LEGISLATIVE ASSEMBLY

Tuesday 8 June 2010

_____

The Speaker (The Hon. George Richard Torbay) took the chair at 12.00 noon.

The Speaker read the Prayer and acknowledgement of country.

DISTINGUISHED VISITORS

The SPEAKER: I acknowledge the presence in the House of Mr Jeremy Kinross, a former member of this place. I also welcome Mr Hiroaki Hamada, Consul from Japan, and staff from the Japanese Consulate. Welcome to the Parliament.

APPROPRIATION BILL 2010

APPROPRIATION (PARLIAMENT) BILL 2010

APPROPRIATION (SPECIAL OFFICES) BILL 2010

STATE REVENUE LEGISLATION AMENDMENT BILL 2010

Bills introduced on motion by Ms Kristina Keneally.

Agreement in Principle

Ms KRISTINA KENEALLY (Heffron—Premier, and Minister for Redfern Waterloo) [12.01 p.m.]: I move:

That these bills be now agreed to in principle.

Debate adjourned on motion by Mr Daryl Maguire and set down as an order of the day for a future day.

BUDGET SPEECH

[*The Hon. Eric Roozendaal was conducted by the Deputy Serjeant-at-Arms onto the floor of the Chamber.*]

The SPEAKER: Order! I advise members that the House has requested the attendance of the Hon. Eric Roozendaal, MLC. In accordance with our practice on these occasions, the usual courtesies are to be accorded to the Treasurer, particularly that his Speech should be heard without interruption.

The Hon. ERIC ROOZENDAAL (Treasurer, and Special Minister of State) [12.03 p.m.]: The last time I addressed this House, the world was a very different place.

The SPEAKER: Order! Members will cease interjecting. If they do not do so, they will listen to the Budget Speech outside the Chamber.

The Hon. ERIC ROOZENDAAL: A year ago, I stood here and delivered a Budget to protect jobs, as we faced the worst economic crisis in over 75 years.

It was a Budget with infrastructure and services at its core. It was a Budget which secured our AAA credit rating. We supported jobs and laid the groundwork for the long-term growth of our economy.

This Government met the global economic challenge head-on and delivered. Our decisive and timely response positioned New South Wales to lead every other Australian State and Territory into the recovery.

Today, we consolidate that recovery and take New South Wales forward into a new era of growth and progress.

The beacon of hope I talked about last year has lit the path to prosperity.

Today's Budget builds on the foundations we laid a year ago and outlines the Keneally Labor Government's vision for the future of this great State.

We will invest in what is important to New South Wales families—essential frontline services, new infrastructure and jobs—and take New South Wales forward along a path which is responsible, fully-funded and maintains our solid-gold AAA credit rating.

Budget Result

At the Half-Yearly Review last December—I forecast that as our economy recovered, we would return to surplus in 2010-11.

Today, I proudly announce New South Wales is, in fact, already back in the black. An impressive achievement thanks to sound financial management—a surplus two years earlier than forecast in last year's Budget.

The Budget result for this year represents a $1.1 billion turnaround—and over the next four years, Budget surpluses will be worth a total of $3.15 billion.

That is an average Budget surplus of around $800 million a year, a testament to our strong economic management—consistent with our record of delivering Budget surpluses.

At a time when many other economies around the world—particularly in Europe—are struggling, the financial position of our State is strong.

Without our record infrastructure stimulus and investment package—measures that the Liberals and The Nationals did their best to block—the New South Wales economy would have gone backwards.

To consolidate and build on our recovery in this period of persistent global uncertainty, we will continue with the biggest infrastructure building program in the State's history investing $62.2 billion in infrastructure over the next four years—supporting up to 155,000 jobs a year.

Economic Outlook

In last year's Budget, the global financial crisis meant New South Wales took a $10 billion hit to our four-year revenue forecast. The impact on this year's Budget forecast is about $5 billion.

Despite this recovery, we cannot be complacent. The reduced revenue forecast is still a significant challenge—but one we can overcome with our strong economic management.

Our balance sheet is healthy today because of this Government's long-held responsible fiscal strategy—using periods of strong revenue growth to reduce debt and other financial liabilities—and create the important shock absorber for the economy for tough times.

This Budget maintains our fiscal strategy and our record as responsible, and successful, economic managers. The early return to surplus means that general government net debt will now peak at 2.7 per cent of gross State product rather than the 3.9 per cent forecast last year.

This is projected to further decrease to 2.5 per cent by 2013-14—a third of what the Coalition left New South Wales in 1995.

The SPEAKER: Order! Government members will come to order. The member for Terrigal will come to order.

The Hon. ERIC ROOZENDAAL: Gross State product is now expected to post a 3 per cent turnaround compared to the forecast in last year's Budget.

This is an $11.5 billion turnaround in the NSW economy over the past year.

That growth is expected to be led by the private sector, with higher consumer spending along with higher housing and business investment. The New South Wales economy is also forecast to grow at above-trend rates for the next two years.

We are showing strength at a time when much of the world is still struggling.

During the downturn, unemployment for 2010-11 was forecast to average 8.5 per cent. We are now seeing a strong recovery in the New South Wales labour market.

Today, unemployment is forecast to average 5.5 per cent for 2010-11.

That 3 per cent change—equivalent to nearly 110,000 jobs—is a measure of the success of the New South Wales and Commonwealth Governments' decisive stimulus response.

Land, Housing and Construction Sector

There is good news for the strategically important New South Wales housing and construction sector.

The number of zoned lots on the fringe of Sydney is now at record levels and in recent months there has been growth in the number of residential building approvals. This Budget will provide a further boost to these positive trends.

We will introduce measures to get more houses built, to improve supply, and make it easier for people to buy a home.

I can announce, in an Australian first, that the Keneally Government will cut stamp duty to zero under the New South Wales Home Builder's Bonus—a $140 million investment in the State's property sector.

From July 1 this year, no one will pay stamp duty if they are buying a home worth up to $600,000 off-the-plan in the pre-construction stage.

That is zero stamp duty on new homes and apartments—for two years.

Zero stamp duty for families and investors and zero stamp duty for up-sizers and down-sizers.

A saving of up to $22,490—money straight back into the pockets of New South Wales families.

Further—if you buy a home worth up to $600,000 that is under construction or newly-completed, the Keneally Government will cut your stamp duty by 25 per cent.

That is a saving of up to $5,623.

First home buyers will also benefit from the New South Wales Home Builder's Bonus with total benefits of up to $29,490 giving young families an important head start.

Project financing can be a hurdle to new home construction, especially for apartments. So by helping people to buy off-the-plan and to buy early, we are giving builders a better chance of securing project finance.

These benefits will be delivered with our historic planning reforms and are part of the Keneally Government's plans to energise the New South Wales housing and construction sector.

Our reforms include capping local government infrastructure levies, providing $35 million in direct assistance to local councils to fast-track development and a further $8.9 million to accelerate our planning reforms.

The New South Wales housing sector is worth $17 billion a year and makes up almost 5 per cent of the State's economy.

Our initiatives represent a massive investment in the New South Wales housing construction sector, benefiting families and strengthening the New South Wales economy.

Today, I can also announce another zero stamp duty initiative.

For the next two years, when people aged over 65 purchase a newly-constructed home worth up to $600,000, they will pay no stamp duty—a saving of up to $22,490.

This will apply to people over 65 who sell their primary place of residence and move to a newly-constructed home—whether it's a house or an apartment. This measure will assist over 65s considering downsizing.

It won't matter at what stage of construction the home is—they will pay no stamp duty.

These initiatives build on the Keneally Government's commitment to improve housing supply in New South Wales and boost housing construction rates—a key driver of economic growth.

Increasing NSW's Competitiveness

With New South Wales in a stronger financial position, the Keneally Government will support the future of businesses across the State.

We will work with them hand in hand to take full advantage of our economic recovery.

Today, I am proud to announce that the Keneally Government will further cut payroll tax—not once, but twice.

This will contribute to saving New South Wales businesses $4 billion over the six years to 2013-14.

These cuts will be simple, straightforward, permanent and fully-funded.

The payroll tax cut due to come into effect on January 1, 2011 will now be fast-tracked and brought forward to July 1 this year.

And, there will be another payroll tax cut on January 1, 2011—lowering the New South Wales payroll tax rate to 5.45 per cent from that date.

This is the lowest payroll tax rate in New South Wales in more than 20 years.

This is a huge boost for business as we continue to grow our State's economy together. Businesses which did it tough and supported jobs during the global financial crisis deserve extra assistance now to take full advantage of the recovery.

Our message to the New South Wales business community is clear: The Keneally Government supports you—and will assist your future plans to grow with this State.

Remember that since 1995, the New South Wales Labor Government has consistently cut payroll tax from the 7 per cent we inherited from the previous Coalition Government.

In the two years from the start of 2009, we will have cut payroll tax four times. These tax cuts will allow New South Wales businesses to plan for the future with certainty, knowing the cuts are permanent and fully funded.

And we will continue to relieve business from the burdens of inefficiency and waste by slashing red tape through our $500 million savings target by June next year, with $338 million of red tape already slashed.

We are working hard to support our innovative and globally competitive economy by attracting new investment and creating and sustaining jobs which complement New South Wales' highly skilled workforce.

That is why this Budget adds a further $40 million to the State's Major Investment Attraction Scheme to secure large "footloose" projects for New South Wales and the jobs they generate.

We will provide $20 million for a film fund to keep New South Wales at the forefront of international film production, and $5 million has been allocated to support our local film and television industry.

And to drive investment and growth in the State's defence industry, $75 million will be invested to secure projects and build defence industry capability in the State.

A dedicated defence hub will be created in Sydney's high tech corridor at Macquarie Park—focussing on defence systems, electronics and other related advanced technologies.

New South Wales is the smart State.

And these important measures are part of our strategy to continue to develop high value sectors of the diversified New South Wales economy. This strategy includes $52.9 million in 2010-11 to attract tourism and support to the State.

The centrepiece of our cultural and tourist industry is the Sydney Opera House—attracting more than 7.4 million visitors a year.

The Government will invest $152 million over four years on improving the forecourt and upgrading vehicle access to improve public safety and security at the Sydney Opera House—the first major construction work undertaken at our national icon in the 37 years since it was completed.

Better Services—Infrastructure

The State and Commonwealth stimulus measures were critical to putting Australia and New South Wales into the strong financial position we are in today.

As the stimulus works its way through this year's Budget numbers and the next, our infrastructure investment will remain at all time highs with a total of $16.6 billion being invested in 2010-11. We also will build on the success of the Community Building Partnership introduced last year, which has supported local jobs and is delivering 1,180 community infrastructure projects around New South Wales.

A further $35 million will be invested in this Budget to continue the fund.

Environment

This Budget continues initiatives to support the environment and combat Climate change—$222.6 million will be invested in a range of programs under the Climate Change Fund including $36.4 million to support energy efficiency in households and schools and $21.7 million to support six large scale renewable energy generation projects.

Improving Public Transport

In February, the Government released its fully-funded $50.2 billion *Metropolitan Transport Plan*.

Today, I can announce that $22.3 billion will be invested over the next four years on delivering infrastructure projects outlined in the Plan.

That is, $22.3 billion for infrastructure delivering a better transport system.

We will invest more this year to fast-track public transport projects.

I can announce we will bring forward the purchase of 100 new buses—a $72.3 million investment—this is in addition to the 406 new buses being acquired over the coming year.

And we will start building the Lilyfield to Dulwich Hill light rail extension this year with $55 million provided in this year's Budget to accelerate delivery.

This Budget is about delivering the *Metropolitan Transport Plan.*

Our investment over the forward estimates includes:

- $1 billion to commence work on the $4.5 billion Western Express Rail Service with new platforms at city stations—and a 5 kilometre priority tunnel to separate Western Sydney services from inner city trains to increase frequency and improve travel times on Western Sydney train services

- $1.7 billion to continue construction works for the South West Rail Link, due for completion in 2016

- $230 million for extensions to the Sydney light rail network including acceleration of the Dulwich Hill Light Rail extension with up to 11 new stations and another 5.6 kilometres of track

- Over $1.2 billion for bus priority measures and new bus depots along with more than 1,300 buses in four years

- $6.7 billion for passenger rail projects including the Rail Clearways program and 626 state-of-the-art Waratah carriages

- $56 million in cycleways to complete missing links

- $10.6 billion investment in the road network including $3 billion for the Pacific Highway, $750 million for the Hume Highway, $680 million for the Great Western Highway and $500 million for the Princes Highway.

We will invest over the forward estimates $450 million on commuter infrastructure—with more than $31 million being invested this year on building new and upgraded transport interchanges, with work to start this year at Werrington, North Strathfield, Sutherland, Kingswood, Granville, Narwee, Allawah, Kogarah and Fairfield.

And $167 million will be invested in 2010-11 to deliver an extra 7,000 commuter car park spaces to encourage greater public transport use.

Work will start on new car parks including Cabramatta, Mortdale, Mount Druitt, Padstow and Rockdale.

Real delivery backed by real dollars.

Law and Order

No government has invested more in our system of justice or provided greater support to police than this Government.

We now have the biggest, best-trained and best-equipped police force in the country.

The men and women on the frontline not only deserve our respect, they deserve the record investment in services we have consistently delivered.

That is why I am proud to announce a record police Budget this year of $2.8 billion, an investment that includes the latest technology and the best facilities.

The Keneally Government will invest $3.3 million this year to deploy 25 new mobile police command units—and we will invest $8.6 million this year to deliver a new twin-engine police helicopter.

We will invest $3.1 million in the continued roll-out of Tasers and related equipment and $3.8 million to fit out more police vehicles with the latest Automatic Number Plate Recognition technology.

In 2010-11, $38.9 million will be provided to complete the building and opening of seven new police stations at Burwood, Camden, Granville, Kempsey, Lake Illawarra, Raymond Terrace and Wyong. And we will invest $1 million to build a tactical police training facility at Kingsgrove Police Station.

We will also invest heavily in justice and legal services—a record $828 million this year. We will build a new $94 million state-of-the-art justice precinct in Newcastle expected to open in 2014-2015. Planning will be completed this year and construction will start next year on the largest court complex outside Sydney.

We will also build a $15 million court complex for Armidale, to be completed in 2013. And $29 million will be invested in 2010-11 in the $96 million Supreme Court of New South Wales Law Courts building refurbishment.

Education and Youth

This Budget puts education at the forefront of the Government's priorities giving our children and young people the best opportunities to reach their potential in life.

Education makes up more than one fifth of the Budget—second only to our record investment in Health.

We have seen in recent years New South Wales lead the way in literacy and numeracy—with our students last year achieving the best results in the country for spelling and New South Wales with the highest percentage of students in the top band of numeracy in years 3, 5, 7 and 9.

This Budget builds on the achievements in these critical learning areas.

We will invest $124 million for our Best Start initiative for kindergarten students over the next four years—because we know that early intervention gets the best results when it comes to improving literacy and numeracy skills.

This Budget includes joint funding of $224 million under the Smarter Schools National Partnerships.

These Partnerships mean that, together with the Commonwealth, more than $1 billion in funding will flow into New South Wales schools over the next 4 years—specifically into schools serving disadvantaged communities.

These funds will be used to attract and reward high quality teachers, run specialist literacy and numeracy programs, and provide additional family support services.

In 2010-11 the investment in education infrastructure includes:

- $1.2 billion under the Building the Education Revolution program
- $46 million for IT projects and 8 major new school building projects—at Bega Public School, Clarke Road School and Karonga School, and high schools at Bomaderry, Cabramatta, Kyogle, Picton and Ulladulla
- $175 million to continue implementing 46 major building works projects including:
- Hazelbrook Public School
- Homebush West Public School
- Hurstville Education Precinct
- East Hills Boys and Girls High Schools
- Lisarow High School; and
- Wollongong High School of the Performing Arts.
- $395 million on minor school works across New South Wales including the *Principals Priority Building Program*, upgrades to student and teacher facilities and the *Building Better Schools* initiative for fencing, science labs, toilets, halls and gyms.

Together, with our recent increase in the school leaving age, we are strengthening the educational opportunities of school students in New South Wales.

As well as raising educational standards, we are equipping young people with the skills and experience they need for jobs and careers.

In this Budget we have committed more than $2 billion for vocational education and training to provide over 500,000 TAFE places as well as training for over 145,000 apprentices and to support some 20,000 young people who will commence a trade apprenticeship this year.

At a time when skills are in peak demand, trade schools are an important way of equipping our young people with vital skills.

Funding in 2010-11 includes a new trade school at Picton High as well as for the continuation of works at Chifley College in Bidwill, Wyndham College in Quakers Hill and Kingscliff TAFE.

The SPEAKER: Order! The member for Murrumbidgee and the Minister for Water will contain themselves.

The Hon. ERIC ROOZENDAAL: The impact of the global financial crisis on our shores was felt strongly by our young people. Too often they are the first to lose their jobs in a downturn, and the last to find work in the recovery.

In this Budget we are boosting our youth and education programs with an additional $11.4 million over two years to support unemployed young people return to education or get into work.

This new package includes $5.5 million for 2,000 unemployed young people to undertake targeted pre-vocational training courses.

Our package also includes a further $3.9 million to fund employment advisers in schools and training centres in Western Sydney, the Central Coast, the Hunter and the Illawarra.

These advisers will assist our young people by providing them with a job road map and links to local training and employment opportunities.

Funding will also be provided to assist local police and community youth clubs [PCYCs] and youth centres so they can expand sporting facilities and leadership activities for our young people.

Health

Good health services are the lifeblood of healthy communities.

On a typical day in New South Wales almost 5,000 people are admitted to a public hospital, 17,000 people spend the day in a public hospital and 1,000 patients undergo surgery.

In this Budget, we are investing a record $16.4 billion in health services for the people of New South Wales—with around 30 per cent of this record investment boosting health services in rural and regional New South Wales—and nearly $1 billion invested in new and improved health infrastructure.

The National Health and Hospital Network Agreement hammered out at the Council of Australian Governments [COAG] is a fundamental reform to public hospitals and their funding. Through the agreement, our Premier secured $1.2 billion in additional funding over the forward estimates to shorten waiting times for elective surgery—implement a new four-hour target for emergency departments—provide 500 additional beds for acute and sub-acute care—complete 11,000 more elective surgery procedures—and deliver more facilities for regional and rural patients requiring longer-term care.

Investment in mental health services in this Budget will increase to over $1.2 billion in 2010-11, including $21 million dedicated to mental health capital works like new or expanded mental health facilities at Nepean, Hornsby and Prince of Wales Hospitals and completion of the Child and Adolescent Inpatient Unit at Shellharbour Hospital.

It is one of this Government's proudest achievements that since 1995 we have upgraded or rebuilt nearly every New South Wales hospital.

The SPEAKER: Order! I remind the member for Wakehurst that this is not question time. I am sure he would not want to waste his calls to order.

The Hon. ERIC ROOZENDAAL: Today, we advance that achievement with further funding for the two largest hospital projects in New South Wales history. In 2010-11, $111.5 million has been allocated to continue the major redevelopment of Liverpool Hospital, a further $82.2 million will fund the continued development of Royal North Shore Hospital and a further $36.4 million will continue the expansion and upgrade of Nepean Hospital.

I can also announce today a new $92 million clinical services building at Royal North Shore and $90 million over four years to build Stage One of Wagga Wagga Base Hospital and $35.9 million for Multi Purpose Services in rural communities.

We will increase investment in our Health Action Plan—Caring Together—to $125 million in 2010-11 to fund new clinical staff and improve patient care. And the Government will continue to support high quality clinical services with an investment of $76.4 million to include the roll out of electronic medical records and digital imaging.

We will invest $24.8 million into the NSW Ambulance Service to redevelop stations at Cessnock and Murwillumbah, complete stations from Batemans Bay to Byron Bay, upgrade technology and replace vehicles.

Protecting the Vulnerable

The State has a responsibility to care for and protect the most vulnerable in our community.

In 2010-11 we will invest more than $1.6 billion in Community Services, including $680 million for out-of-home care for children who cannot be cared for by their families, $409 million for statutory child protection and $338 million for prevention and early intervention.

In this Budget we continue our $750 million *Keep them Safe* program with an investment of $165 million in 2010-11. And we will expand the Community Builder's Grants Program by investing an additional $10 million per annum over four years.

In 2010-11 the New South Wales Government will devote $2.4 billion for services to people with a disability, their carers and our older people. We are approaching the fifth year of the Government's $1.3 billion *Stronger Together* disability services program—and consultation for the next phase is underway.

Conclusion

The beacon of hope I spoke of last year has now lit a path to prosperity.

This Budget builds on our strong economic record and delivers for the people of New South Wales.

We are an economy built on diverse foundations ranging from professional and financial services, housing and construction, education, retail and manufacturing, to high technology, agriculture, tourism and natural resources.

And we are stronger and more resilient for that diversity.

This Budget builds on that strength.

This Budget helps families and businesses.

This Budget boosts jobs and infrastructure investment.

Together we stood firm against the global economic crisis and together we will share the rewards of recovery as we build the next phase of our economic growth.

This Budget secures New South Wales' economic future.

I commend this Bill to the House.

BUSINESS OF THE HOUSE

Suspension of Standing Orders: Appropriation Bill 2010 and Cognate Bills

Mr JOHN AQUILINA (Riverstone—Parliamentary Secretary) [12.36 p.m.]: I move:

That at 11.00 a.m. on Thursday 10 June 2010, standing orders be suspended to permit:

(1) the speeches of the Leader of the Opposition and the Leader of The Nationals on the Appropriation Bill and cognate bills, and their passage through all remaining stages, with the question "That these bills be agreed to in principle" being put forthwith, without consideration in detail of the bills; and

(2) the moving of a motion, immediately following the passage of the Appropriation Bill and cognate bills, "That this House take note of the Budget Estimates and related papers for 2010-2011" with the debate being adjourned forthwith without motion moved, and the resumption of the debate being set down as an order of the day for a later time.

I have moved this motion to allow the Leader of the Opposition and the Leader of The Nationals to give their replies to the Budget and to enable this Chamber, as has been the practice for many years, to immediately pass the budget and move into the take-note debate, whereupon it will be adjourned to a later time for further debate over many weeks.

Mr ADRIAN PICCOLI (Murrumbidgee—Deputy Leader of The Nationals) [12.38 p.m.]: This is unprecedented, but the Opposition agrees to the motion.

Question—That the motion be agreed to—put and resolved in the affirmative.

Motion agreed to.

FINANCIAL STATEMENTS

Copies of the Budget Speech 2010-11, Budget Paper No. 1, Budget Statement 2010-11, Budget Paper No. 2, Budget Estimates 2010-11, Volumes 1 and 2, Budget Paper, No. 3, Infrastructure Statement 2010-11, Budget Paper No. 4, tabled and ordered to be printed.

[*The Speaker left the chair at 12.39 p.m. The House resumed at 1.00 p.m.*]

BUSINESS OF THE HOUSE

Notices of Motions

General Business Notices of Motions (General Notices) given.

PRIVATE MEMBERS' STATEMENTS

GALGABBA POINT BUSH REGENERATION

Mr ROBERT COOMBS (Swansea) [1.02 p.m.]: Today I refer to the magnificent work that has been done over the past 10 years by the Galgabba Point Volunteer Bush Regeneration Team under the guidance of Sharon McCarthy. Unfortunately, about a week ago there was an appalling act of vandalism. A wheelie bin was set alight at night, resulting in a fire that burned out the major part of the group's workstation and caused about $60,000 worth of damage. The Galgabba Point group, an incorporated group that operates under the banner of Living Corridors Incorporated, is one of the Landcare groups in the area. A record number of 137 Landcare groups are registered in the Lake Macquarie City Council area, which highlights the marvellous work of volunteers and the community's commitment to recognising the value of, and the interface with, environmental assets in the Swansea electorate.

The Galgabba Point group operates from a pristine peninsula in Swansea south, which affords it an interface with the environment and Lake Macquarie. Twelve years ago it was recognised that the area, which had become overrun by lantana, blackberries and other introduced species, was a dumping ground for rusty car relics and all that sort of stuff. As I said earlier, Sharon McCarthy and her group of dedicated volunteers tried to regenerate that bushland and to return it to its natural state. They have achieved their goal and much more, and it

has to be said that their work in the area is impressive. They have been assisted by volunteers from many areas and by groups such as Mission Australia, the Salvation Army and Jobfind. Those volunteers also work at their local schools and offer a way for people to work off their community service hours and to participate in work-for-the-dole programs—work that is recognised by all in the community.

Sharon McCarthy and her group of volunteers work for five days a week to return this bushland area to its natural state. The area is recognised as one of the best bird-watching areas, particularly for native species. The groups and organisations that are engaged in these activities are given an opportunity to provide for the ongoing needs of the area and, in doing so, to gain the skills that are needed to achieve the best possible environmental outcomes. As I said earlier, last Saturday a fire that was started at night by a group of louts—and that is the only way they can be described—burned down the group's workstation. Over the next few weeks the local community will rally together to raise funds for the Galgabba Point Volunteer Bush Regeneration Team. I have no doubt that every member joins me today in wishing that group well for the future and in recognising the great work that it is doing.

BELLS LINE OF ROAD OVERGROWN VEGETATION

HEAVY VEHICLE SPRAY SUPPRESSION

Mr RAY WILLIAMS (Hawkesbury) [1.07 p.m.]: On a number of occasions I have referred in this House to the problem of overhanging trees on roads in my electorate that cause serious accidents and injuries to local people. For more than a decade good people such as Bill Shields, an orchardist in Bilpin and a long-time captain of the Bilpin Rural Fire Service, has undertaken to lobby for the removal of this overgrown vegetation on the Bells Line of Road. His advocacy has been based on the serious accidents that have been caused when trees and/or tree branches have fallen onto the road in front of, or in some cases on top of, passing cars.

Our worst fears were realised a year ago when Jeff Allat, a resident of Berambing, had a serious accident, wrote off his car and was severely injured to the point where he has not worked for more than a year. However, when compensation was raised, the Roads and Traffic Authority did everything possible to pass the buck. The Roads and Traffic Authority said that it was not responsible for the trees, but when I put a question on notice in this House the Roads and Traffic Authority acknowledged that it was responsible for them. It then tried to pass the issue to the local council and to blame it for the problem, but to no avail because we are on its case and will not give up until people like Jeff Allat are compensated for their loss of property and, importantly, their loss of income.

On 20 May another serious accident occurred and a lady is now a paraplegic due to a tree falling on her car while she was travelling on Old Northern Road at Forest Glen. She was taking her children to school and only by the grace of God were those children spared serious injury. Unfortunately, their mother was not, and she will never walk again. The Roads and Traffic Authority advised me that it inspects these roads and trees on a weekly basis, which we all know is not true. I do not know how many times I have to raise this issue before someone in the Roads and Traffic Authority comes to his or her senses and allows the local Rural Fire Service unit to remove any dead or dangerous trees in those areas. The Rural Fire Service has all the necessary equipment and technology to complete these tasks and to train new volunteers to remove the trees, which makes good sense. It is a pity that no-one in the Roads and Traffic Authority has any sense. The Rural Fire Service, which will do this work for nothing, should immediately be given authority to remove any trees or tree branches within a certain distance from the sides of roads before anyone else is seriously injured.

Bill Railey, a constituent and long-time heavy vehicle driver, recently contacted me regarding another issue with the Roads and Traffic Authority involving spray suppressors that are fitted to large vehicles, especially B-doubles, to limit the amount of water that is flicked up by the wheels of trucks when in transit. Because trucks have the potential to spray large volumes of water from their wheels in wet weather, spray suppressors are fitted to the mudguards of these vehicles to improve the safety of the vehicles and particularly to improve vision for the drivers of vehicles who are travelling next to these trucks or overtaking and passing them in wet weather. However, the responsibility for having adequate spray suppression devices on heavy vehicles is placed upon the drivers, and the driver is the one who gets a fine if the spray suppressors are deemed to be not in accordance with Roads and Traffic Authority guidelines.

