is the Council's role to assess the performance of governments in meeting these obligations. Where necessary the Council may recommend deductions from competition payments that are made to governments for meeting NCP commitments.

In the case of rice marketing regulation in NSW, the most recent report, that you refer to in your letter, found that a single desk monopoly on the export of rice was in the public interest, although the benefits were relatively small. The Council has several reservations concerning this report and the basis on which benefits from a single desk monopoly were found to exist. These will be set out in more detail in our forthcoming assessment. Notwithstanding these reservations the Council has come to a view that NSW has met its NCP commitments in so far as establishing the public interest in maintaining a single desk export monopoly for rice.

The current restrictions on competition in relation to rice marketing, however, extend beyond export sale—denying choice to rice growers in respect of sales for domestic purposes and potentially limiting competition in domestic rice markets. Such restrictions have not been shown to be in the public interest and, beyond simple assertion, the need to restrict domestic competition in order to maintain the export single desk monopoly has not been established. There are a number of examples of regulatory reform of single desk exporting arrangements in Australia that have successfully introduced competition in domestic markets while maintaining controls on export activity.

In these circumstances the Council cannot assess NSW as having met its NCP obligations and therefore it is likely that the competition payment suspension imposed in 2004 would become a permanent deduction and a further deduction for 20 would follow.

The Council is aware of the effort by NSW to encourage formation of a national single desk for rice exporting through discussions with the Commonwealth. However, as the Council has noted in past NCP assessments, once those discussions did not proceed (for whatever reasons) NSW was required to meet its own obligations under NCP.

I also note your advice that the NSW Premier has written to the Prime Minister in relation to this matter. While any response to that correspondence may have bearing on decisions in relation to any recommendations the Council may make, NSW's NCP obligations remain and the State's performance must be assessed against these.

As we discussed last week, in order to meet its NCP obligations and avoid the prospect of payment deductions, NSW would need to reform regulation of rice marketing. Under such reform a single desk for export could be retained, but sale and purchase of rice for domestic use would need to be opened up to competition.

In your letter you outline the main elements of reform measures NSW is prepared to implement to meet its NCP obligations. These measures would retain an export single desk and amend regulation of rice marketing to allow domestic competition, while at the same time seeking to safeguard the export single desk through appropriate licensing arrangements.

I confirm these main elements accord with our discussions. However I note that in our discussions I emphasised the need for reform to be implemented before decisions in relation to the Council's 2005 NCP Assessment are finally taken.

In practice, this requires that the legislation to give effect to these changes be passed by the NSW Parliament before 30 November 2005 (although as discussed the reforms could come into effect after the current crop has been harvested). I understood from our discussion that you undertook the necessary legislation could be enacted within this timeframe.

When implemented, the reforms you propose will enable the Council to assess NSW as meeting its NCP commitment in this area. In anticipation of this, and based on your assurance that the necessary reforms will occur within the time agreed, the Council is willing to recommend that the competition payment suspension in relation to rice marketing imposed in 2004 be lifted and no deduction be applied in 2005. That recommendation will, however, be expressly contingent on the passage of legislation by 30 November and the Council will not support any extension to that timeframe.

The Council is pleased that we have been able to work with you to achieve an outcome in this area that enables NSW to meet its NCP obligations and maintain regulation that appears to be in the public interest while minimising adverse effects on competition.

Yours sincerely

David Crawford
Acting President

MEDIA RELEASE

18th October 2005

**National Competition Council acknowledges NSW Govt.
Allowing Competition in Domestic Rice Marketing**

The National Competition Council (NCC) acknowledges NSW's decision to fulfil its National Competition Policy (NCP) obligations by reforming regulation of its domestic rice marketing sector.

National Competition Policy commitments that all Australian governments agreed to require that legislation restricting competition is reviewed in order to prove such legislation is in the public interest. Governments agreed that legislation not demonstrated to be in the public interest, or unnecessary in achieving a public interest, would be reformed.

In the case of rice marketing in NSW, the public interest in having a single desk for exports was adequately demonstrated but domestic control was not shown to be necessary. The result was that NSW was free to retain the export single desk but needed to allow domestic competition in order to meet its National Competition Policy commitments.

The NSW Minister for Primary Industries has today announced that a single desk for exporting rice from NSW will be maintained, but domestic competition will be permitted through the introduction of an authorised buyer scheme.

This reform of NSW rice marketing will provide rice growers with greater choice in terms of who they sell their rice to and potentially lower costs for consumers.

Under the NSW plan:

- A single desk arrangement for rice exports from NSW will be retained
- An "authorised buyer" scheme will be introduced for domestic trade in rice
- The Rice Marketing Board will administer the scheme, subject to appeals to the NSW Administrative Decisions Tribunal
- The single desk will be protected through the sanction for any person or corporation found to have breached the conditions of their licence (i.e. exported rice) through the loss of their authorised buyer permit for a stipulated period of time
- These arrangements will commence in 2006, after the current crop has been harvested

**National Competition Council acknowledges NSW Allowing
Competition in Domestic Rice Marketing**

The NSW plan provides safeguards for the export single desk while allowing the benefits of greater competition in the Australian market.

Today's announcement represents the culmination of a journey commenced in 1995, when a NCP review of NSW rice marketing recommended retaining the export monopoly but removing the domestic monopoly. In 2004, the New South Wales Government

conducted a further review. That review also supported the single desk for exports, but in the opinion of the Council, did not provide adequate justification for why competition needed to be restricted in the domestic market.

It is the Council's role to assess the performance of governments in meeting NCP commitments. Where governments fail to meet the commitments they agreed to, the Council may recommend deductions from competition payments that are made to governments for meeting NCP commitments.

The Council examines NCP reviews to ensure that they are robust and properly justify restrictions on competition in line with commitments made by all Australian governments to the NCP.

NSW's delay in reforming its domestic rice marketing arrangements has been regrettable and inconsistent with its competition policy commitments. Consequently, in its 2004 Assessment, the Council recommended, and the Australian Government subsequently accepted, a suspension of 5% of NSW's 2004-05 competition payments (approximately \$13million).

On the basis that the decisions taken by the New South Wales Government are now implemented quickly, the Council will be able to recommend to the Australian Government Treasurer that the suspended payments be released and NSW will avoid the prospect of further penalties in relation to regulation of rice marketing.

That recommendation will be included in the Council's assessment report, which will be submitted soon. Council assessment reports are available publicly once the Australian Government has considered them.

The Council looks forward to the NSW Parliament speedily implementing legislation to reform the regulation of the domestic rice market and thereby open this sector to the benefits of competition. The passage of such legislation will result in the Council assessing NSW as compliant with its National Competition Policy undertakings and therefore there will be no further need for suspension of competition payments.

For Further Information:

Contact Royce Communications:

Richard Amos, Tel: 03 9639 2300 Mobile: 0418 344 978 or

Michael Horkings, Tel: 03 9639 2300 Mobile: 0407 049 648

[Time expired.]

The Hon. JOHN DELLA BOSCA: If honourable members have further questions, I suggest they put them on notice.

NARRANDERA GRANTS SAW MILLING COMPANY

The Hon. IAN MACDONALD: Earlier the Hon. Rick Colless asked me a question relating to the fire at Narrandera Grants Saw Milling Company. My office is aware of recent correspondence from the Grants of Narrandera in relation to a request for industry development assistance following the recent loss of a harvesting machine in a fire. The Grants were advised through the Forest Products Association to prepare an application that would be considered in accordance with the industry development assistance guidelines currently under development. These guidelines are being finalised with the assistance of the New South Wales Forest Products Association and the Construction, Forestry, Mining and Energy Union.

DEFERRED ANSWERS

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

SYDNEY CITY COUNCIL ADMINISTRATION

On 14 September 2005 Reverend the Hon. Fred Nile asked the Minister for Justice, representing the Minister for Local Government, a question without notice regarding the Sydney City Council administration. The Minister for Local Government provided the following response:

I provide the following details in response to your questions:

Issues concerning the formation of council committees are for council to determine in its discretion. It is for council to make decisions about the purpose of its various committees and who will sit on or otherwise participate in such committees.

As to your final question, the Government has no intention at this time of appointing an administrator to the council.

SWANSEA BRIDGE SAFETY

On 15 September 2005 the Hon. Michael Gallacher asked the Minister for Finance, representing the Minister for Roads, a question without notice regarding Swansea Bridges Safety. The Minister for Roads provided the following response:

The Swansea bridge re-opened to traffic ahead of schedule. The closures were necessary while the works were being undertaken.

The community was advised of the closures by letterbox drops, radio advertising, variable message signs, the RTA's traffic reports, handouts to motorists and media reports.

COMPRESSED AIR CLEANERS

On 15 September 2005 Reverend the Hon. Fred Nile asked the Minister for Health a question without notice regarding compressed air cleaners. The Minister for Health provided the following response:

NSW Health has noted the use of inhalants in 'Australian Institute of Health and Welfare 2005' and acknowledges the negative effects of inhalants, including compressed air cleaners, to the health of young people. Area Health Drug Services are available to provide both advice and treatment in relation to the abuse of inhalants.

NSW Health is part of the Expert Advisory Group for the Di@yll (Drug information at your local library) website at the State Library of NSW that has produced a fact sheet on the effects of inhalants that is available throughout the NSW public library system. This is available online at: <http://diayll.sl.nsw.gov.au/>

NSW Health recognises that responses to inhalant abuse need to be:

- based on evidence;
- based on engagement with the relevant community; and
- highly specific and targeted to communities where use is prevalent.

NSW Health will review the need for further initiatives including the issue of compressed air cleaners in line with the forthcoming National Inhalants Strategy. This strategy is currently being developed through the process of the national body, the Inter Governmental Committee on Drugs.

LOWER HUNTER REGIONAL STRATEGY

On 15 September 2005 the Hon. Robyn Parker asked the Minister for Finance, representing the Minister for Planning, a question without notice regarding the Lower Hunter Regional Strategy. The Minister for Planning provided the following response:

I have asked the Department of Planning to provide a draft strategy for public exhibition before the end of the year.

Work on drafting the Strategy is nearing completion and will be reviewed by the Government in the near future, followed by further public exhibition.

Work on the draft Strategy has not stopped development in the Lower Hunter. The Director General of the Department of Planning has written to each council and stressed that the assessment of development and rezoning proposals that accord with endorsed strategies should continue and not be delayed whilst the Lower Hunter Regional Strategy is being prepared.

HIT-AND-RUN ACCIDENT LAW REFORM

On 20 September 2005 the Hon. Catherine Cusack asked the Minister for Justice, a question without notice regarding hit-and-run accident law reform. The Minister provided the following response:

I am aware of Mr Saul's representations. Amendments to the Crimes Act 1900 have already been introduced in the other place. The proposed amendments will substantially increase the maximum penalty for failing to stop and assist after a motor vehicle accident where a person dies or sustains a serious injury.

Questions without notice concluded.

[The President left the chair at 1.02 p.m. The House resumed at 2.30 p.m.]

PORT MACQUARIE BASE HOSPITAL

Debate resumed from an earlier hour.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS [2.30 p.m.]: Treasury is always boasting about New South Wales' triple-A credit rating. That means the market is sending a signal that borrowing money is no problem; that we have a low level of debt to equity and the State is a very acceptable credit risk. The Mater project's estimated deficit is only \$132 million. Given the modest projected budget deficit for 2004-05 of \$379 million—although that is a little old now—it is not a great deal of money.

It is a fallacy that the private sector can run a business more efficiently than a good public sector. The private sector has a profit motive. Therefore, its basic objective is not the same as the public sector. Generally, the private sector has to pay more for its cash because it is not able to vary its tax the way the Government can

and it is not as large. It also has to return dividends far above what the Government has to return. The Government only has to break even. In a sense, customers of banks are second-class citizens to the shareholders.

It is more critical when the service provided is a health service. It is not just a question of procedural efficiency—in other words, how cheaply can one do a gallbladder operation—it is a question of allocative efficiency: What is the best way of spending the health dollars? The key problem with private partners is that they want to concentrate on the aspects that are most lucrative. If the Government cannot manage health when it is setting priorities, how can it manage to set priorities when the partners have other priorities, and they are closer to the coalface?

The plan at the Mater is for the private sector to build and maintain the new facility and the Government to pay off the asset over 25 years—construction, financing and non-clinical services. I imagine that since the Catholic Church owns the land, the leasing arrangements will apply only to the buildings. My view is that already the priorities of the hospital, the size of hospital and the allocation of the hospital are being distorted to suit the objectives of the private sector partner, and this is why it is a huge error. The extraordinary thing about this motion is that the Labor Party is praising the Government for getting back Port Macquarie Base Hospital, which has cost far more than if the Government had build it, and is avoiding responsibility for building it by using public-private partnerships [PPPs].

While we are fresh from our discussions about the disastrous effect of the cross-city tunnel on traffic planning or resource allocation in Sydney, I remind the Government that at the time the cross-city tunnel was let, I said the same effect on traffic could be achieved by restoring a train line to Randwick and the Prince of Wales Hospital. This would take all the students from Central railway to the university and the hospital, and would bring everyone from the relatively high-density units in the area into the city, thus taking all those cars off the roads. It would have a far less polluting effect and the same effect on Sydney's traffic as the tunnel.

As it is, we have built the tunnel. The Government was quick to jump into bed with a private sector developer and quick to take the word of the Roads and Traffic Authority [RTA], because the RTA has planners who want to build things. Of course, rail corporations in Australia do not seem able to get the same planning expertise and do not seem to have the same vision, expertise or government encouragement. We will get the papers on that debacle later today but it would seem that, rather than being guaranteed a certain level of traffic or a certain level of profit, which is the common way the Government gets fleeced in these PPPs, the developer is guaranteed it can do what it likes with the traffic. It can block all the streets and funnel the cars into the tunnel, so that will not be a problem and the Government will not have to pay any money. Instead of paying money it has scrambled the traffic.

Fresh from this debacle and crowing about getting the Port Macquarie hospital back after a series of bad contracts there, the Government is doing the same thing to the Mater. It is interesting to read in today's *Sydney Morning Herald* how the Government is looking for more PPPs. Only last Friday the Public Accounts Committee closed public submissions on private-public partnerships, and we await the conclusion of that inquiry by the committee, which has not reported yet. So, one might ask why the Government is announcing more PPPs when the Public Accounts Committee has not finished its analysis of them and their pitfalls? This Government does not listen to anybody. It does not plan and it does not think. It suits the private sector developers, who are generous donors to the Labor Party. It suits their interests for the taxpayer to be milked and for the Government, once again, to be fleeced.

The Opposition's policy is also just to hop into bed with PPPs. That is its entire infrastructure policy. So the two political parties are in some sort of entrenched duopoly—through the electoral system, through the consciousness of the media and through a fairly uncritical public having given up—basically locked into acting as negotiators for the big end of town rather than advocates for the people of New South Wales. This motion brings it into stark relief. The Labor Party has moved a motion expressing its pleasure at this hospital being returned to public ownership as it gives another one away. We wait to see in the news, probably tonight, about the debacle of the cross-city tunnel PPP. The Government roars ahead with more PPPs without even having the Public Accounts Committee inquire into the projects. I support the motion as far as it goes, but it is a very sad reflection on the state of government and the practices in New South Wales.

The Hon. JENNIFER GARDINER [2.40 p.m.]: I certainly do not support the motion. It is ironic that the motion in relation to Port Macquarie Base Hospital is being debated in the same week that the *Daily Telegraph* lobbed a classically damaging hand grenade with its front-page the other day showing the former health Minister, now Premier, Mr Iemma, and his chief competitor for the position of Premier—a role which he

continues to covet—Mr Scully, out of their depth on the cross-city tunnel. The Carr-Iemma Government has failed to deliver infrastructure projects from one end of the State to the other. Port Macquarie Base Hospital, an enviable state-of-the art hospital, was built by the Greiner-Murray Government in a public-private partnership. It was a fantastic addition—it still is—to the health infrastructure at Port Macquarie and the mid North Coast. I have visited the hospital, as have other members. It was a terrific facility from day one and it is to this day.

The Hon. Christine Robertson acknowledged that there had to be a new hospital at Port Macquarie as the old hospital was a rabbit warren that needed to be replaced. But she is in the same political party that was in power when the old hospital was running down. That was the norm for hospitals right along the North Coast under the Wran and Unsworth governments. Mr Unsworth was here earlier today. Hospitals were run down and overflowing. Schools right along the North Coast were bursting at the seams. Roads that had been sealed under previous Liberal and National Party or Country Party Coalition governments had been turned back into gravel under the Wran-Unsworth Government. There was the scandal of the goat track that was called the Pacific Highway. All of this was occurring while the population of the North Coast was growing fast.

The Wran-Unsworth Government could not care less about providing basic schools, hospitals, roads, police stations, ambulance stations—any form of basic social infrastructure on the North Coast. So when the new Liberal-National Party Government came to office there was a massive backlog to catch up in all those areas of infrastructure. And the Government set about doing just that. After that decade of neglect and negligence by Wran Labor the Greiner Government faced up to Port Macquarie's desperate need for a new hospital and adopted a different model to provide that hospital, allowing the Government to bring forward the construction of a new hospital. The incoming Government, to its the eternal credit, addressed Labor's public works backlog.

In moving the motion the Hon. Jan Burnswoods referred to Labor Party people fighting what she called "the good fight" for that model to be reversed. I think it was anything but a good fight. Reference was made to the Labor Party sometime candidate Mr John Murphy and the former late Mayor of Hastings, Mr Wayne Richards. It was not a good fight; it was a particularly vicious fight that displayed the Labor Party in all its bully-boy culture. The main target of the fight was my colleague Wendy Machin, who was the National Party's candidate for the seat of Port Macquarie at that time. I would suggest that of all the local campaigns across the entire State in the general election, the campaign against Wendy Machin was the most intense and nasty. Nevertheless, the electorate dismissed the argument against the case of Wendy Machin and the Coalition and she was elected as the member for Port Macquarie, the first person to be so elected. She later was re-elected and went on to become a Minister in the Coalition Government. It is pleasing to note that Labor Party bullying does not necessarily always succeed.

The Hon. Jan Burnswoods also mentioned the recent campaign of Dr Greg Watters, who, as she correctly mentioned, ran in last year's Federal campaign for the seat of Lyne, which embraces the Hastings district. The upshot of the campaign on health issues was that The Nationals candidate for Lyne, the Hon. Mark Vaile, now the Deputy Prime Minister of Australia, increased his vote. So much for that campaign! The Hon. Jan Burnswoods claimed that the Port Macquarie Base Hospital was a big issue in the by-election when Wendy Machin resigned the seat and the endorsed Nationals candidate for Port Macquarie, Mr Robert Oakeshott, won the seat. The hospital in fact was not a big issue in the by-election. In any case, The Nationals won the by-election.

I turn now to the work of the General Purpose Standing Committee No. 2, which looked at issues pertaining to Port Macquarie Base Hospital. The committee was chaired for a period by the Hon. Dr Brian Pezzutti and it examined the quality of care for public patients and value for money in major non-metropolitan hospitals. The inquiry came about, as set out in the chair's foreword to the report, because of community concerns expressed about Port Macquarie Base Hospital and the funding of the local area health service. The concerns were brought to my attention, although I was not a member of the committee at the time, by the then member for Port Macquarie, Mr Robert Oakeshott. He requested my assistance in initiating an objective parliamentary inquiry. I was happy to help in that regard.