This is both extraordinary and unfair on these drivers, given that the spray suppressors are fitted to the trucks upon manufacture or are retrofitted by companies that own trucks without spray suppressors. It is absurd that the drivers, and not the companies that own the vehicles, are fined. The spray suppression regulations are

not part of the regulations for B-double general permits that drivers are required to carry with them at all times, which in itself is an admission that drivers should not be responsible for the spray suppressors that are fitted to the vehicles they are driving.

When drivers of company-owned vehicles undertake pre-trip inspections of their vehicles, they check tyres, blinkers, lights, mirrors, numberplates, and any visual defects that are noticeable on the vehicle, but they certainly do not check the adequacy of spray suppression on the vehicle mudguards. This should be the sole responsibility of the owner of the vehicle, the company that fitted the spray suppressors, or the original manufacturer of the truck or trailer in question. Unfortunately, Roads and Traffic Authority officers are booking drivers of heavy vehicles for the deemed failure of these spray suppressors, but the fine should be issued to the registered owners of the vehicles.

In the past couple of years and given chain of responsibility legislation, the Roads and Traffic Authority has shifted a lot of the responsibility for breaches of vehicle worthiness to the operators of these vehicles. I wrote to the Minister for Roads about this matter and his reply cited the need for consistency and fairness. Bill Railey says he could write a book about inconsistencies relating to matters involving the Roads and Traffic Authority and compliance—for example, one officer issues a fine and another Roads and Traffic Authority compliance officer does not. The company Mr Railey works for spent several thousands of dollars fitting spray suppression brushes to prime movers, only to find that the Roads and Traffic Authority officer at Marulan was wrong in his interpretation of the specifications regarding spray suppressors and the subsequent rectification works were unwarranted according to regulation British Standards AU 200.

On another occasion an officer ordered a driver to remove his electronic braking system lead as it was connected only to the front trailer. The officer's opinion was that the braking system was dangerous if fitted that way. Common sense and an understanding of basic year 6 physics would tell anyone that the officer was quite wrong and that if the brakes had been fitted according to the officer's instruction to the driver, a serious accident could have been caused. I again call on the Roads and Traffic Authority to rectify the situation and to get its house in order. I call on the Minister for Roads to ensure that the Roads and Traffic Authority removes the dangerous trees from the side of the road that are causing so many problems for residents of my electorate.

HUNTER REGION FOSTER GRANDPARENT SCHEME

Ms JODI McKAY (Newcastle—Minister for Tourism, Minister for the Hunter, Minister for Science and Medical Research, and Minister for Women) [1.12 p.m.]: I bring to the attention of the House a significant event that will be celebrated this month. The Hunter region's Foster Grandparent Scheme will celebrate its twenty-fifth anniversary at an event on Friday 18 June 2010 in Stockton, in my electorate. The Foster Grandparent Scheme was established to provide friendship and support for people living with disabilities in residential care facilities, such as the Stockton Centre in Newcastle. Too often, residents in care facilities are out of sight, and far too often out of mind. They also have needs that cannot always be met by their diligent carers, their families and health professionals. This gap was recognised many years ago and the Foster Grandparent Scheme was started to provide companionship, love and support on a regular basis by what can only be described as sterling volunteers in the Newcastle and Hunter communities.

Dorothy Harrington was instrumental in starting the scheme. Dorothy linked volunteers to people with physical and intellectual disabilities who lived in the Stockton Centre. I understand from those who are involved in the scheme and who knew of Dorothy's work back then that she almost single-handedly brought about a change in Stockton residents' attitudes to people living with physical and intellectual disabilities when she started the program in 1985. Dorothy encouraged volunteers to visit the Stockton Centre regularly and to participate with residents in their daily lives. She grew the program from an initial four volunteers and eight clients. Dorothy has previously had her amazing efforts recognised through a Premier's Award and an Order of Australia.

The devotion and care for individual residents provided by volunteers has produced positive outcomes. The program facilitates many opportunities, which lead to improvements in the quality of life of residents. Importantly, volunteers also benefit from the program, knowing that they have done a great job, that they have contributed to the community, and that they are really appreciated by the residents, their families and the wider community. Residents who participate in the program are seen very much by the volunteers as their "grandchildren"—hence the name of the scheme.

I am advised that 40 registered volunteers currently provide regular love and care to 124 residents. I am told that 149 residents are currently on a waiting list to participate in the program. The message is very clear:

The Foster Grandparent Scheme in the Hunter region needs more volunteers. Over the past quarter of a century more than 200 volunteers have participated in the program, caring for around 250 residents. In the past seven years it is estimated that these incredible volunteers have contributed more than 104,000 hours of their time. The men and women who volunteer throughout the community, and particularly for the Foster Grandparent Scheme, must be commended.

As a society we could not function without the tireless efforts of those who have that little bit extra to give to those in need. I commend the volunteers, all those who currently work for the Hunter region Foster Grandparent Scheme, and Dorothy Harrington, in particular, for her efforts with regard to the scheme over the past 25 years. She is an extraordinary woman, and is really the glue that holds the scheme together. I look forward to joining the community in acknowledging this special celebration of 25 years service on 18 June.

SCHOOL AND PRESCHOOL ROAD SAFETY

Mr STEVE CANSDELL (Clarence) [1.17 p.m.]: Preschools and family day care centres across the State that are situated on major, busy roads have called for the same level of protection for their children as is provided for schoolchildren, by having 40 kilometres an hour speed zones enforced around the preschools and family day care centres. Recently, in my role as the Opposition member responsible for community safety, I was invited to Dubbo to inspect Dubbo West Preschool and the Allira Aboriginal Child Care Centre and Preschool, which is located in Fitzroy Street. Tamara Shepherd, the president of the management committee at Dubbo West Preschool, invited me to Dubbo, and her concerns were obvious when I arrived at the school at 9.00 a.m., just as many parents were dropping off their children.

There is a real discrepancy between preschools and schools with regard to child safety. Although many children arrive at school in buses, many others are dropped off by their parents. Parents who drive their children to school simply pull up, let their children out, and then drive off. However, parents have to park their cars outside childcare centres and preschools, escort their children into the building, sign a book, and then return to their car and drive off. This creates real problems for child safety. As we noticed on our visit, some mothers came into the centre with a child in their arms, while walking another child and carrying a backpack or other bag for the preschooler. This makes it hard for the parents to control their children. Given the large volume of trucks, cars and other traffic on the streets, it is really a no-brainer: This hurdle needs to be removed.

Before my visit to Dubbo I spoke with the shadow Minister for Roads and Leader of The Nationals, Andrew Stoner, and he agreed that we could announce that local traffic committees through the local councils could make this decision. These traffic committees know the area and recognise the dangers posed by the local main roads, so any State Government hurdle should be removed to give them the power to implement the 40 kilometres an hour speed zones. It is not as though it will involve great monetary expense. Indeed, many of the preschools in those areas are situated near schools in any event. It is therefore only a matter of extending the speed zones by 50 or 100 metres.

I note that Allira Aboriginal Child Care Centre and Preschool is located next door to a school and that the 40 kilometres an hour zone extends for only 50 metres to the west of the school. It is only a matter of moving the speed zone sign back 100 metres to ensure the safety of the children attending the centre, and of their parents and families. My electorate has 16 preschools. New South Wales has more than 600 preschools and not all of them would automatically have 40 kilometres an hour speed zones. Two of my electorate's preschools are next to mainstream schools on major roads. Once again, it is only a matter of moving the 40 kilometres an hour zone signs 50 to 100 metres to the other side of the preschool to ensure the safety of all children.

This is a positive policy. I would love the Minister—whoever it is this month—to say, "What a great idea." There is the possibility of a change of government on 26 March and I guarantee that a Coalition government will introduce this policy. However, there are nine months remaining until the election and it would be lovely if the Government came on board, agreed that it is a great idea, introduced the policy now and removed the hurdles from local government traffic committees. This would ensure a safe environment for schools such as West Dubbo Preschool and Allira Aboriginal Child Care Centre and Preschool in the nine months before the next State election.

Each year I ride my bike to raise funds for the preschools in my electorate. Two of those preschools question why the same level of safety is not provided for their children as is provided for high school, primary school and infants school students when so much emphasis is placed on the safety of children around schools. Police enforce the 40 kilometres an hour zone strictly in many areas in an effort to get drivers to comply with

the speed restriction. The main reason for not applying the same restriction to long day care centres is that their hours are longer than those of mainstream schools. However, the main pick-up and drop-off times at long day care centres are the same as for schools. As I said, the solution is a no-brainer. It would be a positive move for the Government to come on board and implement this policy.

Ms ANGELA D'AMORE (Drummoyne—Parliamentary Secretary) [1.22 p.m.]: I will respond to some issues that the member for Clarence raised about a number of preschool and child day care centres in and around his electorate requiring a 40 kilometres an hour speed zone. I was happy to hear the member identify the local council traffic committee as the appropriate place to go to have 40 kilometres an hour restricted speed zones applied, especially if it is a local road. He announced some sort of policy, but the details were a bit vague. The fact is that as the local member he can approach his traffic committee—he should be represented on that committee, as are many members—and put his case forward. Nothing is stopping any local member from going to the traffic committee of their respective councils and requesting 40 kilometres an hour speed zones for preschools or long day care centres. Maybe the member for Clarence might consider doing that. For State roads, the traffic committee can make recommendations to the Roads and Traffic Authority. The member for Clarence has the opportunity to do that now, as many Government members have done already.

Mr Steve Cansdell: Point of order: The Parliamentary Secretary is misleading Parliament with her comments.

ASSISTANT-SPEAKER (Mr Grant McBride): Order! That is not a point of order.

Ms ANGELA D'AMORE: Obviously, the member does not understand how traffic committees work in local government areas. I look forward to hearing that he has made representations to his traffic committee.

TRIBUTE TO DAVID COSTELLO

Mr TONY STEWART (Bankstown—Parliamentary Secretary) [1.24 p.m.]: Today I comment about one of Australia's great achievers, Mr David Costello, chief executive officer of ClubsNSW, who has announced his well-deserved retirement, effective on 25 June 2010. David Costello, by any measure, is an extraordinary person who, through his work and passion to make a difference, has achieved great things for the New South Wales club industry, local communities and Australia. David Costello has spent a remarkable 40-plus years in the New South Wales club industry during which he gained unsurpassed experience working with registered clubs and their industry associations. David worked at a number of registered clubs, including Manly Warringah leagues club, North Sydney leagues club and Mingara Recreation Club, performing a variety of senior operational management roles.

In 1977 David Costello accepted the prestigious and well-deserved appointment of inaugural chief executive officer of the former Registered Leagues Club Association of New South Wales. During this time he was inducted into the Club Managers' Association Australia's Hall of Fame. In 2002 David again achieved high distinction in the club movement through his current appointment as Chief Executive Officer of ClubsNSW. Mr Assistant-Speaker, as you were the responsible Minister at that time you would know there were difficulties with the State Government's approach to club taxes and other associated issues. During that time David worked closely with the State Government to find a constructive resolution that suited the needs of the clubs and the Government to support those people affected by the proposal.

Importantly, since that time David, as Chief Executive Officer of ClubsNSW, has raised issues constructively and provided opportunities for the New South Wales club movement. Indeed, he is well respected by all who have worked with him closely and from a distance. Last Saturday evening at the New South Wales club industry awards at Darling Harbour both Government and Opposition representatives who spoke at that event provided equally strong support for David's reign as the chief executive officer of ClubsNSW. At the time of the devastating Boxing Day tsunami in late 2004 David Costello asked me what the Government was doing through Father Chris Riley's charity Youth Off the Streets to offer opportunities to those in need. ClubsNSW, through David, donated around $3.5 million to tsunami victims, a good proportion of which went to Youth Off the Streets to help tsunami victims in Aceh—work in which I was involved extensively.

A permanent orphanage for children in Aceh is testimony to David's great work through ClubsNSW. If it were not for the work of Father Chris Riley and David Costello, those young people would not be reaping the benefits of that orphanage and its associated education opportunities. To prove David Costello's genuineness, he

travelled to Aceh and worked on the orphanage in the early stages, digging holes in the mud, standing in the rain and working with the children and the locals to achieve something great for Australians. This is testimony to the character of David Costello.

After 7½ years, David's legacy of achievements for clubs in this State will probably remain unsurpassed. He brought clubs into the twenty-first century. David recognised difficulties and worked closely with clubs to find opportunities. I wish David and his wife, Helen, all the best during his well-deserved retirement. Helen certainly has been a major part of David's life. I commend the work David has done for an industry I hold dear in my local community, in other communities and throughout Australia. I commend Anthony Ball, who will take over as chief executive officer of ClubsNSW and try to fill David's shoes—a very difficult feat. I wish Anthony all the best. I know David has left a firm legacy for him to follow.

HORNSBY KU-RING-GAI POLICE AND COMMUNITY YOUTH CLUB

Mrs JUDY HOPWOOD (Hornsby) [1.29 p.m.]: I commend the work and activities of my local Hornsby Ku-ring-gai Police and Community Youth Club. Police and community youth clubs are the product of a statewide partnership between young people, the community and the New South Wales police. Through many varied sporting, leadership and performing arts programs and activities, they help young people to develop important qualities, become responsible citizens and leaders, and avoid becoming offenders or victims of crime. Young people are encouraged to develop qualities that stand them in good stead for the rest of their lives.

The police and community youth club is a non-government charity working in partnership with the New South Wales Police Force. Hornsby Ku-ring-gai, similar to the other 59 police and community youth clubs throughout New South Wales, is self-funding. Neither the police and community youth club nor the activities conducted by the police officers in the club are funded by the Government or the police department and, as a registered charity and a not-for-profit organisation, it is critically reliant on self-funding, sponsorship grants and community support to conduct the youth activities. The mission of the club is: We get young people active in life. We work with young people to develop their skills, character and leadership. We reduce and prevent crime by and against young people.

I pay tribute to the personnel of the Hornsby Ku-ring-gai Police and Community Youth Club, some of whom receive an income and some of whom are volunteers. Manager Chris Perry, has worked for the club since 2005, and he has an extensive background in human resources; Senior Constables Belinda Ramage and Lynda Hart, two very hardworking police officers who do a tremendous job working with young people both within the club and out and about in the community; employees Mike Fletcher, Danny Fleming, Debra Huggins, Daniel and Mary Allars. I also pay tribute to the club's president, Peter Kirkwood, who has had a long history in community service with organisations such as Rotary—he has been the president for most of the time I have represented the Hornsby electorate. On the committee there are many hardworking people but I specifically mention Greg Bepper, who has also had a long history in community service. Greg was the president of the Hornsby Business Chamber and is now spearheading the work at the new Hornsby Ku-ring-gai Performing Arts Centre.

The Hornsby Ku-ring-gai Police and Community Youth Club offers many sporting and other recreational activities, including aikido, badminton, monthly band nights, basketball, boxing, indoor soccer for intellectually disabled children, futsal, judo, jishukan, kendo, ninjutsu, sailing, table tennis and taekwondo, to name but a few. The club also runs a traffic offender intervention program. The Hornsby Ku-ring-gai Performing Arts Centre is located in relatively new premises in the old Hornsby Bowling Club, Waitara. It has two sides—one on George Street and one on Edgeworth David Avenue. The centre opened its doors on 1 February 2010, with five performing arts programs. While the centre is still undergoing dramatic renovations, it has commenced its main purpose of providing a wide variety of performing arts programs, workshops and performances in a safe environment, which is affordable to all.

The performing arts centre contains a fully functional theatre, the Kirkwood Theatre, complete with lighting, sound and bio box, and it will soon have two complete dressing rooms and seating for 150 people. Lots of exciting things are happening at the centre. For example, during school holidays it hosts junior theatre workshops for ages 9 to 14 years. It hosts a variety showcase every couple of weeks, which is a night of family entertainment where anybody of any age can showcase their talents; the police and community youth club youth choir; the Hornsby Drama Company, which is to perform eight one-act plays per year and 16 performances per season; ImproMania, theatrical improvisation workshops for ages 8 to 15 years; MTK, musical theatre for kids; and Making Music, an opportunity for New South Wales schoolchildren to participate in workshops and performances. I congratulate the Hornsby Ku-ring-gai Police and Community Youth Club.

LIVERPOOL POLICING

Dr ANDREW McDONALD (Macquarie Fields—Parliamentary Secretary) [1.34 p.m.]: It gives me great pleasure to commend the hardworking Liverpool Local Area Command. Today I bring to the attention of the House two recent very successful drug initiatives dealing with street-level drug dealing in the Liverpool central business district. The operations were called Farnborough I and Farnborough II, and their results were presented to local community leaders by Superintendent Gary Worboys, the much-respected and highly admired leader of our local area command, at a seminar held on 26 May 2010.

Drug use is more than just a policing issue. The drug initiatives focused on the street-level supply of drugs. Previous enforcement of low-level supply, using arrests for single instances of drug dealing, often may not have resulted in any change in behaviour of dealers or custodial sentences for those caught. For that reason a change of plan was tried. Farnborough I was the first operation. It was conducted in October 2009. There was a four-week lead-in period during which time undercover agents purchased drugs, aiming for three buys over the 30-day period. Three buys means that the targeted person can be then convicted of ongoing supply, which would result in a custodial sentence and take the dealers off the streets. Covert cameras were installed and undercover foot surveillance was conducted. The undercover officers initially found that drugs were easy to purchase in the Liverpool central business district. The most common drugs were ice, speed, cannabis, ecstasy and heroin. Four search warrants were executed, 15 targets were identified and 75 offences were laid.-. The Department of Housing was informed of breaches and the tenants evicted. Of those targeted, seven were convicted of ongoing supply.

Superintendent Worboys also discussed cases. The first case included a safe house in which $5,500 worth of cannabis was found. These safe houses were very well set up, with electricity and water, and in different names. The second case was of a well-known supplier who had escaped previous convictions and who was allegedly carrying balloons of heroin in his mouth. On his arrest he was found to have heroin worth $3,000 in his car and a large amount of money was found in a search of his house. Bail was refused. The success of Farnborough I meant that Farnborough II was conducted in April 2010. Farnborough II had more staff and ran for six weeks. Case one in that instance was of a well-known criminal family of five brothers who did not live in Liverpool. Their main supply was allegedly ice or ecstasy. They had a fortified unit block in Memorial Avenue.

Once arrested the offenders were each charged with six to eight offences, and all are looking at a possible custodial sentence. Many of the people arrested were not from Liverpool. One was arrested within 50 metres from the court where he was appearing for other offences. In Farnborough II six search warrants were executed, 16 targets were identified and 73 offences were laid.. At street level the most commonly purchased drugs are cannabis, with each deal costing $20 to $30, and heroin, with each deal costing about $50. Ice and ecstasy also continue to be used. The heroin in Liverpool is said to be very pure, and Liverpool's close transport links makes it easy to get to. Many of those arrested came from outside of the Liverpool area. Drug use affects the amenities of the area. Superintendent Worboys said:

> The solution isn't in standing up here and beating our chests and saying look how well we are doing. We need to have a robust discussion about what we are going to do. We shouldn't have to put up with it anymore.

Closed-circuit television has proved useful but it is expensive, especially when ongoing monitoring costs are included. These were major initiatives in street-level drug dealing in south-west Sydney, and have dealt a blow to those who deal drugs in the Liverpool central business district. Community leaders, including local councillors and business leaders, were invited to discuss options for future initiatives. For example, having offenders on bail report to the nearest police station instead of reporting to Liverpool police station, which is the current situation. Reporting to Liverpool means that they may return to the criminal milieu when they report for bail.

The interagency sharing of information between all New South Wales government agencies is now very good. In fact, as Superintendent Worboys said, it as good as it has ever been. However, it remains very difficult to catch the up-line suppliers because convicted offenders tend not to divulge the names of these up-line suppliers. They often come from outside the area, and as they are not involved in any street selling they are invisible. Farnborough I and Farnborough II have caused considerable disruption to the street supply of drugs in the Liverpool central business district. This was a wonderful initiative, and I commend the hardworking police of the Liverpool Local Area Command to this House.

LENNOX HEAD TORNADO

Mr DONALD PAGE (Ballina) [1.39 p.m.]: At 7.30 a.m. last Thursday a tornado formed out to sea off Lennox Head in my electorate. Local residents tell me that as it approached Lennox Head it was the colour of

water but as it crossed the beach it became filled with sand. Moments later the tornado was full of flying debris, including roofs from houses, furniture, glass, tree branches and anything else in its path. The winds were travelling at 150 kilometres per hour. In a matter of a minute or so 30 houses had their roofs blown off and 12 houses had been totally destroyed. The caravan park was a mess, with vans upturned and debris scattered everywhere. It must have been a really terrifying period for everyone affected at the northern end of Lennox Head. It was truly amazing that nobody was killed. Six people suffered injuries and two had to be hospitalised.

Some residents told me stories of miraculous escapes. In one case an elderly lady heard the sound of the tornado, which many described as sounding like a 747 aircraft landing on a roof, as she got up to go to the bathroom. Seconds later her bedroom was blown away and the only thing left standing on the second story of her brick home was the bathroom that she had been in. Because Parliament was sitting, I was in Sydney when I heard a radio report of the tornado. At 9.00 a.m. I spoke to the local State Emergency Service at Ballina, which had already taken 50 calls for help. Over the next day or two it took approximately 137 calls. The storm brought down power lines. One of the initial problems was that ambulances could not get access to the disaster zone because of powerlines on the roads. I phoned Country Energy, which had already called for backup from neighbouring crews in the region. Country Energy did a good job of restoring power as quickly as practicable, given that in some cases there was no house to connect the power to.

From mid morning it was obvious that the Minister for Emergency Services and the Commissioner for the State Emergency Service would attend, and I wanted to go with them. When we arrived after lunch it was evident that a lot of clean-up work was happening. The State Emergency Service, the Ambulance Service, NSW Police, the Ballina Shire Council, the Rural Fire Service, and the New South Wales Fire Brigades were all working hard in a coordinated manner to effect the clean-up as quickly as possible. Department of Community Services workers were helping those who needed immediate support. An evacuation centre was set up at the local bowling club and the emergency services headquarters was established at the local hotel. The Minister, the Premier, the commissioner, the mayor and I were again on site at 6.30 the following morning. I was relieved when the Government declared the event a natural disaster because it meant that more resources could be contracted to effect a speedy clean-up and the additional resources would be paid for by the State Government. That declaration was important because damage to property had exposed asbestos across the whole disaster area.

Asbestos is fairly harmless while it is wet, but it is a public health risk if it dries out and starts to blow around. While the clean-up of public areas has now been completed, the impact on those who have lost their homes or who have had their homes seriously damaged will be ongoing. It will take a long time for things to return to normal for those people. However, many residents made the comment to me that while property can be replaced, lives cannot. I make three observations: despite the devastation to property, it is truly remarkable how few injuries there were. If the tornado had occurred one hour later, children would have been walking to school, many more people would have been on their way to work, and the loss of life could have been very high.

I want to praise the work of the emergency and rescue workers, many of whom are volunteers, and to commend the spirit of the people of Lennox Head. The State Emergency Service, NSW Police, the Ambulance Service, the Ballina Shire Council, the Rural Fire Service, the New South Wales Fire Brigades and the Department of Community Services were all wonderful in the way they coordinated with each other to achieve the best outcome. In the general community, neighbours were helping each other. Strangers who had not suffered damage were helping those who had. The Aussie tradition of helping out your mates in a crisis was evident for all to see.

I want also to refer to asbestos removal after the disaster occurred. Initially it appeared that only asbestos recovered on public land would be covered by the natural disaster declaration and asbestos on private land was a matter for individual property owners to deal with. Clearly that was an inappropriate response, as asbestos is a public health risk whether it is on public land or private land. Moreover, what about material containing asbestos that blew onto non-affected private land from other houses? Fortunately, common sense has prevailed.

It has been resolved that if a house is insured and damaged, the insurance company will be responsible for the timely removal of asbestos. If the house is insured and the house is not damaged but asbestos is in the yard, Ballina Shire Council will clean it up and charge the cost to the State Government. If the house is uninsured, removal of asbestos can be handled initially by the Department of Community Services, which will seek a refund of the cost of removal from Treasury. If the house is insured generally, but not specifically for asbestos removal, the State Government will cover the removal costs. Again I commend all who helped following the recent natural disaster and the Lennox Head community for the way in which they responded to the disaster.

Mr STEVE WHAN (Monaro—Minister for Primary Industries, Minister for Emergency Services, and Minister for Rural Affairs) [1.44 p.m.]: I thank the member for Ballina for bringing this important issue to the House. I join him in congratulating all the emergency services personnel who worked so hard at Lennox Head, but also very importantly the community who pulled together beautifully. The community has been offering assistance and fundraising. The worst of times brings out the best in people. We saw that at Lennox Head. I particularly congratulate all our emergency services volunteers and workers who joined with the State Emergency Service. The Rural Fire Service, the New South Wales Fire Brigades and NSW Police did a fantastic job. Ballina Shire Council and its workers were excellent. They were out in force and cleaning up. We were all amazed at how quickly Country Energy moved resources into the area. At one stage we had 11 cherry pickers in the short space of a couple of streets, and workers were busily getting the lines back up and connected. It was a phenomenal effort.

In the evacuation centre we saw the Department of Community Services and voluntary groups, including the Red Cross, the Salvation Army, the Adventist Development and Relief Agency, the St Vincent de Paul Society and Anglicare. The evacuation centre was essential in providing emergency accommodation for a number of people. It was a unique situation. As the member for Ballina said, we needed to deal with asbestos on the ground. An emergency order for the clean-up was made to enable a clean-up to occur. The event was different to the aftermath of quite a number of storms because of that. The natural disaster declaration was important. I was very pleased that we were able to deal with asbestos issues. I congratulate Ballina Shire Council on its very constructive role in talking to my department and to other agencies. I thank the member for Ballina for his representation of the residents. Discussing this matter in the House today is a good thing. It was very good working constructively with the member for Ballina throughout the process.

SURF LIFE SAVING ILLAWARRA

Mr DAVID CAMPBELL (Keira) [1.46 p.m.]: I acknowledge the work of Surf Life Saving Illawarra and recognise the Awards of Excellence that were presented last Saturday. At the invitation of the President of Surf Life Saving Illawarra, Bill Seay, I attended the event as the member for Keira. Bill Seay has 61 years of service with the Illawarra branch and a total of 63 years of service to surf life saving in New South Wales. Bill is well placed to lead Surf Life Saving Illawarra. The 2009-10 McDonald Junior Life Savers of the Year, Clare St George from Corrimal and Mitchell Baillie from Helensburgh-Stanwell Park, acted as hosts and presenters at the celebration, and did a sterling job.

The surf life saving movement is a body that is synonymous with Australia and certainly it is synonymous with the Illawarra. A number of people in my electorate received awards at the Awards of Excellence evening and I am pleased to acknowledge their achievements. Among the Extraordinary Awards was the Rescue of the Month Award that was shared by Killian Liss from the Helensburgh-Stanwell Park club and Sandon Small of Thirroul for their efforts in separate rescues. The Attendance Award for people attending to the administration of the branch went to the Bulli club. The Outstanding Contribution to Surf Life Saving was awarded to Dean Erskine of Port Kembla, who put in a sterling effort with the rescue helicopter service.

The Andrew Flakelar Memorial Award, which was sponsored when it was initiated on behalf of a Coledale surf lifesaver who died a number of years ago while effecting a rescue, was awarded to two young people, Clare and Daniel St George of the Corrimal club. They took part in a very difficult rescue outside patrol hours at Corrimal Beach and did a sterling job. Their award was fitting acknowledgement. The Outstanding Contribution to Surf Life Saving Illawarra was awarded to Gerald Davies of the Towradgi club, who is also a former president of Surf Life Saving Illawarra.

The Educator of the Year Award was presented to Barry Blakeney from Bellambi club in the Keira electorate. Barry has contributed a huge effort to Surf Life Saving Illawarra over a number of years and certainly concentrates on educating people in the techniques of rescue. Two people received highly commended awards, Stephanie McGuinness from the Helensburgh-Stanwell Park club and Stuart Massey from North Wollongong. The Age Manager of the Year was awarded to Jo Trigg from the Helensburgh-Stanwell Park club. Jo has put in a tremendous effort over a number of years to ensure that the nippers program at the club thrives. I am proud to acknowledge her efforts. The Administrator of the Year Award was presented to Peter McDonald from Helensburgh-Stanwell Park. Peter is another longstanding supporter and participant in Surf Life Saving Illawarra. He is certainly a stalwart of the Helensburgh-Stanwell Park club.

Highly commended went to Barry Adams, secretary of the Bulli club. I am sure Barry would not mind my saying that he is a doyen of surf life saving. He has been around forever—a comment that was also made on

the evening. Barry, who is well supported by his wife, Denise, has made a sterling contribution. Coach of the Year was awarded to Keith Fennell from Thirroul. The Competition Official of the Year went to Kevin Starling from the Bulli club. Although Kevin was surprised to win the award, no one else at the awards was surprised at all. Team of the Year went to the Bulli under 19 men's boat crew, and the Bulli rescue tube rescue team was highly commended in that category. Male Junior Athlete of the Year, which is for athletes 8 to 14 years of age, was jointly awarded to Brock Scrivener from Wollongong City and Harrison Green from Bulli.

In the category of Female Junior Athlete of the Year, Karlie Picton from Towradgi and Cheyenne Miller from Bulli were highly commended and Mali Taylor from the Bulli club was the winner. Male Athlete of the Year went to Mitchell Fagerstrom from Bulli. Volunteer of the Year went to Lachlan Pritchard from Thirroul with 200 hours patrolling in 2009-10. The Ted Marshall Memorial Live Saver of the Year was awarded to Craig St George from Corrimal club with 59 patrol hours. Earlier I mentioned his two children and the awards they had received. Life membership was awarded to two people: Ian Foreman from Austinmer and Hank Van Stuivenberg from Bellambi. I have known both of them for a long time and I acknowledge their contribution to surf life saving in the Illawarra.

BAPTIST COMMUNITY SERVICES MAYCARE COMMUNITY CENTRE

Mr CRAIG BAUMANN (Port Stephens) [1.51 p.m.]: It was my great pleasure to attend the recent opening of a wonderful new community centre in my electorate, the Baptist Community Services MayCare Community Centre. In my job as a State member of Parliament, I am constantly amazed and humbled by the wonderful community services available in my electorate, and the Baptist Community Services MayCare Community Centre is no exception. The Baptist Community Services is a not-for-profit Christian organisation established by the Baptist Churches of New South Wales and the Australian Capital Territory in 1944. From humble beginnings it has grown into a significant care provider, employing 3,700 people across 150 facilities and programs. More than 1,000 people volunteer for the organisation. The MayCare Community Centre is a vibrant oasis offering a range of services aimed at people living with disadvantage. As well as a drop-in space for the community, it incorporates a Baptist Community Services Food 4 Life outlet and an opportunity shop.

The ethos of the Baptist Community Services Lifecare staff is that they are passionate about empowering lives and building communities. They aim to do this by responding to the community's growing needs with practical, innovative and holistic care initiatives. I have seen firsthand how this admirable aim is being brought to life in my electorate by the incredibly dedicated staff and volunteers at the MayCare Centre. The Baptist Community Services assumed management of the community centre in Hanbury Street, Mayfield, at the beginning of this year, entering into a partnership with Mayfield Baptist Church with the goal of expanding services to meet the local community needs. The community centre is now a vital hub for Mayfield and provides a range of much-needed support services.

These services include a five-day-a-week drop-in centre, food and meals, crisis care, clothing, referral and advocacy, English classes, an art and craft group, pamper mornings and a Centrelink engagement service. Other community groups such as a playgroup, Alcoholics Anonymous and Gamblers Anonymous also use the centre. The centre is also home to the Baptist Community Services Night Vision street outreach team, a service that operates after dark in Newcastle serving some of our most vulnerable community members. Offering a hot cup of tea, a warm blanket and food parcels, and extending a caring hand and a listening ear are all in a night's work for this team. They also offer referral services to other organisations, when necessary. In the next few months the MayCare centre will open a computing kiosk, which will enable people to come to the centre for low-cost Internet access and computer training.

Like the Thou-Walla Family Centre in Raymond Terrace which helps young mums, and the workers educational association service that offers educational services to young people, this centre will offer a much-needed helping hand and refuge to many people in our community in need. This community centre offers services in a way that government agencies cannot. All too often government agencies, which have the role of looking after the disadvantaged in our community, get too caught up in red tape and bureaucracy, particularly under this State Government. Much like this State Government, their primary job—that is, to look after and serve the community—takes a back seat to the politics of the job.

The Baptist Community Services MayCare Community Centre is a refreshing and welcome service to the Port Stephens, Mayfield and Warabrook communities. The staff work in the heart of the community with the community always in their heart. I commend the staff for their efforts in making a real difference in our community by reaching out to the vulnerable and assisting our seniors and non-English speaking residents.

I take this opportunity to also commend the staff and volunteers at Thou-Walla Centre, Raymond Terrace, for their invaluable and wonderful work with young families with children up to eight years of age in the Raymond Terrace area. The Thou-Walla Centre, which is located on the grounds of Irrawang Primary School, is a Schools as Community Centre project, which promotes happy, healthy children and giving them a positive start to school; supports parents in their role and increases their awareness of services available for families; and strengthens the community by developing the school as a focus of community activity.

I recently visited the centre with my hardworking colleague the member for Goulburn and shadow Minister for Community Services. The member for Goulburn was extremely impressed with the model used at the Thou-Walla Centre and would like to see this program emulated in other disadvantaged areas of the State. That is because the Thou-Walla Centre works. Young families in Port Stephens desperately need support and help to keep their family unit together, and that is exactly what the Thou-Walla Centre does. The greatest part is that the young mums I met at the centre want to be there and they enjoy taking part in the various parenting programs. Again, that is something that most government agencies have not been able to achieve.

TAMWORTH AND DURI UNITED HOSPITAL AUXILIARY

Mr PETER DRAPER (Tamworth) [1.56 p.m.]: At some stage most members in this place would have been patients in a New South Wales hospital. While hospitals are not the most festive places, they are made significantly better thanks to the tireless contributions of members of the United Hospital Auxiliaries of New South Wales Incorporated. Tamworth Base Hospital is lucky enough to have the support of two auxiliaries, Duri and Tamworth. Today I acknowledge the incredible contribution made by their members. The Tamworth auxiliary began in 1917 as an independent group of women, who entertained the patients and sewed and mended for the hospital, before affiliating with the United Hospital Auxiliaries in 1939. Until 1958 this auxiliary focused its efforts on sewing and making thousands of booties and bed socks.

Tamworth auxiliary's fundraising took off during the 1960s, with regular card parties, fetes, dances, mannequin parades, morning teas, street stalls and raffles to raise money for air-conditioning and ice machines. Not only did the ladies raise money to buy much-needed equipment for the base hospital, they also supported the patients on a more personal level. They donated books, magazines and home-cooked treats, and they entertained the patients by reading and playing records. Today the 60 ladies of the Tamworth auxiliary undertake various fundraising activities, including an annual golf day, a fashion parade, sausage sizzles, lamington drives, market days and raffles. As well, they operate the hospital kiosk every Wednesday. Last year the auxiliary raised $31,000 to assist the hospital.

Duri's auxiliary began as a sewing circle in 1945, making quilts, theatre gowns, masks, aprons, drapes and sheets for Tamworth hospital. The Duri auxiliary has 32 members, who raise funds through three annual events: a fete, a soup and damper day, and a Melbourne Cup luncheon. Last year they raised almost $10,000 for the hospital. Our local auxiliaries contain some absolutely amazing women. Sadly, on 30 June last year the Duri auxiliary lost one of its most dedicated members. Rose Kay joined the group in 1945 and served her local community until passing away after 64 years of dedicated service. Rose was so passionate about fundraising that she checked herself out of hospital the day before last year's Duri fair to take part. Her hospital discharge was not in vain: Rose won prizes in both cooking and craft.

Another outstanding lady is Mary Carter from the Tamworth auxiliary. Mary was awarded the highest honour of life membership in appreciation for almost 40 years of service. Jean Pannan, also from Tamworth, continues to help with fundraising even though she is 93 years of age. I thank president Lettie Elks for her outstanding leadership over a prolonged period. The dedication and support of these women makes a visit to our hospitals much more pleasant. Through their fundraising and volunteering the Tamworth auxiliary has raised $134,000 over the past five years, using the funds to purchase beds, chairs, horizontal patient trolleys, a neonatal resuscitator, syringe drivers and furnishings, among other things. In the past six months alone the auxiliary has provided a neonatal monitor, amputee wheelchairs and a tilt shower chair. In just the past year the Duri auxiliary has provided two vital signs monitors and a tilting chair lift.

Last financial year more than 6,000 members from 210 auxiliaries in New South Wales combined to raise more than $9 million, from which they purchased items ranging from a $12 photo album to a $104,000 digital radiography unit and printer. Given such considerable contributions, it is hard to imagine what our hospitals would be like without the support of the auxiliaries. We can learn a lot from this group of inspiring community members. They work so hard because they care about people, not for financial rewards. They want to make life easier for people using our hospitals, as every cent of the money raised goes towards hospital

equipment. They contribute their time because they enjoy being part of a group that makes a positive difference to their community. One of the auxiliary members, Annette Lowe, told me that she "just loves" being part of the Tamworth Auxiliary because it gives her an opportunity to meet and talk to different people.

I know that I am not alone when making New Year's resolutions to get even more involved in the community, but rarely does this resolution carry through for six decades, as did Rose Kay's 64 years of service. It is hard to imagine what society would be like where the majority of people devoted over 60 years of their lives to a cause they truly believed in while receiving nothing more than the satisfaction of contributing, along with the friendships made over the years. I commend all the women from the Tamworth and Duri Hospital Auxiliary for their unwavering efforts in their ongoing support of Tamworth Base Hospital. I encourage everyone to remember the example set by Rose Kay, with her 64 years of dedicated service to helping others, even when she was hospitalised and in need of assistance herself. Our community is a much better place for their efforts.

WRITE TO READ PROGRAM

Mr PETER BESSELING (Port Macquarie) [2.01 p.m.]: The value of a good education is well recognised in our community and exposure to a good education has played a key role in the success of many great individual and collective achievements. Many of us in the Chamber today and in the Parliament owe our ability to represent the people of this great State of New South Wales to the opportunities that were afforded us through education, whether that be through more formal channels, such as tertiary education, or through other experiences that have provided us with valuable life skills and relevant information. One of the primary functions that impact on our opportunities to learn is our ability or inability to read and write. Our New South Wales education system quite rightly places a high value on teaching these basics to students in an effort to realise the potential that all students have to make their mark in society or to simply be the best that they can be.

In December 2008 the New South Wales Parliament recognised the impediments to people realising their full potential when it passed the Education Amendment (Educational Support for Children with Significant Learning Difficulties) Bill. The bill was a great leap forward in understanding the impacts that learning difficulties such as dyslexia can have on people's lives and the opportunities that are available to educators for early intervention programs that will make learning a great deal easier for those with learning difficulties. Many people dealing with issues such as dyslexia often struggle through school, having reading and writing difficulties that manifest in a struggle with concentration and a lack of enthusiasm for these very crucial skills. Students often have poor handwriting, take longer than other children to finish written work, and can become disruptive, distracted or fidgety and as a result are at increased risk of not finishing school.

I am advised that as many as 10 per cent of schoolchildren in Australia suffer from dyslexia or a similar learning difficulty and that 52 per cent of 15- to 19-year-olds have a literacy level that is considered insufficient to meet the complex demands of everyday life and work. Many of us have personal experiences of someone having to deal with a learning difficulty that went undiagnosed or untreated. I am aware of a friend who, as is often the case, is an intelligent, well-rounded individual with high-level social skills and a successful career path, whose learning difficulty was not picked up at his school, which has a high academic record, and his inability to read well was a secret shame that he held until it was diagnosed in adulthood and steps were taken to correct it. I am proud to advise the House that yesterday the community of the Port Macquarie-Hastings region took another great step to correct this roadblock that has been affecting people's chance to learn and to deal with the issue at a very early stage.

Through the fantastic support of the Westport Club, Quantam Technology and Clubs New South Wales, the Write to Read project was launched in Port Macquarie and rolled out to nine primary schools and two high schools in the region. The Write to Read project will provide state-of-the-art technology that supports children with learning difficulties at school by automatically converting any text into speech, enabling students to listen to their books, assignments and tests. As each word is spoken it is also highlighted on a monitor so that students can follow along, improving both their reading and listening skills. It was also significant that in attendance was Jim Bond, who had campaigned so hard not only to have dyslexia recognised as a learning difficulty, but also to get the support of government to have special needs teachers allocated to New South Wales schools. As someone who had to deal with the difficulties surrounding dyslexia all his life, Jim's efforts and those of the Reverend Gordon Moyes in highlighting this issue in the New South Wales Parliament were recognised at the project's launch.

The Write to Read project will be supported through an online training program designed by the New South Wales Department of Education and Training for teachers to help them assess the needs of children with

special needs. To date, 1,300 teachers have registered and expressed an interest in undertaking the three-month training program, which is expected to roll out in term 3 this year. The Write to Read program captures the essence of what education is truly about, in making a significant difference to students' lives. It will open the world to a group of people who in the past may have been considered unintelligent because of a learning difficulty that was holding them back from being the best that they could possibly be and thus denying the broader community the potential for them to be great contributors to our society. I look forward to seeing this project make a great difference to students in our region, and I particularly thank the Westport Club for its support in making this possible.

Private members' statements concluded.

[*The Assistant-Speaker (Mr Grant McBride) left the chair at 2.06 p.m. The House resumed at 2.15 p.m.*]

ADMINISTRATION OF THE GOVERNMENT OF THE STATE

The SPEAKER: I report the receipt of the following message from His Excellency the Lieutenant-Governor:

J. J. SPIGELMAN
Lieutenant-Governor

Office of the Governor
Sydney, 6 June 2010

The Honourable James Jacob Spigelman, Chief Justice of New South Wales, Lieutenant-Governor of the State of New South Wales, has the honour to inform the Legislative Assembly that, consequent on the Governor of New South Wales, Professor Marie Bashir, having assumed the administration of the Government of the Commonwealth of Australia, he has this day assumed the administration of the Government of the State.

MINISTRY

Ms KRISTINA KENEALLY: I inform the House that on 5 June 2010 Her Excellency the Governor accepted the resignations of the following Ministers:

The Hon. Ian Michael Macdonald, MLC
Minister for State and Regional Development, Minister for Mineral and Forest Resources, Minister for Major Events, Minister for the Central Coast, and Member of the Executive Council

The Hon. Graham James West, MP
Minister for Juvenile Justice, and Member of the Executive Council

On the same day Her Excellency the Governor appointed the following persons to the offices indicated:

The Hon. Eric Michael Roozendaal, MLC
Minister for State and Regional Development

The Hon. John Cameron Robertson, MLC
Minister for the Central Coast

The Hon. Kevin Patrick Greene, MP
Minister for Major Events

The Hon. Barbara Mazzel Perry, MP
Minister for Juvenile Justice

The Hon. Paul Edward McLeay, MP
Minister for Mineral and Forest Resources

REPRESENTATION OF MINISTERS IN THE LEGISLATIVE COUNCIL

Ms KRISTINA KENEALLY: I inform the House of the following representation in this Chamber of Government responsibilities in the other House:

The Minister for Police and Minister for Finance representing the Minister for State and Regional Development

The Minister for Climate Change and the Environment, and Minister Assisting the Minister for Health (Cancer) representing the Minister for the Central Coast

The Minister for the State Plan and Minister for Community Services representing the Minister for Planning, Minister for Infrastructure, and Minister for Lands

KU-RING-GAI CHASE NATIONAL PARK HAZARD-REDUCTION BURN DEATHS

Ministerial Statement

Mr FRANK SARTOR (Rockdale—Minister for Climate Change and the Environment, and Minister Assisting the Minister for Health (Cancer)) [2.18 p.m.]: Today marks the tenth anniversary of a tragic event. On Thursday 8 June 2000 a routine hazard-reduction burn within the Ku-ring-gai Chase National Park became uncontrolled and led to the deaths of four National Parks and Wildlife Service officers. This hazard reduction was a prescribed burn, which was planned for the purpose of protecting life and property in the Mount Kuring-gai residential area, within the Hornsby Shire.

I am sure that honourable members in this House join me in honouring the memory of the four young officers: George Fitzsimmons, Claire Deane, Erik Furlan and Mark Cupit. Our thoughts are also with three of their fellow officers who have made remarkable recoveries from injuries they sustained in the same incident: Jamie Shaw, Natalie Saville and Luke McSweeney. Today we think about the families, friends and colleagues who were affected by this tragedy. Memorials have been established by the Mount Kuring-gai community and by colleagues of those who lost their lives.

The Mount Kuring-gai Residents Action Group assisted in the establishment of a memorial in Seaview Park, and another special memorial—a bush-rock seat constructed by National Parks and Wildlife Service staff containing an engraved plaque—has been erected along the track in Ku-ring-gai Chase National Park near the site of the tragedy. Family members, friends and staff are today holding a private commemoration ceremony. Those four officers will always be remembered for their dedication, and their contribution to conservation and park management with the National Parks and Wildlife Service.

The safety of our firefighters has and will continue to be of paramount importance to us all, but this anniversary serves to remind us all of the risks associated with fire management activities undertaken by our dedicated parks fire officers and volunteers in this State. I am sure that all honourable members of this House will join me in commending the work of our parks managers and firefighters and in thinking of the families, friends and colleagues who have gathered in Kur-ing-gai Chase National Park today to comfort one another and to commemorate the loss of four people who devoted their lives to making our communities a safer place.

Mr BARRY O'FARRELL (Ku-ring-gai—Leader of the Opposition) [2.22 p.m.]: My electorate borders both the Ku-ring-gai Chase National Park and the Lane Cove National Park, and the Ku-ring-gai Chase National Park is in the electorates of a number of members. I join with the Minister for the Environment in reflecting on the deaths of these individuals 10 years ago and on the pain, distress and agony caused to their families and to the survivors. I note that amongst those who died was George Fitzsimmons, the father of Shane Fitzsimmons, who now heads the service.

Those who work in our national parks do extraordinary things, and this is not the least of it. Despite what is said at times, they are at the forefront of managing what are potentially enormous fire hazards across the State, and particularly around urban areas. The officers on that day were engaged in trying to protect the national parks, but they met with disasters and it resulted in deaths and injury. For that this House should certainly express sorrow. I am pleased that Natalie Saville, who was one of the three National Parks and Wildlife Service officers injured on that day, has been continuing her efforts in Lane Cove National Park providing educational and other services to visitors to the park. I am grateful for that. The Opposition joins with the Government in commemorating this anniversary of that tragic disaster.

BUSINESS OF THE HOUSE

Notices of Motions

Government Business Notices of Motions (for Bills) given.

QUESTION TIME

[*Question time commenced at 2.23 p.m.*]

INFRASTRUCTURE SPENDING

Mr BARRY O'FARRELL: My question is directed to the Premier. How can the people of New South Wales believe the Government's claims of a record infrastructure budget given that it underspent last year's budget by $1.4 billion and that it has cut infrastructure spending by $700 million to $62.2 billion over the next four years?

Ms KRISTINA KENEALLY: At a time when the New South Wales economy needed it most this Government, together with the Commonwealth Government, has delivered a timely and decisive stimulus package. That package includes stimulus to support jobs, but members opposite oppose it. The 2010-11 budget delivers a capital program worth $62.2 billion over four years to 2013-14. This supports up to 155,000 jobs each and every year for those four years. The Government will invest $16.6 billion of that in 2010-11 alone.

I can deal with that infrastructure spending by portfolio if the Opposition wishes. The infrastructure budget for the Health portfolio has been increased to about $3.3 billion for the four years to 2013-14. Over the next four years that budget will see investment in new infrastructure in Wagga Wagga valued at $90 million, in Wollongong valued at $83 million, and at Royal North Shore Hospital valued at $91.8 million. I will accept the member for North Shore's thanks later. Dubbo will see health infrastructure investment of $22.7 million; Tamworth, $10.5 million; St George, $10 million; and the northern beaches, $29 million. We will await the thanks that will come from members opposite.

The Transport budget includes infrastructure spending of $22 billion over the next four years. This includes $1 billion to commence work on the $4.5-billion western express rail service; and $1.7 billion to continue—and "continue" is the key word—the construction of the South West Rail Link.

Mr Steve Whan: Do you mean that it is already started?

Ms KRISTINA KENEALLY: That is correct; it is already under construction. The budget also includes $230 million for the extension of the Sydney light rail network, including acceleration of the Dulwich Hill light rail extension, and $3 billion for the Pacific Highway. I am glad the Leader of the Opposition asked this question. I will now take members through the Education infrastructure budget. Over the next four years about $3.6 billion will be spent on infrastructure, including $1.2 billion under the Building the Education Revolution program. Do members opposite support that program? No, not at all. In addition, $46 million will be spent on IT projects and there will be eight major new school building projects, some of those even in opposition electorates. This Government will also spend $175 million to continue implementing 46 major building works and $395 million will be spent on minor school works across New South Wales, including on fencing, science laboratories, toilets, halls and gyms.

I can also tell members opposite about the budget for Police and Justice. This Government will spend $38.9 million in 2010-11 for seven new police stations, at Burwood, Camden, Granville, Kempsey, Lake Illawarra, Raymond Terrace and Wyong. It will also commence work on the new $94-million state-of-the-art justice precinct in Newcastle, which represents the biggest increase in infrastructure spending in that city in 20 years. Of course, the hugely popular community building partnership fund is extended. That will see a further $35 million to continue that fund.

One can contrast these results clearly with what happened the last time members of the Coalition sat on the Treasury benches. This year our budget returns the State into surplus, makes record investments in health, makes significant investments in infrastructure and continues our strong tradition of caring for those who are most in need. That is our focus on this side of the House. It is worth reminding ourselves of what happened the last time members opposite sat on the Treasury benches. The former Coalition Government increased the State's total liabilities by more than $6 billion.

The SPEAKER: Order! Members will cease interjecting.

Ms KRISTINA KENEALLY: It produced six consecutive budget deficits cumulatively worth over $5 billion. In 1995 those opposite had a net debt of $12.15 billion, or 7.1 per cent of gross State product.

The SPEAKER: Order! The member for Epping will come to order.

Ms KRISTINA KENEALLY: We all remember that Moody's rating agency rated New South Wales on credit watch in 1991 when the Coalition was in government.

The SPEAKER: Order! The Leader of The Nationals will come to order.

Ms KRISTINA KENEALLY: We can talk about tax hikes under the Coalition Government, how it raised State taxes by $10 billion a year, the cost of living under the former Coalition Government when water rates went up 12 per cent, public transport fares went up an average of 12.5 per cent, small freight charges

increased by 150 per cent, but it is in infrastructure where the former Coalition Government really left a legacy for this State. It bungled infrastructure projects, including the airport rail link, identified by the member for Shellharbour, which was promised at no cost to taxpayers, and ended up costing $800 million. Who was the Minister for Transport? Bruce Baird. Who was his chief of staff? Barry O'Farrell.

It need not end there. The Luna Park redevelopment cost taxpayers $54 million. The Eastern Creek raceway cost taxpayers $135 million. The cost of the Port Macquarie Base Hospital blew out from $52.5 million to $143.6 million. In the words of the Auditor-General, the Government—referring to the Coalition when it was in government—was in effect paying for the hospital twice and giving it away. Finally, that hospital had to be bought back by this Government in 2005 at a cost of $80 million. By any measure, it is a Labor government that has invested in infrastructure; a Labor government that is delivering the best literacy and numeracy results in the nation. It is a Labor government that is making investments in public transport that sees our trains running 95 per cent on time. It is a Labor government that has invested in health that sees our patients—

The SPEAKER: Order! Members on both sides of the House will cease interjecting.

Ms KRISTINA KENEALLY: They do not want to hear. They do not want to hear about patient surveys. They do not want to hear about the views of patients in our hospitals—90 per cent of patients rate our hospital system good, very good or excellent, and that is because of the investment Labor governments have made in health.

Mr Adrian Piccoli: Point of order: I refer you to the length of the statement. I would say "answer", but I mean "statement". I am assuming we are going to hear it again after the next Dorothy Dixer.

The SPEAKER: Order! The member for Murrumbidgee will state his point of order. He should not guess what will happen next. The Premier has concluded her answer.

DOMESTIC VIOLENCE VICTIMS SUPPORT

Ms LYLEA McMAHON: I address my question to the Premier. How is the New South Wales Government supporting victims of domestic violence?

Ms KRISTINA KENEALLY: This is a significant issue. Domestic violence is an unspeakable crime. It is a breach of the trust between individuals that holds our society together. It breaks that trust within the intimacy of the home and within the shelter of the family. Indeed, it is the most egregious breach of human trust.

The SPEAKER: Order! The member for Wakehurst will come to order. This serious matter relating to domestic violence will be heard in silence.

Ms KRISTINA KENEALLY: Sometimes it leads, directly or ultimately, to the death of the victims—the death of spouses, of partners, of carers, and of children. I am advised that from 2003 to January 2008 there were 215 domestic violence related deaths in New South Wales; 42 per cent of all homicides are attributable to domestic violence in some way, and 43 per cent per cent of domestic homicide victims are killed by their partners. Domestic violence can be fatal and destructive in other ways. Domestic violence acts as a catalyst for suicide and, as with all violent behaviour, it can lead to tragic fatal accidents.

We need to do more to address the tragically high number of deaths associated with domestic violence. That is why this Government established the Domestic Violence Homicide Review Panel. That is why we have not hesitated to implement the panel's recommendation of establishing a permanent Domestic Violence Death Review Team and I note that legislative change to support the Domestic Violence Death Review Team was passed in the Parliament last week. That is why we are investing $50 million in a five-year domestic and family violence action plan—Stop the Violence, End the Silence. This is a record investment in domestic violence prevention and treatment. It will deliver a fundamental change in the way we support victims of domestic violence by expanding and supporting specialist domestic violence workers at police stations.

Leaving or recovering from domestic violence raises multiple issues that need to be navigated: legal, accommodation, child care, finances—it is a long list. Such issues are complex to manage at the best of times but let us put ourselves in the shoes of someone fleeing domestic violence and try to imagine managing all these things while recovering from the trauma of that experience. Any one of us would need someone to help us to navigate, to guide and support us. That is exactly what this program will provide. These specialist support

workers in 10 locations across New South Wales will provide women with the immediate support they need to protect themselves and their families. They will guide them to make decisions and create permanent changes that will break the cycle of violence.

We are providing more resources, expert support workers, accessible legal advice and emergency accommodation especially for remote and isolated women. This includes $2.2 million for domestic violence proactive support services in Sutherland, the inner west, Wollongong, Redfern and Canterbury regions; $1.5 million to expand this program to five new high-risk locations including Coffs Harbour, Rockdale-Kogarah, the eastern suburbs, Parramatta and Armidale; $2.4 million to expand the Domestic Violence Duty Solicitor Scheme to 15 additional court regions, with an emphasis on rural and regional areas; $1.3 million to expand the Rural Women's Outreach Program providing Legal Aid services and support to women in isolated farming communities and predominantly Aboriginal areas of remote New South Wales; and $9.5 million in Commonwealth funding to support the Orana Far West Safe House project model providing safe accommodation and support services for women and their children escaping violence in the far west, particularly in Aboriginal communities.