So it came to be that the Opposition agreed to look at the Port Macquarie Base Hospital issue, and it was thought that one sensible way of gauging its performance would be to compare it with other hospitals of its peer group hospitals across the State. As stated in the report, the lack of responsiveness of the Carr Government on health issues at that time was evident even in the early stages of the inquiry. As an example of that, the committee prepared a discussion paper as a means of informing the community and key stakeholders about what NSW Health claimed it had done with regard to quality of care in non-metropolitan hospitals. The committee

forwarded the paper to all non-metropolitan base hospitals, area health services, key stakeholders and submission writers, and witnesses from an earlier stage of the inquiry.

However, the committee sought to widen consumer awareness of the report by writing to the director general of NSW Health, requesting permission to display copies of the report in all major base hospitals. But the director general was so slow in responding that the committee had to extend its deadline for submissions. The discussion paper issued by that committee sought to make comparisons across all base hospitals for value for money and quality indicators to determine whether complaints made in regard to the Port Macquarie Base Hospital represented an anomaly or were common to other hospitals. After three days of hearings with the director general and senior executives of NSW Health, two days of hearings with area health services and a further hearing with senior financial officers of NSW Health, the committee was still not able to estimate the real cost of services in each area—notwithstanding the reasonably forensic questioning of members, such as the Hon. Dr Brian Pezzutti.

The committee used up five days of hearings just trying to get the bottom line, to see what was really going on with NSW Health on the mid-North Coast, in particular with regard to any assistance given to Port Macquarie Base Hospital to enable it to do its job. I sat in on some of those hearings. In the end, the committee had to use the value-for-money criteria, using data in what was referred to as the "yellow book". It reported that its ability to pursue its terms of reference was limited by the age of the data that was provided by NSW Health. The latest resource distribution figures that have been produced by the department went back to 1998-99, so they were quite old and they made it difficult for the committee to make any sort of assessment. That is typical of the way the Labor Government operates: it uses old figures and changes the boundaries of area health services, thus making it difficult for even people with the best of intentions to find out what is actually going on.

That is why, in my view, the Government changes the boundaries every time a new Minister for Health is appointed—it takes a couple of years to sort out any data for comparison purposes. We talk about non-existent published waiting lists for dental health in New South Wales. The situation applies: the boundaries have changed and that is used as an excuse by the current Minister for Health for not providing comparable data. It was also apparent to General Purpose Standing Committee No. 2 that certain statistics were not available for Port Macquarie Base Hospital itself—a situation that the committee uncovered with the assistance of the department. However, importantly, the committee found that the Labor Government had allocated to the mid-North Coast, when compared with other regions of the State, significantly less from its resource distribution fund pool per head of population. That is, of course, for a part of New South Wales that is growing faster—and was growing faster at that time—than most other parts of New South Wales.

Robert Oakeshott wanted that inquiry because of his suspicion in that regard—which was held also by the Opposition—and, of course, that inquiry, which I assisted in instigating, confirmed that suspicion. The previous Liberal-National Party Government had facilitated the building and operation of a state-of-the-art base hospital in Port Macquarie but with the return of the dark days of another Labor Government returned—with Health Ministers Refshauge and Craig Knowles—came the return of anti-North Coast philosophy, which starved the Port Macquarie Base Hospital and other services in the Mid North Coast Area Health Service of funds. That finding was uncontested by the Labor members of the committee. It was a consensus report, signed off by Labor members the Hon. Henry Tsang, and former Minister for Community Services, the Hon. Ron Dyer. To their credit they did not seek to run away from that damning finding of that inquiry.

The Hon. Rick Colless: They did not do a Tripodi and run?

The Hon. JENNIFER GARDINER: No, they did not do a Tripodi and run away. I have to say that the Government was quite stung by that finding at the time. The committee's working time frame makes for interesting reading. It conducted a hearing on 13 June 2001, which did not go very well at all for the Government. The director general of NSW Health, the inestimable Mick Reid, travelled to Port Macquarie just nine days after the hearing and initiated some negotiations, saying he had come up with a four-point plan. They were points that he had been discussing with General Purpose Standing Committee No. 2 during its extensive hearings. He issued a media release that stated:

It is now my intention to report back to the Minister for Health, Craig Knowles, and Premier Bob Carr, and indicate a consensus has been reached about the way forward for health care on the Mid North Coast.

I have absolutely no doubt whatsoever that if Dr Pezzutti and his confreres on that committee had not undertaken that inquiry, there is no way in the world that the Director General of NSW Health and the Government would have decided to get their act together, or try to get their act together, and come up with a

four-point plan, a one-point plan or, indeed, any plan. The committee reported that the outcome of these negotiations was what is now known as the four-point plan, the main aim of which was to treat Port Macquarie Base Hospital consistently with all other public base hospitals, both in terms of equity of funding and transparency.

The four points are that Port Macquarie Base Hospital will conduct itself and be treated in the same manner as all public base hospitals across New South Wales—which, of course, was always the intent. The Mid North Coast Area Health Service was to be given increased authority to manage the contract at a local level with Mayne Health. It was a pretty radical step for a Labor Government to allow a local authority to manage any its hospitals. Of course, today, in the current health regime under Dr Hatzistergos—I mean, Mr Hatzistergos—there are no health boards; there is no accountability at all.

The Hon. Greg Donnelly: He would not mind being called "doctor".

The Hon. JENNIFER GARDINER: I apologise for that.

The Hon. Rick Colless: He would make a great coroner.

The Hon. Greg Donnelly: Or undertaker!

The Hon. JENNIFER GARDINER: Yes, as a Minister for Health he would make a great undertaker. The area health service was to be given increased authority to manage the contract at a local level with Mayne Health. The Hastings community, so the four-point plan said, would receive an equitable share of resources and growth funding from the Mid North Coast Area Health Service. There is no way in the world, without that inquiry, that would have happened. In subsequent State budgets there was at least an ostensible increase in the allocation to the Mid-North Coast Area Health Service to make up for the Scrooge-like approach the Labor Government had taken to that area health service. The fourth point in the four-point plan was as follows:

The role of the community in monitoring and advising the Area Health Service Board on all health services (including Port Macquarie Base Hospital) will be clarified and strengthened with the establishment of a new consumer/community health forum.

That was certainly something that many of us had been advocating for over a period of years but the Government had resisted—again because the Government likes to use the word "consultation" but it does not like to consult. The committee welcomed the four-point plan. It concluded that those negotiations would never have occurred had it not been for the work of that committee in its inquiry, which I instigated following a request from Robert Oakeshott. Importantly, the committee identified Labor's ongoing manipulation of waiting lists as an area that still needed to be addressed. Some things never change! If there is one thing that the New South Wales Ministers for Health, under the Labor Government, are good at it is manipulating waiting lists—or, in the case of public dental health care, not even having waiting lists. The upper House committee was the force that got things moving after years of Labor Party neglect of Port Macquarie Base Hospital and the Mid North Coast Area Health Service. I repeat: I totally oppose the motion. [*Time expired.*]

The Hon. KAYEE GRIFFIN [3.00 p.m.]: I congratulate the Government on its decision to return Port Macquarie Base Hospital to public ownership. I congratulate my colleague the Hon. Jan Burnswoods on moving the motion, which I wholeheartedly support. In 1991 the then Liberal Premier, Nick Greiner, made the outrageous decision to close the publicly run Hastings Hospital and replace it with a privately owned and operated hospital in Port Macquarie. In June 1992 Premier Greiner resigned. However, in 1994 the plan for the privatisation of the hospital became a reality under Premier John Fahey. Port Macquarie Base Hospital was opened in late 1994 under the operation of Mayne Nickless.

The decision to go ahead with the privatisation was made despite overwhelming opposition from the majority of the public. I understand that around 61 per cent of the population were opposed to the privatisation of the hospital. The people of Port Macquarie and the region began the fight for their right to have a public hospital. At the time of the privatisation the New South Wales Nurses Association State Secretary was quoted as saying:

The provision of health care, like education, is a social responsibility of Government. Access to proper health care as a right and not a privilege is a view I believe few Australians would argue with.

The Government of the day assured the people of Port Macquarie and New South Wales that the privatisation of the hospital would be a positive move and that the people of the region would benefit from their local hospital

being operated by a private company. The purpose of the privatisation was to cut costs supposedly because the hospital was costing more to run and was less efficient than other publicly run hospitals. How wrong the Coalition Government was. The vision of that Government was severely blurred. Instead of leading the way with privatising the hospital, the move proved to be a monumental disaster.

Port Macquarie Base Hospital opened in late 1994 and had been operating for a few years when public opposition again began to surface. There were reports of poor patient treatment and the people of the area had generally had enough. Mayne Nickless was purely looking at the financial side of the equation without maintaining its obligations to provide quality health care to the people of the region. It was not only the residents who opposed the privatisation. The New South Wales Nurses Association called the private ownership of Port Macquarie Base Hospital a "failed experiment". However, the Opposition would have us believe that the move to privatise the hospital was for the benefit of the people of Port Macquarie and that it has been a great success over the years. Who would know better about the privatisation than the people who live in the region and require health care and those who work in the health care system?

In highlighting the previous Government's treatment of the residents in the Port Macquarie region I can also speak from experience about the treatment that the people of the Canterbury local government area received under the former Coalition Government. That government planned to close Canterbury Hospital. The closing of the hospital would have resulted in a substantial loss of beds, but it would also have meant that the Canterbury local government area would have been denied any hospital services at all. Canterbury Hospital was to be demolished and people from Canterbury would have been expected to travel to what was then the site of the Western Suburbs hospital to gain access to hospital and associated health care services. It would have posed quite a problem, given that a large number of people did not have their own transport, and public transport systems did not cater for easy access to the Western Suburbs hospital site.

Canterbury residents fought the Government's proposal. They did not want to see their hospital closed down. It serviced approximately 130,000 people. The Health Minister of the day referred to a motion moved by the then local member for Canterbury condemning the Government's decision as a "waste of time". This highlighted the Government's contempt for the people of Canterbury by denying them access to health care services that had been available to them since the 1920s. Fortunately, when the Labor Party was elected to government in March 1995 not only did it give a commitment to save the hospital but it also allocated approximately \$80 million to redevelop the hospital with state-of-the-art facilities.

The people of Port Macquarie deserved better. After years of public outcry and evidence that the privatisation of Port Macquarie Base Hospital was not serving its community, extensive consultation and negotiation between the State Government and Mayne Nickless began late last year. I am pleased to say that the former Minister for Health and now Premier, the Hon Morris Iemma, was the driving force behind these negotiations. In January 2005 the Hon. Morris Iemma announced that the New South Wales Government would buy back Port Macquarie Base Hospital and put it back into public ownership. It paints a very different picture from that suggested by some members opposite.

If, as has been claimed, the Greiner and Fahey governments provided the people of Port Macquarie and surrounding areas with a hospital that delivered far greater outcomes than would otherwise have been available, why were there more than 10,000 signatures calling for the hospital to be returned to public ownership? Why was there an overwhelming public outcry against the privatisation? The people of the region were not asking for much. They wanted a public hospital—that is, a publicly owned and operated hospital. A recent article in the *Port Macquarie News* headlined "Record Surgery levels at Base: waiting list falls" reported:

Port Macquarie Base Hospital has performed a record number of surgeries as waiting lists continue to drop.

The North Coast Area Health Service Chief Executive Officer, Chris Crawford, went even further and, according to the article, attributed the hospital's success to date to the return of ownership to the State Government. The article continues:

Mr Crawford said it was clear the previous hospital structure which saw the public hospital privately managed, did not work.

Mr Crawford also made the following comment:

We're doing more surgery than ever and that is because we are getting more funding, working closely with doctors and there are no longer boundaries between the doctors and us.

Opposition members talk about how great the hospital was under the public-private arrangement, but that is simply not true. They need to consult with the people most affected by this: the patients, the nurses, medical professionals, and other staff members. As my colleague the Hon. Jan Burnswoods said, the residents fought a good fight for what they believed in and expected from their Government. They were not happy that they were not appropriately consulted on such a major issue, which incidentally would affect every man, woman and child in the area at some stage in their life.

The residents did not accept being ignored, and this is clearly what happened in this case. Again approximately 61 per cent of the local population opposed the privatisation of the hospital, and a phenomenal 10,000 signatures were collected opposing it. That is a staggering number of signatures, but still the former Coalition Government simply ignored these figures and the experiment did not work. That has been confirmed by recent reports from people in the region with whom I have spoken and by articles such as the one I have just referred to. The locals are happy to finally have a public hospital in the region. They are pleased with their efforts, having fought for what they believe in, and the results have been well worth it. It took 10 years, but finally they are assured of a high-quality, publicly owned hospital.

One person I spoke to recently reflected on all the hard work that went into the campaign over the 10-year period. He recalled the hard work that went into collecting 10,000 signatures on the petition. My colleague the Hon. Jan Burnswoods spoke at length about the efforts of the local residents to ensure that the hospital was returned to public ownership. The residents should be very proud of their efforts. They proved that people power goes a long way. Their commitment to the cause never wavered, and in the end, thanks to the New South Wales Labor Carr-Iemma governments, their hard work paid off. I pay tribute to all the people who have been involved in this process. It is extremely important that all members of the community have access to good health care. It is extremely important. It is something we do not always think of when we are fit and healthy, but if something happens to us that causes us to need hospital services or medical services, the first thing we expect is to have those good services available to us. I support the motion.

Reverend the Hon. FRED NILE [3.09 p.m.]: I support the motion, which states:

That this House congratulates the Government on its decision to return Port Macquarie Base Hospital to public ownership, which will bring significant advantages to the health services in the region.

I remember in 1994 being involved in the drama in the Parliament relating to a proposal to build a private hospital at Port Macquarie. There was a great deal of pressure on the upper House to support the development. We were shown very attractive models of the new hospital. The proposal seemed very attractive to me at that stage given that it would meet the need for a hospital at Port Macquarie much earlier than any project to arise out of the normal government allocation of funds. I would have to check *Hansard* but I believe I voted for the relevant bill when it was before this House.

Since then, of course, we have had all the controversy about the operation of the hospital, the private ownership and the agreement for the Government to take over the hospital. From the point of view of co-ordinating services with other health services in the region, it seemed more feasible for a large hospital like Port Macquarie Base Hospital to be a government hospital rather than a private hospital. It seems there has been some improvement in meeting the needs of residents in the area. In the meantime, there probably has been some waste of taxpayers' dollars as a result of the fiasco. I am pleased that the issue is now resolved and that the residents of Port Macquarie are happy, as they have indicated in their petitions, for the hospital to be part of the public health system.

The Hon. JAN BURNSWOODS [3.12 p.m.], in reply: I thank all members who have participated in the debate on the motion congratulating the Government on returning Port Macquarie Base Hospital to public ownership. It would be handy if the word "publicising" could be used in the same way as the word "privatising" is used as an easy form of talking about these things. The members who have spoken in the debate have made a number of interesting points. I thank my colleagues the Hon. Kayee Griffin and the Hon. Christine Robertson in particular for their contributions. Reverend the Hon. Fred Nile spoke very briefly but I thank him for his support for the motion. We have all learnt quite a bit over the years and some of what we have learnt is relevant to public-private partnerships in a range of different areas outside the health system.

I also thank the Hon. Dr Arthur Chesterfield-Evans for his support for the motion and for the interesting point of view he brought to debate, as he always does. I thank also the Hon. Melinda Pavey and the Hon. Jenny Gardiner for their remarks, although they certainly did not support the motion. I particularly give attention to the thoughtful and well-informed remarks of the Hon. Christine Robertson, who probably knows

more about this issue than any other member in this House and has an understanding of the role of a base hospital and the role of a public hospital in a rural and regional area.

Obviously none of us need to be told that there are long-established private hospitals operating in New South Wales about which I do not think anyone has any particular complaints, but the issue is that those long-established hospitals are mostly located in Sydney or in other large population areas where not only is the question of choice a genuine one but also they operate alongside a carefully articulated public health system. The system provides a range of hospitals so that someone requiring complicated or emergency attention can attend a hospital that is staffed specifically to provide such services, while other people requiring less difficult or more routine assistance can go to another hospital. Part of the system that we have developed in New South Wales is that a base hospital like Port Macquarie hospital is designed and staffed specifically to carry out a role. In effect, it is like the triage system within a hospital, whereby smaller hospitals in a region around a base hospital will be able to deal with patients that the smaller hospitals may not be able to deal with.

Clearly what went wrong in Port Macquarie was that once the private hospital opened at the end of 1994 the integrated and co-operative relationship ceased to exist. The operators of the private hospital were interested in a profit; they also did not have anywhere near the same commitment, and there was not the same systemic network and integration, that applied in areas in which the base hospital system operated. So, from my point of view, and I think from the point of view of many others, the decision of the Greiner Government was flawed from the very beginning. It is true to say, regardless of some of the remarks made here by Opposition members, that fairly rapidly after the opening of the hospital at the end of 1994 opinion shifted, so that probably by the end of the rather sad history of that private hospital, overwhelmingly opinion supported the Government's action to agree to purchase the hospital.

When I started this debate I quoted the well-known comment of the Auditor General relating to how much this unsuccessful experiment had cost the taxpayers of New South Wales. From memory, the comment was that the contract pretty much involved "paying for it twice and then giving it away". That the comment has been frequently quoted does not make it less important. I believe there is a lesson in all of this. There has been a lot said in this debate, which is unfortunate in some ways, about other current issues, particularly with regard to public-private partnerships and arrangements by the private sector to build roads and, most recently, the cross-city tunnel.

For the most part I ignored the temptation to take points of order about how far the majority of those remarks were far from the subject of the debate. Nevertheless, while there are some similarities, I think it is important to place on the record that there is a huge difference between the kinds of arguments that have applied to the development of motorways and so on and arguments that relate to the provision in a large and growing regional centre of public health services. The issues are quite different, and it is instructive to note that the kind of concern that is generated in the public—and which the Labor Party members whom I acknowledged in my opening remarks reflected—applies to a hospital in a way that it would never apply to a road.

Over the years a number of fine people—some leading public figures: John Murphy, the late Wayne Richards, and Greg Watters—have articulated, along with very many other people who had no Labor Party connections, the depth of community concern over the lack of service and community ownership with regard to the private hospital at Port Macquarie. Those fairly well-known figures were supported by the enormous number of people who signed the petitions and who sat and stood in shopping centres and collected signatures. The local Labor Party branches deserve credit for the campaign they ran. The decision taken by the then Minister for Health, Morris Iemma, was a fine decision. It reflected the strong feelings of not only the local Labor people but the community and indeed the two members of Parliament who live in the area, the Independent member in the other place, Rob Oakeshott, and the Hon. John Tingle.

This has been a salutary lesson. The hospital was not a success. This has a lot of lessons for the future, if anyone is thinking of repeating the experiment, which has cost the taxpayers of New South Wales a lot of money. It is like some of the other so-called experiments carried out by the Greiner Government. For instance, only last week the saga of the airport rail line—that wonderful achievement of John Fahey, Bruce Baird and Barry O'Farrell—ended when the Deputy Premier, John Watkins, reached a settlement with the receivers. Bruce Baird said that wonderful thing would not cost the taxpayers a penny—that wonderful thing that Barry O'Farrell was so proud of, the airport rail link, the Coalition achievement. As I said, that wonderful saga finished last week.

On 13 October John Watkins announced that the agreement had been signed, thus ending a disastrous Liberal legacy that has cost the State \$800 million over 13 years. That is \$800 million that the taxpayers of New

South Wales have shelled out for the airport rail link—the other infamous failed experiment by the Greiner-Fahey governments. Fortunately, Port Macquarie hospital did not cost us quite so much. However, in relation to what it should have cost, it was an even more disastrous saga. I had great pleasure in moving the motion, and I ask honourable members to support it. [*Time expired.*]

Motion agreed to.

TABLING OF PAPERS

The Hon. Henry Tsang tabled the following papers:

- (1) Annual Reports (Statutory Bodies) Act 1984—Report of Riverina Citrus for the year ended 30 April 2005.
- (2) Animal Research Act 1985—Report of Animal Research Review Panel for the year ended 30 June 2004.