It is pleasing to note that we have received endorsements from Betty Green, the New South Wales Domestic Violence Coalition convener, and from Dr Lesley Laing, deputy chair of the Premier's Council for Preventing Violence against Women and senior lecturer in the School of Social Work and Policy Studies at the University of Sydney. Dr Laing is a longstanding expert and advocate in this field as the Director of the Education Centre Against Violence. She was responsible for the development of statewide training programs for health workers responding to adult and child sexual assault, domestic violence, child abuse and neglect. Today she writes:

> I welcome the practical and concrete help this plan gives to women who are attempting to establish lives free of violence for themselves and their children. These services are in contact with women at the point of crisis and vulnerability when they most need active support, accurate information and strong advocacy to resolve the many legal, accommodation, financial and other pressing needs.

I also note we have received support from Betty Green, who writes:

> The provision of funding linked to in the action plan is welcomed and it is equally important to support the work in the capacity of those services in the sector that are doing the work on the ground.

We thank particularly the Premier's Council for Preventing Violence Against Women. I thank the Minister for Women for her leadership in this field. We look forward to providing their support to women who need this help during what is a very painful and difficult time in their lives.

MINING ROYALTIES

Mr ANDREW STONER: My question is directed to the Premier. How can anyone believe her budget when, despite Prime Minister Rudd's great big new mining tax, she has actually increased the forecasts for mining royalties over the next three years by some $925 million?

Ms KRISTINA KENEALLY: The Commonwealth has clearly said that there will be lengthy consultation this year with the community and with the industry on the mining tax, the resource super profits tax. New South Wales will take part in that. The status of this tax is, of course, a matter for the Commonwealth Government. Treasurer Roozendaal has met with key parts of the industry, including the Minerals Council, and we are continuing those meetings. The Treasurer has also met with Commonwealth Treasurer Wayne Swan in relation to the resource super profits tax. I can advise the House that the meeting was positive. Treasurer Roozendaal has advised me that he raised a number of issues that are of concern to the mining industry, including the treatment of existing projects and the transitional arrangements. New South Wales Treasury will examine the details of the resource super profits tax and its impact on the mining sector.

The SPEAKER: Order! The Leader of The Nationals has asked his question. He will allow the Premier to respond.

Ms KRISTINA KENEALLY: This is a Commonwealth tax. The State supports the Commonwealth's decision to share the wealth generated by the booming mining sector across the community but we also recognise the importance of the mining sector to the State's economy. We want to provide certainty to that sector. As the Treasurer has already said, Treasury will continue to examine the details of this tax and its impact on the mining sector. However, as we see in today's budget, there are no changes to mining royalties in New

South Wales because the New South Wales mining sector does represent about 12 per cent of the national mining industry and we are, of course, continuing those conversations with the Commonwealth. On the question of taxes, in today's budget we saw two cuts to payroll tax in this State, bringing the rate of payroll tax down to 5.45 per cent in January this year.

The SPEAKER: Order! I call the member for Lismore to order.

Ms KRISTINA KENEALLY: This represents a significant cut to payroll tax and, because New South Wales indexes the rate of payroll tax, businesses in the State are not subject to bracket creep and, as a result, some 90 per cent of businesses in New South Wales pay no payroll tax. Of course, as one would expect, the business community has welcomed the cuts that we have provided to payroll tax. It is worth noting that our strong stance on cutting payroll tax contrasts sharply with the Opposition when it was in government—there were tax hikes under the Coalition Government. The Coalition raised an extra 58 per cent in State tax revenues between 1988 and 1995. Their tax rises included a doubling of bank account debits tax.

The SPEAKER: Order! The member for Murray-Darling will come to order.

Ms KRISTINA KENEALLY: Financial institutions duty on bank accounts also doubled and petrol tax increased by 3¢ a litre. What happened to payroll tax when members opposite last sat on the Treasury benches? It went from 6 per cent to 8 per cent—it went up—and this Labor Government is bringing it down.

HEALTH SERVICES

Mr DAVID HARRIS: My question is addressed to the Minister for Health. How is the New South Wales Government improving health and hospital networks?

Ms CARMEL TEBBUTT: I thank the member for Wyong for his question and interest in our health system. It is the case that this Government is investing record funding to deliver high-quality health services to the people of New South Wales. Since we came to office we have increased the health budget by 174 per cent. That is much higher than inflation. In fact, today we see that figure rise even higher with an investment of some $16.4 billion in health and hospital services in the 2010-11 budget. This is an increase of 8.3 per cent, $1.3 billion on last year's budget. It includes a 52 per cent increase in our capital budget.

This budget delivers more beds and new staff, additional surgery and health services, and record investment in health infrastructure, building new hospitals, upgrading existing hospitals and delivering to the people of New South Wales. We are building a better, stronger and more sustainable health system in order that we can respond to the growing and ageing population and to make sure that the people of New South Wales can receive their health services in the best possible setting, whether that be in the community, in hospital or in their home.

The Government is spending almost $1 billion in new and improved health infrastructure. That is a reflection of our commitment to providing the best possible environment for care. I am pleased to share with the House some of the detail of our record capital budget; for example, an $82 million investment for the $980 million new Royal North Shore Hospital redevelopment. This is the largest capital works project in New South Wales history. We are spending $180 million in further investment in Orange Base Hospital, which will be a fabulous hospital for the Central West of New South Wales. We are providing funding in this budget towards the $10 million redevelopment of St George Hospital. We were out there this morning talking to the clinicians, who are thrilled we will be redeveloping their emergency department.

We are providing funding towards the $83 million elective surgery unit at Wollongong Hospital. Again the clinicians and patients are very pleased they will have a new elective surgery unit. We are providing funding towards the $90 million redevelopment of Wagga Wagga Base Hospital. I know that will be welcomed by the people of Wagga Wagga. They will be very pleased to see redevelopment of their hospital. Those are some of the many capital investments right across New South Wales. I turn to the recurrent budget because we are also investing heavily to improve health services in New South Wales. For example, this financial year we will deliver an additional 380 acute care beds and 105 sub-acute beds through combined State and Federal funding.

This follows the Keneally Government's historic agreement with the Commonwealth at the Council of Australian Governments negotiations earlier this year—I might point out, an agreement that was largely

opposed by members opposite. The Opposition does not support the extra 380 acute care beds or the extra 105 sub-acute care beds. Operating across a range of medical and surgical specialties, these additional beds will significantly boost the provision of health services in New South Wales.

But it does not stop there. As part of the good news for the health system, the patients of New South Wales and the community of New South Wales, enhancements to health services in this budget include almost $54 million to perform more elective surgery across the State; $8 million for an additional six adult intensive care beds across New South Wales, which includes funding for staff and specialised equipment; nearly $3 million for 12 special care nursery cots, to give premature babies who have had life-saving treatment the best possible environment in which to grow before they can go home; nearly $11 million for renal services, to improve home-based dialysis and enhance the management of kidney disease; $5 million to expand radiotherapy services across the State, including employing an additional 33 specialty staff, at Gosford, Nowra, Wollongong, Liverpool, Lismore and Port Macquarie; and—something I know will be welcomed by many in this State—$4 million for the Program of Appliances for Disabled People, a service that is so important to people with a disability throughout the State.

We also continue to invest in rolling out our *Caring Together* Action Plan, with $125 million allocated this year to fund new clinical staff, to ensure patients remain at the centre of the healthcare system. The Government will also significantly enhance health care services in regional areas, with more than $4 billion being committed to regional and rural New South Wales. This is a health budget that delivers for the people of New South Wales—delivering more beds, more surgery, more staff and more services—to ensure that we can meet the demands of a growing and ageing population.

BUDGET EXPENSES

Mr MIKE BAIRD: My question is directed to the Premier. How can her budget have any credibility when it shows that expenses increased by 9.6 per cent last year but next year expenses will increase by just 2.7 per cent? Or is this a $3 billion budget hole?

The SPEAKER: Order! Government members will come to order.

Ms KRISTINA KENEALLY: This is a budget that we are proud of—delivering important services to the people of New South Wales whilst continuing our strong track record of economic management—something those opposite simply cannot understand.

The SPEAKER: Order! I call the member for Goulburn to order.

Ms KRISTINA KENEALLY: The budget will return to surplus two years earlier than was expected in the 2009-10 budget. The turnaround in the 2009-10 result compared to budget time last year is expected to be around $1.1 billion. The 2010-11 budget result is expected to be a surplus, while delivering on front-line services, boosting jobs and infrastructure. Total revenue for 2010-11 is estimated at $57.7 billion. As a result of the global financial crisis, the 2009-10 budget estimated a revenue loss of $10 billion over four years to 2011-12. Following the improved economic outlook, the budget has since recovered around half of this loss. Total expenses for 2010-11 are estimated at $56.9 billion. Total expenses are expected to increase by an average of 3.4 per cent over the four years to 2013-14.

This budget will see $62.2 billion in total State capital expenditure over the four years to 2013-14, of which $16.6 billion is allocated to 2010-11. This will support up to 155,000 jobs each year. The general government sector can expect to see a total of $25.9 billion over the four years to 2013-14, of which $7.7 billion is allocated to 2010-11. The New South Wales economy recovered strongly in 2009-10. We are now expecting to see a 3 per cent turnaround in the gross State product compared with the forecast in last year's budget. New South Wales' unemployment rate is expected to average—

The SPEAKER: Order!

Ms KRISTINA KENEALLY: This is good news for the people of New South Wales, and the member for Clarence says, "Blah, blah, blah." These are good, strong economic results for the people of New South Wales, and The Nationals are bored to tears.

The SPEAKER: Order! I call the member for Clarence to order. I call the Minister for Police to order.

Ms KRISTINA KENEALLY: As I was saying before I was so rudely interrupted—

The SPEAKER: Order! The House will come to order. The Premier has the call.

Ms KRISTINA KENEALLY: As I was saying, New South Wales' unemployment rate is expected to average at 5.5 per cent in 2010-11. This is 3 per cent lower than what it was forecast to be in last year's budget for 2010-11. That is equivalent to around 110,000 jobs. By the end of June this year, general government net debt—

Mr Mike Baird: Point of order: My point of order relates to relevance, under Standing Order 129. The question posed a simple proposition. The Premier should either explain the expense items or admit a $3 billion budget hole.

The SPEAKER: Order! I will hear further from the Premier.

Ms KRISTINA KENEALLY: It is a bit rich that those opposite talk about credibility. They have a wimpy shadow Treasurer in the member for Manly, who is prepared to fabricate figures in a presentation to the State's business leaders. This is the same man who proudly boasts on his website about his role in promoting the infamous Kangaroo Bonds market—the same unsecured Kangaroo Bonds that tied Australian families to failing United States companies and stripped billions of dollars from their superannuation during the global financial crisis. This is the same guy that fabricates figures when he talks to business leaders, and promotes himself that he was a proud part of that Kangaroo Bonds market that stripped billions out of the superannuation of Australian families. This is the same guy who wants those very same families to sink their money into his self-devised Waratah Bonds scheme. One has to ask: Does it come with a free set of steak knives, Mike? Watch out, those knives are probably in the back of the Leader of the Opposition!

The member for Manly does not want to hear about the good results in this budget. He does not want to hear about the lowering of the unemployment rate that is forecast. He does not want to hear that by the end of June this year general government net debt is expected to be $10.4 million, or 2.5 per cent of the gross State product—that is $2.4 billion lower than the $12.8 billion forecast in the 2009-10 budget. It is worth noting that when the Coalition was last in government its general government net debt level was 7.4 per cent of gross State product.

POLICE RESOURCES

Dr ANDREW McDONALD: My question is addressed to the Minister for Police. How is the New South Wales Government supporting our Police Force and giving them the resources to drive down crime?

Mr MICHAEL DALEY: I thank the member for Macquarie Fields for his question. Under this Government, since 1995 we have seen police salaries double, a record capital expenditure, and police numbers increase by more than 20 per cent. New South Wales now has the fourth-largest Police Force in the English-speaking world, something to be proud of.

[*Interruption*]

The last time the member for Clarence interjected he was marched out of the House. He should remain quiet today.

The SPEAKER: Order! I call the member for Port Stephens to order for being unable to contain the member for Clarence. The Minister may proceed.

Mr MICHAEL DALEY: As part of a record $2.8 billion budget for the New South Wales Police Force—I love the sound of that: a record $2.8 billion budget for the Police Force—

Mr Andrew Stoner: You said that about the Roads budget.

Mr MICHAEL DALEY: That is what I said about the Roads budget a couple of years ago. It was a record budget then, and it is a record budget now. I note that the Leader of The Nationals does not like to hear that. The Government is making an investment in this budget and is getting on with providing even more front-line officers and more state-of-the-art equipment for our police.

The SPEAKER: Order! I call the member for Coffs Harbour to order.

Mr MICHAEL DALEY: This record Police budget includes investing $34.9 million this year—members opposite might want to listen to this because it will help their communities—towards 250 new officers as part of the Government's commitment to deliver an additional 400 front-line officers by December 2011. That will bring the State's police force to a whisker shy of 16,000 officers. But that is not all. There is also $8.6 million to complete the purchase of a new state-of-the-art, twin-engine helicopter worth almost $11 million; $3.1 million for the continued rollout of tasers and related equipment; $3.8 million for new mobile numberplate recognition systems, which will bring the total to 120 units; $3.3 million for 25 new mobile command units; and $3.8 million per year over the next four years for the Child Wellbeing Unit and the Joint Investigative Response Team Referral Unit established under the Keep Them Safe child protection initiative. I thank and congratulate Minister Burney on her efforts in that regard.

I am also proud to draw the attention of the House to the $12.4 million investment in improved forensic DNA testing procedures, as well as cutting edge DNA forensics and ballistics equipment, the very kind of equipment that not only helps police prevent and solve crimes, but also gives victims of crime the justice and closure they so rightly deserve. This will include a three-dimensional IBIS ballistics matching system—absolutely state-of-the-art ballistics equipment; the purchase of six mobile forensic command vehicles—one for each police region in the State; a new scanning electron microscope with an energy dispersive X-ray analyser, which allows police forensic scientists to detect, characterise and identify otherwise unseen but potentially crucial and valuable microscopic clues; the establishment, in partnership with a major university, of New South Wales's first mitochondrial DNA laboratory—absolutely cutting edge stuff—

Mr Brad Hazzard: Say that again.

Mr MICHAEL DALEY: Mitochondrial DNA.

Mr BRAD HAZZARD: What does DNA mean?

The SPEAKER: Order! The member for Wakehurst will come to order. The member can look it up!

Mr MICHAEL DALEY: Deoxyribonucleic acid—I was listening in biology during year 12! I continue: a three-dimensional laser imaging system for forensic imaging of crime scenes and exhibits, up to 100 additional mobile fingerprint scanners for front-line police officers and building on the Government's recent rollout of 500 mobile fingerprint units to front-line officers. The Government is also proud to continue Police infrastructure. In 2010-11 the Government will invest $166 million in capital expenditure in new equipment and infrastructure projects, such as new police stations that include $67.5 million to continue the planning and construction of new police stations at Bowral, Burwood, Camden, Glendale, Granville, Kempsey—I cannot wait to cut the ribbon on that one—Lake Illawarra, Leichhardt, Liverpool, Manly, Moree, Parramatta, Raymond Terrace, Riverstone, Tweed Heads and Wyong; $3 million for prisoner-handling facility upgrades; $1 million to construct a tactical police training facility at Kingsgrove Police Station—

Ms Cherie Burton: Hear, hear!

Mr MICHAEL DALEY: Well might the member for Kogarah say, "Hear, hear!" Without the advocacy of the member for Kogarah, that project almost certainly would not have gone ahead. An amount of $2.3 million for the design and start of construction work on three new police stations at Parkes, Deniliquin and Walgett, and an extensive refurbishment at Tenterfield.

The SPEAKER: Hear, hear!

Mr MICHAEL DALEY: "Hear, hear!" indeed. The Police budget will also upgrade police technology and equipment, including $11.5 million to upgrade information communications technology equipment; $11 million for the all-important police radio network and communications upgrades; and $15 million for the ongoing upgrade of the Core Operating Policing System [COPS] program. The men and women of the NSW Police Force, together with those that assist them administratively, are working tirelessly day and night to keep the communities across our State safe. There is one thing that they can always count on—and can continue to do so—and that is the support given to them by this Government.

HEALTH SERVICES

Mr ANDREW STONER: I direct my question to the Minister for Health. Why has the Government slashed total infrastructure spending in this year's budget by some $700 million, with long promised upgrades to Parkes, Forbes and Port Macquarie hospitals omitted, Dubbo given a token planning figure only, and the commitment given by the Government to the Tamworth Hospital redevelopment yet again failed to be met?

Ms CARMEL TEBBUTT: I thank the Leader of The Nationals for his question. I appreciate that he struggles with figures sometimes, but I find it hard to understand how a 52 per cent increase in the capital budget can be turned into a capital budget cut. It just does not make sense. Obviously the Leader of The Nationals did not listen to my earlier answer, so I am happy to outline for him some further details about the capital budget for the Health system in New South Wales. I am extraordinarily proud of it. Almost $1 billion has been allocated for capital infrastructure for Health services in New South Wales, upgraded hospitals, new hospitals, upgraded emergency departments, multipurpose services—the list goes on. Obviously the Leader of The Nationals was not listening carefully when I was responding in my earlier answer. I will provide some more details for him.

The SPEAKER: Order! The Leader of The Nationals will cease interjecting.

Ms CARMEL TEBBUTT: Capital investment in 2010-11 includes funding for planning or the commencement of significant new capital works programs, such as a $83 million elective surgery unit at Wollongong Hospital; a $10 million upgrade to the emergency department at St George hospital; $34 million for new mental health facilities at Hornsby Hospital; $15 million for the Prince of Wales Hospital; a $92 million clinical services building at Royal North Shore Hospital; and a $29 million investment in planning for the Northern Beaches Hospital and associated works at Manly and Mona Vale hospitals.

Let us now turn to regional and rural New South Wales. Capital investment includes the $90 million stage one redevelopment of Wagga Wagga Base Hospital—I think the member for Wagga Wagga would welcome that; a $22.7 million redevelopment of Dubbo Base Hospital—I think the member for Dubbo would welcome that; commencement of the redevelopment of Tamworth Hospital, with a $52 million investment in maternity services and the new cancer centre—I know the member for Tamworth is thrilled about the new cancer centre; and $35 million towards regional cancer centres right across New South Wales.

But it does not stop there. The budget also includes significant funding for new ambulances, new ambulance stations—I know the member for Cessnock is pleased to have a new ambulance station in Cessnock—multipurpose services and important health technologies in things such as MRI and CT scanners. The Government is continuing to invest in existing projects, such as the $396 redevelopment of Liverpool Hospital—I know that is welcomed by the member for Liverpool and the other members from south-western Sydney; the redevelopment of Nepean Hospital, with a $51 million new mental health facility included—I was out there yesterday speaking with clinicians and they very much welcome the redevelopment of Nepean Hospital; and the record $980 redevelopment of Royal North Shore—the largest ever in the history of Health capital works. I refer also to the $257 million redevelopment of Orange Base Hospital. It is very hard to understand how the Leader of The Nationals can possibly draw the conclusion that there is not an increase in the Health budget: a 52 per cent increase, with nearly $1 billion being spent on Health infrastructure right across New South Wales.

ROADS FUNDING

Mr DAVID CAMPBELL: I address my question to the Minister for Roads. Will the Minister advise the House on how the New South Wales Government is maintaining and improving the road network, particularly in the Illawarra?

Mr DAVID BORGER: I thank the member for Keira for his question and his longstanding interest in the improvement of roads throughout his electorate and New South Wales. This year the Keneally Government will invest a record $4.7 billion in roads. It is the biggest roads investment in the history of New South Wales. It is a $300 million increase on last year's record budget. This record infrastructure budget will build and maintain critical road infrastructure across New South Wales. Key projects include $2.2 billion to build new roads, $1 billion to maintain existing roads and $871 million to invest on the Pacific Highway, representing 20 per cent of the New South Wales Roads budget. Through today's budget the Government will deliver more roads and

safer and smoother roads in New South Wales. Our record roads investment will deliver jobs, supporting more than 6,000 workers in planning, designing and building new roads infrastructure up and down the coast, throughout Sydney and across New South Wales.

Labor is building roads, investing in roads and making roads safer. Part of today's budget will be directed towards a three-year $25 million package of infrastructure and safety upgrades on Picton Road. I know that the member for Keira, the member for Wollondilly and various other members in the Illawarra will be very pleased about that. This package will mean greater safety for families and commuters. The works will include shoulder adjustments, concrete barriers, resurfacing and wire rope technology, which is very important in preventing car crashes on that section of the road. These new measures will save lives. Work started yesterday on one of these projects—a new police enforcement bay along Picton Road. The Government has listened to families and to the members who represent the electorates of Wollondilly, Heathcote and Keira, who have been calling for these safety improvements. We have delivered in this budget for Picton Road.

Throughout today's budget are examples of the Government listening and delivering for communities across the State. Projects to be completed as a result of this year's budget include $21 million in the electorate of Keira, including $7.5 million on maintenance and $10 million to upgrade the intersection of the Princes Highway and The Avenue. The budget includes $20 million in East Hills to complete the widening of the northern approach to the Alfords Point Bridge. I know this initiative is welcomed by the member for Menai and the member for Miranda. Also, $12 million goes to Maitland to complete the construction of the third crossing of the Hunter River at Maitland.

The SPEAKER: Order! Members will cease interjecting, including the member for the South Coast.

Mr DAVID BORGER: I have no doubt that the Opposition will offer bipartisan support for this record Roads budget in New South Wales, particularly in the seat of Oxley. Someone has to deliver roads policy and funding for Oxley, and it is this Labor Government that is doing it. In this year's budget we are investing more than $200 million in the electorate of the Leader of The Nationals. The member for Clarence is not in the Chamber. That is a pity because he cannot hear about the $106 million invested in his electorate. I know he will welcome that funding.

The SPEAKER: Order! Members will cease interjecting. The member for East Hills will come to order.

Mr DAVID BORGER: The member for Clarence is obviously printing the newsletter congratulating the Government on the more than $100 million being spent in his electorate. The member for Terrigal will surely welcome the $68 million for infrastructure, maintenance and safety improvements on his local roads. He was telling a few porkies on Central Coast radio today. He did not mention the record new money that is going to Central Coast roads. The New South Wales Government is delivering better roads for New South Wales. We have made a record investment on Sydney roads, rural and regional roads, and roads up and down the coast. We have the support of the new wave, the blow wave and all the other waves that are coming from coastal New South Wales. The Government has made a record investment in our roads network, providing safer and smoother journeys for the people of New South Wales.

NORTH WEST RAIL LINK

Mr RAY WILLIAMS: My question is directed to Joe—I mean, the Premier.

The SPEAKER: Order! Government members will come to order. The member for Hawkesbury will restate his question.

Mr RAY WILLIAMS: My question is directed to the Premier. Why would anyone in the north-west believe that New South Wales Labor will deliver on much-needed rail transport, given that last year the Government promised to spend $83 million on land acquisition for the North West Rail Link and the budget papers today reveal only $699,000 was spent?

Ms KRISTINA KENEALLY: That was the highlight of the political career of the member for Hawkesbury. That is the most exciting thing he will do all year. In 2010-11 this Government will invest $7 billion in transport. This is only the first year of our fully funded 10-year Metropolitan Transport Plan. I thank the member for Hawkesbury for giving me the opportunity to talk about the plan. It includes a record

$1.1 billion of funding for bus services and a record $3.2 billion for rail services, providing hundreds of buses and train carriages, and safer, more comfortable and air-conditioned services across the public transport network. It includes a $145 million expenditure on 200 growth buses this financial year, the first of the Metropolitan Transport Plan. We will spend $77.6 million to purchase 100 new bendy buses and $109 million on 206 buses to replace older vehicles in the State Transit Authority and private bus fleets. In addition, we will spend $271 million on 74 outer suburban train carriages.

Mr Ray Williams: Point of order: I refer to Standing Order 129, relevance. I asked the Premier a specific question about the North West Rail Link.

The SPEAKER: Order! I will hear further from the Premier.

Ms KRISTINA KENEALLY: As I was saying, the budget includes $271 million for 74 outer suburban train carriages and works to enable the rollout of the first set of the new 626-strong Waratah fleet. This budget begins the $50 billion Metropolitan Transport Plan, including construction, now underway, for the South West Rail Link, $303 million in continued funding for rail clearway projects and $30 million for the design—

Mr Wayne Merton: Point of order—

The SPEAKER: Order! The Minister for Climate Change and the Environment will contain himself.

Mr Wayne Merton: Mr Speaker, I know where you sit, but the Premier does not. She has been looking for you for two weeks at the other end of the Chamber! I cannot see you up there.

The SPEAKER: Order! The member for Baulkham Hills will state his point of order or resume his seat.

Mr Wayne Merton: The member for Hawkesbury asked a specific question. He referred to the North West Rail Link. I am so overcome with emotion—a bit like the Premier from time to time.

The SPEAKER: Order! The member for Baulkham Hills will resume his seat. I appreciate that question time is an emotional time. I will deal with the first part of the member's point of order. I again advise members that additional cameras will be installed in the House. One camera will be located behind the Chair. The Premier has the call.

Ms KRISTINA KENEALLY: Under the Metropolitan Transport Plan this Government will construct the $6.7 billion North West Rail Link, and work will commence on this project in 2017. The link will run from Epping to Rouse Hill and will be completed by 2024. The link will be supported by the quadruplication of the line from St Leonards to Chatswood, allowing connection to the existing rail network. The North West Rail Link will be a heavy rail line linking the CityRail network at the recently upgraded Epping station. Land has been purchased already along the corridor of the new line.

The north-west is one of the city's major growth areas and the North West Rail Link will provide much-needed public transport for the area. It will connect commuter car parks and bus interchanges and it will offer a fast, direct route connecting population centres in strategic locations between the north-west of Sydney, Macquarie Park and the central business district. The construction of this rail link will create thousands of jobs, providing a boom for the region—all part of this Government's Metropolitan Transport Plan, which is a fully-funded package of infrastructure and a commitment of $50 billion over 10 years.

NEWCASTLE LEGAL SERVICES

Mr MATTHEW MORRIS: My question is directed to the Minister for the Hunter. What is the latest information on legal services in Newcastle?

Ms JODI McKAY: I am pleased to say that the Keneally Government will invest $94 million in a new courthouse in a modern justice precinct in the heart of Newcastle. The new justice precinct will be the State's largest regional court complex. It will have at least 20 per cent more space than the existing courthouse in Newcastle. Importantly, funding for the new court complex delivers on one of the key catalyst projects from the Hunter Development Corporation's City Centre Renewal Report. Planning for the Newcastle courthouse will be

completed in 2011-12, with construction to begin the following year. The $94 million complex is expected to open in 2014-15. The Opposition has remained largely silent on Newcastle for a long time. It comes as no surprise to me as Minister for the Hunter—

Mr Barry O'Farrell: How is John going?

Ms JODI McKAY: You should know; you met with him. It is of no surprise to me that we have heard nothing from the Opposition on this significant investment in the future of Newcastle. On the other hand, the local community has been quick to endorse the New South Wales Government's commitment to the new justice precinct. In the Newcastle *Herald* on Saturday the Hunter Business Chamber chief executive Peter Shinnick said:

> This $94 million development represents the first major construction in the Newcastle CBD for three years and the NSW government should be praised for delivering it to the region.

In the Newcastle *Herald* on Monday, Newcastle District Court Judge Ralph Coolahan said:

> It's a great commitment from the government in times when money is short and there are so many competing interests.

The Government's investment has been warmly welcomed by the Hunter Chapter of the Property Council of Australia, which announced recently:

> The Minister for the Hunter and the NSW Attorney General are both to be commended on the work they have done to ensure that this catalyst project becomes a reality.

I recently announced also that the New South Wales Government had returned the former Newcastle post office to public hands—another decision widely celebrated by the local community. It is important to put on the record that it was the Howard Coalition Government that allowed the fire sale of that majestic building, which heralded years of decline, vandalism and decay. And—surprise, surprise—the Opposition spokesperson for the Hunter, Mike Gallacher, who lives on the Central Coast, had nothing to say about the post office. A quick search of Mr Gallacher's website shows that not only did he have nothing to say on the purchase of the post office but that he has had nothing to say on Newcastle or the Hunter region since August 2009. That is because he lives on the Central Coast and knows nothing about the Hunter. The last press release issued by the Opposition spokesperson for the Hunter—

[*Interruption*]

Who is he? Exactly. As I was saying, the last press release issued on his website that has anything to do with the Hunter region was on 10 August 2009. However, to be fair to him, he does have a Hunter-specific page, on which he states:

> As the shadow Minister for the Hunter I have been appointed by the New South Wales Liberal/Nationals Coalition to address issues of concern to the residents of the Hunter Region and advocate for improved State Government funding for vital infrastructure and services.

The shadow Minister has effectively kept silent on Newcastle and the Hunter region for almost 10 months. He has had no stance on returning the post office to public ownership, no stance on the $94 million commitment by the Government in the new justice precinct, no direction on the revitalisation of Newcastle and nothing to say on the Hunter, full stop. I thought, to be fair, we should look a little bit wider, because this is such an important investment in this budget for Newcastle and the Hunter region. I had a look on the Liberal-Nationals' "Start the Change" website. When you type "Newcastle"—the second city of New South Wales—into the search field, guess what you get? Nothing.

Mr Malcolm Kerr: Point of order: Standing Order 129, relevance.

The SPEAKER: Order! I am sure the Minister is concluding her answer.

Ms JODI McKAY: I am. I do not have long to go because there is nothing to talk about on the Opposition's website. I know that the member for Swansea will not be surprised that when you type "Swansea" into the search tab you also get nothing. The member for Wallsend, the member for Charlestown and the member for Maitland should not be surprised either that when you type the names of their electorates in the search tab on the website there is nothing. If you put Cessnock into the website it fares a little better.

Mr Kerry Hickey: That's good!

Ms JODI McKAY: Don't get too excited. Cessnock does fare a little better: there is one result. Cessnock is included in a tiny list in a media release and that is it.

Mr Kerry Hickey: George, you could do better!

Ms JODI McKAY: It is not about George. We would welcome George as the shadow Minister for the Hunter, but George has nothing to do with the Hunter; he is not there. It is the shadow Minister, who lives on the Central Coast. The Opposition does not care about Newcastle and the Hunter; it has absolutely nothing to say and certainly nothing to give the people of the Hunter region.

Question time concluded at 3.27 p.m.

JOINT STANDING COMMITTEE ON ROAD SAFETY

Government Response to Report

The Clerk announced receipt of the following reports:

(1) Government response by the Minister for Police to report No. 3/54 entitled "Report on Pedestrian Safety"

(2) Government response by the Minister for Roads to report No. 3/54 entitled "Report on Pedestrian Safety"

STANDING COMMITTEE ON NATURAL RESOURCE MANAGEMENT (CLIMATE CHANGE)

Government Response to Report

The Clerk announced receipt of the Government response to report No. 5/54 entitled "Return of the Ark: The Adequacy of Management Strategies to Address the Impacts of Climate Change on Biodiversity".

LEGISLATION REVIEW COMMITTEE

Report

Mr Allan Shearan, as Chair, tabled the report entitled "Legislation Review Digest No. 8 of 2010", dated 8 June 2010.

Ordered to be printed on motion by Mr Allan Shearan.

PETITIONS

The Clerk announced that the following petitions signed by fewer than 500 persons were lodged for presentation:

Greenwich Hospital Day Care Centre

Petition requesting adequate funding for the Greenwich Hospital Day Care Centre, received from **Mr Anthony Roberts**.

Bus Service 311

Petition praying that the Government urgently improve bus service 311 to make it more frequent and more reliable, received from **Ms Clover Moore**.

Bus Service 389

Petition requesting improved services on bus route 389, received from **Ms Clover Moore**.

Edgecliff Interchange Upgrade

Petition requesting the upgrading of Edgecliff interchange, received from **Ms Clover Moore**.

Religious Education and School Ethics Classes

Petition opposing the proposed ethics classes and requesting continuation of the scripture classes, received from **Mr Jonathan O'Dea**.

Retail Electricity Pricing

Petition objecting to the Independent Pricing and Regulatory Tribunal recommendations to increase retail electricity prices, received from **Mr Greg Aplin**.

Drought Relief Worker Job Protection

Petition requesting that the jobs of drought relief workers be protected, received from **Mr Greg Aplin**.

Pet Shops

Petition opposing the sale of animals in pet shops, received from **Ms Clover Moore**.

Mental Health Services

Petition requesting increased funding for mental health services, received from **Ms Clover Moore**.

The Clerk announced that the following petitions signed by more than 500 persons were lodged for presentation:

Clarence Electorate Police and Community Youth Club

Petition requesting the establishment of a police and community youth club in the Clarence electorate, received from **Mr Steve Cansdell**.

Retail Electricity Pricing

Petitions objecting to the Independent Pricing and Regulatory Tribunal recommendations to increase retail electricity prices, received from **Mrs Dawn Fardell**.

BUSINESS OF THE HOUSE

Business Lapsed

General Business Notices of Motions (General Notices) Nos 847 to 863 lapsed pursuant to Standing Order 105 (3).

CONSIDERATION OF MOTIONS TO BE ACCORDED PRIORITY

Education Funding

Ms NOREEN HAY (Wollongong—Parliamentary Secretary) [3.32 p.m.]: My motion expresses concern about the Federal Opposition's plan to cancel the supply of laptops to more than 60,000 students, to scrap quality teaching initiatives, to cut funding for trade schools and to strip away environmental protection. It also congratulates the New South Wales shadow Minister for Eduction, the member for Murrumbidgee, on joining with the State Government in urging the Federal Coalition to scrap its proposed education spending cuts. This motion is urgent and deserves priority because the cuts being proposed by the Federal Opposition would have devastating impacts on students and teachers in New South Wales, not only in government schools but also in Catholic and independent schools.

The Federal Opposition's plans are horrifying and will cut $3 billion from education initiatives. My motion deserves priority because the community needs to understand what those cuts would mean. They would mean no more laptops for students in New South Wales. That will be no surprise to those who know the Coalition. It will also mean no more trade training centres in schools to give students a pathway into a trade. I know the reputation of the New South Wales Opposition and I know that it has no interest in trades or in

providing trade training opportunities. It is important that young people who may be looking at entering a trade training centre realise that if members opposite were elected to govern there would be no opportunities to do so. There would be no training places for 175,000 New South Wales workers to improve their skills and to help them to secure traineeships. That demonstrates the attitude of members opposite to those who want to retrain or take up a trade.

According to the Federal Coalition, teacher quality is not important—even though international research shows that it is the single most important thing we can do to improve student achievement. Given all the noise and carry on, it is obvious that members opposite have no interest in student achievements. I assure members that the Keneally Government is definitely interested in supporting and encouraging student achievement. We know that the education sector would be the big loser if Tony Abbott were to be elected. He is willing to put thousands of local jobs at risk and to leave schools without new facilities that have been promised to them. He is also willing to reduce funding to expand our skills base that is vital to support economic recovery. Parents and schools across New South Wales should be worried, and that is why this motion deserves priority.

It is also appropriate to take this opportunity to congratulate members opposite on taking the right position for once in their lives. It is rare moment in this place and it should be urgently acknowledged while we have the opportunity to do so. The people of New South Wales need to know that all members in this House oppose Tony Abbott's mad plans. They also need to know that all members in this House are standing up for our schools—government, Catholic and independent—and for teachers, students and school communities. For once, I can stand in this place and say that the Opposition has done the right thing and come on board with the New South Wales Government to oppose Tony Abbott's proposals and to support the Federal Government's education commitments. I am very proud of the member for Murrumbidgee for being prepared to publicly condemn Tony Abbott's proposal and to join with the New South Wales Government. I congratulate him.

State Economy

Mr BARRY O'FARRELL (Ku-ring-gai—Leader of the Opposition) [3.35 p.m.]: On budget day it is important to address ourselves to the fundamentals of this State. If people are reluctant to give the Labor Government credit for improving the budget bottom line, they are correct. Premier Kristina Keneally and her Treasurer did little or nothing to bring about this revival; it came about thanks to national and international forces beyond their control. For the benefit of the member for Cessnock, who takes issue with that statement, they are not my words; they are the words of Ross Gittins of the *Sydney Morning Herald*—one of the leading economic commentators in this country who has belled the lie today about members opposite being responsible for the economic turnaround.

The one truthful thing said by the Treasurer in this House today was in his first paragraph. He said that compared with last year the world had changed. Yes, that is because last year Nathan Rees was the Premier and he is now a backbencher and last year there were six other members sitting on the frontbench who are now on the backbench. The world has changed, but nothing other than ministerial changes happens under this Government. Faced with this State's two biggest problem areas—transport and health—what has this Government done? It has failed to deliver. It has allocated not one dollar for a project designed to reduce Sydney's road congestion. Road congestion is not only about people moving around the city; it is about people being able to engage in business in the city. If the city's economic arteries are restricted damage will be done to the city and to the State's economy.

Not one dollar has been allocated in this budget to fast-tracking projects or to new projects for Sydney's growth areas—the north-west, the south-west and western Sydney. This Government has approved a record number of land rezonings. I emphasise that that does not mean a record amount of land releases—and we all know that zoning does not provide a home for a family to live in. Despite the record level of zonings, no new infrastructure or acceleration of planned infrastructure has been foreshadowed to serve those areas.

To rub salt into the wound, people in the north-west will have to wait another seven years before their rail project is commenced—despite the fact that it was supposed to be opened this year. In addition, the Government set aside $83 million in last year's budget for land acquisitions to get that rail link underway, but only $700,000 was spent. That demonstrates the lack of interest by those opposite in the electorates of Londonderry, Riverstone and all the other western Sydney electorates. People who use the M7 and the M2 may well be able to use the North West Rail Link. Despite that, this Government has not made it a priority. The south-west has also missed out. Last year's budget set aside $33 million for land acquisition, but less than

$13 million has been spent. That again demonstrates a failure to deliver on the promises that this Government has made. As I have said before, building a car park at the Glenfield railway station does not represent a start to the South West Rail Link.

Last year, this Treasurer—under a different Premier—said that the budget delivered a record infrastructure spend of $62.9 billion. This year, the same Treasurer—under a different Premier—said that this budget represents a record infrastructure spend of $62.2 billion. Where has the $700 million gone? What we do know is that the words of those opposite are not worth anything. One might expect the Minister for Police to tell the truth, but he went through a long list of police stations that are planned to be built but did not mention a new police station at Coffs Harbour. Last year's budget included funding for a new police station at Coffs Harbour—in fact, it was at the top of the list in the budget papers—but this year it has disappeared.

This is a budget for the State election campaign; it is not a budget for the future of New South Wales. This is yet another cobbled-together document designed to get Labor through the next State election campaign rather than a document designed to restore growth and opportunity to make the State number one again. The failure of this State Government to deliver on its health priorities is a scandal. So today we see nothing for Forbes hospital, we see nothing for Parkes hospital, we see nothing for Tamworth hospital and we see nothing for Port Macquarie hospital—all promised by this State Government. We see nothing for Bega hospital and we see nothing significant for major hospital redevelopment in this city—including at the hospital in the electorate of the member for Blacktown. That demonstrates that the budget is all about politics, not delivery. It is all about the Government's needs, not the community's needs. This budget is all about one job—that of Kristina Keneally—and not the jobs of people across this State.

Question—That the motion of the member for Wollongong be accorded priority—put.

The House divided.

Ayes, 47

Mr Amery	Mr Furolo	Ms Megarrity
Ms Andrews	Ms Gadiel	Mr Morris
Mr Aquilina	Mr Gibson	Mr Pearce
Ms Beamer	Mr Greene	Mrs Perry
Mr Borger	Mr Harris	Mr Rees
Mr Brown	Ms Hay	Mr Sartor
Ms Burney	Ms Hornery	Mr Shearan
Ms Burton	Ms Judge	Mr Stewart
Mr Campbell	Mr Khoshaba	Ms Tebbutt
Mr Collier	Mr Lalich	Mr Terenzini
Mr Coombs	Mr Lynch	Mr Tripodi
Mr Corrigan	Mr McBride	Mr West
Mr Costa	Dr McDonald	Mr Whan
Mr Daley	Ms McKay	*Tellers,*
Ms D'Amore	Mr McLeay	Mr Ashton
Ms Firth	Ms McMahon	Mr Hickey

Noes, 40

Mr Aplin	Mr Hartcher	Mr Richardson
Mr Baird	Mr Hazzard	Mr Roberts
Mr Baumann	Ms Hodgkinson	Mrs Skinner
Ms Berejiklian	Mrs Hopwood	Mr Smith
Mr Besseling	Mr Humphries	Mr Souris
Mr Cansdell	Mr Kerr	Mr Stokes
Mr Constance	Mr Merton	Mr Stoner
Mr Debnam	Ms Moore	Mr R. W. Turner
Mr Dominello	Mr O'Dea	Mr J. D. Williams
Mr Draper	Mr O'Farrell	Mr R. C. Williams
Mrs Fardell	Mr Page	
Mr Fraser	Mr Piccoli	*Tellers,*
Ms Goward	Mr Piper	Mr George
Mrs Hancock	Mr Provest	Mr Maguire

Pair

Mr Martin Mr J. H. Turner

Question resolved in the affirmative.

EDUCATION FUNDING

Motion Accorded Priority

Ms NOREEN HAY (Wollongong—Parliamentary Secretary) [3.48 p.m.]: I move:

That this House:

(1) expresses its concern about the Federal Opposition's plan to cancel laptops for more than 60,000 students, scrap quality teaching initiatives, cut funding for trade schools and strip away environmental protection; and

(2) congratulates the New South Wales shadow Minister for Education and member for Murrumbidgee for joining with the State Government in urging the Federal Opposition to scrap proposed education spending cuts.

New South Wales has a world-class education system—a fact acknowledged recently by the Opposition. At a presentation to the most recent *Daily Telegraph* Education Forum, the Opposition said:

NSW should be proud of its education system. It is world class and consistently performs at the top of the OECD.

Indeed it does, and we should be proud. Certainly on this side of the House we are proud of our record of reform and achievement in education over the past 15 years. Independent measures attest to this record of achievement. The OECD Program of International Student Assessment ranked New South Wales 15-year-olds among the best in the world in reading, maths and science. Australia's National Assessment Program—Literacy and Numeracy also shows that New South Wales compares extremely well with other jurisdictions in Australia. New South Wales is almost always ranked in the top three jurisdictions, with the Australian Capital Territory Capital and Victoria, on all measures. New South Wales is also almost always significantly above the remaining jurisdictions and the Australian average.

For example, in last year's National Assessment Program—Literacy and Numeracy tests, New South Wales was ranked first in year 3 spelling, year 5 spelling and numeracy, year 7 spelling, and year 9 spelling. New South Wales performed very well in spelling, and ranked first on every indicator and at every year level in this field. New South Wales also performed very well at the top end of numeracy, where it was ranked first at all year levels and equal first in year 3. Furthermore, New South Wales has increased its performance over time. The New South Wales overall mean score in year 3 and year 5 reading, year 3 grammar-punctuation and year 5 numeracy increased by about 10 score points or more on their corresponding means in 2008.

All these increases were statistically significant. This performance reflects on the education system as a whole. It is a testament to, amongst other things, the quality and dedication of our fantastic teachers. The New South Wales State Government and the current Federal Government are making record investments in our schools. The New South Wales Government is an enthusiastic partner in the National Partnership on Literacy and Numeracy. In fact, we have allocated $238 million of new State funding to expand the reach of national partnership reforms in New South Wales schools. All up, that means that more than $1.2 billion in new funding will be flowing into the New South Wales education system that is specifically focused on initiatives that have an impact inside the classroom. The partnership will extend beyond one or two budget cycles, demonstrating the long-term commitment of the Rudd and Keneally governments to education reform.

Throughout the seven-year period to 2015, more than $1.5 billion in Commonwealth and State funding will be directed through the partnerships into priority areas. Over 740 New South Wales Government, Catholic and independent schools will benefit from this funding. However, one of these key partnerships is now under threat as a result of the Federal Opposition's foolishly short-sighted proposal. It proposes to abolish the National Partnership on Teacher Quality. It is encouraging that members opposite are joining us to oppose this cut. We all know, and the research shows, that the quality of classroom teachers is the single biggest factor in lifting student achievement. Let us be clear about what Tony Abbott's plan would mean for New South Wales teachers and students if he succeeded in cutting $135 million in funding for teacher quality initiatives. The new Australian Institute for Teaching and School Leadership, modelled on the successful New South Wales Institute

of Teachers, would be gone. The centres of excellence being established in New South Wales schools would be gone. Our initiative in New South Wales to establish positions for highly accomplished teachers—under which we pay $100,000 to our best teachers to lead improvements in classroom teaching—would be gone.

These cuts would affect not just the government sector; Catholic and independent schools would also suffer under Tony Abbott's plan. Groundbreaking and nationally recognised initiatives such as the Southern Cross Catholic Vocational College and the Council of Catholic School Parents Centre for Excellence would have their funding stopped. All these record investments in education will be a major contributor to the long-term economic prosperity of the State. It is encouraging that even though members opposite cannot develop an education policy of their own, on occasion they can at least make the right decision about what they do not support. Therefore, it is appropriate today that the House acknowledge one of the rare occasions when Opposition members have actually made a sensible decision. I look forward to hearing more from them.

The New South Wales Opposition should lobby their Federal counterparts and urge them to overturn this stupid decision, a decision that would have drastic impacts on teachers and students in our public schools, Catholic schools and independent schools. It is a short-sighted decision driven by ideology rather than common sense. It is not unusual for such a decision to be driven by ideology, but we should look at what is in the best interests of our students. This is not the first time that we have called on New South Wales Opposition members to contact their Federal counterparts to change their position on an issue. Hopefully, this might be the first time they agree to do so and that the decision will be reversed. As I stated at the outset, this matter is of grave concern to our teachers. It will impact on our education system, public schools, Catholic schools and independent schools. They look forward to these changes, and Abbott would cancel them.

Mr ADRIAN PICCOLI (Murrumbidgee—Deputy Leader of The Nationals) [3.55 p.m.]: Although I appreciate the best wishes of the member for Wollongong, I move:

> That the motion be amended by leaving out all words after "That" with a view to inserting instead:
>
> this House:
>
> (1) expresses its concern about the New South Wales Government's poor management of the Building the Education Revolution [BER] Program and for failing to deliver value for money to taxpayers; and
>
> (2) congratulates the New South Wales shadow Minister for Education and member for Murrumbidgee.

It is true that I made the comments reported in yesterday's *Australian* questioning some of the cuts proposed by the Federal Opposition. It is the responsibility of all governments and oppositions, when they have certain opinions, to stand up for their convictions—there are not many of us left who have them, as I am sure the member for the South Coast would agree. I agree cutting funding that would help to improve the quality of teaching is not a good idea. Having said that, I understand where the Federal Coalition is coming from.

The Federal Labor Government under Kevin Rudd has put Australia at enormous financial risk because of its huge budget deficits. Previously we had a $90 billion surplus but now we have $135 billion worth of government debt, with annual budget deficits in the range of approximately $30 billion. The Federal Opposition is acting prudently by looking at saving measures as a way to reduce the deficit. There was enormous debt under the Hawke and Keating governments. That is typical of Labor governments, with wild spending that is poorly directed and which results in bad value for money. Ultimately, huge sums of money—amounting to billions of dollars—are spent simply paying the interest on the debt when that money could be spent on hospitals, schools, community services, roads and transport.

I understand the stance taken by the Federal Coalition. It has chastised the Rudd Labor Government over the Building the Education Revolution program, which is the reason for my amendment. That program exemplifies the massive government waste. I am sure that all members acknowledge the waste that has occurred under the Building the Education Revolution program—even some Government members have declared publicly their disgust at some of the waste. New South Wales has more than $1 billion worth of projects to complete under that project and a number, in the thousands, are yet to begin. However, as the member for Wollongong implied, no Government member is willing to get on the phone to Julia Gillard, who is the real Prime Minister at the moment, given the trouble that Mr Rudd is in. None of them has been willing to ring Julia Gillard and say, "Julia, this is a disaster. Let's put this on hold. Let's do it sensibly. Let's not stuff it up, like they stuffed it up with the insulation program where they suddenly stopped it and we found all these tradesmen out of—

Ms Noreen Hay: Point of order: The member for Murrumbidgee is now beginning to mislead the people of New South Wales once again. The majority of schools in New South Wales are very happy with the delivery of services under the Building the Education Revolution program. Members opposite opposed it—

The DEPUTY-SPEAKER: Order! There is no point of order. I will hear further from the member for Murrumbidgee.

Mr ADRIAN PICCOLI: The member for Wollongong suggests that all the schools in New South Wales love this program. Obviously she has not been reading the newspapers. What do you think they are going to say to a Government member? What do you think a school principal employed by the Department of Education and Training is going to say to a Government member? I am an Opposition member, and I am yet to find a school where the principal or the parents and citizens association are happy with what they have got. A number of school principals have said to me, "We think we got terrible value for money, but we are not going to complain because it is better than nothing, and I don't want to put my promotional opportunities on the line."

Nobody on the Government side—and it starts with the Minister of Education and Training, Verity Firth—has ever stood up to the Federal Government and said, "We are going to put a hold on this program." And that is all the Government had to do! We would have supported the Government—and we can still support it—if it had said, "We are going to put on hold the projects that have not started, we are going to review how this whole process has been undertaken, and we are going to continue with the projects that have already started, so we do not see tradesmen and builders out of work, the way they bungled the roof insulation program. But with the projects that have not started, we are going to review that and do it properly." We all want to see this money well spent.

As I think I said last week in the Parliament, St Mary's Catholic School in Yoogali, near Griffith, has been virtually rebuilt. Yet, for the same amount of money Yoogali Public School, which is just down the road from St Mary's Catholic School, got a 13 metre by 13 metre library. I certainly accept that Yoogali Public School is happy with something that is better than nothing, but in terms of what the school could have got for the same amount of money the program has been a disgrace. The Building the Education Revolution program was one of the greatest opportunities of a lifetime. However, unfortunately for public schools right across New South Wales, because Government members have not had the guts to stand up to the Federal Government it is going to be one of the wasted opportunities of a lifetime.

Ms CHERIE BURTON (Kogarah) [4.02 p.m.]: Teachers, parents and students deserve to be congratulated on ensuring that the New South Wales public education system is first-class. As my colleague the member for Wollongong has referred to, New South Wales' high level of achievement is shown in our performance in the National Assessment Program—Literacy and Numeracy [NAPLAN]. The NAPLAN results for 2009 indicate that New South Wales was ranked first on every indicator and at every year level for spelling, that New South Wales performed very well in the top bands of numeracy, where it was ranked first at all year levels, and that New South Wales continues to be above the Australian figure for the percentage of students at or above the minimum standards.

New South Wales also ranked first in the percentage of students in the highest band in year 3 writing and spelling and equal first in numeracy; year 5 spelling, grammar and punctuation and numeracy; year 7 spelling and numeracy; and year 9 spelling and numeracy. But not everyone succeeds in education. New South Wales public education has the best and brightest, but we also outperform when it comes to helping the most disadvantaged students. The New South Wales public school system is big: it teaches three-quarters of a million students in 2,234 schools that employ nearly 50,000 permanent teachers. Every day teachers, parents and students work together to not only scale the heights of national and international tests but also help those in need to achieve their best. This effort is being supported by the New South Wales and Federal governments' record investment in schools.

But under Tony Abbott, it would all come to a grinding halt. It would be back to the days when *Skippy* and *Bewitched* were afternoon viewing. Not only does Abbott want to stop the teacher quality partnership—it is much more sinister than that—he also proposes to cut funding for the Digital Education Revolution. This is a $2.2 billion investment from the Rudd Government, an investment that is seeing every government high school student in years 9 to 12 receive a laptop. Around 120,000 students have already received a laptop, 60,000 this year alone, with a similar number set to receive them next year. A head teacher recently said:

> I don't think I can adequately describe the massively positive impact that the laptops have had in my school … I've seen firsthand "hard to engage" students buy back into learning activities for seemingly the first time.

They are glowing words in support of an initiative that Tony Abbott wants to stop. And Abbott's madness does not stop there. He also wants to cut the Trade Training Centres Program. This is nothing short of an attack on the working class, those who cannot afford laptops or who choose not to go to university because they are better at a trade. This is an attack on the disadvantaged people of this State. As Tony Abbott would have it, why create a level playing field? Why would the Government ensure that young people have an equal opportunity to achieve based on merit and hard work? Under Abbott, we are back to every man, woman and child for themselves. Under Abbott, children will go back to fighting disadvantage for the rest of their lives.

As many members would be aware, I came from a very disadvantaged background. I have always believed that the ticket out, the ticket to a better life—the ability for every child to reach their full potential—is education. That is one of the reasons we made the historic decision to raise the school leaving age. It is a ridiculous decision by the Federal Opposition that can only discourage students from staying at school. And it undermines the effort to expand our skill base, a skill base needed to support our economic recovery.

I want to respond to comments made by the member for Murrumbidgee in relation to the Building the Education Revolution. I had the unpleasant misfortune of being a member of this House while John Howard was Prime Minister. For 11 consecutive years he raped and pillaged the budgets for New South Wales: he gouged money out and he stopped spending. He made sure that New South Wales suffered in every area, from education, to health, and to housing for which I was Minister. The Building the Education Revolution program may have its issues, and they should be dealt with on a case-by-case basis. But the schools in the Kogarah electorate are receiving capital works and jobs are being provided for tradespeople that would never have been provided under a Coalition government. As I said, while there may be issues with the program and they should be dealt with on a case-by-case basis, the Building the Education Revolution was the largest and bravest opportunity to get good capital works done in schools. The Opposition has opposed the program right from the very beginning, and it is still opposing it. That is because the Opposition is all about cutting funding and taking money.

Mrs SHELLEY HANCOCK (South Coast) [4.07 p.m.]: I commend both the member for Wollongong and the member for Kogarah for speaking about the public education system. I was a teacher in the public education system for 27 years, and I am equally proud of it as they are. However, I am a bit dubious about the nature of this debate. The motion is about more than NAPLAN tests. I acknowledge that speakers in this debate have spoken about NAPLAN tests and about how well New South Wales does in those tests, and I certainly concur with that. But the subject matter of this motion was debated only last week in a motion that was in exactly the same terms. That motion was moved by the Minister for Education and Training, from memory, because I participated in that debate as well. The motion concerned the cancellation of laptops, scrapping quality teacher initiatives, cutting funding to trade schools, and stripping away environmental protection, which I do not think either the member for Wollongong or the member for Kogarah discussed in their contributions.

If members opposite want to talk about hypocrisy, let us talk about that part of the member for Wollongong's motion. The member for Wollongong has accused Tony Abbott of stripping away environmental protection. Indeed, let us look at what Kevin Rudd has done in terms of stripping away environmental protection. What did Kevin Rudd say about climate change? He said it was the greatest moral challenge of our time. But what has he done? He has ditched any plans to combat or counter that whatsoever—the Emissions Trading Scheme has been put in the bin. That is what Kevin Rudd has done about standing up for environmental protection, the greatest moral challenge of his time. He has put it away; it is all too hard.