Ordered to be printed.

ROADS AND TRAFFIC AUTHORITY AND CROSS CITY MOTORWAY CONSORTIUM CONTRACT DOCUMENTS

Production of Documents: Further Report of Independent Legal Arbiter and Tabling of Documents Reported to be Not Privileged

The Clerk tabled, pursuant to the resolution of 18 October, a report of Independent Legal Arbiter Sir Laurence Street dated 20 October 2005 and documents further assessed and identified as not privileged.

NATIONAL WATER INITIATIVE

The Hon. RICK COLLESS [3.24 p.m.]: I move:

That this House:

- (a) congratulates the Government for belatedly agreeing to the Federal Government's National Water Initiative,
- (b) notes the actual average annual flow of the Darling River at Bourke, from 1972 to 2005, is 3,300 gegalitres per annum,
- (c) acknowledges that the Barwon Darling River between Mungindi and Menindee is a non-regulated river and that irrigation extractions are only allowed when the river flow reaches certain thresholds, for example 1,250 megalitres per day at Bourke,
- (d) notes the cap on irrigation extractions on the Barwon Darling River between Mungindi and Menindee of 173 gegalitres per annum is the average extraction over the last seven years, four of which have been drought years and for two of which there were only minimal extractions due to very low river levels,
- (e) notes that the total metered extraction of irrigation water from the Barwon Darling River during the 2003-2004 season was 267 gegalitres,
- (f) notes that current diversions on the Barwon Darling River system accounts for an average reduction in natural flows of less than 5 per cent,
- (g) notes that the maximum licensed diversion limit for the Barwon Darling River between Mungindi and Menindee is 523 gegalitres per annum,
- (h) notes that 173 gegalitres is 33 per cent of 523 gegalitres, and that businesses with approvals to extract irrigation water from the Barwon Darling River will only have access to 33 per cent of their approval limits under DIPNR's current cap management plan, and further notes that this will cause massive economic and social disruption to irrigation dependent communities along the Barwon Darling River system,
- (i) notes that the actual diversion data has been understated by at least 25 per cent and calls on the Government to begin negotiations for the cap at 216 gegalitres per annum,
- (j) notes that the irrigation community on the Barwon Darling River between Mungindi and Menindee was the only major inland irrigation community not to have access to temporary trading of water prior to the cap year of 1993-94, and calls on the Government to correct this inequity by further increasing the cap to 265 gegalitres per annum,
- (k) calls on the Government to provide individual businesses and communities with appropriate structural adjustment where the imposition of this cap has resulted in economic and social hardship,

- (l) calls on the Government to immediately lift the moratorium on irrigation works on the Barwon Darling floodplain, to allow essential water saving works, including but not restricted to, deepening, compaction and lining of storage dams, to proceed,
- (m) notes that average evaporation from Menindee Lakes is 760 gigalitres per annum, and
- (n) calls on the Government to:
 - (i) immediately complete the environmental impact statement for the preferred option of the Ecological Sustainable Development (ESD) Project of the Menindee Lakes,
 - (ii) include in the 2005-2006 budget sufficient funding to allow the Menindee Lakes improvement works, including the regulator between Lakes Menindee and Cawndilla and associated works as described in the ESD Report, to be constructed, thus effecting a minimum average water saving of 200 gigalitres per annum in evaporation losses, and
 - (iii) undertake a comprehensive Rural Communities Impact Statement before any future caps or moratoriums are applied to the management of natural resources in New South Wales.

It gives me great pleasure to move this motion. The Federal Government's National Water Initiative [NWI], is very much the initiative of the Federal Member for Gwydir and former Deputy Prime Minister, John Anderson—he drove it with a great deal of passion and vigour. The National Water Initiative is a comprehensive study to improve water management across the nation while acknowledging that we need to improve the productivity and efficiency of our water use while maintaining healthy river and groundwater systems. The National Water Initiative covers a wide range of water management issues and encourages the adoption of best practice approaches to the management of water throughout Australia.

In particular, the initiative will result in an expansion of permanent trade in water bringing about more profitable use of water; more confidence for those investing in the water industry due to more secure water access entitlements; more sophisticated, transparent and comprehensive water planning dealing with the key issues; a commitment to addressing overallocated systems as quickly as possible, in consultation with affected stakeholders, and addressing significant adjustment issues where appropriate; and better and more efficient water management in urban environments by the use of recycled water and stormwater. The initiative was agreed to and signed at the Council of Australian Governments meeting on 25 June 2004, yet this tired, old Government failed to recognise the value embedded in the initiative until 8 March 2005.

The political games that former Premier Carr and former natural resources Minister Knowles—it is interesting that they are nowhere to be seen on this issue now—were playing by withdrawing from the NWI agreement in the run-up to the Federal election were nothing short of scandalous and showed that the agenda of Labor in this State is not about delivering for the people of New South Wales but about protecting their own political interests. Notwithstanding the delay, I congratulate the Government on finally agreeing to the National Water Initiative, and look forward to the commitment to the initiative in terms of budget dollars over the remaining 17 months of this Government's reign. It now paves the way for some of the issues in this debate to be dealt with, and dealt with promptly.

The actual average annual flow in the Darling River at Bourke is 3,435 gigalitres for the period from 1972 to June 2005, according to the Murray Darling Basin Commission figures. Of course, there is a great variation in these figures, with the median flow being in the order of about 70 per cent to 75 per cent of the average flow, at approximately 2,400 to 2,500 gigalitres annually. For the purpose of estimating potential optimal irrigation extractions, it may be better to use the median figures than the average figures. From graphs produced by the Department of Land and Water Conservation in 2002 it can be seen that this median flow would be exceeded in approximately 60 per cent of years.

In some years there will be virtually no flow in the river, and in other years flows of up to 20,000 to 25,000 gigalitres will pass through Bourke during major flood events. One key management issue in recent management is whether the river is regulated or not. For those opposite with little or no knowledge of water management issues, a regulated river means that it has a storage upstream and the flow can be determined by the requirements of downstream water users, including town water supplies, irrigators, stock and domestic users, and the environment. While there are some storages upstream of Bourke in the upper Barwon Darling catchment, they have little or no impact on the flow at Bourke. So for all practical purposes the Darling River at Bourke, and indeed that section of the Darling River between Mungindi and Menindee Lakes, is an unregulated river. As an unregulated river, there are restrictions on when irrigators can extract water from the river, and in the case of the Bourke irrigators there is a flow restriction on extractions.

In the unregulated rivers three classes of licences are generally used—A, B and C. Class A licences have the lowest river-flow requirements and have restrictions on pump and pipe sizes that can be used, and as such the security of these licences is higher. This restriction also allows only relatively small volumes of water to be pumped, and as such class A licences are more suited to drip-irrigated perennial crops such as citrus and horticultural crops. On the other hand, class B licences are able to use larger capacity pumping equipment but the flow in the rivers must also be higher, reducing the security of the licence but allowing for greater volumes of water to be pumped when the water is available. Class B licences are more commonly used for annual crops including cereal and fibre crops. Class C licences allow larger equipment again, but also require higher flow thresholds in the river and other restrictions, such as the storage levels in Menindee Lakes, and as such the security is lower than for class B licences. Also, a class D licence was introduced as a very high-flow licence but there are no active class D licences on this section of the Barwon Darling River.

Currently there are 130 active licences, of which 57 are class A with an annual volumetric limit of 12.41 gegalitres; 61 are class B with an annual volumetric limit of 255 gegalitres; and 12 are class C with an annual volumetric limit of 218 gegalitres. Total access entitlement for these active licences is 485.73 gegalitres per year, with a further 37.4 gegalitres, allocated but inactive, making up the total entitlement of 523 gegalitres per annum, although the largest extraction in any one year was 268 gegalitres that occurred during 2003-04. Irrigators with class A access entitlements are able to commence pumping when the river flow reaches 350 megalitres per day, while irrigators with class B entitlements will need to wait until the river flow reaches 1250 megalitres per day at Bourke. Similar commence-to-pump thresholds exist for each reach of the river in the system.

The Government has introduced restrictions on the total amount of water that can be extracted in certain sections of rivers, a concept that is known as the cap. While the existing licence entitlements in the section of the Darling River between Mungindi and Menindee stand at 523 gegalitres per annum, the cap that has been applied to this section of the river is 173 gegalitres per annum, or 33 per cent of the licence entitlement. Averaging of the extraction over the previous seven years was used to arrive at this figure and, as I said a few moments ago, there is a great variation in the flow of the Darling River depending on the rainfall in the catchment areas in different years. Two of those years were minimal extractions, and for another two years there were reduced extractions as a result of the dry conditions being experienced all around New South Wales and the fact that the river had virtually stopped running.

During five of those seven years the annual extractions exceeded the cap level of 173 gegalitres per annum. This gives a much different perspective on those extractions: the seven-year period would have better reflected the median flows in the river if more than 50 per cent of the years had not been minimal flow years. This certainly does not reflect the long-term flow conditions that exist in the Darling River and which show that the median flow can be exceeded in 60 per cent of all years. If the Government had taken the average flow of the highest three years and used that as the average of extractions but that average would have been calculated at approximately 249 gegalitres per year, or 47.6 per cent of the allocated entitlement. The total metered extraction for the 2003-04 irrigation season from the Darling River between Mungindi and Menindee was 268 gegalitres, which approximates the 249 gegalitres if the average had been calculated as I just suggested.

The allocated entitlement of 523 gegalitres a year, when calculated as a percentage of the average flow of 3,435 gegalitres a year, represents only 15 per cent of the average annual flow, while the 249 gegalitres per year represents only 7 per cent of the average annual flow. On the other hand, 173 gegalitres a year, the figure the Government has adopted as the cap, represents just 5 per cent of the annual average flow of the Darling River at Bourke. I pointed out earlier that the entitlement limit for diversions from the Barwon Darling River between Mungindi and Menindee is 523 gegalitres per year, and this includes licences that have been fully utilised, licences that have been partly utilised and licences that have never been utilised and developed. The reality of this is that those irrigators who have taken the opportunity to develop their properties to utilise their licence allocation are now suffering a reduction in their legally allocated water of 67 per cent.

It would be like the urban dwellers opposite building a new house, and then the Government coming along and telling them they cannot use 67 per cent of the floor space. These farmers have had their capacity to produce reduced by 67 per cent! The investment they have made in their water storages, their irrigation channels, their silos, cotton gins, transport systems, marketing facilities and all the other infrastructure they use every day is geared to a full utilisation of the water they have legal access to. The removal of 67 per cent of this water will have a dramatic and deleterious impact on those centres that have developed in concert with the irrigation development. The irrigation industry in Bourke creates millions of dollars in real wealth every year, through the conversion of water, soil and sunlight into cereal grains, oilseeds, fibre crops, citrus, grapes and livestock products that are further value added in Australia and exported to other nations across the world.

The millions of dollars that are created are further circulated around various communities in the north-west of New South Wales, and the generally accepted multiplier effect of four or five to one would apply. It is not only the economic impact, but also the social impact as we will see jobs being lost, families leaving towns, and the very social fabric of these communities being challenged. There are enough challenges facing many of these communities without the added challenge of removing their capacity to create the wealth that sustains them. The Department of Natural Resources has acknowledged that the diversion data has been understated and is undertaking through State Water to install more accurate water meters alongside existing pump meters in order to quantify this underestimation.

It is unfortunate that the cost of installing these meters will be at the irrigator's cost, rather than at the Government's cost, given that this error is certainly not the fault of the individual irrigators. Former Minister Craig Knowles made the most recent cap announcement on 12 July 2005, when he promised to quantify and adjust the annual cap limit according to that new diversion data. The irrigation industry also questions the validity of the cap estimate of 173 gigalitres per annum, suspecting that some of the hydrological assumptions that led to that cap figure are the cause of significant flow estimation anomalies. It is expected that with the recalibrated hydrological modelling and more accurate metering equipment, the cap figure for extractions will be in the vicinity of 265 gigalitres per year.

In most other river systems in New South Wales irrigators have had access to temporary trading of water prior to the cap year of 1993-94 but this facility has not been available to the irrigators on the Barwon Darling River between Mungindi and Menindee. If this facility had been available the volume of water that would have been available to these irrigators would have been increased. I call on the Government to apply the same equity to the irrigators along the Barwon Darling River from Mungindi to Menindee as has been applied to irrigators in all other irrigation districts in New South Wales and to increase the cap to allow for this temporary trading. While it is difficult to determine exactly what amount of water is involved, it is important that some flexibility is applied to this process, and it may be that the cap and temporary trading allowance better reflect the need of local communities to avoid significant social and financial adjustment as a result of the application of the cap.

I am concerned that the 173 gigalitres per year has been bandied around now for so long that it has become the accepted cap figure. It has not yet been accepted. There is an old saying: if you tell and retell a lie for 100 days or more it eventually becomes the accepted truth. I make it perfectly clear to the House that the 173 gigalitres per year is not the cap figure. I repeat that former Minister Knowles made a promise to correct the metering errors and adjust the cap figure accordingly. I also repeat that the hydrological modelling must be recalibrated, and this data must also be incorporated into the adjusted cap figure. The impact of diversions from the river is of course more significant in years when lower total flows are experienced, but this impact can be mitigated by allowing irrigators to extract more water during periods of higher flows for use in later years when flows are low. This concept of borrowing forward would maintain the integrity of the cap and provide a rational and environmentally friendly approach to managing the river on a flow event basis.

There needs to be a far more vigorous and objective assessment of the science to determine what impact this level of extraction and management basis will have on the riverine ecosystem, particularly if the irrigators are allowed to improve their water storage and delivery infrastructure such as deepening, compaction and lining of storages and channels to reduce evaporation losses. The improvement of the irrigation infrastructure is not possible at present as the Government has imposed a moratorium on any irrigation works that constitute new development or expansion of existing development on the Darling floodplain. Unbelievably, this is also applied to works that are attempting to improve the efficiency of irrigation storage works such as the deepening of dams.

I therefore call on the Government to immediately remove the moratorium on any works on the Darling floodplain that improve the efficiency of water storage and delivery. One of the key components of the National Water Initiative was a commitment to addressing overallocated systems as quickly as possible, in consultation with affected stakeholders and addressing significant adjustment issues where appropriate. In those areas where significant structural adjustment is required, such as Bourke, the Government should be initiating a rural communities impact statement, and those businesses that will suffer as a result of the removal of water entitlements should be properly compensated for their loss. In addition to the compensation, any adjustment to the licensed allocation should be phased in over time, and while the Government is proposing a phase-in time of four years, this is simply too short and needs to be extended to 15 years to allow those irrigators with a long history of use sufficient time to adjust to the changes while minimising the economic and social impacts on the community.

I turn now to the other major issue on the Darling River, the management of Menindee Lakes. The Menindee Lakes in total have a combined storage at full supply level of 1,760 gegalitres, which is held in a number of lakes of which the major storages are, in order from the upstream lakes to the downstream storage extremity, Lake Wetherell, Lake Pamamaroo, Lake Menindee and Lake Cawndilla. The Government has, via a company called URS, completed the environmental impact statement for the upgrade of the Menindee Lakes but, unfortunately, they have missed the point of the whole exercise, although I suspect it was at the direction of some less than helpful Ministers amongst the Government's ranks. The New South Wales Nationals support in principle the improvement of structural works for the Menindee Lakes, and also support an improved water management process for the lakes.

It is important that a management philosophy incorporating the following principles be adopted. Firstly, the Lakes be filled commencing with the uppermost lakes, thereby maximising the longevity of storage in those facilities supplying domestic water to Broken Hill and Menindee and maximising the flexibility of delivery of water generally. Secondly, as dry conditions continue the lakes should be emptied commencing with the lower lakes, again maximising storage in the upper lakes. Thirdly, Lake Cawndilla should be fully utilised as far as practically possible before water stored in Lake Menindee is distributed, thereby saving substantial amounts of water from evaporation losses. Finally, as Lake Cawndilla is emptied the facility must be available for irrigation water allocated to Lake Tandou and the Darling Anabranch to be delivered from the upper lakes.

The works recommended in Environmental Impact Statement [EIS] will work in part towards achieving those general principles, although some concern exists over specific works and the compromised anticipated water savings as a result. The first of these works is the enlargement of the main regulator from Lake Menindee into the Darling River. The purpose of this structure is to provide a substantially larger discharge capacity of up to 9,000 megalitres a day at lower lake levels. This capacity would enable the supply of the total downstream demand for water to be met by Lake Menindee allowing release requirements to be met from Lake Menindee rather than from the upper lakes. It will also provide for quicker emptying of the storage, reducing the surface area more rapidly thereby realising water savings through less evaporation losses.

It is noted that the full supply level of Lake Menindee is at reduced level [RL] 59.84 metres and the sill level on the proposed regulator is at RL 52.8 metres, allowing for a maximum storage depth of seven metres. The second of the recommended works is the Lake Menindee residual pool pumping station and channel, and I seriously question the necessity of this pumping station and channel. The assumed bottom of the residual pool is RL 54.5 metres, and the pool is isolated from the outlet regulator at RL 56.2 metres, indicating that a channel would need to be excavated to a depth of 1.7 metres to allow the residual to drain to the outlet regulator. While the cost of excavating the channel is more extensive than the cost of the 800-metre channel from the pool back to the proposed pumping station, it would remove the need for the installation of the pumping station and the ongoing costs of pumping.

According to the EIS, pumping would commence when the capacity of Lake Menindee falls to 229 gegalitres, or 37 per cent of the full supply level, at the rate of 1,000 megalitres per day. Just imagine the cost of pumping that water and the time it would take. Given that some 229 gegalitres of water would need to be pumped, it is surprising that the option of a drainage channel back to the main regulator as described in the original feasibility study was not further considered. The proposed regulator between Lake Menindee and Lake Cawndilla has been identified in the EIS as the Morton Boolka regulator and fixed crest weir. The full supply level of RL 59.84 metres applies to both Lake Menindee and Lake Cawndilla and with the weir sill at RL 57.5 metres the water level in these two lakes will fluctuate as one until the level drops to that weir sill level. The regulator can then be used to control the flow from Cawndilla into Menindee or vice-versa.

The sill level on the regulator is proposed at RL 55.7 metres, and water stored below that level would effectively be a residual pool in Lake Cawndilla, although small amounts of water can be released through the regulator for the Darling Anabranch and for irrigation entitlements in Lake Tandou. The two lakes will therefore continue to have a common water level until the levels fall below RL 57.5 metres, and this will diminish the original justification for the installation of the regulator. The original feasibility report contained an option of installing a block bank and regulator with the levees at RL 63.8 metres, allowing for surcharge and freeboard, with a regulator sill level at RL 57.7 metres and a maximum discharge of 12,000 megalitres a day. The high-level regulator will allow fast filling of Lake Cawndilla once Lake Menindee is full, and will also allow Lake Cawndilla to be drained while maintaining full supply level in Lake Menindee.

The recommended option of the low-level two-way regulator will defeat the purpose of the concept of a regulator between the two lakes and its design purpose of allowing the draining of Lake Cawndilla while

maintaining full supply level in Lake Menindee. There will be compromises in evaporation losses, with substantial water remaining in both lakes much longer after the onset of drought conditions. I call on the Government to reconsider the construction of this regulator with the option of a high-level one-way regulator of 10,000 to 12,000 megalitres per day capacity to be reassessed. It becomes obvious from reading the EIS that the reason for adopting the low-level two-way regulator is concerns from the Department of Environment and Conservation over the proposed Kinchega Channel. I also understand that there are some archaeological and management constraints which would need to be addressed if the high-level regulator were to be installed.