All the Prime Minister did was strip pink batts from roofs, because they were an embarrassment to him. The second part of the motion of the member for Wollongong certainly makes sense. Members should congratulate the shadow Education spokesperson, the member for Murrumbidgee. For some time now he has been working with parents, teachers and the NSW Federation. He has been discussing the National Assessment Program—Literacy and Numeracy [NAPLAN] tests with them and the potential for those tests to be misused and translated into simplistic league tables, which is what happened the day after the launch of the My School website. Members on this side of the House oppose simplistic league tables. Government members also decided they opposed them but did absolutely nothing about picking up the telephone to express concern to their Federal counterparts about what was happening to parents and teachers and about the demoralisation of the public education sector of this State.

The shadow Education spokesperson should be congratulated. He has been legitimately raising the issue of the waste of taxpayers' money under the Building the Education Revolution [BER] scheme. He has made no complaint about the new building initiatives in public schools but rather of the lack of value for money.

That scheme is demoralising the public education sector. Public schools are comparing what has happened to them with what has happened in Catholic and Anglican schools—that has certainly been the case in my electorate—and finding how the public schools have been rorted. Those schools have not received value for money but they have to be grateful because it is better than the $118 million maintenance backlog in public education that the Government is responsible for. That was why we had the inquiry by Tony Vinson into public education. The Government has done very little to enhance the public education sector during its 15 years in office.

The shadow Education spokesperson should be congratulated. He has also been the only one to come up with a policy about education in this State that has been endorsed by the NSW Teachers Federation—that is, to provide an additional 900 teachers for intervention in the teaching of literacy and numeracy in the early education system to prevent students falling through the cracks. That sound policy has been endorsed by all sectors of the Education community. Who decided that that policy would be put forward on behalf of the Opposition? Yes, it was the member for Murrumbidgee, the shadow Minister for Education. The Opposition has been working on a sound policy to ensure that public education in this State remains number one in this country and that New South Wales does not fall behind. It has worked on a policy to ensure that children who are struggling from years 1, 2 or 3 through to high school receive the assistance needed. The Government has done very little. The Government has talked about how much Tony Abbott will gouge from the educational system but has talked very little about what it is going to do.

Ms NOREEN HAY (Wollongong—Parliamentary Secretary) [4.12 p.m.], in reply: I acknowledge the contributions made by the member for Kogarah and the member for South Coast, and I also acknowledge that she has been a public school teacher. I can understand why the member for South Coast did not want to deal with the amendment moved by the member for Murrumbidgee. Why would she? Paragraph (2) of the amendment by the member for Murrumbidgee states:

> (2) congratulates the New South Wales shadow Minister for Education and member for Murrumbidgee.

I am not aware of any member of this Parliament who has moved either a motion or an amendment to a motion to congratulate themselves, but it has possibly happened. The member for Kogarah has a proud record in representing her schools and I know how much it is appreciated by principals, teachers and students in her electorate. When the Howard Government was in office the New South Wales Opposition sat idly by while that Government stripped $3 billion in GST from New South Wales to subsidise other States. When the New South Wales Government called on members opposite to persuade the Howard Government to return that money to help the schools and the health system of this State, not one of them was prepared to do so. All this Government was asking for was our own GST!

We also need to make another correction to this smokescreen debate about this school, which could be termed "odd" when one considers the thousands of schools that have received halls, gymnasiums and libraries—and I have visited a number of them—and are very happy with their new facilities. Those schools would never have received those new facilities if the Howard Government was still in office, and they certainly would never have received them under the New South Wales Coalition. Another correction needs to be made: Catholic and independent schools should realise they would not have received any money from the stimulus package if the Opposition had had its way in Federal Parliament. The Federal Opposition opposed the stimulus package and the giving of money to those schools for additional resources. People should not be fooled when the Opposition talks about the odd public school that might have had a difficulty, because public schools are overwhelmingly happy with the delivery of the facilities they have received.

I would be the last person to unfairly criticise, and I take a bipartisan approach in welcoming the words and support of the member for Murrumbidgee in trying to stop Tony Abbott's cuts to students' laptops and the probable removal of funds from our education and health systems. However, it is a little ungracious of the member to try to amend the motion to congratulate himself, after ignoring the New South Wales Government's generosity of spirit in recognising that he had made a commonsense decision at long last. I could say it was perhaps discourteous of him. Nonetheless, let us not be fooled by the constant criticism.

A major budget announcement has been made in this House today. Additional funds have been allocated in my electorate alone of $100 million, for example, for schools, primary students, and health infrastructure. Significant funding was also announced for the electorates of members opposite—for example, funding to the Royal North Shore Hospital. Was there any gracious consideration by those opposite? Did they say thank you? And a significant amount of money was also announced for Wagga Wagga. I am sure a thank you will be received shortly because it never hurts to have good manners.

Question—That the words stand—put.

The House divided.

Ayes, 47

Mr Amery	Mr Furolo	Ms Megarrity
Ms Andrews	Ms Gadiel	Mr Morris
Mr Aquilina	Mr Gibson	Mr Pearce
Ms Beamer	Mr Greene	Mrs Perry
Mr Borger	Mr Harris	Mr Rees
Mr Brown	Ms Hay	Mr Sartor
Ms Burney	Ms Hornery	Mr Shearan
Ms Burton	Ms Judge	Mr Stewart
Mr Campbell	Mr Khoshaba	Ms Tebbutt
Mr Collier	Mr Koperberg	Mr Terenzini
Mr Coombs	Mr Lynch	Mr Tripodi
Mr Corrigan	Mr McBride	Mr West
Mr Costa	Dr McDonald	Mr Whan
Mr Daley	Ms McKay	*Tellers,*
Ms D'Amore	Mr McLeay	Mr Ashton
Ms Firth	Ms McMahon	Mr Hickey

Noes, 40

Mr Aplin	Mr Hartcher	Mr Roberts
Mr Baird	Mr Hazzard	Mrs Skinner
Mr Baumann	Ms Hodgkinson	Mr Smith
Ms Berejiklian	Mrs Hopwood	Mr Souris
Mr Besseling	Mr Humphries	Mr Stokes
Mr Cansdell	Mr Kerr	Mr Stoner
Mr Constance	Mr Merton	Mr J. H. Turner
Mr Debnam	Ms Moore	Mr R. W. Turner
Mr Dominello	Mr O'Dea	Mr J. D. Williams
Mr Draper	Mr Page	Mr R. C. Williams
Mrs Fardell	Mr Piccoli	
Mr Fraser	Mr Piper	*Tellers,*
Ms Goward	Mr Provest	Mr George
Mrs Hancock	Mr Richardson	Mr Maguire

Pair

Mr Martin	Mr O'Farrell

Question resolved in the affirmative.

Amendment negatived.

Motion agreed to.

ANZAC MEMORIAL (BUILDING) AMENDMENT BILL 2010

Message received from the Legislative Council returning the bill without amendment.

The SPEAKER: Debate on the motion accorded priority having concluded, the House will now proceed to Government business.

RESIDENTIAL TENANCIES BILL 2010

Agreement in Principle

Debate resumed from 2 June 2010.

Mr GREG APLIN (Albury) [4.27 p.m.]: Few bills passing through Parliament this year will have greater impact on the daily lives of ordinary citizens than the Residential Tenancies Bill 2010. This bill and this debate are important. Currently, there are approximately 800,000 rented residential properties in New South Wales, regulated by the Residential Tenancies Act 1987 and the Landlord and Tenant (Rental Bonds) Act 1977. No significant amendments have been made to these laws since their introduction. This is the first major reform in 23 years.

It has been a long, drawn out process, with an options paper in 2005, followed by public submissions and a report back in 2007. More than 1,600 submissions were forwarded to Government and 102 reform proposals were announced. Before delving into the detail of the bill, let me draw from my studies in literature to provide a contrast in approaches to issues of the day. Which writer wrote, "No man is an island"? Which writer wrote, "Any man's death diminishes me, because I am involved in mankind"? Which writer wrote, "Never send to know for whom the bell tolls; it tolls for thee"? These three famous insights all derive from just one person, the poet John Donne. My next question is: In which three poems do these quotations appear? This is a trick question. In fact, all three come from the same meditation. But that is not the end of this trail. Amazingly, all three were dashed out in a mere couple of sentences. Though often quoted by individuals on any number of occasions as separate, pithy sayings, they were written as part of one short paragraph. Would that any of us might one day express so much insight into humanity while speaking with such brevity.

Now, with the reform of residential tenancies legislation, the Government has chosen a different view of human society than that so brilliantly and incisively declared by John Donne. The draft of the Residential Tenancies Bill 2009 was a written expression of a philosophical view that tenants can prosper on their own, without considering the impact on their landlords; that the best way to achieve gains for tenants is to bludgeon their landlords into accepting unreasonable and, frankly, humiliating conditions; and that a government can seek to carry on with its plans in ignorance of the warning bells tolling loudly in the rental marketplace.

Today I say to the Government: The bell tolls for thee. I have two salutations to deliver to the Government: the good news and the bad news. First, the good news. I thank the Government for making so many fundamental changes to this bill. I thank the Government for listening to what stakeholders have argued for and to the arguments raised by the Opposition through what the Minister has termed its "scare campaign". I am pleased that the Government has so diligently taken note. However, the second salutation is more pointed. I must admonish the Government for wasting the time of so many people with its draft bill. What was the Government thinking when it released that document?

Around the State people have been meeting to work out how to live with that draft bill. One of my staff attended a local meeting of mum and dad landlords held in a room above a pub in Albury one night. There were 25 landlords in attendance—retirees, self-employed people, employees, a biker and a journalist—brought together on just a couple of days' notice by an agent whose property managers were attempting to explain how the bill would radically complicate and change their lives. People were upset that even as they were weathering the storm of six interest rates, the State Government was working to take away control over so many aspects of maintaining their rental property. The Government's draft bill did not make that form of investment attractive within New South Wales. My office has been flooded with correspondence on this issue—from the Blue Mountains, Five Dock, Lane Cove, Gosford, East Ryde, Coffs Harbour and Voyager Point, and even from concerned investors currently overseas. One couple wrote:

> I would like to lodge my strong objection to the Residential Tenancies Bill 2009. As landlords Val and I are really concerned with the changes to allow sub-letting, "cosmetic" changes (not clearly defined) and the proposed changes to fixed-term tenancies. I understand there are some shonky landlords out there and tenants need protection from them.
>
> I believe the majority of landlords do the right thing by their tenants, we are protecting our investment. The tenant has more rights than the landlord. We will not be able to protect our property from tenants who have been given the green light to do as they please. I feel the Bill is taking away any incentive to invest in rental properties.

Another person wrote about the draft bill:

> My 80+year old mother has a 2-bedroom house which she has been renting out at below-market price for the past 40 years. She has accepted that tenants will not keep the gardens as they originally were, but expects the lawns to be mown. Her current tenant

> has been removing the fencing with the adjoining property because it isn't liked. The front door had 1.5cm removed from the lower edge because it would not open properly. The tenant had placed a thick rug on the inside near the door and expected the door to open over it. My mother was then expected to pay for the door treatment and the following request to provide a breeze stopper. And this is occurring under the current legislation. How will she stand if the proposed Bill is passed? She has already indicated to her managing agent that she would rather see the house left vacant than have tenants able to treat her property as their own. In her town, that would mean one less rental place. Not much? But how many more will do the same?

Another person wrote:

> I am retired and living on income derived from residential property and the legislation that is proposed I believe would limit my security of rent and ability to secure good tenants and maintain my investment in a decent manner.

I received the same response from another correspondent who wrote:

> From what we have read it would seem the tenants will have more rights than the owners of the properties. If this happens we will have to give serious thought to removing ourselves from the investment property market. It wouldn't surprise us if a lot of investment owners decided to do the same. It would just not be worth it. By the way—next year is election time.

Another correspondent stated:

> I am an Australian expatriate, temporarily living abroad who owns, co-owns, or has owned five houses or apartments in NSW (three) and Victoria (two) that have been, or are currently rented. Should the Bill become law without significant amendment, it is highly unlikely that I will continue investment in residential property in NSW.

I quote one final piece of correspondence:

> Having seen the OFT website and proposed legislation: Landlords/property owners are the "evil ones".

Business stakeholders have written to me also, often furiously. I quote a brief note from an insurance broker:

> These changes may require a rethink by insurers in regard to how they treat landlord insurance claims involved in sub-letting.

In a letter to the Minister dated 24 March 2010 the Australian Livestock and Property Agents Association—the national peak industry body for livestock and property agents, whose members are actively engaged in the sales and marketing of regional and rural properties, including tenanted properties—wrote:

> In the current economic climate and coming out of one of the worst droughts on record where property taxes, capital gains tax, income tax already contribute to the strain on returns on investment for landlords, anything that takes away an owner's rights will see owners seeking alternative safer investment opportunities such as the share market and take investment out of rural areas of NSW.
>
> Rental accommodation is hard to find in many rural areas now, to the point of being critical. ALPA believes that the Bill will have a very big negative impact in country areas causing people and businesses to move away from country towns eroding the fabric of the community.
>
> The Bill will lead to a greater amount of disputes and country people do not have the same access as their city cousins to the tribunal that is now already overloaded. This fact will only add further costs, delays and frustration to the landlords and tenants in rural NSW.

I have had lengthy meetings with concerned stakeholders, from the Real Estate Institute to the Property Owners Association, the Tenants Union, the Institute of Strata Title Managers and the Law Society of New South Wales. All were seeking assistance to modify the draft bill to make it fairer and, frankly, more workable in the marketplace. What a waste! Now that we have the actual bill in front of us I must admit I am amazed. This is nothing like the draft bill—it is an about-turn. This is much more like the bill we should have been presented with first. Perhaps the Government should apologise to tenants and landlords for wasting their time with such a poorly considered draft bill.

I turn to the bill now before the House. The bill covers people under residential tenancy agreements and excludes those in areas such as backpacker hostels; serviced apartments; hotels or motels; boarders or lodgers; student accommodation; respite care, hospitals or nursing homes; or part of a club used for temporary accommodation. The bill will repeal the Residential Tenancies Act 1987 and the Landlord and Tenant (Rental Bonds) Act 1977. The stated aims of the bill are to fairly balance the rights and obligations of tenants and landlords; to modernise and update the law in line with current practices; and to reduce the level of disputes by providing greater clarity and certainty in the legislation.

At least 1.2 million Australians—one in 10 taxpayers—are also landlords. No longer can residential property investment be regarded as the domain of the rich and privileged, as the Minister should know, having

heard back from other Labor members about the distress the draft bill has caused in Labor seats. The rental sector is a vital part of how many families prepare for a financially independent retirement, and it must be fostered by an astute government. New South Wales has one of the highest proportions of people living in rental homes in Australia, with about one-third of the community renting their homes. Nationally that figure falls to 22 per cent. Those interests need protecting too.

When I hear a horror story about how a tenant has come home from holidays or from a necessary absence only to find himself or herself caught up in a warrant for possession, I have a sense of enormous sympathy for that person or family. How unjust are our laws! When I hear a horror story about how a landlord might lose his or her investment property because a tenant is abusing the terms of the residential lease while the Consumer, Trader and Tenancy Tribunal lets proceedings drag on and on, I have a sense of enormous sympathy for the landlord who is going broke. How unjust are our laws!

It is possible to have feelings running in both directions at once—that is normal and human. But danger bells ring when those in power draft laws and regulations based on the horror stories rather than on what rights, responsibilities and processes will work, in most cases for most landlords and tenants of goodwill. Unfortunately, while attempting to address certain areas of genuine concern where tenants are vulnerable, the bill introduces new inequities, reduces certainty, will probably result in increased traffic through the Consumer, Trader and Tenancy Tribunal and creates yet more red tape to master.

There are many provisions in the bill that are worthwhile updates of the 1987 Act, providing greater certainty for tenants and allowing them increased freedoms to make the property their home. I will comment on a few sections. Let us look at the issue of professional cleaning. While a lease can no longer include a term making professional carpet cleaning mandatory at the end of a lease, a new section 19 (3) will apply when the landlord permits that tenant to keep an animal on the premises. That is a fair approach.

However, because of what I assume is a drafting error, that means there can be a requirement for professional carpet cleaning when the landlord has approved the keeping of a pet by the tenant but not when the tenant has kept a pet without informing the landlord or seeking approval. Section 19 should be amended so that a lease can incorporate a clause requiring professional carpet cleaning whenever a tenant has kept an animal on the premises, irrespective of whether the tenant has sought permission. I am sure that that is purely a drafting error.

Under proposed section 33 (3) a landlord cannot appropriate rent to any other purpose. The bill amends the draft to insert the word "knowingly" in the context of appropriating that money. That is sensible, but still leaves landlords in a difficult position when a tenant owes money other than rent—such as for making good a minor alteration—and refuses to pay. The bill does not address these problems of tenancy living. A proper updating of the 1987 Act should make some of these difficult financial dealings less problematic.

Under proposed section 39 water usage charges can be passed onto a tenant only if the landlord provides "water efficiency measures prescribed by the regulations for the purposes of this section". This is a worthwhile update, but landlords are still concerned about what this means and what happens if they cannot take advantage of modern water-saving technologies. The Minister indicated in her agreement in principle speech that:

> It will not impose a significant cost on landlords. While the efficiency standards will be set by regulation, it is envisaged that Sydney Water's Waterfix service, costing only $22, would be sufficient to make rental premises water efficient.

If so, this plan seems realistic and affordable. However, many rental properties are not suitable for the $22 Waterfix service. An example is those premises with side waste piping on the toilet bowl. Without changing the bowl, one cannot simply adjust the cistern. It will be up to the Government to address these concerns in the regulations so that landlords are not saddled with unrealistic expectations. On the matter of these expectations, one landlord from north-western Sydney had this to say in response to proposed section 39 of the bill:

> The need to make a rental premises "water efficient" is ludicrous. We have fitted such water efficient measures to a number of our rental properties with the following results:
>
> - There was no reduction in the water usage at one property, following fitting of such devices and when inquiries were made, we were told that they just took longer showers "because the shower head let out less water".
>
> - At another property there was a reduction of water usage, but not because of the fitting of such water efficient devices, as upon handover of the property at the end of the tenancy, we found that the water efficient shower head had been replaced with a conventional one and that the tenant had saved on water by not bothering to water any garden beds and hence all the gardens were destroyed.

- Upon changing tenants at another property, the new tenants' water usage was approximately 70 per cent that of the previous tenants, with no changes having been made to the property and with the same number of occupants.

The landlord concluded by stating:

> If a tenant is serious about reducing their water usage, they can do so more effectively without such water efficient devices, because they are choosing to do it for the right reasons, and because they want to do it. If a tenant does not want to save water, no amount of water efficient devices will get them to do so. We see this as just another way that a tenant (who wants to frustrate a tenancy agreement) can shift blame for a problem onto the landlord, rather than being accountable for their own situation and for their own failure to apply water saving techniques.

An amendment to paragraphs (c) and (d) of section 51 (3) adds that the level of cleanliness required on vacating the premises is by having regard to "the condition of the premises at the commencement of the tenancy". That is fine, and a similar qualification also applies to the obligation to remove rubbish. Unfortunately, the bill does not address the not uncommon fight that develops over cleaning and rubbish. Here is a missed opportunity to give detail to a reforming process.

Proposed sections 70 to 73 place new obligations on landlords to provide secure premises. This means locks, security doors and perhaps more. The test is "reasonably secure" and is defined in proposed section 191, but without reference to items such as alarms, bars or whatever this might mean. The obligation remains uncertain. Will members of the Consumer, Trader and Tenancy Tribunal sitting in regional New South Wales make appropriate allowances, both for relevant level of security and much lower rent income that must pay for these things? Once again, this is a good principle of benefit to tenants but without the necessary practical guidance for landlords. And everyone will be off to the Consumer, Trader and Tenancy Tribunal again.

The provisions relating to inspections for the sale of premises was a mess in the draft bill. Various amendments in proposed section 53 have helped tenants and landlords. Gone is the undesirable fallback position of the draft bill that meant, despite the rhetoric of previous clauses, in the end the landlord need only give 24 hours' notice of an inspection to show prospective purchasers through the property. There was no limit to the number of times this intrusion could take place. Fortunately, this has been amended and a limit of two times per week inserted, with the notice becoming "not less than 48 hours". Overall, this is fairer and clearer. However, members should note that in the draft bill there was a 20 unit penalty applicable to a tenant who unreasonably denied an inspection. This has mysteriously disappeared from the bill.

Proposed section 68 relates to minor alterations. This provision has also been a source of much controversy. In principle, there is some merit in providing a process for a tenant to adapt the premises to their needs, such as a disability or simply getting older, or to personalise their living space, in the face of a landlord who unreasonably refuses permission. Despite amendment, the provision remains problematic. The word "cosmetic" has been removed, but not the concept of a "minor renovation". These words, too, should be removed. Proposed provisions clarify that a landlord's failure to consent is not unreasonable "if the work involves work that would not be reasonably capable of rectification, repair or removal", or "if the work involves internal or external painting of the residential premises". The landlord can continue to reasonably exercise control over painting. However, some would argue that the list of what is minor and what is "not unreasonable to refuse" could be expanded to the mutual benefit of tenants and landlords, helping to keep them out of the tribunal.

The Minister says this provision is all about handrails for the frail, latches to protect children or planting a few flowers. Then why not include them in the list? Investors are rightly concerned that the Consumer, Trader and Tenancy Tribunal will permit alterations that may have costly repercussions. At what point does the simple picture hook mean one must patch and repaint an entire wall? Some wall surfaces will always show their history, despite a coat of paint. Can one repaint just one wall, or will future tenants baulk at a flat where the walls have different shades of paint?

Many of these problems can be overcome with a more carefully designed compensation process. The bill fails at this point. Some alterations should be allowed by the Consumer, Trader and Tenancy Tribunal only when money to reinstate the property is provided up front. It is not good enough to leave the issues of reinstatement and financial allowance until the end of the tenancy, as the bill does. At that point there may be other issues separating the parties, such as overdue rent. It would be helpful if the bill addressed these issues. It might be appropriate, both for tenant and landlord, that a rectification sum be agreed upon before work commenced, and that the money was added into the bond as a separate category of account. Landlords would know there was money in hand for the repairs or restoration, while tenants would have clearly limited their potential financial exposure.

Some correspondents to my office have also highlighted the legal liability concern that underlies this reasonable-sounding new benefit for tenants. The question is: Does proposed section 68 increase the risks of the landlord for any personal injury or damage caused by the tenant's minor alteration? A real example was pointed out to me of a handrail that fell off when a person leant on it. Here there is potential for injury. Who will be sued? Will courts say the landlord has authorised the alteration and then negligently failed to ensure the work was carried out to a high standard?

There does not appear to be a process in the bill, or for the Consumer, Trader and Tenancy Tribunal to follow, for a landlord to control the alteration process, for example, by requiring that a licensed tradesperson carry out certain work—outside of electrical and plumbing work, which are illegal if not performed by a licensed contractor. Even cheap and minor window locks, if fitted incorrectly, can render an aluminium window frame ugly and with holes that cannot be adequately repaired. Although the amendments dealing with procedures for a co-tenant to move out may cost landlords, it is sensible to develop a procedure for a co-tenant to move on, finally limiting his or her personal liability to the landlord. This is provided by proposed section 101 and arises only when the fixed term is over or the lease is periodic.

There have been problems with some agents or landlords imposing inflexible and costly rent procedures. Under proposed sections 35 and 36, a landlord cannot compel payment by cheque that is post-dated. Further, the landlord must allow the tenant to pay rent by at least one means for which the tenant does not incur a cost and which is reasonably available to the tenant. It is a helpful move to stop the compulsory use of third party agencies and rent books. However, almost every method comes with a bank fee, for example. This oversight, as pointed out to the Government, has been amended by addition of the words "other than bank fees or other account fees usually payable for the tenant's transactions". This is another helpful clarification adopted by the Government from the scare campaign. And there are more.

There has also been some welcome clarification of a problem raised by the draft bill about receipts. In circumstances where rent payment is made by cheque, it became incumbent on the landlord or agent, within seven business days of the payment, to give the person making the payment a rent receipt. This was seen by many as an unnecessary administrative burden in the case of payment by cheque, where there was already a documentary trail and when it was not uncommon for tenants to show no interest in obtaining a physical receipt.

The bill improves the draft by stating that a receipt need not be delivered but it will suffice if it is available for collection by the tenant. However, once again there appears to be a drafting error. The new provision applies only to rent paid by cheque handed over in person. The draft bill also talked about rent payment by cheque through the post. Proposed section 36 (2) should be amended to bring the receipt provisions for payment by cheque into line, whether delivered in person or by post. What appears to be a second drafting error in the receipts division of the bill is the deletion of draft section 37 (4), which states:

> A person must not make an entry in a rent record that the person knows is false or misleading in a material particular. Maximum penalty: 20 penalty units.

I would support the retention of this provision. False recording of rent payments is to be discouraged. Why did the Government remove this subsection? It must be an error. I would like to see draft section 37 (4) reinstated as a protection for tenants and as an encouragement for good practice. New section 41 has been reworked to clarify that notices of rent increases can be given either by the landlord or the landlord's agent. This is a welcome amendment. However, I am puzzled by the new section 41 (2), which states:

> Notice must be given by the landlord or the landlord's agent of a rent increase proposed during the term of a residential tenancy agreement and of a rent increase under a proposed residential tenancy agreement between a landlord and one or more of the landlord's existing tenants.

Does this subsection develop a process for differential rents within the same premises? Is the Government envisaging that co-tenants could be charged different rent amounts? This subsection should be amended to clarify its meaning within the process of rent increases. New to the bill is the clarification by proposed section 43 (1) that a rent reduction may be requested by a tenant where services or facilities were provided under a separate or a previous contract, agreement or arrangement. This is fair as there is often a wider context to what services or facilities are available. A second amendment, in proposed section 44 (5) (h), provides that the tenant's income or ability to afford the proposed rent increase is not a relevant factor in determining whether a proposed rent increase is excessive. This too is welcome as a protection for the privacy of tenants.

Finally, the Government has seen fit to take action on problems surrounding the use and operation of tenancy databases. These can be useful—indeed, necessary—but can also be abused and deny people the right to

accommodation. Part 11 of the bill gives power to the Consumer, Trader and Tenancy Tribunal to determine disputes—a place where tenants can find out what is going on with their tenancy records. It is about time. However, I do not think this Act will be the end of disputes surrounding tenancy databases.

I welcome the new information provision sections of the bill. By section 26 (4) the landlord must give the tenant an approved information statement, currently the renting guide prepared by the Office of Fair Trading. The landlord must ensure the tenant has a written agreement at commencement of the agreement—by section 14 (1)—and the lease may be in a standard form prescribed by the regulations under section 22 (a). However, section 27 (1) compels a landlord, even where there is a managing agent, to provide the tenant with personal contact details such as his or her phone number. The point of having an agent is to place separation between landlord and tenant. Tenants, too, do not want to be compelled to give their phone numbers or email addresses direct to their landlord as a means for communication. This provision of proposed section 27 (1) should be amended to be voluntary.

Some provisions in the bill are designed primarily to benefit the landlord. Let us look at defects in termination notices. First, it is appreciated that by the amendment of section 113 (b) the tribunal can make a termination or other order even though there is a defect in a termination notice, or in the manner of service, given either by tenant or landlord, provided the recipient of the notice has not suffered any disadvantage because of the defect, or service, or where the defect can be overcome by an associated order of the tribunal. It is helpful that there is now clear power to fix minor procedural defects and not send the parties back to the start again. The application of this principle will be improved if the Government amends section 113 further, replacing the word "and" with "or" where it falls between subclauses (a) and (b), so that a notice or service defect can be remedied by the Consumer, Trader and Tenancy Tribunal because the member thinks it appropriate to do so in the circumstances of the case or where no disadvantage will be suffered. I recommend this amendment to the Government.