Without the Kinchega Channel the only method of discharging large amounts of water back to the Darling River is through the main regulator into Menindee Creek, other than the small amounts of water I spoke of earlier. At RL 55.7 metres Lake Cawndilla will cease to flow back into Lake Menindee, indicating that both lakes will be drawn down to that level to allow major discharge from Lake Cawndilla into the Darling River. The requirement to draw both lakes down to this level before they can be managed separately would again defeat the purpose and the philosophy of managing the lakes individually to maximise savings in evaporation losses. Evaporation losses in the Menindee district are in the vicinity of two metres per year, and over a combined surface area of the lakes of 457 square kilometres at full supply level evaporation accounts for some 900 ggalitres of water each year—with the long-term average figure being 425 ggalitres per year when accounting for the fluctuation in lake levels.

The surface area of Lake Cawndilla is 11,500 hectares, so the annual evaporation from that lake will be in the vicinity of 230 ggalitres annually when the lake is full. Lake Menindee has a surface area of 16,000 hectares, Lake Pamamaroo is 6,800 hectares and Lake Wetherell is 12,000 hectares. Lake Menindee will lose approximately 320 ggalitres per year from evaporation at full supply level. So by draining Lake Cawndilla first and then Lake Menindee 230 ggalitres will be saved in the first year and a further 320 ggalitres will be saved as Menindee is drained.

The Menindee Lakes are currently at 28 per cent of full supply level, with both Lakes Menindee and Cawndilla empty as they fill from the top down. This means that some 550 ggalitres of water will be saved this summer, compared to what the current situation would be if there were still substantial amounts of water in both lakes. It is for these reasons that the lower lakes must be fully utilised before the upper lakes, and this could should achieve long-term water saving of the order of 200 ggalitres per annum. This compares with the estimated saving of just 9 ggalitres per year if the works as planned in the environmental impact statement go ahead. The Penellco Channel pumping station and associated outlet works are to provide for extraction of the residual pool of water in Lake Cawndilla, rather than to be a major discharge mechanism for the majority of water.

To facilitate the utilisation of water within Lake Cawndilla while maintaining full supply level in Lake Menindee there must be a mechanism to discharge up to 4,000 to 6,000 megalitres per day into the Darling River from Lake Cawndilla—the very purpose for which the Kinchega Channel was originally proposed—in addition to the requirements of Lake Tandou and other uses below Lake Cawndilla. If the environmental and archaeological considerations are such that Kinchega Channel is deemed to be not feasible then reconstruction of the Penellco Channel as an alternative to the Kinchega Channel, and other feasible alternatives, should be reconsidered as major discharge mechanisms for Lake Cawndilla.

I therefore call on the Government to immediately commence construction of the following structural works to improve the management of Menindee Lakes: firstly, the construction of a new regulator from Lake Menindee into Menindee Creek and the Darling River with a capacity of 9,000 megalitres per day; secondly, the construction of a high-level, one-way regulator between Lake Menindee and Lake Cawndilla, with a capacity of 10,000 to 12,000 megalitres per day, and the associated higher-level levee banks and other works; thirdly, the construction of a major discharge channel from Lake Cawndilla to the Darling River, also incorporating works to ensure delivery of allocated irrigation water to Lake Tandou and the requirements of the Darling Anabranck; and, finally, the construction of residual pool drainage works allowing pools to drain back towards those main regulators.

I also call on the Government to abandon the construction of works involving pumping of water upstream in the lakes system, including the Lake Menindee residual pool pumping station, and the installation of the Penellco Channel outlet works as a residual drainage mechanism. Much work needs to be done on the Barwon Darling River system and Menindee Lakes to bring them up to the standards of water management that the community expects in the new millennium. The Government has been negligent in this regard. The opportunity to implement these works in Menindee Lakes, in particular, has never been as good as it has over

the last four years. This issue was placed on the notice paper for discussion in March, well before the 2005-06 State Budget was brought down, and all stakeholders in this water debate were waiting with bated breath for some indication that funding would be allocated to the Menindee Lakes upgrade.

It is unfortunate that the moneys were not allocated, and I call on the Government to place these works higher on the funding agenda than, say, the purchase of Yanga Station at Balranald. I am absolutely certain the people of western New South Wales would have been much happier with the Government if it had cancelled the purchase of Yanga Station and funnelled the \$30-plus million into commencing the works at Menindee Lakes. I look forward to hearing the contributions of other members to the debate on this very important issue. I commend the motion to the House.

Mr IAN COHEN [3.53 p.m.]: I speak to this motion on behalf of the Greens. I cannot pretend to have the detailed knowledge that the previous speaker demonstrated on the specifics of this catchment, but I certainly have concerns in general terms about water extraction and the state of our inland rivers, which are at a catastrophic level for this day and age. As far as we can see, much of that is due to the fact that we have water management that treats water as a resource specifically for industry. In many instances we are witnessing water extraction at unsustainable rates, so that the environment suffers. If we look at overall river health in environmental and social terms we see a catastrophic impact on both the environmental and social amenity of these western lands in New South Wales.

It seems that water is the new key to wealth in rural Australia and on many properties water is now more valuable than the land. Until recently water was very cheap. State governments were underpricing it and overallocating irrigation licences, leading to devastating environmental effects. Up to three-quarters of the water has been used for agriculture. The diversion of water from the Murray-Darling river system, for instance, had increased to such an extent that by the mid-1990s flows at the end of the Murray River were 20 per cent of their natural level. Not a drop has flowed from the Murray into the sea since December 2001. There has been considerable debate about water issues. Certainly, water extraction is an issue that has attracted the attention of members of this House, but in the community there is real concern, particularly with the separation of property rights for farmers with water rights as a separate entity, that efforts to improve river health are somewhat set back by the current regime.

Calling on the Government to take action before caps or moratoria are applied to the management of natural resources in New South Wales is nonsense in this context. The Water Management Act 2000 states that water for the environment should be provided before it is allocated to user groups. The New South Wales Government is far behind that notion. The establishment of a cap is an absolute minimum and should be a high priority. If one structurally damages the water source—which is what is occurring at present—it degrades the water supply and therefore water security. The intrinsic value of the system needs to be protected. If one damages the core, one loses the lot. There are clear examples across New South Wales where water has been overextracted from creeks, vegetation has been removed from banks and what is left has been overgrazed.

These creeks no longer hold running water and are very large, dry scars on the landscape. This same situation is occurring with our rivers. I have said in this House on previous occasions that the attitude of water users—often supported by the Government—and the contradiction that in maintaining the natural flows there is reasonable river health, has caused a great many problems in the far west, where some people, including a number of Aboriginal communities, are suffering to a huge degree from the lack of water flows in those regions. I note that the motion moved by the Hon. Rick Colless is very detailed. I will very briefly address some of the issues raised by way of this motion. Paragraph (b) states:

notes the actual average annual flow of the Darling River at Bourke, from 1972 to 2005, is 3,300 gigalitres per annum;

In response I would point out that in the context of a river such as the Darling River "average" is a meaningless concept. An average year, in terms of flow, almost certainly never happens. Paragraph (d) states:

notes the cap on irrigation extractions on the Barwon Darling River between Mungindi and Menindee of 173 gigalitres per annum is the average extraction over the last seven years, four of which have been drought years and for two of which there were only minimal extractions due to very low river levels;

I understand that 173 gigalitres is the long-term average annual diversion. It is also the average use over the past seven years. Paragraph (g) states:

notes that the maximum licensed diversion limit for the Barwon Darling River between Mungindi and Menindee is 523 gigalitres per annum;

The Hon. Rick Colless: It is true.

Mr IAN COHEN: Well, it is true, but this volume has never been extracted or used in one year. There was only 300 gigalitres storage capacity between Mungindi and Menindee so to take more than this would require more than one harvestable flow event in a year. I do not think that has happened. Paragraph (h) states:

notes that 173 gigalitres is 33 per cent of 523 gigalitres, and that businesses with approvals to extract irrigation water from the Barwon Darling River will only have access to 33 per cent of their approval limits under DIPNR's current cap management plan, and further notes that this will cause massive economic and social disruption to irrigation dependent communities along the Barwon Darling River system,

In response to that, I would suggest that they have coped with 173 gigalitres for the past few years. I also note that people who chose to establish irrigation businesses dependent on high-security water chose to take that risk in an area where there is simply no security of supply. I take issue with the reference in paragraph (h) to "social disruption to irrigation dependent communities". Are we dealing with communities, or are we dealing specifically with businesses? Clearly, many communities along these river systems do not receive the allocation that goes to the irrigation industry. This involves a commercial use; it is certainly not benefiting the whole community.

On other occasions in this House I have spoken about the fact that Aboriginal communities equate the wetlands with the kidneys of the body—the rivers and creeks being the veins and arterial systems. The patient is, indeed, in a very sick condition. One would have to argue that, rather than too little, the irrigation industry—or the irrigation community as is put forward by the Hon. Rick Colless—is taking an inappropriate share of the resource, which is currently in dire straits because of the irrigation industry. Paragraph (j) states:

notes that the irrigation community on the Barwon Darling River between Mungindi and Menindee was the only major inland irrigation community not to have access to temporary trading of water prior to the cap year of 1993-94, and calls on the Government to correct this inequity by further increasing the cap to 265 gigalitres per annum,

In response to that paragraph I can only comment that those water users want to have their cake and eat it too. Paragraph (k) states:

calls on the Government to provide individual businesses and communities with appropriate structural adjustment where the imposition of this cap has resulted in economic and social hardship,

The fact is that they have taken a significant business risk. As we see in many other areas of society, if the risk does not pay off, they cannot be supported indefinitely in what is an unsustainable situation both financially and ecologically. Paragraph (l) states:

calls on the Government to immediately lift the moratorium on irrigation works on the Barwon Darling floodplain, to allow essential water-saving works, including but not restricted to, deepening, compaction and lining of storage dams, to proceed.

The Hon. Rick Colless referred to the activity required to deepen the storage areas. In my view, this sort of activity is okay as long as any deepening is offset by a small surface area, that is, that there is no need to increase—

The Hon. Duncan Gay: That is what they want to do.

Mr IAN COHEN: I did not hear the Hon. Rick Colless say that. Perhaps the Opposition could resolve the matter in further contributions in this debate. I am simply dealing with paragraph (l) of the motion and suggesting that there should be no net increases in storage capacity. That is not supporting the motion, but one would have to say that if irrigators are given an inch they are likely to take a mile. I will be very interested to hear what further speakers have to say about making these storage areas more efficient, but not by simply deepening the storage areas to increase their capacity without resolving the problem, given that there is a large loss of water through evaporation. Paragraph (m) states:

notes that average evaporation from Menindee Lakes is 760 gigalitres per annum,

That is about one-third of the annual average—whatever that might mean—flow of the Darling River. The figure of 4,700 megalitres in savings has been referred to. I would be very interested to hear whether the Hon. Rick Colless could explain that figure to the House. Many figures have been bandied around. The figure of 9,000 megalitres in savings has also been referred to. However, I understand that would cost \$34 million, which is certainly very expensive water.

The Hon. Rick Colless has taken issue with the direction of government support for Yanga Station. I think there is a need to separate the two issues. Certainly, the Greens support the purchase of that station to allow for conservation opportunity. There is a very strong argument for that, but water supplies for the environment, industry and town are needed. There is a real concern that we are seeing—dare I say—vultures picking over the skeletal remains of what was a wondrous and wonderful western river system that is simply not coping with the onslaught that is being undertaken by water users and industry in the Western Division.

I hear often The Nationals say that city people simply see water coming out of a tap and do not think about where it is coming from. But in terms of the regulation of these rivers and expectations of industry, particularly the irrigation industry, I think these people are looking at a mighty big tap, not looking at where the water is coming from. Under the current regime, any increase in restriction or allocation of water to industry means that there will be significant environmental disasters downstream. In the long term, that will impact not only on the environment but also on the viability of agricultural and irrigation industries in that area. I believe that what we are seeing here is a step further away from what I believe the Government should be doing to protect our western river systems and wetlands. It is a step further away from delivering to the irrigation industry, at significant cost to the environment.

The Hon. DUNCAN GAY (Deputy Leader of the Opposition) [4.08 p.m.]: It is with great pleasure that I support the motion moved by my colleague the Hon. Rick Colless. At the outset I indicate that I did not imagine that any member of this House would be able to match his detailed knowledge of these river systems and his love for the people of the Western Division. It is something that was born from a lifetime of working with the soil, firstly with SoilCon and later in a private capacity.

I have listened with interest to the arguments raised by Mr Ian Cohen in this debate. One of the fallacies that are perpetrated on our western rivers is a belief that they are like the English countryside: that the rivers should have a constant flow and should be full all the time. These rivers are like the country in the Western Division: They come and go with the seasons and they go through drought. There are long periods when these rivers are a series of waterholes. The perception that the Greens try to force on urban communities that these rivers are somehow denuded because they are presently a series of waterholes paints a dishonest picture.

The comment that the Hon. Ian Cohen made as a throwaway line indicating that the river has not flowed at its mouth in South Australia for four years may be true but is dishonest. As everyone knows, in the past four years we have gone through one of the worst droughts in our history. Of course, the river will not flow in a period of drought, but there are also some problems in South Australia.

We need to address the tri-State agreement, with emphasis on where the water comes in and where it goes out. It is almost too simplistic, but I think it is possible to say to the South Australians, "If the Queenslanders keep taking more and more water at places like Cubby Station, we will release less and less to South Australia". The South Australians cannot keep bleating that they want more and more water to put in their artificial lakes at the same time that Queensland is removing more and more water from New South Wales. The two do not add up. Someone has to say to Queensland that it cannot keep increasing the amount of water it is getting nor that South Australia should receive the same amount if Queensland takes more from us.

The communities that live along the rivers within this water system are vibrant communities. It is interesting to see how the diligent use of this water can provide great wealth to those communities—beneficial not only to farmers but also to indigenous communities that live along those rivers. People try to play politics with these rivers and I do not think there is anyone worse than the honourable member for Murray-Darling. In his rare sober moments he indicates that the great fight for Broken Hill is with the people of Bourke; that the people of Bourke are taking water that should be in Broken Hill.

The Hon. Jennifer Gardiner: He's a berk!

The Hon. DUNCAN GAY: He is a berk, exactly. My learned colleague has summed it up. The fight for the people of Broken Hill is not with the people of Bourke. The people of Bourke face very similar problems to the people of Broken Hill. People have a common fight and their member does them an injustice by trying to blame the community upriver. The blame for problems at Broken Hill, as has been detailed by my colleague the Hon. Rick Colless, in large part lies within the Menindee Lakes system, which does not have proper regulators to contain water in the upper part so that the people of that vibrant city have access to fresh and safe water supplies. The Government should not pick a fight with the people of Bourke. If the Government is going to pick

a fight with anyone, it should pick a fight with its Labor friends up in Queensland or in South Australia, because these communities are facing the same situation.

The Hon. Rick Colless mentioned the storage of water off river. For some time farmers have been asking to make their storage areas deeper—not necessarily to increase the total capacity but to remove one of the great vagaries that faces the system—evaporation. If anything, they would prefer to have a smaller area that is deeper so that water is not lost to evaporation. It makes the system more efficient and it allows for better use of this limited resource on which we all rely.

Reverend the Hon. Dr Gordon Moyes: Tell that to the cotton farmers in Queensland.

The Hon. DUNCAN GAY: Exactly. The honourable member makes a fine point about this situation. Their lakes are large and shallow, as is the storage at Menindee. That is also the case with Lake Alexandrina in South Australia, which is probably the worst. We need people to have goodwill and to be sensible. Even some good can come out of something bad because the recent water crisis has helped the people of Sydney to understand what people in regional New South Wales have to face on a daily basis. They now accept that these rivers do not flow and that rain does not fall in catchment areas on a regular basis. Regular environmental flow cannot be put through a river to mimic something that is not indigenous to this country.

A report was put out, I think by Macquarie University, to indicate changes in rainfall patterns over Sydney. It is not that we are getting less rainfall—we are getting the same, if not more—it is just that the rain has changed its traditional orographical pattern of moving across the plain, hitting the lift and falling on high areas, where there are catchment areas. There has been an artificial lift caused by the change in development of the city. The heat that comes off the city has created a false pattern, which means that the rain mostly falls on the plain and out to sea.

Mr IAN COHEN: Or water tanks.

The Hon. DUNCAN GAY: Water tanks and stormwater—but not desalination. The water is here; it is just falling on the streets and going out to sea. Not a lot of good comes from a lack of rainfall, but we have learned from this experience. In conclusion, I congratulate my colleague, who has been responsible for taking many of us—the Hon. Melinda Pavey, the Hon. Jenny Gardiner, the new Leader of the Opposition, Peter Debnam, and me—through these areas to see the great development that can happen in places like the Murrumbidgee Irrigation Area, Bourke and Menindee if this resource is used sensibly. But it has to be used sensibly and there has to be a balance between the competing uses. We must ensure that we look after not only those who live in the towns and cities, but also the people who have developed these industries.

I thought it was a pretty crass throwaway line by the Hon. Ian Cohen, who targeted these people who have invested in infrastructure in regional New South Wales to develop these irrigation areas and have had the level playing field removed from under them, to describe them as "opportunists". These are people with heart who have developed this country with great spirit—

The Hon. Melinda Pavey: Over decades.

The Hon. DUNCAN GAY: As my colleague says, over decades. I congratulate the Hon. Rick Colless and say well done to the Federal Government, which put this initiative in place. The idea of playing politics and holding back until after the election is a little bit like the debacle over the Murwillumbah railway line.

The Hon. JENNIFER GARDINER [4.18 p.m.]: I congratulate the Hon. Rick Colless on moving this motion on the National Water Initiative and I acknowledge that the State Government has belatedly agreed to the Federal Government's National Water Initiative. I shall focus on the genesis of the Federal Government's National Water Initiative and the legislation that has now been put in place to bring that to fruition.

The Hon. Henry Tsang: Tell me more about how great the Hon. Rick Colless is.

The Hon. JENNIFER GARDINER: I endorse the remarks of the Deputy Leader of the Opposition in that respect. Just after last year's Federal election the former leader of the Federal Nationals, Deputy Prime Minister and Minister for Transport and Regional Services, John Anderson, who was also the Federal member for Gwydir, introduced the National Water Commission Bill. It was a great moment in the life of John Anderson because he, of all Australian parliamentarians, has helped to bring the national water reform agenda to the fore in policy discussions at the national and intergovernmental levels. That comes from his background as a primary producer.

The Federal electorate of Gwydir includes, for example, the Namoi Valley, which is a beautiful and productive part of the State. Many of John Anderson's constituents in the Namoi Valley became extremely fearful of what would happen if there was not satisfactory reform of the water regime, which would directly affect their livelihoods adversely. I can confirm that in the past week or so the Leader of the Opposition, Mr Peter Debnam, the leader of the New South Wales Nationals, Mr Andrew Stoner, and I visited the Namoi Valley and one of the main towns in that valley, Gunnedah. We also visited Tamworth, which is situated in the Peel and Coburn valleys. We received an update on how important the water reforms have been to those communities.

Almost a year ago the then Federal member for Gwydir, John Anderson, introduced into the Federal Parliament the National Water Commission Bill, which is the legislative framework for his vision of the National Water Initiative. He pointed out that in western civilisation sometimes we get a bit removed from the basics of life, and it is important to stop and remember that we can do nothing without water. We have a vested interest in using our water wisely because, as most school kids know, Australia is the driest inhabited continent on earth. It also has the most unreliable rainfall.