A quicker process to obtain vacant possession is as follows. The Government has boasted that by section 88 (4) it has given landlords what they most want: an improvement to the speed with which a landlord can recover possession for rent arrears. A landlord may, under this section, apply to the tribunal for a termination order before the termination date specified in a non-payment termination notice—the 14 days minimum notice period. This will certainly save time in getting the dispute into the tribunal. However, there is still no deadline for the issuing of an order for possession. Landlords require certainty here. This is their point of great financial exposure—the kind of vulnerability that makes landlords walk away from residential property investment.

One of the common complaints I hear about the Consumer, Trader and Tenancy Tribunal is that there can be repeated adjournments and delays, partly due to the many provisions in legislation which state the tribunal may consider something or other. Sometimes "may" is not a solution to anything. The Government will do much to encourage investment in residential rental property by signalling an end to ongoing delays in obtaining possession from a tenant who has ceased to pay rent. This is rightly to be determined in the tribunal as there can be good reasons for a tenant withholding payment, or at least complicated reasons between the parties. But when it is just a tenant riding out the bond in lieu of rent, or otherwise being unfair, a deadline should be provided in the Act. I urge the Government to do more with this section.

I turn now to the big three problems with the draft bill. First is the effect of a failure to pay rent. There was a terrible outcry, as I am sure the Government knows, when the draft bill created a new provision which allowed a tenant in possession to cure all rent breaches by paying outstanding rent—or by complying with a repayment plan agreed with the landlord—even after a warrant for possession had been issued. A warrant was no longer the end. There was to be no penalty imposed for putting everyone to this trouble, and the landlord could not recover the fees and expenses paid to get to the point of executing the warrant. Amazingly, there was no legislative limit to the number of times this could take place. In other words, the Government had removed the obligation on a tenant to pay rent on time, in accordance with the rental agreement. There were to be no consequences.

It is no surprise that the Government has been prodded into action on this issue. We now have a compromise position. The new right in section 89 remains, for the benefit of the tenant. This, in itself, has merit. After all, we are talking about persons losing the roof over their heads. We should offer support to those who make mistakes or get into financial predicaments that can put them behind in their rent. Landlords will face

additional costs if they have to find and enter a lease with new tenants. Parliament should try to help a landlord and a tenant stay in a cooperative relationship despite these bumps. The Government has added section 89 (5), which states:

> The Tribunal may, on application by a landlord, make a termination order despite subsection (2) or (3) if it is satisfied that the tenant has frequently failed to pay rent owing for the residential premises on or before the day set out in the residential tenancy agreement.

The key words here are "frequently failed to pay rent owing". This is at least some indication to tribunal members that this lenient policy cannot be used over and over. It does, however, stop short of the hard part—actually setting a limit by time or number. We will see how this goes. If we hear that the tribunal is not dealing with serial late payers, it is something we will have to take on for future amendment. As the Government might be aware, termination for unpaid rent is the largest category of landlord applications to the Consumer, Trader and Tenancy Tribunal, with over 15,000 applications made last financial year. That is more than half of the total landlord applications. The Government cannot state that it has updated the 1987 legislation when it left this issue only partly addressed.

I refer to the unilateral end of the notion of a fixed-term agreement. Fortunately, this shocking part of the draft bill has also gone. For a while it appeared that the Government was going to compound all other concerns held by landlord investors that the fixed-term agreement had had its day and could now be ignored by the tenant, if not the landlord, and terminated at will. Draft subsection 98 (1) has been removed, which gave the idea that a 14-day notice given at any time by the tenant during the term of the tenancy could end the agreement. New section 96 (1) states such termination by the tenant can take effect only on or after the end of the fixed term. This provision no longer explicitly or implicitly gives the impression that early termination for no fault of the landlord is anything but a breach of the agreement. The draft bill also created the idea of a break fee to quantify compensation to the landlord for early termination or now, by section 107, abandonment, limited to four weeks rent, or six weeks if less than half of the fixed term had expired when the premises were abandoned.

Proposed section 107 sets out a procedure that reinstates the traditional position that a defaulting tenant is liable for compensation to the landlord for "any loss (including loss of rent)" to the end of the fixed term, as agreed, with a positive obligation on the landlord to take steps to mitigate the loss. A break fee is invoked under proposed section 107 (3) only "if the agreement provides for such a limitation". Again, with respect to one of the big four issues of concern with the draft bill, the backdown has been comprehensive, thanks to a significant lobbying effort—and, of course, our scare campaign.

Proposed sections 74 and 75 deliver a process much amended from the draft bill. One of the basic concerns has been addressed—that is, that the draft bill gave discretion to a tribunal member to override the express wishes of the landlord, as written into the lease agreement and accepted by the tenant, that there be a maximum number of occupants of the premises. Under the bill it will not be unreasonable to withhold consent to a subletting, which would increase the number of occupants or otherwise result in overcrowding of the premises. This is good news at last. Some clarification has also been provided. The new provision in proposed section 75 (3) (b) notes that it will be reasonable for a landlord to reject a subtenant who is listed on a tenancy database.

However, the bill also removes a catch all from the draft that, whatever else happened, the tribunal could not compel a landlord to take as a tenant a person whom the landlord "would not have accepted for a new residential tenancy agreement". There is now no catch all to protect the landlord's right to decide with whom he must contract. Of course, this provision was also highly uncertain in its interpretation and is probably best gone anyway. However, more could be done to prevent needless trips to the tribunal over subletting and to provide much-needed reassurance to the now agitated investor population. Other reasonable grounds should be listed for rejecting a proposed subtenant. What about a proposed subtenant who comes with no references or no income? Is it reasonable to reject a proposed subtenant who has a history of violence? How does this sit with proposed section 50, which tries to make a landlord responsible for how one tenant interferes with the "reasonable peace, comfort or privacy" of another of his or her tenants? I ask the Government to put more thought into its growing list of exclusions to the subletting powers of the tribunal and amend proposed section 75 (3) accordingly.

Those are the big three issues—and they remain only partly under control. In addition, there are a few innovations that are insufficiently ready, in their current form, to become law, such as the right to quiet enjoyment by neighbouring tenants of the same landlord. Proposed section 50 makes a landlord responsible for stopping that landlord's other tenants interfering with the "reasonable peace, comfort or privacy" of a tenant. Since the draft it has been unclear how far this new obligation might extend. The bill amends the draft by

clarifying that it affects only neighbouring tenants of the landlord. It is also good that the 20-unit penalty has been removed. Still, this new principle, while worthy at first glance, requires a landlord to intervene—even to interfere—in relations between tenants.

Whose word is the landlord to take and act upon? Is it the word of the tenant who complains first? How does the landlord find out what has been going on, usually at a property some distance from his or her own home? Must a landlord take statements from the witnesses and line them up for interrogation? Is this what the Government wants when it places an active new obligation on landlords? At the very least, an investigation involves a breach of the privacy of the tenants. Who is to say that the one who complains first, or loudest, is providing accurate testimony? One can see how a landlord, acting upon a complaint made by one tenant against another, terminates one lease in order to fulfil his or her obligations under proposed section 50, only to find that the Consumer, Trader and Tenancy Tribunal takes a contrary view and penalises the landlord for improper termination, or overturns the eviction.

Proposed section 50 presumes that the complaint of one tenant against another is true. This section places a landlord with adjoining tenanted premises in an impossible position. Again, this proposed section could do with further work to limit the difficulties inherent in making the principle workable. However, proposed section 50 is only part of a new approach to the relationship between landlord and tenant, whereby landlords are being asked—and sometimes compelled, as I have noted—to know more and more about their tenants and what is going on in their personal lives. Proposed section 79 introduces new measures for situations where one tenant has taken out an apprehended violence order against a co-tenant or other tenant. Proposed section 71 allows for the making of a final apprehended violence order ending the co-tenancy, and the remaining tenant can change the locks.

While these provisions acknowledge the realities of modem life, the cumulative effect of such provisions is to turn the landlord property owner into a participant in the dramas of his or her tenants. What must a landlord know about domestic violence, the personal relationships and apprehended violence orders affecting the tenants? One tenant can force out another, while the landlord can only watch on or be informed, maybe after the event. When will the landlord be told and what should the landlord be told? The bill has certainly improved dramatically on the draft sections dealing with abandoned goods. Under division 2 of part 6, abandoned goods are separated into categories that attract different procedures for lawful disposal or handling. These include rubbish, perishable goods, non-perishable goods and personal documents. Curiously, the explicit option from the draft of donating the goods to charity has been removed. The landlord can be compensated for expenses involved in moving and storing the goods, but what use is this if the tenant has left owing rent? It is another meaningless gesture to landlords who are left out of pocket.

Although there are notice procedures and other protocols before goods can be disposed of, the reality can be a harsh lesson to landlords. A recent example, brought to my attention, involved goods left behind by a tenant who disappeared after a Consumer, Trader and Tenancy Tribunal application went against him. He owed six months rent. He left a bed, mattress, cupboard, table, lounge, two old refrigerators and much more in the one-bedroom flat. As a guide, the bill for removing the goods into storage so that the filthy premises could be cleaned for re-letting—at a cost of $350—was $80. It will cost another $100 to take it all to the tip after a waiting period. Unfortunately, the tenant's family will not pass on messages or provide contact details for the owner of the goods. The bill for repairing assorted damage was $250 and the walls, despite professional cleaning, were so stained that the flat required painting, at a cost of $1,364. The carpet had to be thrown out too.

The landlord's agent made an application to the Consumer, Trader and Tenancy Tribunal to get an order so that the goods could be taken to the tip at the landlord's cost, as there was no chance of compensation from the tenant. An order would protect the landlord from any charge of theft or conversion. At the tribunal the member was sympathetic but said that he would not make the order. No reason was given for this. However, he added, off the record, that the landlord should simply take the items to the tip. This case, though an extreme example, reveals why landlords have a right to be concerned about the processes in the bill for handling abandoned goods. It is a sensitive issue—quite rightly on all sides—but the bill's provisions still operate as a disincentive to landlords and possibly encourage poor behaviour by landlords against the interests of tenants. Again the bill, despite some real improvements here, comes up short of expectations.

Under proposed section 159 the bond is limited to four weeks rent. This rolls over the top of the existing position of four weeks for unfurnished premises and six weeks for furnished premises. Have furnished premises suddenly become a non-issue for the Government? Also, the parties cannot top up the bond as the years roll by, to reflect a proper security deposit—I refer to proposed section 161. Again, this is a disincentive

for landlords to improve premises over the time of an ongoing rental agreement. There should be greater flexibility in these processes to reflect the real security issues and to encourage the development of longer-term tenancies.

The holding fee provisions of the draft bill have also been amended. Under proposed section 24 (1) (b) for the protection of tenants at last there is a limit on the holding fee that it must not exceed one week's rent. This is welcome. However, the bill still fails the tests of the real world. If people are out on the streets inspecting properties and trying to secure a lease, the current arrangement is that prospective tenants can pay a reservation fee to the estate agent to take the property off the market so that they can talk it over with their family or partners or make inquiries before committing. Proposed section 24 (1) (a) states the agent or landlord "must not require or receive from a tenant a holding fee unless the tenant's application for tenancy has been approved by the landlord".

Just how do people get their tenancy applications approved by the landlord on the spot on a Saturday? If people want the property as their home but need to check with their partner before signing up and committing, this new arrangement leaves them out of the game. If they cannot complete an application and have it approved by the landlord the agent cannot lawfully take a holding fee and will move on to the next applicant. This procedural problem must be fixed. The alternative is that the person and his or her partner will have to go out home hunting together. By the way, they should make sure the landlord is available to check references too.

A further problem with this process is that, once accepted, a holding fee keeps the property off the market for up to seven days, at the sole direction of the prospective tenant. If the tenant does not proceed, the landlord, despite keeping the one-week fee, may have lost a number of other potential, desirable tenants who showed interest at the inspections. The problem is that there is no provision for a shorter period that is binding on both parties, with a fee suited to the number of days required by the tenant. The holding period is seven days "or within such further period as may be agreed with the tenant". This should be more flexible.

In conclusion, the bill represents such a welcome about-face by the Government that we will not opposite its introduction. I do, however, ask the Government to follow up with stakeholders the practical problems and drafting errors to which I have referred. I have consulted widely on the impact of these issues and would like to thank a number of stakeholders whose contributions have been most valuable to the improvement of this bill. I thank the Tenants Union, the Real Estate Institute of New South Wales, the Property Owners Association, the Property Council, the Institute of Strata Title Managers, and the Law Society of New South Wales for assisting me and for driving the amendments to the draft bill.

The Tenants Union has been a strong and welcome advocate for tenants, but I take issue with the position the union put to me that we should not refer to landlords as "mum and dad" investors. The Tenants Union refers to these people as "amateur landlords", which it would prefer to see slowly drift out of the picture to be replaced by professional landlords who, arguably, would be more dispassionate about what happens with their investment holdings. I look forward to hearing the union's views on how to encourage professional landlords to provide more accommodation.

Despite all 1,600 submissions and many years of review, it still looks like the Government simply went to sleep on the couch and let the process of review roll over the top of it. That is, until the Government was woken up with a bucket of cold water thrown by various stakeholders—and its own members of Parliament who have heard the cries from their own shocked constituents. Unfortunately, this lack of early focus by the Government meant that everyone else had to waste time and emotional energy on a draft bill, which was a practical mess. It is dangerous to create many new rights, which are poorly expressed.

Despite a 23-year wait for reform, stakeholders now have just four or five days to read and understand the many changes in the final bill. This is an impossible task. The number of drafting errors and other faults, as indicated, should be sufficient notice to the Government to let the debate continue until the spring sittings. Several stakeholder committees are struggling with the ridiculous haste, suddenly come upon them, of seeking input from their members and responding with due attention to this complex bill. Until that time, the bell will continue to toll for thee.

Mr PAUL PEARCE (Coogee) [5.12 p.m.]: At the outset I indicate that, although in my opinion the Residential Tenancies Bill 2010 does not go far enough with regard to the protection of the rights of tenants, the bill is worthy of the support of the House. I will not refer in detail to the provisions of the bill, as those matters have already been dealt with by both the Minister and the member for Albury. The bill is the first major

amendment to the Residential Tenancies Act since its introduction in 1987. Members who are familiar with tenancy matters in New South Wales will be aware that the 1987 Act brought into existence a significant range of changes in the legal relationship between landlords and tenants, with the consequence that there was an improvement in the recognition of the rights of tenants. The previous landlord and tenant law had largely fallen into disrepute, due in part to the layering of amendments over many decades. It is also well known that the common law in regard to residential tenancy overwhelmingly recognises the rights of property owners to the detriment of tenants.

The bill has been the subject of a long gestation, with the initial review process commencing some five years ago. Over that period extensive consultation has taken place with the many groups likely to be impacted by changes. The draft exposure bill was released in November last year. As members will be aware, as a result of the large number of submissions regarding aspects of the draft exposure bill, several significant changes were made. The result of the consultation process is the bill now before the House.

In my opinion, several of the changes from the exposure draft have taken aspects of the potential rights of tenants backwards. The issue of cosmetic changes is relatively minor and can be addressed by appropriate agreement between the parties. The bill addresses this issue. The issue of subletting is more complex. Whilst the submission of the property owners and their agents has a superficial reasonableness, the existence of the "bad tenant" database complicates this issue and, in effect, could lead to abuse by landlords and their agents. The effectiveness or otherwise of this provision will be tested over time.

I have very real concerns about the winding back of a reasonable provision in the exposure draft relating to the "break fee" provision. The original proposition was to set a statutory break fee quantifying the penalty payable by a tenant for breaking a lease early. This was intended to address the iniquity of the current system, whereby a tenant who moves out during a fixed-term tenancy has to address the "breach-loss mitigation" model. This model is essentially based upon the common law of contract. The question of what constitutes reasonable attempts by the landlord to mitigate loss is regularly before the tribunal. The results are mixed from the perspectives of both parties. I would have thought that a statutory model would be of advantage to both landlords and tenants. For reasons I am not totally clear about, this was resisted by some landlords and their agents. The provision was reworked and the "break fee" now becomes an optional provision in the lease. I suspect that this will be used by landlords who self-manage their properties but will not be encouraged by real estate property managers.

Earlier I referred to the fact that there are some very positive features of the bill regarding the rights of tenants. The bill increases the notice required to be given to a tenant who is no longer on a fixed-term lease from the current 60 days to 90 days. Unfortunately, the bill continues to recognise the "no grounds" notices for termination of a tenancy. With regard to rent arrears, I have some concerns that the bill shortens the period it takes a landlord to get the matter heard before the tribunal. However, the bill includes a provision that allows tenants to continue their tenancy if their rent arrears are paid or they follow an agreed repayment plan. On balance, this provision may result in a more stable tenancy environment and may have the effect of tenants who is facing eviction for arrears no longer deciding to keep their money for a new bond on other premises.

The tenancy database has been a sore point for many years. The existence of these databases is, in many ways, a significant intrusion into privacy. Historically, the capacity to check the accuracy of information and to correct misinformation has been limited. The bill seeks to limit the type of information that can be listed on a "bad tenant" database and the time for which such information can be kept. The role of the tribunal in this area is expanded to resolve disputes. I will discuss this shortly in the broader context of tenants' rights.

The whole area of the tenant's rights in a circumstance where the ownership of the property is likely to change has, in my opinion, not been adequately addressed. Whilst the bill seeks to set a framework for access to the premises for the purpose of sale, the actual rights of the existing tenant are arguably reduced. Under the common law, a tenant has a right to exclusive possession and quiet enjoyment of the property during the period of the tenancy. There are provisions in this bill that significantly change those presumptions. Whilst the bill provides for an agreement between the landlord and the tenant in regard to the days and times for inspection for potential purchasers, these provisions may be undermined when a tenant refuses to give "reasonable" access, backed up by a fine. There is a concern that agreements will be negotiated only when there is a designated right of access and the property owner wants more. I would appreciate the Minister's view on this concern, which was raised by the Tenants Union—as the Minister would be aware.

It is a similar situation with the changes in the provisions allowing a tenant to collect his or her personal possessions. This period is proposed to be reduced to 14 days. I consider that this may be an unreasonably short

period, particularly in light of the tight rental market in parts of Sydney that may make difficult obtaining suitable alternative premises within 14 days. The Tenants Union has identified that the provisions that notionally give a tenant a right to compensation if a landlord disposes of goods unlawfully may in fact be meaningless if the landlord chooses simply to give the goods away. I will seek the Minister's opinion on this concern raised by the Tenants Union.

There are two areas where I feel the bill is markedly deficient. The first concerns the absence of any reference to boarders and lodgers. I acknowledge that the terms of reference of the initial inquiry specifically excluded any consideration of the rights, or otherwise, of boarders and lodgers. In my opinion, this is a significant failure both of the original Act and the bill before the House. Boarders and lodgers have no specific rights, other than those in contract. In essence, the law continues to treat boarders and lodgers differently from tenants. This is notwithstanding that many residents in boarding houses are often there on a long-term basis. The distinction in the common law between a tenant, who has rights in property, and a boarder, who merely has a licence to occupy, is well known. It is unfortunate that in 2010 we still have a situation where a boarder or lodger has fewer rights than a legal tenant. This is particularly egregious when it is recognised that boarders and lodgers are often very vulnerable people whose next stop after expulsion from their lodgings may well be the park bench. I challenge the Government to respond adequately to address the absence of rights for these vulnerable people.

The second criticism I have of the bill is its failure to address meaningfully the question of security of tenure. I acknowledge that in part 2, clause 20, the bill introduces elements of the concept of security of tenure in a very limited manner—namely, additional rights against eviction for tenants who have occupied the same premises for more than 20 years. Without denigrating the positive nature of this provision, I feel that an opportunity has been missed to address the essence of the relationship between the property investor and the basic human right to a secure dwelling place.

It may be unpopular, but I refer members to the provisions of various international covenants, including the International Covenant on Economic, Social and Cultural Rights to which Australia, and hence New South Wales, is a signatory. Article 11 of that covenant states, "The State parties to the present covenant recognise the right of everyone to an adequate standard of living for himself and his family, including food, clothing and housing". Those sentiments are similarly reflected in article 25 of the Universal Declaration of Human Rights. Within our economic system the right to private property is recognised also. The two rights need not be in conflict but, when there is a conflict, I would suggest that the basic human right to adequate housing has to temper the right of property owners to deal with their investment property in any manner they see fit.

The concept of security of tenure is recognised in law in many jurisdictions following the common law tradition and in jurisdictions of civil law tradition. Members may be aware that I made a submission to the review in which I identified the elements of security of tenure. In a paper entitled "Private Rental in Australia", prepared for the Swinburne Institute for Social Research, the conflict between the respective expectations of the property investor and the needs of lower income earners was put in the following terms:

> … short term leases are … required in order to maximise the investment opportunities for landlords. This means that the rental sector has no longer-term security of tenure or certainty, with tenants regularly being evicted to enable the sale of property. This may be of no substantive importance if the sector plays only a transitional housing role for consumers, but if constraints are creating a new role for this sector—that is, one of long term accommodation—then the residential tenancy environment fits poorly with consumer needs.

This has relevance in the relative growth of renting as opposed to home ownership. The argument that tenants prefer short-term leases is not borne out, in that studies have indicated that a significant number of movements are in fact involuntary. As referred to earlier, a number of security of tenure provisions operate successfully in common law jurisdictions. For example, several states in the United States of America have such provisions. I draw the attention of members to the provisions in the state of New Jersey. The core of these provisions lies in the concept of there being a requirement, even at the end of a formal lease period, for "just cause" for eviction. The "just cause" grounds for eviction are enumerated in the provisions of the New Jersey legislation—the reference is NJSA 2A: 18-61.1. I do not propose to read the provisions—I am sure everyone will be pleased to hear that—but the preamble to the legislation puts the provisions in context. I will quote briefly the relevant sections of the preamble for the information of members, which state:

> (a) Acute state and local shortages of supply and high levels of demand for residential dwellings have motivated removal of blameless tenants in order to directly or indirectly profit from conversion to higher income rental or ownership residential use;

(b) This has resulted in unfortunate attempts to displace tenants employing pretexts, stratagem or means other than those provided pursuant to the intent of the State eviction laws designated to fairly balance and protect the rights of tenants and landlords …

(d) It is in the public interest of the State to maintain for citizens the broadest protections available under state eviction laws to avoid such displacement and resultant loss of affordable housing …

I suggest that the issues raised in the preamble to this New Jersey legislation has unfortunate parallels with the situation experienced by many renters in the private rental market in New South Wales, especially Sydney. I suggest also that the response of the New Jersey legislature could reasonably have been considered in the current bill before the House. Without detracting from the many positive elements of the bill, I submit that an opportunity to achieve real change and put in place real protections of tenants' rights has been missed. Notwithstanding my forgoing comments, I commend the bill to the House.

Ms CLOVER MOORE (Sydney) [5.23 p.m.]: I support the Residential Tenancies Bill 2010 on behalf of tenants and owners in my electorate. The 2006 census recorded almost 24,000 rental dwellings in the Sydney electorate—that is, 44 per cent of all homes. The bill is the result of a lengthy review process that began in 1998 and restarted in 2005. I have made submissions throughout this process. I thank staff from the Minister's office and the Office of Fair Trading for providing my office with briefings on this legislation. However, given its length, I believe the bill should sit on the table for at least 28 days to enable members to consult with their communities. I also believe that the scare campaign initiated by the Real Estate Institute of New South Wales is unfounded and unhelpful. Most protections under this bill will help landlords and the modest improvements for tenants, such as making it easier to get a picture hook fixed in a living room, will not drive landlords out of the market.

The Tenants Union refers to data by the Australian Housing and Urban Research Institute that shows a very weak link between rental investment and tenancy law reform. Research shows that only 7 per cent of landlords have ever considered tenancy laws and that rental property investment is driven by the ability to negative gear and by potential property value gains. Many people consider property a safer investment than stocks or shares, and this bill will not lead to an exodus of landlords from the rental market. There are many reasons why people rent. It can be a lifestyle choice that provides freedom, it can be the only affordable choice, or it can be to meet temporary arrangements such as contract work or education away from one's usual home. Whatever the reason, tenants deserve to be treated with dignity.

Under this bill tenants will finally be able to have their details removed from a tenancy database that identifies them as problem tenants through the Consumer, Trader and Tenancy Tribunal [CTTT] if their listing is considered unfair. I understand this is currently difficult, and that reliable tenants can remain listed even if, for example, they failed to pay rent during a period of hospitalisation and later paid back what was owed. Tenants in my electorate welcome new provisions that give them more time to leave their home when given notice of eviction. The inner-city rental market is tight, and it can take a long time to secure a new home. Once given notice, tenants tell me they have to check daily online listings and attend site inspections usually twice a week, sometimes more often. They say they have to take time off work to view properties, and if they do not have a car this can limit the number of properties they see. They also tell me that they sometimes line up with around 50 others to view properties, and are concerned that if they work on contract they will not be able to compete. They tell me the process is time consuming and often demoralising.

Removal of the obligation on tenants to give 21 days notice after they have received a termination notice gives tenants the flexibility to find a new home, making it more likely that the property will be available when the owners need it. Tenants are reluctant to give notice before they have secured a property because they fear it could leave them without a home. But landlords give priority to tenants who can move in immediately, and tenants tell me that this means they have to pay up to three weeks double rent to secure a new home at a time when they also have to pay up to four weeks in bond before their previous bond is returned, pay for removalists and possibly miss days of work. If tenants have been given notice, it is only fair that they be able to leave when they have an opportunity to do so.

The bill specifies that tenants must give landlords reasonable access to the property for open inspections when it is up for sale, defining "reasonable access" as twice a week with at least 48 hours notice. Landlords need to be able to show their property when it is up for sale in line with classified listings, but there need to be limits to protect tenants quiet enjoyment of their homes and to give them time to put away valuable and personal items. I understand tenants and landlords agree that this is a fair balance between both their needs and that they will be able to negotiate additional inspections, as is the case now. I support measures to encourage

landlords and tenants to save water and energy by enabling landlords to charge tenants for the water they use if water-efficiency measures are installed. I have repeatedly called on the Government to develop a systematic incentive scheme to encourage water and energy conservation.

I hope that new provisions that enable landlords to require professional cleaning when tenants have pets will encourage more landlords to lift their blanket bans on pets. I have said many times in this House that pets are very important to people's lives; they give love and companionship and encourage exercise. But renting with pets remains a major difficulty. I call on the Government to assess the effectiveness of this new provision to encourage pet ownership in rental properties and to consider new provisions, if necessary, such as pet bonds, which are used in Western Australia. Tenants support changes that make it easier to make minor changes to the property, so they can hang artwork or photographs on walls and connect to services such as the Internet and pay television. The bill will improve the situation for landlords, making it more likely that their permission is sought while also helping tenants get approval for minor changes.

The bill provides a much-needed avenue for tenants in share houses to remove themselves from a lease when they move. It also helps remaining tenants find a new housemate by preventing landlords from unreasonably refusing subtenants. This is not about turning properties into illegal backpacker accommodation. The landlord will be able to refuse requests to sublet that are unreasonable, including if the subletting will result in overcrowding, and if the request to sublet does not involve the tenant living in the property then the landlord has the absolute right to refuse. However, I am concerned that this legislation will not apply to subtenants who may not be subject to a written lease, leaving tenants who move into an already tenanted home, perhaps after seeing an advertisement or on the advice of a friend or colleague, with no protection if there is a dispute.

Share accommodation in the inner city is common and many tenants, particularly overseas and regional students, will be vulnerable to unscrupulous head tenants who do not arrange a transfer of names on the lease. I call on the Minister to remove reference to "written tenancy agreement" in clause 10 (b), so that all tenants are covered by the protections of this Act. I share the widespread disappointment that the bill continues to exclude boarding house residents from tenancy rights, leaving disadvantaged and vulnerable people exposed and unprotected. Currently, New South Wales and Western Australia are the only States that have no legislative provision for boarders and lodgers. This leaves boarders and lodgers with few options to enforce basic rights such as the right to urgent repairs or refund of bonds.