Australia has 5 per cent of the world's land mass but only 1 per cent of the river and water basin run-off. Notwithstanding those restrictions, Australians are the heaviest users of water per head of population in the OECD. So the advancing of sustainable water use in this country is very important indeed. The new National Water Commission is an independent statutory body that assesses the implementation and promotion of the objectives and outcomes of the historic National Water Initiative intergovernmental agreement that was signed last year. It also advises on financial assistance to be provided by the Commonwealth under the new Australian Water Fund. Such legislation is necessary because Australia's water resources do not match the pattern of either this nation's production or its urban settlement.

Just over a quarter of Australia accounts for about 80 per cent of Australia's total run-off. Most of that occurs in Tasmania and in the northern parts of Queensland, Western Australia and the Northern Territory. By contrast, the most intensively irrigated river basin, the Murray-Darling Basin, comprises nearly 14 per cent of Australia's area but accounts for only 6 per cent of the run-off. On top of that, we have the diverse nature of the country's water resources. The preamble to the National Water Initiative states that Australia's water resources are highly variable, reflecting the range of climatic conditions and terrain across the nation. In addition, the level of development in Australia's water resources ranges from heavily regulated working rivers and groundwater resources through to rivers and aquifers in almost pristine condition.

On top of that is the pattern of Australia's water use. While agriculture uses about 70 per cent of total water used in Australia, it is important to understand that farmers are not the end users of that water. People like me who wear natural fibres and consume food—I always try to consume natural fibres—are the final users of the water used by farmers for those productive purposes. Australian farmers, in using that 70 per cent of consumed water, produce enough food and fibre to supply somewhere between 70 million to 90 million people, most of whom are in places other than Australia, of course. Australia has about 20 million people and, obviously, a great deal of the materials produced by our farmers is exported. The end product of that water is used to feed and clothe Australians and many other people throughout the world.

The National Water Initiative is also important in an economic sense because many of Australia's jobs and much of our economic wellbeing are derived from these enterprises. On top of the 70 per cent of the water use to which I referred, there is domestic consumption and industrial activity. As we well understand, that is also important for people's wellbeing and for them to be able to have jobs. Australia is a nation of water lovers despite our bush heritage, and water provides an important amenity value to many Australians for recreation and tourism. Of course, water has an inherent ecological value. It is also acknowledged by The Nationals that water of itself has cultural value to many indigenous communities.

John Anderson recognised that, against that background, there are several factors—we have come to better understand this in the past 10 to 15 years—converging in Australia to place enormous pressure on some of our major water resources. Those factors include drought, which unfortunately we have become familiar with once again—the current drought is not over—combined with the fast growing population of our cities. One can almost feel cities such as Brisbane, Melbourne, Sydney and Perth growing rapidly as one moves around them. Then there is the phenomenon of dry land salinity, which probably in its own way educated my generation of Australians that a great deal of attention had to be paid to rethinking the way many farming practices were carried out as dry land salinity spread rather alarmingly. There is the continued growth in irrigated agriculture and the phenomenon that is climate change. I am not sure whether the Hon. Michael Costa still does not believe in climate change.

Mr Ian Cohen: He just does not believe!

The Hon. JENNIFER GARDINER: He just does not believe. Certainly, climate change was something the former Federal Leader of The Nationals, John Anderson, acknowledged in putting this sort of package together. On top of that, we have an obligation to future generations of Australians to be wise stewards of our water resources that are not yet showing too much stress, such as those in the north of the continent. The whole picture of Australia's water resources underscored the need to improve the national effort in managing resources, and that is why John Anderson promoted the cause of water reform over the years and why his achievement in that regard is so momentous.

The Australian Government set up a national water commission to implement the national water initiative—which is John Anderson's baby, so to speak—and to drive the continued reform of water management and water use from here on. It is true, as the motion states, that it took a while for some of the States to get on board and there were some severe limitations in the original Council of Australian Governments [COAG] water reform framework, which was agreed to by the Commonwealth Government and the State governments in 1994.

It is fair to say that in dialogue between the various governments the Hon. John Anderson was always generous in his appreciation of the work of the former Minister for Natural Resources in New South Wales, the Hon. Craig Knowles, and, likewise, Craig Knowles was more than happy to acknowledge the leadership role played in this area by John Anderson. In his final speech to the Federal Parliament as Leader of The Nationals, John Anderson made that point and referred to the Natural Resources Ministers in both New South Wales and Victoria as having co-operated with him in this great adventure. For more than a decade the cause of national water reform has enjoyed strong bipartisan support at both the Federal and State level.

The new legislation, the Water Commission Act, reflects a coalescing of the views of almost all the stakeholders involved in this debate—irrigators, scientists and environmental groups—around the need to refresh that original COAG agenda piece through the national water initiative. John Anderson was always at pains to point out that environmentalists, scientists, farmers, bankers and government leaders over the past years have come to recognise that to use a resource properly one has to attach an appropriate value to it. The Deputy Leader of the Opposition referred to that. The first time John Anderson brought this to national attention was in a speech to the National Press Club. The essence was to educate policymakers right across Australia about the need to attach an appropriate value to the resource so that those who use it will do so more wisely. That implied a need for investment certainty based on a clear understanding of property rights in terms of what they are, how far they extend, what they are not and what are their limitations. I remember the Prime Minister taking up that line shortly after that National Press Club speech by John Anderson. So, certainty is very important to this process.

If a farmer wants to move from open flood irrigation—which is very wasteful of water, inefficient economically and environmentally unsatisfactory—to a much higher value production system using very expensive drip irrigation technology, but technology that is more water efficient, he would be thwarted in that objective if he could not go to his bank manager and prove his investment was secure, because the farmer and the banker could not be sure that some government agency would not come along and remove the water before they had recovered their sunk costs. So, that point had to underpin the policy generation, a factor greatly applauded in John Anderson's electorate of Gwydir. Of course, so many of his constituents understood the point, but they were most pleased that someone was taking it to the nation, so to speak, and educating others about this fundamental fact.

The Federal Government's intention from last November onwards has been that the National Water Commission will be the key driver for national water reform. So, the function of the new independent statutory body is to evaluate the Government's progress in implementing the objectives, actions and outcomes under the national water initiative. The commission reports to COAG on its progress. It conducts assessments of commitments under the national competition policy water reforms, which are undertaken by the National Competition Council, and it also has to undertake an initial stocktake of Australia's water resources and water management arrangements.

Part of this package is the establishment of the Australian Water Fund. Into the Australian Water Fund the Federal Government has pledged \$2 billion over five years on top of the \$200 million that was previously provided to recover water for the Living Murray Initiative, which in itself was part of the \$500 million package put together with the relevant States, including New South Wales, and significant resourcing from the Natural

Heritage Trust and the national action plan on salinity and water quality. The significance of that decision is that now additional natural resources are available to help advance the objectives and outcomes of the national water initiative.

The Government has recognised that progress has to be made at several different levels, and there are three different funding programs to achieve practical, on the ground outcomes: the Water Smart Australia Program, which will provide \$1.6 billion over five years to accelerate the uptake of smart technologies and practices in water across Australia; securing the long-term future of South Australia's water supply; and assisting New South Wales and Victoria with structural adjustment of overallocated ground water systems, which is very important to the Namoi Valley and Peel Valley and others areas in the north and north-west of the State. There are other programs under the Australian Water Fund, such as assisting the viable Wimmera-Mallee pipeline project and others. The Raising National Water Standards Program has \$200 million allocated to it, and the Water Wise Communities Program will receive \$200 million over five years to promote the culture of wise water use in Australia. The national water initiative is an extraordinarily momentous initiative on the part of John Anderson. I thank the State Government for finally signing up to it. It is a great legacy and a fantastic endorsement of why The Nationals are needed in both the State Parliament and the Federal Parliament.

Reverend the Hon. FRED NILE [4.38 p.m.]: I support the motion moved by the Hon. Rick Colless, which commences:

That this House:

- (a) congratulates the Government for belatedly agreeing to be Federal Government's National Water Initiative ...

The motion provides a great deal of detail about some of the State's main rivers. I am reminded that over the years I have received telephone calls from farmers in Bourke. The motion notes that the average annual flow of the Darling River at Bourke, from 1972 the 2005, was 3,300 gigalitres per annum. Putting it into a human context, farmers were ringing saying that there was no water coming down the Darling River at Bourke, and they were asking for help. They said that farmers further upstream were basically draining the river. It may be that more controls are needed to make sure that there is a fair allocation of water, but the impression farmers at Bourke were giving me was that upstream huge pipes were being used to take water from the river, which meant that the small farmers downstream had no water available. Paragraph (n) of the motion calls on the Government to:

- (i) immediately complete the environmental impact statement for the preferred option of the Ecological Sustainable Development (ESD) Project of the Menindee Lakes,

We agree with that. Further, it calls on the Government to:

- (ii) include in the 2005-2006 budget sufficient funding to allow the Menindee Lakes improvement works, including the regulator between Lakes Menindee and Cawndilla and associated works as described in the ESD Report, to be constructed, thus effecting a minimum average water saving of 200 gigalitres per annum in evaporation losses, and
- (iii) undertake a comprehensive Rural Communities Impact Statement before any future caps or moratoriums are applied to the management of natural resources in New South Wales.

I am pleased to support those positive proposals and call on the Government to give serious consideration and effect to them. I note that the New South Wales Government supports the National Water Initiative. I understand that until recently only one government, the Western Australian Government, was slow to support it but is now supporting it. The National Water Initiative is a comprehensive strategy driven by the Australian Government to improve water management across the country. Australia's highly variable and often scarce water resources are crucial to the economic, social and environmental wellbeing of our State and nation. The plan of the National Water Initiative was to encompass a wide range of water management issues and encourage the adoption of best-practice approaches to the management of water in Australia.

In September last year the Prime Minister announced a major commitment of \$2 billion over five years to the Australian Water Fund, and that represents a major investment by the Australian Government in water infrastructure, improved knowledge and water management, and better practices in the stewardship of Australia's scarce water resources. Investment under the Australian Water Fund will be made on the basis that it is consistent with and helps to achieve the objectives, outcomes and actions of the National Water Initiative. The fund is made up of three programs: Water Smart Australia, Raising National Water Standards, and Australian Water Fund Communities.

In view of the water needs of Australia and the effects of the drought, expenditure of \$2 billion over five years may not be sufficient. The Federal Government has a massive surplus in its budget, which has not necessarily resulted from any action taken by government. Prosperity has increased Commonwealth revenue. As the surplus is now \$13 billion or \$14 billion a good case could be made for increasing that \$2 billion allocation. There has been criticism of the slow action following the announcement of the initiative. On 5 September this year the *Australian Financial Review* reported:

The objectives were ambitious: rivers would flow again, endangered species would live, a true market for water would be created. It had the symbols of nation building and, best of all, it seemed politics had been decoupled from spending.

More than a year later and the grand vision has faded. The Labor states almost killed it off back in mid-2004 because it turned out that only a small proportion of the \$2 billion was actually new money. Western Australia has never signed up, a real worry because WA is subject to some of the more crackpot proposals, like a canal to transport water to Perth. The National Water Initiative was overshadowed by a flurry of state crises and elections, and problems in other infrastructure, like export facilities.

In fact, heavy water users... had their first meeting with the National Water Commission only last week [almost 15 months since the initiative was announced]; the first genuinely new payments under the Australian Government Water Fund will not be announced until November and the mechanism for applying national competition policy has not been finalised yet.

However, I note that the Prime Minister, Mr Howard, has announced a number of grants that have been made, particularly in South Australia, involving hundreds of millions of dollars. So I am pleased that there is at least some movement. I know that money cannot be wasted and that there must be evaluation of projects to ensure their success so that money is not just used politically to assist members in specific electorates. The National Water Commission has reportedly received up to 170 proposals, which include everything from recycling plants to pipelines. Again, there must be rigorous cost-benefit criteria to make sure that the \$2 billion is not wasted. We are pleased to support the motion moved by the Hon. Rick Colless.

The Hon. MELINDA PAVEY [4.47 p.m.]: It is with pride that I speak on this motion moved by my Nationals colleague the Hon. Rick Colless on behalf of the people of the Murray-Darling electorate to secure the water supply, industry and future of this sparse and vast region of New South Wales. The motion is full of commonsense, and that is consistent with the proud tradition of our party. Our former Federal leader, the Hon. John Anderson, seized upon the water issue and achieved a great outcome through the development of the National Water Initiative, which will improve water management across this great nation. Whilst it took considerable work and pressure to get the Labor States to sign up to the National Water Initiative, they have finally done so. City and country Australians will be brought together by the initiative to appreciate in all ways the value of water. About 67 per cent of Australia's water is used by the farming sector. Farming is vital to the quality of life that we enjoy as Australians—wearing cotton shirts or woollen clothing or eating meat and vegetables—and water is necessary for crops and stock.

If it were not for access to a dependable supply of water we would not have the quality of life we enjoy in this country. That quality of life is enhanced by effective irrigation systems. The value of the commodities we produce and economies of scale make our primary produce attractive to the international market, because of its price competitiveness. As John Anderson said in the lead-up to the signing of the National Water Initiative:

Extraordinarily, but in a very welcome development, we now have governments, farmers, environmentalists and scientists alike united in the view that certainty and security of access to water not only will facilitate investment, economic growth and innovation, but is a vital key to achieving better sustainability outcomes.

As John Anderson said, we now have a framework that will provide water users with the security they need to invest with confidence, to provide secure flows to the environment and to ensure fair dealing for the nation's water users. That was John Anderson's vision. The fear and uncertainty facing the people dependent on the Barwon Darling River system between Mungindi and Menindee is genuine and palpable. The Nationals inspected those communities on a tour of the Murray-Darling area. We also visited Bourke. The future for those people is not secure so far as water is concerned because of the lack of investment by the New South Wales Labor Government in infrastructure that would ensure correct environmental flows and give security of resource to the farming communities.

As was pointed out by the Hon. Rick Colless, imagine if one had a terrace house in Leichhardt on a fairly small block of land, 360 square metres for example, and the Government came along and said, "We are taking 67 percent of your land". That is effectively what is happening to the people in the Barwon Darling River area. The reality of the situation is that those irrigators who have taken up the opportunity to develop their properties, and to utilise their licensed allocation, are now suffering a reduction of 67 per cent in their legally allocated water supply. They have invested in infrastructure—dams, sheds and silos—and in equipment, and now their capacity has been reduced by 67 per cent.

Whilst The Nationals agree that it is proper to better manage the water within our river systems, those farmers have put forward solutions to ensure that they can continue to access the water that they need in order to keep their properties viable. But it also requires a commitment from government: a commitment by this State Labor Government to put in place appropriate infrastructure that would suit all parties and deliver on the three bottom lines that are so important, those being economic, social and environmental. That is the basis of the motion before the House, notice of which was given before the budget, because the honourable member was using his best endeavours to get the Minister for Primary Industries interested in this issue. I would point out that the Minister is not present in the Chamber for this important debate, to listen to the options being put forward that will cover those three important bottom lines.

Although I did not agree with a lot of the substance of Mr Ian Cohen's contribution to the debate, he made the very valid point that the Minister is not here and is not interested. That is disappointing for the communities involved. The Hon. Rick Colless also pointed out earlier that there has been some investment by the State Government, but we would question the Government's priorities and the effectiveness of delivery of good environmental outcomes. The honourable member mentioned that the New South Wales Government spent \$30-plus million on the purchase of Yanga Station on the Murray River. That money could very well have been spent on improving the infrastructure on the Menindee Lakes scheme. That would have solved everyone's problems.

As I understand it, other options were available to the Government in respect of Yanga Station that could have secured the red gum forest area about which so many people were concerned. The Government does not have a vision, proper accountability or management. If the Minister had been present to hear the representations being made in this important debate by the Deputy Leader of the Opposition and the Hon. Rick Colless, together we could have achieved a whole range of better outcomes. The National Water Initiative is delivering on its promise.

I will share a story with honourable members. Recently, I attended my son's school's Parents and Citizens Association meeting. It was interesting to see what we discuss in the New South Wales Parliament and what is discussed in the Federal Parliament filter down to the local level. Part of John Anderson's vision was that local communities would learn to understand the need to respect water use. As part of the \$2 billion Australian Water Fund all schools are eligible to apply on a 50:50 funding basis for infrastructure improvements to promote better use of water. The Parents and Citizens Association at my son's school has submitted an application to obtain better harvesting of rainwater off the school assembly area, and is looking at instituting better toilet-flushing mechanisms. It is something that involves parents and will ultimately involve the students, who will come to learn why these things are happening within their local school.

I am proud to know that John Anderson has helped to deliver a better understanding between country, rural, regional, coastal and city communities. That is in stark contrast to the New South Wales Government's lack of vision and lack of dedication to better environmental outcomes in the biggest market in this State, Sydney. The Government has no respect for the environment or sustainability, and no plans in place for the future when it is seeking to invest \$2 billion in a water desalination plant at Kurnell.

The Hon. Rick Colless: It is a silly move.

The Hon. MELINDA PAVEY: It is a very silly move. It is not as if no-one out there has a vision to solve this problem. There are companies that have put proposals to the Government, but the Government is frightened about the returns from Sydney Water that it may miss out on. It is a double-edged sword. It shows the diabolical state of the New South Wales budget if the Government is dependent on returns from Sydney Water. The Government does not have the vision to invest in infrastructure that would not only provide recycled water for Sydney's industries, but also work at putting environmental flows back into the Nepean River. This is a government without vision.

The Hon. Catherine Cusack: It has tunnel vision!

The Hon. MELINDA PAVEY: It has tunnel vision—cross-city tunnel vision—and this city is very cross about it. I congratulate the Hon. Rick Colless on moving the motion and share with him concern that Minister Macdonald has not seen fit to be in the Chamber this afternoon and has not bothered to understand the complex arguments raised by the motion—complex arguments that require a little concentration but also a little commitment to see the way forward to solve the community's problems in the Murray-Darling region. The Hon. Jennifer Gardiner highlighted The Nationals' vision in relation to bridging the divide between our country

communities and our city communities with regard to respect for the nation's water. I conclude my contribution by making the point that the Labor Government is to be condemned for its lack of vision on this issue and its proposal to establish a desalination plant in Sydney.

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

NATIONAL PARKS AND WILDLIFE AMENDMENT (JENOLAN CAVES RESERVES) BILL

Second Reading

Debate resumed from 19 October 2005.

The Hon. DON HARWIN [5.01 p.m.]: I was in the Chamber when my colleague the Hon. Rick Colless led for the Opposition on the National Parks and Wildlife Amendment (Jenolan Caves Reserves) Bill. His very good speech outlined many of my concerns about the bill, so I do not feel the need to reiterate those concerns this afternoon. As foreshadowed in my colleague's speech, the Opposition is of the view that the bill should not proceed to the second reading today but should instead be referred to General Purpose Standing Committee No. 5 for further inquiry and report. At the conclusion of my contribution I will formally move that amendment so that the House may consider it during the remainder of the second reading debate. A number of members have already made it very clear that they are against that course, and so be it. However, the Opposition believes that the issue of the referral of the bill to the committee is a matter that needs discussion during the second reading debate.

The bill effectively abolishes the Jenolan Caves Reserves Trust, which was established by the Greiner Government and Minister Tim Moore, as Minister for the Environment, in July 1989 to manage Jenolan, Wombeyan and Abercrombie caves. It was an independent statutory body authorised under the National Parks and Wildlife Act. The trust was established as a financially self-sustaining body relying on income from visitor charges and lease revenue from Caves House. As my colleague the Hon. Rick Colless outlined comprehensively and at some length, many of the problems that have emerged have occurred simply because some of the expectations that the trust had of government, under the Carr Government and now the Iemma Government, have not been met.

In 1997 the Carr Government transferred responsibility for Borenore Cave to the trust without any additional funding, placing a strain on existing resources. Indeed, the administrator, Mr Griffin, noted in his report that when responsibility for Borenore Cave was transferred to the trust there was no supplementation, and there is no revenue from this reserve. Consequently, Borenore Cave is currently managed on a minimalist approach using resources from Wombeyan Cave.

In 2002 the Government instructed the trust to pay productivity increases amounting to almost 10 per cent to its staff. That increase was supposed to be conditional on a productivity increase but was paid despite static, or declining, revenue. The wages bill for 2002-03 thus rose from \$2.237 million to \$2.451 million, an increase of \$214,000, which accounted for almost all the \$240,000 supplementation that was required that year from the Government. In the 10 years of the Carr Government, and now the Iemma Government, a declining number of people have visited Jenolan Caves. This has been a major factor in the situation we have arrived at. The trust has been subjected to increased expenses and reduced revenue as a result of the Government's neglect.

Much has been said about the trust. It is worth noting that the Council on the Cost of Government report stated that "the trust had performed extremely well". In all the circumstances, to simply blame the trust is an unsatisfactory approach. No satisfactory reason has ever been given for replacing the trust with the Department of Environment and Conservation. Jenolan Caves is an exceptional tourist site that deserves special attention, and I believe it deserves better than what it is getting from this Government. The situation regarding deferred capital works is very serious. The situation referred to by my colleague the Hon. Rick Colless in discussing the correspondence he received from the concessionaire at Jenolan Caves regarding the water quality at the caves certainly was very disturbing. I received copies of that correspondence from David Templeton of JMA as well. I hope the Minister addresses that aspect in his reply to the second reading debate. It is a serious situation, and it is indicative of what has happened to the Jenolan Caves precinct under this Government.

The Opposition feels it would be appropriate for General Purpose Standing Committee No. 5 to inquire into and report on a number of matters. We believe that transferring responsibility for the caves from the trust to the Department of Environment and Conservation is a mistake, in the context of the capacity of the National

Parks and Wildlife Service to manage the national park estate. I concede that there has been an increase in the funding per hectare, as General Purpose Standing Committee No. 5 reported to this House when it conducted its inquiry on feral animals. But the fact is that less than one-third of reserves have a plan of management in place. Yet the Jenolan Caves precinct is to be given to the Department of Environment and Conservation for it to manage as well.

We need advice on which of the preferred options for operating the commercial precinct of the caves outlined by the administrator is the best way to go. Two types of split ownership models have been suggested, and an integrated lease is also a possibility. The House needs to know more about the marketing of Jenolan Caves as a tourist destination before it passes the bill. In particular, the House also needs to know whether the Government has fulfilled its obligations to the lessees and operators of the various businesses at Jenolan Caves.

I was extremely disturbed to hear the details that the Hon. Rick Colless went through in his speech during the second reading debate about the relationship between the Government and the leasehold of the Jenolan Caves commercial precinct. I am certainly aware of a lot of that material myself. I believe the House would benefit from further information as a result of an inquiry conducted by General Purpose Standing Committee No. 5 before the bill is second read. Therefore, I move:

1. That the question be amended by omitting the words "now read a second time" and inserting instead "referred to General Purpose Standing Committee No. 5 for inquiry and report.
2. That notwithstanding the generality of paragraph 1, the committee examine in particular the following matters:
 - (a) which of the preferred options for operating the commercial precinct of the caves outlined by administrator Allan Griffin in his interim report of 31 March 2004 would provide the best combination of return to Government, visitor satisfaction, commercial viability and environmental protection:
 - (i) a split ownership model, under which the cave tours are operated by Government or under licence by a private operator and the accommodation by a private operator, with a new integrated management approach; or
 - (ii) a split ownership model with the Government and the current lessee of the caves accommodation jointly contracting for a single operator to manage all services; or
 - (iii) an integrated lease with the cave tours, accommodation and hospitality services offered as an integrated package to the private sector.
 - (b) the marketing of Jenolan Caves as a tourist destination since they were transferred to the National Parks and Wildlife Service in 1996;
 - (c) whether the Government has fulfilled its obligations to the lessees and operators of the various businesses at Jenolan Caves; and
 - (d) any other relevant matter.

I apologise to the House that the amendment has only just now been circulated, but we have taken some time to make sure we get this right. There are very serious issues at stake and we want them considered but, by the same token, this bill first came before the House in 2004, so it is not as if this is a new issue.

The future of Jenolan Caves has been under review by all members for quite some time and the issue of a reference to a committee has certainly been discussed with the National Parks Association. I know for a fact that members received advice from the National Parks Association about the matter several days ago. Government members knew the Opposition was about to move this amendment because we told them about it and members have been able to consider the advice they received on the issue of whether an inquiry should proceed. Having said those few brief remarks, I commend the amendment to the House.

Mr IAN COHEN [5.12 p.m.]: The National Parks and Wildlife Amendment (Jenolan Caves Reserves) Bill abolishes the Jenolan Caves Reserve Trust and transfer management and control of the four karst reserves currently under its control to the Department of Environment and Conservation [DEC]. These reserves are the Jenolan, Wombeyan, Borenore and Abercrombie karst conservation reserves. Members will be aware that a bill to a similar effect was introduced last year and was subsequently withdrawn this year. The Greens did not support the previous bill. However, the current bill has been very substantially changed, and has met many of the demands of conservation groups. The Greens are now happy to support the bill. It is an opportunity to establish an example of best practice for commercial operations in the reserve system. It is a chance to avoid another Quarantine Station.

The Greens feel this bill is well on the way to providing for sustainable management of the system. Jenolan Caves is an exceptional part of our heritage, and is part of the World Heritage listed Greater Blue Mountains. It is one of Australia's most well-known natural attractions. When people think of the Blue Mountains they think of the Three Sisters and they think of Jenolan Caves. It is important that the stunning caves at Jenolan, which have delighted visitors for more than 130 years, do not succumb to the crass vagaries of commercial exploitation. It is essential that these caves, as well as the three other karst reserves, are operated in such a manner as to ensure their preservation so that subsequent generations can enjoy their irreplaceable beauty in the future. Protecting Jenolan Caves is the Jenolan Caves Karst Conservation Area that is an important component of the eight reserves listed in December 2000 as a part of the Great Blue Mountains World Heritage Area.

The karst conservation area ensures that the unique karst environment is protected for all time. But the management model for Jenolan was flawed. Jenolan Caves, along with Wombeyan Caves to the south and Abercrombie Caves to the west, and recently Benore Caves further west, were managed by the Jenolan Caves Reserve Trust. The trust was established in 1989 as an independent statutory body for the care, control and management of the four karst conservation reserves. Revenue for the trust was tied to income from cave tours and any lease payments from Caves House. The trust was supposed to be self-financing. With visitor numbers dropping over the past few years for a number of reasons, including a decline in international tourism, the income levels dropped.

The trust needed an ongoing stream of funding that was not tied to visitor numbers at Jenolan Caves to fund the management of above-ground infrastructure, visitor facilities, and weed and feral animal control. With the Government unwilling to do this while the trust was independent of government, it was clear a different management model was required. As a result of problems with the financial model of the trust, a review was carried out by the Council on the Cost and Quality of Government, which recommended the trust board be replaced by an administrator upon the expiry of its term. This happened in January 2004. It also became clear that the management of commercial operations at Jenolan Caves was critical to providing a good experience to visitors to the caves and protecting the environment.

A lease was signed by the Greiner Government in 1990 offering Caves House to a private company on a 99-year lease. That is a very long lease and in hindsight shows the Greiner Government to have moved very foolishly on this matter. This has proved an unhappy event for those planning to visit Jenolan Caves and stay overnight. The leaseholder has a long history of poor performance. The Minister for the Environment has received more than 100 complaints from people who have stayed at Caves House, and he received several more just this week. It is becoming widely known that Caves House is not a great place to stay, further reducing visitor numbers. I am aware that the Government is now initiating legal action for non-compliance of the lease conditions by the current owner. Yet the lease is written in a way that even if the current owner is found to have breached lease conditions, he may install a new owner of his choosing. The current lease then continues to run for another 85 years. We are stuck unless the Government wishes to foot a huge compensation bill.

This should not be allowed to occur again. The Greens are opposed to long-term leases of our public places. No lease should be allowed to last longer than one generation, or about 21 years. This is the case with the leasing of public lands under the Local Government Act that are limited to a maximum of 21 years. Last year, the Greens voted against an attempt by the Government to simply amend the National Parks and Wildlife Act to permanently install an administrator to replace the Jenolan Caves Reserve Trust. We did not believe that the problems of Jenolan Caves were to be solved just by the Government running the trust with an administrator indefinitely. More fundamental change was required.

The Greens have been concerned about commercial activities in our national parks for some time. Look at the influence that the ski resorts have been able to apply over the National Parks and Wildlife Service [NPWS] in Kosciuszko National Park: it is difficult for NPWS officers to put pressure on the ski resort owners to deliver on environmental outcomes without political interference. In Murrumbidgee National Park there is a long history of the caravan park situated within the national park consistently damaging the environment. The proposed lease of Quarantine Station in Sydney Harbour National Park has been fraught with local opposition. The process of preparing the lease has been conducted in secrecy. Conservation and heritage values have lost out. This has been an embarrassment for the Government.

Any commercial operators who provide tours of the caves or run accommodation services need to operate to the highest standards of accountability, transparency, protection of the public interest and environmental performance. The bill is to come into effect in two stages. The first stage will allow the lands

controlled by the trust, apart from the Jenolan commercial precinct, to be transferred to the DEC. The trust will be abolished. The Director General of the DEC will then be responsible for the care, control and management of the karst conservation reserves. The Director General will be guided by the establishment of the Karst Unit and the Management Advisory Committee. The second stage will not commence until the plan of management has been finalised and the lease issues with Caves House resolved.

The remaining areas will then be transferred to the DEC. The Greens support this timeline of events. It is especially prudent to have a strong plan of management in place before the commercial precinct is transferred to the department. Jenolan, Abercrombie and Wombeyan karst conservation areas are to be managed by the National Parks and Wildlife Service, as is the Jenolan commercial precinct after the plan of management is in place. The Greens support this move. Other cave areas in New South Wales, such as Yarrongobilly caves and Willi Willi caves, are managed successfully by the DEC. Jenolan presents an opportunity to get commercial operations right. If we can get it right here, we can extend this new model to other NPWS national parks.

The Greens are aware of the problems that can arise out of using trusts to manage important natural areas such as Jenolan Caves. Up until 1967, all our national parks were managed by trusts. There was a trust managing Kosciuszko State Park, another one managing the Blue Mountains National Park, and another managing Royal National Park. Local interests can capture trusts and then the trust loses sight of protecting their lands for the whole of New South Wales or for all of Australia. Trusts can also come to be dominated by political appointees. While this may not have been an immediate problem for Jenolan Caves Reserve Trust, it was envisaged it could occur in the future.

In 1967 the National Parks and Wildlife Service Act was passed. This transferred all the trust-managed national parks to a professionally run National Parks and Wildlife Service. This has proved highly effective in ensuring that the conservation values of the areas are conserved while providing compatible opportunities for recreation. Thus the Greens support abolishing the Jenolan Caves Reserve Trust and handing over management to the National Parks and Wildlife Service. However, we will not support this without other changes. We will only support abolition of the trust if the management of commercial activities in karst conservation areas is improved at the same time. This is an ideal opportunity to get the management right.

Commercial activities in karst should be conducted with the following principles: leasing and licensing should be controlled by an adopted plan of management; no lease should be issued for more than 21 years; the public should be given the opportunity of input into future leases and licences through comment on both the plan of management and draft leases and licences; leases and licences should comply with performance indicators spelt out in the plan of management; the National Parks and Wildlife Service should publicly report on the performance of lease and licence holders at least every year; all details about finalised leases and licences should be publicly available; performance indicators should be regularly reviewed and improved—in Committee I will move some amendments to strengthen the provisions regarding performance indicators—and an auditing process should ensure that compliance and reporting are accurate.

The Greens particularly support the more transparent and accountable measures introduced in the bill, including the requirement for a report on the performance of the lessees and licence holders, which must be produced annually and displayed publicly. The bill establishes the Karst Conservation Advisory Committee. The Greens support this measure. The committee will report to the National Parks and Wildlife Advisory Council, and will advise on major karst areas within all national parks and wildlife reserves. Furthermore, the NPWS Regional Advisory Committee will be given responsibility for providing community input on strategic management issues relating to the transferred karst conservation areas. It is important that there should be this input at local level.

The transfer of management of the caves and reserves is also an opportunity to fix some long-term problems in the area. I have been contacted by staff at Jenolan Caves, who are concerned about the quality of water at the caves. They also raised other industrial relations issues relating to water pipes. There is also a substantial problem with noxious weeds in the region. I hope that the department will investigate and address these issues when it takes over control of the area. The Government has already allocated \$18 million to stabilise Five Mile Hill Road and \$4 million in capital works to upgrade the caves and other trust infrastructure. This is a good start, and I hope that the department will take seriously its role in revitalising the caves and precinct, and turn this into an example of sustainable, best-practice operations. With that, the Greens support the bill.

The Hon. Don Harwin, in his contribution to the second reading debate, referred to an upper House inquiry. This issue had been raised with me by the shadow Minister for the Environment, Mr Michael

Richardson. At this stage we have gone through a significant amount of negotiation on this process. A bill was to come before the Parliament but it was rejected by the Greens. There has been a lot of discussion on this matter. I raised the issue with the Environment Liaison Office [ELO] after receiving information about the intention to propose an upper House inquiry at some stage. So I speak from the perspective of being the Greens spokesperson on this matter as well as being the Chair of General Purpose Standing Committee No. 5. A document signed off by Andrew Cox, the Director of the National Parks Association of New South Wales, stated:

The issues raised appeared to relate to the current and future commercial operations in the Jenolan Caves.

Provided the *National Parks and Wildlife Amendment (Jenolan Caves Reserves) Bill 2005* passes, the future commercial operations in Jenolan Caves will be determined by the proposed plan of management for Jenolan Caves Karst Conservation Area. There is extensive public input into the content of this plan and any proposed commercial operations. The draft plan is placed on public exhibition for at least three months and advice from the Blue Mountains Regional Advisory Committee, the Karst Management Advisory Committee and the National Parks and Wildlife Advisory Council must be taken into account before the Minister for the Environment adopts the plan.

The current management of commercial operations at Jenolan Caves is largely controlled by the 99-year lease issued in 1990 and applying to Caves House. The Government is currently in a legal dispute with the current lessee. The ELO Group does not think that this dispute would be assisted by an Upper House inquiry. The ELO Group believes that the Government is attempting to resolve the situation in the best interests of Jenolan Caves. The best outcome would be if the current lease is cancelled and a new lease is offered under the new plan of management. Unfortunately the terms and conditions are not satisfactory, but there is little that can be done about this, beyond activating non-compliance provisions, without a major compensation claim.

For these reasons, the ELO Group does not consider conservation interests would be assisted through additional scrutiny by the Upper House.

I am well advised by Andrew Cox, who has put in a great deal of time and effort with the ELO Group to look into this issue. When the shadow Minister raised the issue with me I said that I would look at it. However, given the history of the development of this bill and the issues with Jenolan Caves, I am not inclined to support the Opposition's amendment to be moved before the bill is second read. Instead, I support the reasoned and well-educated position put forward by those who have been involved in these issues for a long time through the Environment Liaison Office. In summary, the Greens support the bill. We will move a number of minor amendments in Committee, and we will not support the call for an upper House inquiry at this stage.

Reverend the Hon. FRED NILE [5.26 p.m.]: The Christian Democratic Party supports the National Parks and Wildlife Amendment (Jenolan Caves Reserves) Bill, which will transfer the assets, rights and liabilities of the Jenolan Caves Reserve Trust to the Director General of the Department of Environment and Conservation. He will then have the care, control and management of Jenolan Caves Reserve Trust lands, and will make provision for continued management of certain areas in those lands. The bill will dissolve the trust and transfer the trust staff to the Department of Environment and Conservation. It will establish a caves management advisory committee to advise the National Parks and Wildlife Advisory Council on matters relating to the conservation and management of the karst or caves environments. Finally, it will require certain leases and licences relating to the land within the conservation reserves to include conditions requiring the environmental performance of the lessees and licensees to be measured against environmental performance indicators contained in the plan of management for the land concerned, and to provide for their environmental performance to be monitored and reported on.

As honourable members know, we debated the Jenolan Caves in 2004, when the Government introduced a bill to provide for an administrator to control the trust indefinitely. We had concerns about the proposal; the legislation did not have the support of the upper House and the Government withdrew the legislation so that it could further review the situation. This bill is the result of that review. In particular, the Government called for a special review by the Council on the Cost and Quality of Government, which was carried out. That review recommended that upon expiry of its term in January 2004, the trust board be replaced by an administrator to facilitate the transfer of management of the karst reserves to the Department of Environment and Conservation.

Following that, the Government drafted this legislation, which will come into effect in two stages, to allow certain issues with the lease of Caves House to be resolved and the plan of management to be put in place. Stage one will allow all lands controlled by the Jenolan Caves Reserve Trust, apart from the Jenolan Caves visitor use and service zone, which includes Caves House, to be transferred to the Department of Environment and Conservation and the trust abolished. Responsibility for the care and control of the management then reverts to the director general.

Stage two will commence after lease issues are resolved and a plan of management finalised. The Jenolan Caves visitor use and service zone and remaining trust staff will be transferred to the Department of Environment and Conservation. During the debate in 2004 we received many submissions from staff, who were concerned about their future and the future of Caves House. We trust that this bill, which I assume will be passed tonight, will give some job security to the people employed at Caves House—probably people who live in that region—so the whole area can be reinvigorated, renewed, and once again become a great tourist attraction, more viable than it has been in recent times.

The Government took measures to improve the area even before this legislation. An \$18 million program of works on Jenolan Caves Road at Five Mile Hill generated 12 new jobs during construction. A \$4 million capital works program to upgrade caves and aboveground infrastructure will also create six new jobs during construction. A new specialist unit within the Department of Environment and Conservation will be established comprising experts in cave science and management. The unit will ensure the highest level of knowledge within the Department of Environment and Conservation. Five staff members will be located in Bathurst, and that will inject some \$400,000 per annum into the local economy.

One of the obvious concerns I have is that people in that unit need to be experts, not just in cave science but also in management, marketing and promotion. They need to have commercial skills otherwise we will repeat the cycle that has led to the breakdown in management that caused the Government to introduce this legislation. Often government departments do not have those commercial skills, so it is important that the Government ensures that people with those skills are involved in the unit, which will now have responsibility for Jenolan Caves and all the other caves.

The Government will bring together other caves in the region, such as Abercrombie Caves, to ensure that management of all significant caves is located within the one organisation. That seems to me to be efficient. This will engender increased learning and sharing of knowledge and experience, guided by this new specialist policy unit. It will also provide staff with increased and broader career development opportunities and, hopefully, will ensure that the caves are managed in a more appropriate manner. The Government will provide some \$120,000 per annum in additional funding.

I have information that there has been a breakdown in relationships with the lessee of Caves House and that no payments have been made for the past six months. The buildings have been run down, so there is a degree of urgency in having this area efficiently managed. Therefore, I do not see the purpose of a committee taking time to set up an inquiry. That will only delay the inevitable process. We should proceed with the passage and implementation of the bill as quickly as possible.

The Hon. JON JENKINS [5.33 p.m.]: In order to understand this legislation we need to understand some of the long history of the Jenolan Caves Reserve Trust and its forerunner, the Crown Lands Trust. The current trust was formed in 1996 and the assets—if one can call them that—were the caves themselves and what is known as Caves House. The Peppers hotel group was granted a 99-year lease over Caves House in the 1980s. The Jenolan Caves Reserve Trust operates under a plan of management that was devised in the 1970s. In 1990 some controversial changes were made to the trust. Instead of just scientists and managers, stakeholders were appointed. Representatives of the National Trust, National Parks, local council and tourism representatives were elected to the Jenolan Caves Reserve Trust.

Speleologists have had a long and prestigious association with the management and care of Jenolan Caves. Indeed, the caves have a long tourist history and speleologists have been involved since they were discovered. They were also represented on the Jenolan Caves Reserve Trust until 31 January last year. There have been few major problems with the caves until recently. Tourist movements have increased over the years and some concern has been expressed as to how to manage both human and vehicular traffic entering and leaving the caves area. There are two access roads to Jenolan Caves. The one through Oberon is a very steep and winding road with numerous switchbacks and is unsuitable for large traffic volumes or large vehicles, in particular buses. The other main access is via Katoomba, what is known as Five Mile Hill Road. One problem is that the main access road passes through a large natural arched structure. Reduced space creates problems for traffic and pedestrian movement in the arch area. Further, some have expressed concern that particulate fumes from large diesel buses may be having an impact on the caves.

At one time the Government asked for expressions of interest—otherwise known as tenders—to provide a cableway system of access to Jenolan Caves. However, this option appears to have disappeared due to cost and local opposition. Around that time—and some honourable members may remember this, although I was

not a member of the House then—the then Minister, the honourable member for Wentworthville, made a promise in the second reading speech of the original trust legislation. That promise was that Jenolan Caves Reserve Trust would not be handed over to National Parks. In her speech the Minister particularly referred to the trust being taken over by National Parks and said:

The Government has given the trust repeated assurances on this issue. I hope that the message has finally got through although I will not hold my breath.

Why is the Government now proposing legislation that breaks the original promise? The reason given is that the trust is in financial difficulty and requires recurrent funding to support itself. I would go so far as to say that it is possible that the financial crisis in the Jenolan Caves Reserve Trust has been engineered deliberately to facilitate transfer to National Parks. In 1996 the Jenolan Caves Reserve Trust was operating as a well-run trust, both in a professional and an environmental sense. The visitor site was managed with good management principles and the other off-limits caves and areas were managed with environmental ideals at the forefront. However, at this point the Government transferred to the trust control of the Borenore Caves. Borenore Caves has no income but incurs a significant debt for Jenolan Caves Reserve Trust. Borenore Caves alone caused a shortfall of nearly \$200,000 annually in the trust's operating budget. In other words, a loss-making cave was transferred to the Jenolan Caves Reserve Trust with a continual recurring debt and with no income to support that debt. Was that an accident? I do not believe so.

The trust had significant reserves of about \$1.6 million and the Caves House lease, but continuing recurrent debt combined with a dip at that time in tourism numbers. Honourable members will remember that at about this time there was the severe acute respiratory syndrome outbreak and 9/11. Around the world there was a big drop in tourist numbers. That did not help the recurrent debt. So, in addition to these debts being placed on the trust, there was a dip in world tourism. Honourable members must keep in mind that the trust also cares for the Wombeyan and Abercrombie caves systems. Of these four caves systems only Jenolan has the potential to, and does, provide a reasonable income stream. In effect, Jenolan Caves subsidises the maintenance and care of the other three cave systems, and while the trust has these natural wonders under its care, it will always require input from the Government—for the simple reason that expenditure exceeds income.

This legislation will not change that one iota. In fact, logic raises the spectre that the Department of Environment and Conservation will make large-scale tourist centres of all the cave systems in order to make them self-funding. I hope not. Currently, approximately \$4 million of infrastructure spending is required. Wombeyan Caves needs about \$700,000, Borenore about \$160,000, Abercrombie about \$210,000 and Jenolan an estimated \$2.8 million.

Further, geotechnical experts have questioned seriously the viability of the main access road and the road requires significant maintenance to be serviceable. The access road has nothing to do with the trust, but it is a Crown road for which the New South Wales Government is directly responsible—presumably through the Roads and Traffic Authority. In the year prior to this situation arising, Jenolan Caves Reserve Trust, realising that it could not sustain the recurrent debt put on it from the loss-making caves, approached the Government for assistance. The Government instituted a review by the Council on the Cost and Quality of Government and the council made several recommendations to the Government. These recommendations are salient.

On 31 January last year the trust's term expired and the Minister appointed an administrator for six months, until 31 July. From that point on the Minister proposed legislation that would have transferred control of Jenolan Caves to the Department of Environment and Conservation in perpetuity. This is a direct breach of the promise made by the then Minister when the trust was formed. I note that it was not the outcome that the Council on the Cost and Quality of Government had recommended either. The council recommended that only Abercrombie, Borenore and Wombeyan caves be transferred to the department's control. The report acknowledged also that the trust had been operating efficiently and that the recurrent debt was solely due to the burden of the non-income-producing cave systems. Further, all of the review's recommendations can be carried out under the existing legislation with no legislative changes required at all. Someone has to ask the question: Why does this legislation exist? There is simply no need for it unless one wishes, for philosophical and ideological reasons, to remove Jenolan Caves from the care of the existing trust.

I now turn to the Minister's second reading speech from last year to point out some of the anomalies. The legislation is different but the intent is the same. He stated that the trust has met its obligations only by deferring essential capital works. However, this is due only to the fact that the Government had transferred significant loss-making assets to the trust. In other words, the trust was doing fine so the Government just kept putting more debt on it until it could no longer handle it. As I understand the situation, the trust is quite happy to

manage these loss-making assets if the Government assists with funds to do the job. No-one in government would dare to suggest that the National Parks and Wildlife Service should be self-funding—nor should it be. If the trust is going to manage the multiple loss-making sites, it should not be required to do it on a self-funding basis.

This view was upheld by the quality review, which found that the trust could not sustain continued recurrent losses caused by the non-income-making cave systems. If this demonstrates the extent of the Government's understanding of cost reviews, it is no wonder that it has other problems with its infrastructure costing. The statement that Jenolan Caves was not recovering enough income to reinvest in its own infrastructure is simply not true. The statement should read that the Jenolan Caves Reserve Trust does not recover enough to sustain the infrastructure costs of Jenolan Caves and the three other cave systems that it manages. The review acknowledged the high level of scientific and management expertise within the existing trust system.

There is a further false statement in the Minister's second reading speech. The review did not recommend that all four cave systems should be transferred to the department; it recommended that the three non-income-producing cave systems be transferred to the department and that Jenolan Caves be assessed for further consideration. The National Parks and Wildlife Service has just had a significant decrease in funding and the caves will now have to compete for limited funding within the National Parks and Wildlife Service system. I have had long consultation with some of the existing trust members, many of whom have had a lifetime's experience with the care and management of Jenolan Caves, and I do not understand why the Government wants to remove control of Jenolan Caves from the trust. The Opposition has intimated that it would like to defer the bill in preference to referring the matter to a committee. I would like to do both, but in view of the fact that the caves have not had a significant plan of management for more than 12 months, I probably would not support the proposal. I foreshadow that I will move a couple of amendments in Committee.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS [5.45 p.m.]: I am quite concerned about the situation that has come to my attention. The road to Jenolan Caves has been poor and visitor numbers have been down. As has been pointed out, this may be due to factors beyond the control of the Jenolan Caves Reserve Trust—the collapse of Ansett, severe acute respiratory syndrome, 9/11 and so on—although one would have thought that something that receives most visitors by bus would be less affected by these things than other tourist attractions. In a sense the trust has been criticised by faint praise. The Speleological Society says that the trust has not done a bad job and if visitor numbers had held up and if the Opposition had been wiser when in government in terms of the leasing of Caves House, which seems to be a considerable problem, the existing model might have been okay. I have had correspondence from Caves House about the unsatisfactory water quality. There should not be coliforms in the water. Some degree of analysis is necessary. Surely the Government ought to be providing reasonable quality water through the infrastructure. It seems that what is needed is a plan of management. An administrator has already been appointed. If there is a 99-year lease, it would seem that the lessee would be responsible for the piping or tank problem.

Presumably the trust did not set the terms for the lease of Caves House and as the road has not been repaired and tourist business has dropped, it may be a little hard to blame the trust. If it has given emphasis to science rather than marketing, presumably the Government could fix the problem when it renews appointments, or the trust could obtain expertise in that area. Giving management to the National Parks and Wildlife Service concerns me. The extraordinarily bad deal given to Murramarang, the leasing of Sawpit Creek, the inability to make a profit and deals at the quarantine station are quite a blot on the National Parks and Wildlife Service. The service does reasonably well managing flora and fauna and the environment but it does not necessarily do well in managing buildings, the management of which requires an entirely different type of expertise.

It worries me that the transfers have somewhat shackled the operations of the trust. The environmental groups have negotiated with the Government and the Government has the basis of a management plan. It is not to continue leasing to the private sector unless it has a plan of management and considerably better transparency than it usually manages. I am worried also about the Government's enthusiasm to hand everything to the private sector, on the basis that it cannot be managed, so it should be sold for a peppercorn. Something needs to be done. The trust is almost caught in limbo. If we have an inquiry presumably there will not be a decision for a long time. So I will go along with the bill but I have considerable misgivings about it.

The Hon. IAN MACDONALD (Minister for Natural Resources, Minister for Primary Industries, and Minister for Mineral Resources) [5.50 p.m.], in reply: The National Parks and Wildlife Amendment (Jenolan Caves Reserve) Bill aims to achieve a comprehensive revitalisation package to conserve the State's caves as

iconic assets, whilst assisting local economies by providing regional employment and increasing tourism opportunities. The Jenolan caves Reserve Trust, which looks after the caves, had been operating on the same basis since originally created by the Greiner Government in 1990. The trust has the unenviable task of administering the 99-year lease of the historic Caves House, signed off by the Greiner Government. Following financial concerns raised by the trust to the Government, the Minister for the Environment initiated a special review of the trust in 2003 by the Council on the Cost and Quality of Government.

The review found the trust had long-standing structural and commercial impediments caused by the business model put in place by the Coalition and recommended that the trust not be reappointed. To implement the review's recommendations the Minister for the Environment appointed an administrator to develop proposals for structural and legislative change to place the caves on a sound footing. The administrator's ongoing appointment was approved on advice by the Crown Solicitor, and his appointment will cease following the implementation of the transfer of the Jenolan reserve areas. As part of the plan to revitalise the State's cave networks the Government proposes the incorporation of the significant areas of Abecrombie, Wombeyan, Borenore and Jenolan caves into the Department of Environment and Conservation [DEC] to join the other 33 significant karst areas, ensuring the management of all significant caves are located within the one organisation.

The establishment of the first ever Karst Conservation Unit in New South Wales will ensure the highest level of knowledge in karst management within the DEC across the State. Karst staff will be located in Bathurst and will inject some \$400,000 per annum into the local economy. The bill will also see the establishment of a Karst Management Advisory Committee to provide expert advice to the Minister for the Environment and the Director General of the Department of Environment and Conservation. Despite the mistruths espoused by the Coalition regarding visitation and promotion, over the past several years visitation at the caves has been increasing steadily. Indeed, visitation to Jenolan Caves was up some 6 per cent in the past financial year and up a further 5 per cent in the previous year.

These increases demonstrate how successful we have been in promoting the caves to ensure we get the most from these significant attractions. The ongoing promotion over the past 18 months has seen Jenolan Caves featured widely in both paid and editorial features on television and radio and in print. Perhaps the question the Coalition should be asking is: Has the increase in visitation at the caves been reflected at Caves House? If the Coalition had asked that question, it would have found that the answer was no. In addition, it would have found out that the current lessee has been unable to make rent payments on time and has failed to implement a satisfactory building maintenance program over a protracted period. The Government assisted Jenolan Caves Resort by providing a 3½-month moratorium on rental payments, followed in mid-2004 by a further extension of time for rental payments ranging from four to six weeks.

The lessee sought a further extension of the moratorium, but unfortunately the trust was not in a position to provide any further financial assistance. Negotiations were under way with the lessee to reach a joint approach in providing integrated services to visitors, and to re-negotiate the current lease, especially in respect of rental payments and the duration of the lease. However, the lessee proved unco-operative during the process of developing a joint approach to an integrated management solution at Jenolan. This, combined with the lessee's continued inability to meet its obligation under the lease, resulted in the termination of negotiations and the formal issue of default notices. Now the Coalition wants us to delay implementation of this urgent revitalisation package by instigating an inquiry to assist its friend who is the beneficiary of their 99-year lease.

There is no point in carrying out further investigations into the leasing arrangements at Jenolan. We know the model implemented by the Opposition is dysfunctional. Caves House has been the subject of over 50 non-solicited complaints in recent times. It is for this reason that the Government has acted to resolve this unacceptable situation that has arisen due to the extremely generous nature of the Coalition's commercial 99-year lease. I have noted that the Greens propose several amendments, and after carefully reviewing those amendments and discussing them with the Minister for the Environment, we will accept the eight amendments. The Outdoor Recreation Party has proposed two additional amendments to remove one of the conservation representatives on the proposed committee whilst increasing certain regional advisory committees to 18.

There is nothing to be gained from removing a nature conservation representative from the proposed Karst Advisory Committee, and I do not accept increasing already overflowing regional advisory committees of 17 community representatives to a whopping 18. Whilst the Government will not support the Hon. Jon Jenkins' proposed amendments, we will seek, on his suggestion, to include an appropriate person with karst knowledge and experience on existing regional advisory committees when casual vacancies from existing members become available. I urge all members to support this bill with the Greens amendments to ensure the ongoing

conservation and promotion of the State's cave networks through the establishment of these numerous initiatives to protect and enhance the future of the State's caves. I commend the bill to the House.

Question—That the amendment be agreed to—put.

The House divided.

Ayes, 12

Ms Cusack
Mrs Forsythe
Mr Gallacher
Mr Gay
Mr Jenkins

Mr Lynn
Ms Parker
Mrs Pavey
Mr Pearce
Mr Ryan

Tellers,
Mr Colless
Miss Gardiner

Noes, 23

Mr Breen
Ms Burnswoods
Dr Chesterfield-Evans
Mr Cohen
Mr Costa
Mr Della Bosca
Ms Fazio
Ms Griffin

Ms Hale
Mr Hatzistergos
Mr Kelly
Mr Macdonald
Reverend Dr Moyes
Reverend Nile
Mr Obeid
Mr Oldfield

Ms Robertson
Mr Roozendaal
Ms Sharpe
Mr Tsang
Dr Wong
Tellers,
Mr Primrose
Mr West

Pairs

Mr Clarke
Mr Harwin

Mr Catanzariti
Mr Donnelly

Question resolved in the negative.

Amendment negatived.

Motion agreed to.

Bill read a second time.

Consideration in Committee ordered to stand as an order of the day.

SPECIAL ADJOURNMENT

Motion by the Hon. Ian Macdonald agreed to:

That this House at its rising today do adjourn until Tuesday 8 November 2005 at 2.30 p.m.

ADJOURNMENT

The Hon. IAN MACDONALD (Minister for Natural Resources, Minister for Primary Industries, and Minister for Mineral Resources) [6.04 p.m.]: I move:

That this House do now adjourn.

GAMING MACHINE TAX AND NRMA

HONOURABLE MEMBER FOR COFFS HARBOUR PARLIAMENTARY BEHAVIOUR

The Hon. AMANDA FAZIO [6.04 p.m.]: I have been a member of the NRMA since 1976 and was very surprised to learn this week that the NRMA had an affinity with the clubs and felt obliged to do whatever it

could to help fight poker machine taxes. On 17 October this year the Chief Executive Officer of the NRMA, Tony Stuart, was quoted as saying:

We can't watch clubs go under and the largest club stands by and pretends nothing is happening.

Mr Stuart stated with two million members NRMA Motoring and Services is Australia's largest club so it makes sense to work with Clubs NSW to ensure clubs can continue their good work. It begs the question: Makes sense to whom? The constitution of the NRMA does not refer to the NRMA being a club of any sort, nor does it allow for the link between the NRMA and Clubs NSW to be established. The constitution states:

The objects of the company are to promote the interests of motorists and other road users.

Just 12 days earlier the NRMA announced its "Fix our bloody roads" campaign to lobby both the Federal and State governments to improve road infrastructure. The NRMA President, Alan Evans, said:

Approximately \$10 million is required to upgrade these highways to divided dual carriageway in the next ten years—and no-one seems willing to spend the money.

The Prime Minister has ruled out cutting excises and providing tax cuts at a time when the Government has a record \$13.6 billion surplus. This year the Federal Government will collect \$14 billion in fuel excise but will spend only about \$2 billion on roads nationally. The State and Federal governments should also earmark revenue from the GST windfall on high petrol prices for these highways. How can the NRMA reconcile calling for greater expenditure of tax revenue on roads—which is a reasonable thing for it to do—at the same time that it is demanding that big clubs be taxed less, with the resultant drop in State revenues? It is totally illogical and unsustainable. The answer is quite simple: the board is up for election and the NRMA will try to jump onto any bandwagon to gain some publicity to strengthen its chances. This is a blatant and cynical misuse of the resources of the NRMA. It is outside the terms of its constitution, and the incumbents—who are a motley crew—should be voted out for their actions.

I now wish to turn to the matter that dominated the news this week: the vicious assault in the Legislative Assembly on the Minister for Roads by the member for Coffs Harbour, Andrew Fraser. Many constituents have asked me why the punishment did not fit the crime—a cry often heard from members of the Opposition in relation to the sentencing of criminals. I have tried to explain to them that it was assumed that the Opposition leadership would act in a moral and honourable way in relation to this matter. Regrettably, they have not. I note that today the editorial in the *Australian* stated:

Mr Fraser has resigned from the Opposition frontbench, apologised to Mr Tripodi, and been suspended from Parliament for eight days.

So that is all right, then? No, it is not. The video record of Mr Fraser's behaviour demonstrates conduct that would be unforgivable in any workplace and is utterly unacceptable in the Parliament.

The Hon. Rick Colless: Point of order: The Hon. Amanda Fazio has been a member of this place for as long as I have. Indeed, we came into this House on the very same day. She would be aware, just as I am aware, that if she wishes to make such statements about a member of this Parliament she should do so by way of substantive motion. She is using this opportunity in the adjournment debate to place on record arguments about issues that should be addressed by way of a substantive motion. I ask you to bring her to order.

The Hon. Greg Pearce: To the point of order: The Hon. Amanda Fazio is also canvassing a decision of the other place. A motion was moved by the Leader of the House in the Legislative Assembly, the Hon. Carl Scully, that the appropriate punishment to be meted out to the member for Coffs Harbour for his behaviour be a suspension of eight days. I understand that the motion was passed unanimously on the voices. It is therefore totally inappropriate for the Hon. Amanda Fazio to canvass that decision of the other place.

The Hon. AMANDA FAZIO: To the point of order: I believe that there is no point of order. I am not making allegations about the member for Coffs Harbour. I am simply stating facts that are on the public record and were reported in the *Australian* newspaper. These facts were agreed to in the Legislative Assembly yesterday by the member for Coffs Harbour, when he admitted that he viciously assaulted the Minister for Roads.

The Hon. Rick Colless: Point of order on the point of order, Madam Deputy-President. The member's time has expired.

The Hon. AMANDA FAZIO: I am speaking to a point of order. The Hon. Rick Colless started this, and he will pay for it. He cannot take a point of order on a point of order. I am still speaking to the original point of order. I cannot see any validity in the point of order, that I am canvassing a decision of the Legislative Assembly; I have not raised that issue. Members cannot accuse me of canvassing a decision of the other place, because I simply have not done so.

The Hon. Rick Colless: Point of order on the point of order, Madam Deputy-President.

The Hon. AMANDA FAZIO: You cannot take a point of order on a point of order.

The DEPUTY-PRESIDENT (The Hon. Christine Robertson): Order! I rule that the Hon. Rick Colless may take a point of order on a point of order.

The Hon. Rick Colless: I remind the Hon. Amanda Fazio that she was wrong when she interjected and said "You can't take a point of order on a point of order". I am taking a point of order on a point of order.

The DEPUTY-PRESIDENT (The Hon. Christine Robertson): Order! That is not a point of order.

The Hon. Jan Burnswoods: Point of order on the point of order on the point of order: The Hon. Rick Colless is not speaking to the point of order he took on the point of order. He is abusing the Hon. Amanda Fazio for arguing—correctly or incorrectly, I do not know, I will defer to you, Madam Deputy-President—that he could not take a point of order. It is not competent and, indeed, it is quite contemptuous of you for him to stand up and, instead of speaking to his alleged point of order, start attacking the Hon. Amanda Fazio for denying that he had the right to speak. I therefore ask you to ask him to speak to his alleged point of order on the point of order.

The DEPUTY-PRESIDENT (The Hon. Christine Robertson): I remind the Hon. Rick Colless that he stood to take a point of order on the point of order. Has the member finished?

The Hon. Rick Colless: I have.

The DEPUTY-PRESIDENT (The Hon. Christine Robertson): I will hear the Hon. Amanda Fazio on the original point of order.

The Hon. Rick Colless: Sit down or I'll call it again.

The Hon. AMANDA FAZIO: Don't threaten me!

The DEPUTY-PRESIDENT (The Hon. Christine Robertson): Order! I insist on parliamentary behaviour in the Chamber.

The Hon. AMANDA FAZIO: In concluding my remarks on the point of order, I point out that at no time was I canvassing the decision of the Legislative Assembly. I was merely commenting on the editorials in the *Australian* that reported on this issue. People who are going to complain about the amount of time that has been taken up on points of order tonight should remember—

The Hon. Rick Colless: Point of order on the point of order: The member is not talking to the point of order. She is using this opportunity to put on the record what she was originally going to say. She is abusing the point of order procedure and I ask you to bring her back to order.

The Hon. AMANDA FAZIO: Members on the Opposition benches took up a good two minutes of my time talking about their points of order. I am simply attempting to set the record straight in responding to the issues they raised in their points of order. The principal point taken by them was that I was both canvassing the decision of the Legislative Assembly and had attempted to slur the reputation of the member for Coffs Harbour. I am trying to explain that that was not what I was doing. I am aware that they are they trying to gag me, but I am also aware that the time of other members is being wasted. Therefore, I will refrain from speaking further on the point of order. I conclude by saying that the tactics of the member for Coffs Harbour are being replicated here tonight by the members of The Nationals in this Chamber.

ANTI-TERRORISM LAWS

The Hon. Dr PETER WONG [6.14 p.m.]: In an article published in the *Age* on 13 May 2002 entitled "Why Labor Can't Support The Anti-Terrorism Bills", Federal Labor member John Faulkner hit the nail on the

head. I totally agree with Senator Faulkner that introducing draconian legislation based on perceived threats poses significant challenges to civil liberties and democratic freedoms and would risk repeating past mistakes. The mistakes he was referring to were the draconian national security laws that were introduced in the two World Wars that allowed for the arrest and internment of Australian citizens of German and Italian descent. As Senator Faulkner put it, "It was often on the basis of little more than malicious gossip, which disrupted and ruined many lives."

He also referred to the Communist Party Dissolution Act 1950, which attempted to dissolve the Australian Communist Party and provide means to declare related associations unlawful. The democratic values that we cherish as Australian citizens were justly upheld, with the High Court striking down this Act as constitutionally invalid. Sadly it required a referendum to force the message home to the demagogues of that time.

Defining what constitutes unlawful association will be vehemently debated when the Government introduces its next piece of anti-terror legislation in the Federal Parliament. Thanks to the Chief Minister of the Australian Capital Territory, Jon Stanhope, we are able to look at a draft copy of the proposed legislation. The release of this draft copy by Mr Stanhope, given in confidence to the Premiers and Chief Ministers, shows that other Premiers are not to be trusted in this matter. It also indicates that all is not well with this piece of legislation, which basically asks the citizens of Australia to blindly trust the Government. Former Prime Minister Malcolm Fraser is reported in the *Age* today as saying, "The laws would provide arbitrary power, dependent on a trust the Government had not earned." In the opinion of three academic lawyers, the legislation also appears to breach Australia's obligations under the International Covenant on Civil and Political Rights.

Questioning the validity of such legislation and the need for its introduction should not be seen as a sign that we are baulking at our responsibility to safeguard our citizens against the threat of terrorism. Any counter-terrorism measures we take, or any far-reaching legislation we introduce, must be carefully balanced against our inalienable democratic rights and freedoms. We need to remember that human rights are basic freedoms and protections that people are entitled to simply because they are humans. They are universal, inherent and inalienable, and essential for freedom, justice and peace. They belong to everyone, regardless of race, nationality or ethnicity. The Government cannot deprive people of their rights.

The new counter-terrorism measures will severely threaten civil liberties in Australia and violate our obligations under international law. Locking people up or severely restricting their liberty without their being charged, as the legislation proposes, has the unique characteristics of a dictatorship, not a democracy. Brad Adams, Asia Director of Human Rights Watch, states that the proposed new counter-terrorism measures are "a shocking departure from Australia's proud tradition of protecting individuals from an overly powerful state".

The Prime Minister says that the draft laws, given in confidence to the Premiers and Chief Ministers, should be implemented as soon as possible because they are vital for Australia's national interests. He says that the release of this draft copy by Mr Stanhope was totally irresponsible. Given that the Federal Government proposes to allow only one sitting day of scrutiny through a Senate inquiry, Mr Stanhope should be applauded for having the courage to release this information to the public. Any legislation that includes provisions that severely infringe our civil liberties and democratic values, which are dearly cherished by Australian citizens, requires careful scrutiny. One such law includes a shoot-to-kill policy, which would allow police to use lethal force if they believe such an attack is imminent. A similar policy was introduced in the United Kingdom after the London attacks and was immediately reviewed after an innocent man going to work was shot dead in the presence of horrified commuters simply because he was mistaken as a suicide bomber.

Our citizens have a right to be protected against all forms of terrorism. We do this not by introducing draconian laws but through accountable institutions that serve the values of our democratic society. Compliance with Australia's obligations under international law, including the right to liberty, the right not to suffer arbitrary detention, the right to access a court and have a fair trial, and ensuring that appropriate safeguards against abuse, including respecting the principle of non-discrimination, must be guaranteed in legislation.

GAMING MACHINE TAX

The Hon. GREG PEARCE [6.19 p.m.]: The Liberal-National policy to promote and protect local communities and to stimulate and grow the New South Wales economy through initiating a freeze on Labor's rapacious club gaming machine tax grab has generated responses that highlight the Iemma Labor Government's paralysis and addiction to tax to compensate for its profligacy, mismanagement and waste. This week the

appalling impact of this destructive tax was highlighted direct to Premier Iemma. The *Daily Telegraph* exposed the looming crisis at the Riverwood Legion and Community Club, which is located next to Mr Iemma's electorate office at Riverwood. Although Iemma's Government will raise poker machine tax by 35 per cent by 2010—

The Hon. Amanda Fazio: Point of order: The Hon. Greg Pearce well knows that he should refer to the Premier by his official title and not the derogatory term of just saying "Iemma". I ask you to remind him of that so that he can attempt to show some appreciation of parliamentary standards in this place.

The Hon. GREG PEARCE: I accept that the term "Iemma" is derogatory. Riverwood Legion and Community Club Chief Executive Officer—

The Hon. Jan Burnswoods: Point of order: The Hon. Greg Pearce absolutely canvassed and, in fact, treated your ruling with contempt by the way in which he repeated what he said. He made the offence even worse by the way in which he repeated the name of the Premier rather than referring to him by his full name or his title. He also added to it a derogatory comment, which I will not repeat. He then made his offence even worse by deliberately standing there, although he knew that I was saying "Point of order", and although he saw you on your feet. I ask you to remind the honourable member, if he is an honourable member, to have some manners. However, if he does not have any manners he should at least obey the rules and conventions of the House.

The Hon. GREG PEARCE: To the point of order: Jan Burnswoods just made some outrageous claims, and *Hansard* will show that I simply repeated the comment that the Hon. Amanda Fazio made. I certainly did not in any way intend to canvass your ruling.

The Hon. Henry Tsang: To the point of order: The honourable member referred to the Hon. Jan Burnswoods as "Jan Burnswoods". Therefore, the honourable member is declaring that she is not an honourable member. He should apologise to the House.

The DEPUTY-PRESIDENT (The Hon. Christine Robertson): Order! On the first point of order: The Hon. Greg Pearce was out of order referring to members of this House and of the other place by surname only. He should refer to them by their correct titles. On the second point of order: I warn members against any repetition of such unparliamentary behaviour. On the third point of order: I reiterate my previous rulings.

The Hon. GREG PEARCE: I accepted your ruling in the first place that I would normally have referred to the Premier as Premier Iemma. I simply noted the point that the Hon. Amanda Fazio made: that to use the name "Iemma" was derogatory. It was not my term. Since the tax was introduced in September last year 20 clubs have closed. Ms Rossum is worried that her club will join the list. The Premier's response is that he will look into it. He has done nothing about it. He knows the budget is in deficit, but he cannot tell us by how much. He does not know what to do about it. This week we saw a response from the NRMA. I applaud the NRMA for joining with other clubs in this State to try to get rid of this retrogressive, stupid tax, which the Government cannot handle and can do nothing more about. I commend the NRMA for being so brave and taking this initiative.

ENVIRONMENTAL INTERACTION

The Hon. JON JENKINS [6.23 p.m.]: The fundamentalist green agenda continues. Honourable members in this House have heard me talk about other fundamentalist environmentalists trying to dissuade anyone from interacting with the environment at all. This started with a completely perverted concept of a wilderness devoid of humans, which is unknown to any civilisation or place on earth and is a completely artificial concept. This continued with the closure of access to national parks. It is not only the banning of the vehicles but also the eradication of any means of access whatsoever, and that includes horses and even bicycles, which have now been banned from many national parks. The completely fabricated signs of declining fish stocks and the application of extremist environmental principles has led to the equally perverted concept of marine parks.

Although there is absolutely no doubt that intense commercial practices are damaging fish stocks, equally there is no doubt that recreational fishing does not pose the same threat. Yet recreational fishing, which is worth billions of dollars to the New South Wales economy, is being targeted specifically by complicated rules and regulations, and the creation of impossibly defined marine park no-take zones, grey nurse shark sanctuary

zones and off-limit pearl farms up and down the coast. As any fisherman will tell you, most recreationally targeted fish do not spread equally across the ocean floor. Rather, they congregate in specific areas that make up probably only a small percentage of the ocean surface area. But the extremist environmental movement also knows this and, in the sleazy backroom deals that are done for political favours, it is these precious zones that are almost universally encompassed by these no-go zones.

In effect, the 70 to 80 per cent of the water area that is left open for fishing is basically useless, but that is designed to make fishing as difficult and as unsatisfying as possible. Recently the attack on people accessing and interacting with the environment has come on two fronts. The first is related to what are known as primitive camping sites, which are often on Crown or council-owned land and have been used as family camping spots for generations. A regulation recently introduced limited access to these camping spots to two tents per hectare. As a result, many family groups, sporting groups, recreational groups and others, such as the boy scouts, no longer will be able to camp as a group. Instead, as happened recently, groups of people enjoying each other's company in remote and primitive camping areas have been ordered to leave the camping area. This is just another part of the extremist green agenda to prevent you, your friends and your family from interacting with the environment.

Another favourite family resource is what is known as travelling stock routes. Originally these parcels of land were used by drovers as overnight stopping points as they drove stock from one point to another. Many country people are still using these travelling stock routes if they are travelling with a horse or a small number of stock, or simply as a place to throw down their swag for the night. Considering the current safety advertisements to stop, revive and survive, it is completely incongruous if there is any intention to close these travelling stock routes. However, recently there have been significant rumours that some of these travelling stock routes have been offered for sale to surrounding farmers or, where they are joined to national parks to be made part of the national park. Today in this House the Minister refused to resolve this question. If these rumours are true it shows the ludicrous nature of how land that has been "destroyed" by grazing and droving, and used for camping for in excess of 150 years suddenly can become Pristine National Park.

All of these, and many other small issues, are intended to be the death of a thousand cuts for the average family who simply want to interact with the environment. The Utopian view of the extremist green agenda, of everybody living in high-density city townhouses, walking to work where they weave baskets and collecting antique clocks for recreation, is coming closer and closer every day as ordinary, everyday Australians are prevented at every turn from accessing and interacting with the environment.

CANTERBURY HOSPITAL

The Hon. KAYEE GRIFFIN [6.27 p.m.]: Looking at the history of Canterbury Hospital I am reminded of the fact that when the Carr Government honoured its commitment to rebuild the hospital a number of new facilities were included, such as paediatric inpatient facilities, neo-natal and obstetrics units, day surgery units, a hydrotherapy pool, a community health centre and a Tresillian Family Care Centre. Today Canterbury Hospital services approximately 135,000 residents from the Canterbury local government area. It is estimated that 69 per cent of the population are from non-English speaking backgrounds. Given the diverse groups that make up the community, it is essential that there is a broad range of services for parents, babies and young children. With this in mind Canterbury Hospital was chosen as the site for screening a new television documentary called *Catching Babies*.

The purpose of this documentary is to follow the work of Rosalie Nunn, a midwife practitioner. Rosalie has been working at Canterbury Hospital since January 2004. The documentary follows the journey of women from different cultural backgrounds and gives viewers an understanding of what the birth of a new child means to people from varied cultures. I understand this documentary will air on SBS later in the year. One of the pleasing outcomes of new facilities being provided at the Canterbury Hospital is the Tresillian Family Care Centre, which provides new parents from the area with a range of assistance from managing an unsettled baby, difficult toddler behaviour and toddler management, to family relationship difficulties, postnatal depression or helplessness in new mothers, and troubles with breastfeeding or bottle-feeding. The centre also runs what is called a Day Stay Parenting Program.

The Tresillian team runs these programs to help parents who may be experiencing difficulties with their young babies and toddlers. The team understands that all babies are different and some children need more specialised care than others. The team can recognise and offer assistance to young parents who may be feeling overwhelmed or anxious if their baby is struggling with difficult feeding or sleep patterns. Another wonderful service offered from the Tresillian team is a 24-hour help line, which offers around-the-clock assistance to

parents. In some cases the operator can offer advice or just listen to the parent. However, in more extreme cases the operator may refer the parent or advise them to visit other Tresillian programs that are offered.

The outreach program is another excellent service that is provided by the team. The outreach team visits families in their own homes. By visiting a family's home, the Tresillian team can sometimes offer more constructive feedback and assistance for new parents. Observing both the baby and the parents in their own environment helps the team to offer appropriate advice to the parents. The service is for parents who need assistance or someone to talk to about the range of challenges that new parents face. In extreme cases in which a parent or parents find it difficult to cope or are exhausted through having no sleep night after night, the Tresillian team offers a residential program. Once arriving at the residential unit, the team discusses the concerns of parent and then a family management plan is designed to help address the concerns or problems. The team also establishes goals that the parents want to meet after their stay at the centre. The residential unit helps parents to learn more about issues such as night walking, baby routines, breastfeeding, relationship issues and post-natal depression. As well as individual counselling services, the Tresillian team offers group programs including a parent and child interaction group.

The residential team mostly consists of a nurse unit manager, social workers, paediatricians and child and family health registered nurses who are also qualified in lactation, mental health and midwifery. Needless to say, the entire Tresillian unit has done a fantastic job and has made a real difference to new families in the Canterbury area. The redevelopment of the Canterbury Hospital has meant that people of the area from different backgrounds, including a very large percentage of people from non-English-speaking backgrounds and varied socioeconomic backgrounds, can be always assured of receiving quality health care. They can also be assured of being able to access a great range of programs that are designed to assist them when they first become parents and are looking after their first child or when endeavouring to cope with caring for a young child and family unit issues.

MONARO ELECTORATE INFRASTRUCTURE

The Hon. MELINDA PAVEY [6.32 p.m.]: In the short time that is available for my speech, I draw to the attention of the House the increasing disenchantment of the people who live in the Monaro electorate with representation by their Labor member and the failure during 10 years of Labor Government in New South Wales to fulfil the infrastructure requirements of a very diverse and expanding region. In recent days I have become aware of reports stating that the Deputy Mayor of the Queanbeyan City Council has demanded a full bypass solution for Queanbeyan. In the *Queanbeyan Age* on 7 October, a report states, "The NSW Government should provide us with the promised bypass and remove the heavy traffic from Monaro Street."

Over the years some dreadful fatalities have occurred in Monaro Street. Heavy vehicles mix with shoppers and pedestrians of all ages, but there is no remedial plan. The northern bypass for Queanbeyan has been delayed. It should have been completed in December last year, but it is nowhere near complete. The redevelopment of the Queanbeyan Hospital is also behind schedule and the community is very concerned about the standard of facilities that will be available at the hospital. As I have already mentioned, the region is rapidly expanding and there are a lot of young families in the Jerrabomberra and Queanbeyan areas. There will be only six hours of paediatric care available at the redeveloped hospital, and that level of service will not cater for the needs of the region.

I commiserate with the local Labor member of the Legislative Assembly, Steve Whan, on his being overlooked for the chairmanship of the very important Public Accounts Committee of the Parliament. I point out that the committee's previous Chair, the honourable member for Kiama, Matt Brown, has been promoted to the position of Parliamentary Secretary. I commiserate with Steve Whan for failing to be promoted, despite his ability to do whatever his Labor masters demand and want him to do. He has been overlooked for promotion as a Parliamentary Secretary. I congratulate the honourable member for Wollongong, Noreen Hay, on her appointment as the Chair of the Public Accounts Committee. Steve Whan was not at lunch with the Mayor of Queanbeyan, Frank Pangallo, the Hon. Tony Kelly and the Hon. Tony Catanzariti. He was not at the lunch in the Strangers Dining Room, and he was overlooked. I wonder what is really going on.

The DEPUTY-PRESIDENT (The Hon. Christine Robertson): Order! The time for the debate has expired.

The Hon. Greg Pearce: I wish to take a point of order before the time expires.

The DEPUTY-PRESIDENT (The Hon. Christine Robertson): Order! But the time has expired.

The Hon. Peter Primrose: Point of order: I did not hear the Hon. Greg Pearce. He did not speak loudly enough, as is his wont.

The Hon. Greg Pearce: I want to take a point of order before time expires. Madam Deputy-President, you allowed the same thing earlier in the debate for the Hon. Amanda Fazio. I took a point of order.

The DEPUTY-PRESIDENT (The Hon. Christine Robertson): Order! The time for the debate has expired.

The Hon. Peter Primrose: The Hon. Greg Pearce failed to speak loudly enough, and having failed to speak loudly enough or draw your attention, he must accept that the time for debate has expired.

The Hon. Greg Pearce: The point of order has been taken. The point of order is that the Hon. Jan Burnswoods answered her mobile telephone while the Hon. Kayee Griffin was speaking. Madam Deputy-President, you should instruct the Hon. Jan Burnswoods not to take any further telephone calls in the House.

The DEPUTY-PRESIDENT (The Hon. Christine Robertson): Order! My ruling is that the time for that debate has expired. However, before the question is put, I have not yet ruled on the point of order of the first speaker. I rule that the point of order was out of order.

Motion agreed to.

The House adjourned at 6.35 p.m. until Tuesday 8 November 2005 at 2.30 p.m.