Jacqui Swinburne, from the Inner Sydney Tenants Advice and Advocacy Service of the Redfern Legal Centre, has provided me with information on the extremely limited options a boarder or lodger has if the hot water system breaks down, which highlights the absurdity of their exclusion from legislation. Jacqui tells me that after paying the application fee to the Consumer, Trader and Tenancy Tribunal, the boarder or lodger will have to first show that they are covered by the Residential Tenancies Act, which involves making complex arguments about old common law tests on the "mastery and control" of the premises. They also could try the general division of the tribunal, but this requires establishing an argument about whether the landlord is in a trade or business.

In the rare case that the boarding house is registered with the local council, the council could make an order to fix the hot water system. However, without legal protection, the boarder or lodger could be made to foot the bill. If these options do not apply and the boarder or lodger has an oral agreement, there is no way to get the hot water system fixed. Even with a written agreement that includes repairs, the boarder or lodger would have to sue in the Local Court to recover rent paid. They still will not have enough rights to get the system repaired. To get an order to repair the hot water, they can apply only to the Supreme Court, where they would have to convince the court why damages in the Local Court were not sufficient. Jacqui tells me that would be difficult to argue and in most cases the court would not make an order. The fees, excluding legal representation, could come close to $1,000 and with no legal protection to cover boarders and lodgers there is nothing to prevent a retaliatory eviction. We are talking about some of the most vulnerable people in the community.

Last year the Minister made a commitment to follow up my request to consider the Australian Capital Territory's occupancy agreements model, which the Newtown Neighbourhood Centre has been successfully using to help some inner west boarding house tenants. The Government should provide a framework of rights and responsibilities, as well as a boarding house support program to help operators of low-cost housing remain viable. While I understand that rent should be based on market value, this is not and should not be the case for social housing tenants. Yet the Inner Sydney Tenants Advice and Advocacy Service of the Redfern Legal Centre has informed me that the exclusion of the discretion of the Consumer, Trader and Tenancy Tribunal to consider

a tenant's ability to pay rent when reviewing a rent increase could apply to social housing tenants. This is inappropriate. I ask the Minister to assure the House that as a result of this change social housing rents will not increase beyond that which tenants can pay.

I share the tenants union's concern that removal of the Consumer, Trader and Tenancy Tribunal's discretion to end a lease without grounds where the landlord has given proper notice could encourage the use of "no grounds" evictions. I agree that landlords should be encouraged to provide reasons for evictions, such as breach of an agreement or failure to pay rent. The Consumer, Trader and Tenancy Tribunal should maintain its discretion for all evictions. There is community support for identifying important personal documents left on a property and requiring landlords to keep them for 90 days. Tenants have contacted me raising concerns about the requirement to keep other goods for only 14 days and the lack of specific requirements on landlords to dispose of valuable goods. They seek a longer period to allow them time to properly organise their personal effects, with specific obligations on the landlord as to how to deal with goods of a particular value.

I believe that there is community support for provisions that protect landlords from loss of rent. However, I am concerned that break fees in this bill go beyond lost rent and related costs. The break fees allow landlords to charge up to six weeks rent if a lease is broken before it expires. In the inner city, properties can be re-let almost immediately. Tenants who are forced because of work or family matters to leave their home should not be punished beyond covering a landlord's loss. Under these conditions, inner city landlords are likely to demand agreements with break fees because it works in favour of easy-to-rent properties. Break fees should be capped at four weeks.

The reality of the landlord-tenant relationship is that landlords have the upper hand. This bill will not change that. The landlord owns the property and has the power to turn a tenant out of his or her home. In the inner city particularly—although this applies across Sydney and many regional centres—it is very difficult to find a place to rent and it is very expensive for people to move. This bill fixes some important problems in the existing law to the benefit of both tenants and landlords. I commend the bill to the House.

ACTING-SPEAKER (Ms Diane Beamer): Order! The member for Cessnock has the call.

Mr Daryl Maguire: Point of order: It is the convention of the House that the call is given alternately. This is the third speaker from the Government side. The member for Hawkesbury clearly sought the call. It is very unfair, and I ask that the Opposition member be given the call.

Ms Clover Moore: To the point of order: It is Government speaker, then non-Government speaker. I am definitely a non-Government speaker.

Mr Daryl Maguire: Further to the point of order: Independents can choose to speak from the side where they think they will get the call. Traditionally, Independents speak from this side of the House and then the call is given to the other side. That is the convention of the House and I ask that you rule accordingly.

Ms Clover Moore: Further to the point of order: I make it clear that as an Independent I can speak from either side, and I do. It should be Government speaker, non-Government speaker.

ACTING-SPEAKER (Ms Diane Beamer): Order! A Government member spoke, then a non-Government member—that is, the member for Sydney, who can speak from either side of the House—spoke. Two members sought the call. I gave the call to the member for Cessnock, who is a Government member, following a non-Government member. The member for Cessnock has the call.

Mr KERRY HICKEY (Cessnock) [5.34 p.m.]: I speak in support of the Residential Tenancies Bill 2010, which introduces important amendments to the existing law that reflect changes in the rental tenancy market since the Act was introduced more than two decades ago. The Minister for Fair Trading, in her speech to the House, noted some key aspects of the contemporary rental market, such as the gradual trend towards longer tenancies and people choosing to rent long-term as an alternative option to buying. In the same way as the existing Residential Tenancies Act introduced much-needed reforms in the late 1980s, the provisions in the Residential Tenancies Bill will introduce timely reforms reflecting the needs of present-day landlords and tenants. One key point that I want to make totally clear is that the bill does not introduce measures that are skewed in favour of either tenants or landlords. Some members have tried to claim that the measures favour one group over another. That is a misrepresentation of the contents of the bill.

The overriding concern during the review of the existing laws was to develop a fair and balanced framework that clarifies the rights and responsibilities of both tenants and landlords. There is an old saying that while the property may be the landlord's house, it is also the tenant's home. This is particularly relevant to the reforms in the bill relating to minor alterations by tenants. No rental property is perfect. It is only natural to expect that from time to time tenants may want to make minor changes, at their own expense, to suit their individual needs. For example, the tenant may be a young woman living by herself who wants to put some extra locks on the property to feel safer. A tenant may want to connect to the Internet or install a second telephone line in a child's bedroom. Maybe the tenant wants to install some blinds, hang curtains or take down an unused shelf to free up some space. Perhaps the tenant wants to replace an old toilet seat or plant some vegetables or flowers in the garden. I can think of plenty of examples where tenants may want to make a small change to a property to make them feel more comfortable in their home.

As the Minister said in her speech, the bill does not allow tenants to do what they like to premises without asking or letting anyone know. The bill makes it perfectly clear that tenants still need to have the landlord's consent before they do anything. Let me cut to the chase. All the bill does is say that tenants can add a fixture or make a minor alteration so long as they get permission first, and that landlords need to be reasonable when considering such requests. This has been described as a modest reform, and I agree with that assessment. I do not see anything wrong with asking landlords to be reasonable. The vast majority of landlords in my electorate are reasonable people. Rather than increase the level of disputes, as those opposite have claimed, the bill will reduce the volume of disputes in this area. It would be silly to suggest that tenants do not make minor alterations to properties now. Many of them would do the work without asking the landlord or agent for fear of refusal.

Under the current Act, if the landlord refuses permission the tenant has no further options. By having more balanced and reasonable laws in place, tenants are much more likely to seek approval before commencing any work. This will help to prevent disputes flaring up at the end of a tenancy when the landlord or agent, doing the final inspection, finds changes have been made without their knowledge. Under the proposals in the bill, the landlord will retain the obligation to maintain the premises in a reasonable state of repair. Tenants are not being required to take over these obligations. If the property needs to be repainted or the stove needs to be fixed, this will remain the landlord's responsibility. We are talking about minor alterations for the tenant's benefit, where the tenant will either do the work personally or cover the costs involved. This puts a limit on the types of things that tenants will seek to do, as most will not want to incur significant expense improving a property they do not own.

Furthermore, landlords would not reasonably be expected to agree to a request from the tenant to knock out a wall, remove heritage fireplaces, add a huge satellite dish to the roof, or rip up the carpet and polish the floorboards. The bill makes perfectly clear the type of work it is reasonable for a landlord to reject outright, including if the work involves structural changes; if the work would not be capable reasonably of rectification, repair or removal; if the work is prohibited under any other law; or if the work is not consistent with the nature of the property. This principles-based approach is much better than trying to come up with an exhaustive list of what changes a tenant can and cannot make to the premises, because there would always be things missing from the list.

The provisions of the bill provide clear guidelines as to the type of alterations it would be reasonable for the landlord to refuse, while being flexible enough to allow a range of potential requests to be given proper consideration. Where a tenant and landlord cannot agree over what is reasonable the bill provides for the dispute to be taken to the Consumer, Trader and Tenancy Tribunal. I would expect that within a short space of time the industry will get a fair idea as to the tribunal's view of what is reasonable. The tribunal is already called upon to determine what is reasonable in a range of other areas of the tenancy law including reasonable security, reasonable access and reasonable state of repair.

Some submissions in relation to the bill have put forward the argument that tenants have the opportunity to inspect the property before signing the lease, and that they should not sign it unless the property perfectly suits their needs. This seems a fairly unrealistic position. We would all know from searching for properties to rent or buy that, if you are lucky, you can find a place that ticks most of the boxes on your wish list but that after you move in you find that a few minor changes may make the place more liveable. For example, you might want to put a grab rail in to help your elderly mother in the bathroom or even hang a picture on the wall. As the Minister said in her agreement in principle speech, the bill requires a tenant to repair or compensate the landlord for any damage caused when making an alteration or removing a fixture. Furthermore, if the tenant does work that is not of a satisfactory standard or that will impact on the landlord's ability to re-let the premises, the tenant can be required to make good the alterations or pay compensation.

The biggest issue for landlords with the exposure draft bill was the proposal to allow tenants to make cosmetic changes to the property. In particular, there was concern about tenants painting the premises themselves and doing a shoddy job or using a colour like purple or red and white stripes. While some of this fear may be far-fetched, I believe landlords have touched on a valid point. Landlords should welcome the fact that the bill no longer refers to cosmetic changes and that a request by a tenant to paint the premises has been added to the list of alterations that it would not be unreasonable for a landlord to refuse. These refinements to the bill clearly demonstrate that the Minister and the Government have listened and acted upon legitimate concerns. It reflects the approach that has been taken to all the comments that were received on the proposed reforms and reflects how the community's views have guided the finalisation of the reform package. The Government is committed to monitoring the impact of the reform package after it has been introduced.

Critics of the proposal have failed to recognise that what is proposed for New South Wales does not go as far as what is in place in many other Australian States. Queensland and Western Australia require a landlord to be reasonable in considering any request for alterations. Our understanding is that this has not led to widespread remodelling of premises in those States without landlord consent. The bill contains many important reforms, including this one, and is a significant step forward for the residential tenancy industry. It clearly deserves bipartisan support. I commend the bill to the House.

ACTING-SPEAKER (Ms Diane Beamer): Order! I call the member for Hawkesbury.

Mr RAY WILLIAMS (Hawkesbury) [5.44 p.m.]: Thank you, Madam Acting-Speaker. You don't want to give another member the call?

ACTING-SPEAKER (Ms Diane Beamer): Order! I will call the member for Swansea if the member for Hawkesbury does not want the call. Does the member for Hawkesbury not want the call?

Mr RAY WILLIAMS: You have given so many Government members the call, I just wondered if I had a shot.

ACTING-SPEAKER (Ms Diane Beamer): Order! Does the member for Hawkesbury want the member for Swansea to have the call?

Mr RAY WILLIAMS: You have already given me the call, Madam Acting-Speaker, and I am happy to accept it. You are doing an incredible job in the Chair, Madam Acting-Speaker—a better job than when you were mayor at Penrith. Mind you, it is a lovely place, Penrith. We are enjoying ourselves immensely out there. I have not noticed too many Government members out there doorknocking, but we have enjoyed ourselves there immensely.

Mr Robert Coombs: Point of order: Madam Acting-Speaker, that sort of behaviour should not be tolerated and you should rule accordingly.

ACTING-SPEAKER (Ms Diane Beamer): Order! I am sure the member for Hawkesbury will direct his comments to the leave of the bill.

Mr RAY WILLIAMS: I will. Talking about acting, we have seen some acting on the Government side. But we can get to that later. Speaking on behalf of many of the mum and dad investors in my electorate and on behalf of landlords across New South Wales, and speaking for myself as a landlord, I would like to make a brief contribution to debate on the Residential Tenancies Bill 2010. It is interesting that the bill resembles nothing in the draft bill that was first presented. The draft bill sent shock waves through my electorate, certainly for the mum and dad investors who have worked very, very hard to not only provide a living for themselves but also to purchase a residential property for security in their retirement, because many of the people affected are above the age of 30 or 40 and do not have the benefit of an enormous superannuation—unlike some of the Government ministers who are leaving and pocketing salaries of around $150,000 a year.

The mum and dad investors in my area have invested in property so that it will give them some sort of benefit when they retire. They have had to put their own properties on the line and they have had to work very, very hard. From time to time they have to put up with the uncertainty of higher interest rates, and when tenants move out and there is a lapse in rental payments but bills need to be paid, landlords suffer financial stress. Three words come to mind in relation to residential tenancy: decency, respect and good faith. If both landlords and tenants display those considerations I do not believe there will be a problem. But unfortunately, sometimes they do not.

I have had the unfortunate circumstance of having bad tenants, but I am happy to say that for the majority of time I have had some very good tenants, tenants who are worth their weight in gold and who I wished would never move out. Many of the tenants I have had worked hard to improve themselves so they could venture out and buy their own properties. When tenants do that I wish them well. However, from time to time there are tenants who think that because they rent a property they have the right to kick holes in walls, spill paint on carpets and leave the property in a less than average condition. I am sure all landlords ask, as I do, that if they provide to tenants a property that is in good shape, is comfortable and has everything working in good order, that the property is in the same good order when the tenant moves out. Sadly, that is not always the case. Many, many properties are left with badly soiled carpets, or damaged walls, or in need of painting.

I believe that if landlords provide a property in good order, as I have outlined, and if the tenants respect the property they rent, we will never have disputes: we will always find some common ground and we will always find fairness and balance. At times that balance is abused, and indeed the draft bill that was presented to us was skewed in favour of the tenants. Constituents who have contacted me were less than happy with provisions in the bill that gave tenants the right to sublet a property. That is absurd.

The draft bill also contained provisions allowing tenants to renovate a property. Tenant renovation should never be mentioned in a piece of legislation dealing with residential tenancies, but this bill still makes reference to minor renovations. A reference to "renovations" could lead people to believe that they can remove walls, structural framework, brickwork and footings. Renovation should always be at the discretion of a landlord. I have had many tenants who have sought permission to paint the property they were renting, and I have been more than happy to provide materials provided that it can be demonstrated that the work will be done to an acceptable standard.

I am sure many landlords appreciate the fact that tenants want to look after their property and offer to paint it. There is no problem with that if the legislation provides that the landlord must be contacted and provided with information about the colour of paint that will be applied and what other work the tenant would like to undertake. I have also had tenants who have requested permission to paint a property and who have undertaken to do the work but who have done a less than satisfactory job. On those occasions I have had to spend many thousands of dollars rectifying the damage before the property could be rented again. No-one can live in a property with paint on the carpets, curtains and windows.

Government members have said that we must recognise a tenant's right to dignity. I suggest that, like everyone else in our society, tenants should work, behave responsibly, pay the required rent and respect property that does not belong to them. That is what my parents taught me. They told me that regardless of whether I was driving a car or using somebody else's tools, I must show due respect. That is all I ask of my tenants, whom I provide with properties in very good order. On occasion I have been contacted by tenants in the middle of the night when hot water systems have broken down and I have replaced the units within hours—not days or weeks—because that is what tenants deserve. When they pay the appropriate rent on time they are entitled to live in a comfortable property. As I have said before, I would rather maintain my properties for tenants, and I do so if they show appropriate respect. It is not their property and they should always maintain it in the best possible condition. Unfortunately, sometimes that does not happen.

I do not believe that this bill is much different from the draft bill. The Government has taken a long time to introduce it and the draft bill certainly sent shock waves through the community. I do not believe there was a fear campaign, although I do believe that many of the mum and dad investors were frightened about what could happen to their properties. It has been recently reported that one in 10 couples in New South Wales has a negatively geared investment property. That is a huge number of people and it represents an enormous percentage of the private rental market. Tenants NSW suggests that they are amateur landlords and that they should be removed from the market. I do not believe that we could provide adequate residential accommodation across this State if it were not for those many hundreds of thousands of mum and dad investors. The New South Wales Government could never provide enough accommodation given reports indicating that there are 27,000 homeless people in this State. That is a result of the lack of public housing funding across this State, including in Windsor and Richmond.

A family with a crying four-month-old baby recently came to my office. My office staff asked what was wrong and whether the baby was ill. The mother said she could not warm the baby's bottle because the family had been evicted and did not have anywhere to live. They had approached the public housing authorities in Penrith, but there was no accommodation available. My staff and I took it upon ourselves to look after the family. Of course, the first thing we did was to warm the bottle so that the baby could be fed. We then found

private accommodation. After eight weeks the family is still in that accommodation; they have still not been given public housing. That is a clear demonstration of the lack of availability of public housing. Were the Government to get rid of the amateur landlords—as Tenants NSW called them—we would have an enormous residential accommodation void across New South Wales. We must encourage mums and dads to buy rental properties.

I am very pleased about recent amendments allowing people to manage their own superannuation funds. They can now use those funds to purchase rental properties. That is a great encouragement and it will go some way to alleviating the rental accommodation problem we are experiencing across New South Wales. We should never wind back the rights of landlords. As I said, many of these mums and dads have worked hard for a long time to provide security in their retirement by buying residential rental properties. Many have gone into huge debt to do so and they experience great uncertainty while they are paying off those mortgages. However, both landlords and tenants must be decent and demonstrate respect and good faith. While landlords provide properties in good condition, tenants should be prepared to look after them and to leave them in good condition once they have finished their tenancy.

Ms JODI McKAY (Newcastle—Minister for Tourism, Minister for the Hunter, Minister for Science and Medical Research, and Minister for Women) [5.58 p.m.]: I support the Residential Tenancies Bill 2010. The bill will introduce a raft of measures that will have a significant and beneficial impact on the day-to-day lives of landlords and tenants. It will have a particularly positive impact on women who are experiencing or escaping domestic or family violence. This bill addresses many important aspects of residential tenancies, such as lease termination processes, subletting alterations, bad tenant databases, uncollected goods and the sale of rental premises. These are just a few of the bigger issues.

One of the issues covered by the proposed reforms is aimed squarely at helping some of the more vulnerable members of our society; that is, individuals who are victims of domestic violence. We know that the majority of victims of domestic violence are women. Violence and abuse within close relationships or domestic settings has a long and sad history. For too many years this problem was ignored or swept under the carpet. Victims suffered in silence and bore the physical and emotional scars for the rest of their lives. Domestic and family violence can take the form of emotional, sexual, psychological or physical abuse and is generally used by one person in an intimate relationship to gain power over their partner and maintain their control of that person. The habitual victimisation of one partner by the other can have profound and long-term consequences and can lead to mental illness and suicidal behaviour.

In New South Wales we have taken a major stance against domestic violence with the release of our $50 million New South Wales domestic and family violence action plan—Stop the Violence, End the Silence. It is startling to read some of the statistics on domestic violence. Between 2003 and 2008, 215 people were victims of domestic homicide in New South Wales, with 42 per cent committed by intimate partners. Clearly, domestic violence remains a significant problem within the community and apprehended violence orders are still needed by many women and some men. Police and local court magistrates take the granting of apprehended violence orders very seriously. Apprehended violence orders often include an exclusion order, which means the perpetrators of violence are effectively prohibited from being able to enter their own home. This is not something that is done lightly. But victims of domestic violence need and deserve proper protection and the granting of an apprehended violence order is, unfortunately, a necessary step to take in protecting those victims.

I am very pleased to support initiatives in the Residential Tenancies Bill that will provide greater protection for victims of domestic violence. I have received letters from both the Women's Legal Service and the Hawkesbury Nepean Community Legal Centre urging me, as Minister for Women, to support this bill. Both these services provide legal advice and representation to women who are escaping violence, including in relation to tenancy and apprehended violence orders. They write:

> … we support the provisions of the draft bill. In particular we welcome the proposed provisions relating to tenancy and domestic violence. Our clients regularly face problems relating to their tenancy arrangements when they experience or are escaping domestic violence.

This bill ensures that women who are experiencing or escaping domestic violence receive the appropriate advice and support to remain safely in their home, take over a tenancy if they wish, or leave the home without suffering financial penalties for breaking a lease. If a person living in a rental dwelling becomes subject to an apprehended violence order with an exclusion order, which bars them from the property, then the victim can take action to secure their residential premises to urgently protect themselves and any other occupants. The locks on the dwelling can be changed immediately without having to first obtain the landlord's permission.

Furthermore, once a final apprehended violence order is made that prohibits a co-tenant or a tenant from having access to the residential premises, that person's tenancy is terminated and they will lose any legal right to live in the property. This will not affect the rights of the remaining tenant to continue living at the rental premises. If the victim of the violence is not on the lease then they will be able to apply to the Consumer, Trader and Tenancy Tribunal to be recognised as a tenant and be able to continue living in the rental dwelling. The bill also provides for greater clarity regarding other aspects of co-tenancy arrangements. If, for whatever reason, a co-tenancy arrangement is no longer viable, whether due to personal disputes or changed circumstances, and if the fixed period of the lease is over, the bill will enable a departing co-tenant to give 21 days notice to the landlord and remaining co-tenant and this will sever their ongoing legal liability for the premises.

Under existing law, there is no way a co-tenant who leaves can have their name taken off the lease unless everybody else agrees. This leaves them exposed to being pursued for rent arrears or the cost of repairing damage—for which they have no responsibility—incurred well after they vacate and potentially many years later. This is clearly an unjust situation, which can deter women from taking action to leave a violent relationship. I am pleased to see that the bill has addressed this matter. If there is major dispute within a co-tenancy a co-tenant will be able to apply to the Consumer, Trader and Tenancy Tribunal for an order to terminate the tenancy of another co-tenant or for an order to terminate the whole tenancy but the landlord will have the right to be heard as part of any proceedings.

I would also like to touch on the impact this bill will have in my electorate to better address antisocial behaviour and make victimised tenants in social housing safer. In my electorate, there are over 3,000 social housing dwellings, some in large estates, providing accommodation to many people in need. Regrettably, there are those tenants and their acquaintances, however few, who make life for their neighbours unbearable. I have been approached by tenants who are scared in their own homes because of the behaviour of those living around them. This has been particularly so recently in the Hamilton South complex, where thugs have found pleasure in intimidating others, leaving residents living in fear. Many are too frightened to make reports to police and Housing NSW for fear of retribution. In order to remove troublesome tenants, the case must be made to the Consumer, Trader and Tenancy Tribunal. This process can be slow and frustrating when the fear is so acute.

This bill will give Housing NSW extended powers to target behaviours both on and off the estates. I am advised that until now Housing NSW has not had the power to address behaviour outside of the actual residence. The experience of the Hamilton South Working Party, which I instigated as the member for Newcastle, has demonstrated the importance of being aware of the landscape beyond the place of residence. The bill will further allow Housing NSW to take action on tenants who abuse staff, engage in illegal drug activity on the estate, or have children who are exhibiting antisocial behaviour. Currently Housing NSW officers rely on police events or successful convictions to demonstrate antisocial behaviour to the Consumer, Trader and Tenancy Tribunal, in order to evict those engaging in such terrifying behaviour.

The measures in the bill that I have just touched on are solid examples of the important initiatives that will be introduced by the Government's residential tenancy law reform package. These are valuable, common sense proposals that help to ensure the safety of all tenants, including women at risk or victims of domestic violence. I encourage all members to support the introduction of this bill. I commend the bill to the House.

Mr CRAIG BAUMANN (Port Stephens) [6.06 p.m.]: Like so much of the legislation dreamt up by this struggling Government, the Residential Tenancies Bill 2010, when presented in draft form, was abhorrent. It highlighted once again just how incompetent and out of touch this Government has become. Fortunately, the most hideous elements of the draft bill have been duly dispatched thanks to the New South Wales Opposition, but not before the Government managed to upset, in some way, numerous elements of the real estate industry, terrify landlords, and waste the time of many stakeholders in the rental and tenancy industry as they attempted to grasp this bill. In the first instance, I condemn the Government for this short sightedness.

Any member of this Parliament who has public housing properties in their electorate would know of the desperate need for affordable housing in New South Wales. We all know there are tens of thousands of people waiting for public housing in this State. In my electorate alone, hundreds of people apply each year for temporary accommodation. In my electorate, the demand for housing far outweighs the estimated 1,200 public housing properties. According to figures compiled by the Centre for Affordable Housing, approximately 26 per cent of all dwellings in the Port Stephens local government area are being rented. This is close to 10,000 households. The 2006 census found almost a third of these households to be in rental stress.

That is why we need private home investors—badly. We need them to provide affordable housing to people. They are vital to keeping the rental market turning over, and ensuring rental prices do not sky rocket out

of most income earners' grasp. We should be offering as much protection and rights to landlords as we do to the tenant. We should be harbouring them, not making life more difficult and scaring them away. Yet, in one fell swoop, the Government almost jeopardised this vital industry with its ill-conceived, ill-designed and ill-planned proposed bill.

Under the original bill, the Government wanted to allow subletting with the owners' input; would allow tenants to alter the property and make so-called cosmetic alterations without consultation with the landlord; and the Government wanted to essentially abolish fixed-term tenancies, thereby allowing tenants to break a lease during the fixed term without special grounds simply by giving 14 days notice and paying a lease breaking fee. It is entirely understandable why homeowners baulked at the bill. When this Labor Government floated its draft Residential Tenancies Bill, constituents in my area who own investment properties were outraged—and many threatened to sell their properties and take their investment elsewhere. One Salamander Bay resident wrote to me and said:

> Should this reform be passed, we will certainly be looking at other investment opportunities that not only provide for better margin but ones that do not have a tenant dictating to the landlord.

She was not alone. One homeowner from the Tomaree Peninsula wrote to me and said:

> If the proposed changes are adopted we will immediately sell the properties and invest in another asset class (even at a lower return if necessary) to avoid the problems such legislation will inevitably impose upon us.

This Government is so out of touch, so incompetent and so transfixed with helping itself rather than the community that it continues to come up with frighteningly inappropriate bills such as the draft Residential Tenancies Bill. Imagine if we were to lose investor homeowners. The Government has already monumentally mismanaged the public housing service. Imagine if rental properties left, right and centre were sold off. Basic economics show that the price of rental properties would escalate as demand increased and supply decreased. But it was a very real threat. Incredulously, the New South Wales Labor Government wanted, among other things, to allow subletting without landlords' consent or input.

Under the draft bill those rights and powers were swayed in favour of the tenants, with no compensation whatsoever for the landlords. Opposition members have been scratching their heads as to how or why the proposed legislation ever made it to paper. Fortunately, my colleagues the New South Wales Liberals and Nationals have seen the monumental error of the Government's ways. We have negotiated desperately needed changes to the bill.

For example, under the revised bill, first, there is an optional break free for terminating a fixed-term agreement early. Now it will not be a mandatory approach to compensate the landlord. Second, with respect to subletting, a landlord can impose limits on the number of occupants. The third change relates to problems with terminating a lease for non-payment of rent. A frequent late payer of rent will not be able to use the new protections over and again to avoid eviction, thereby offering more support for landlords forced to put up with unruly tenants. The fourth change relates to minor alterations, which now excludes internal and external painting, and provides for rectification. The subletting issue has perhaps been the issue of greatest concern among constituents who have contacted me about this bill. I place on record the experience of one local resident and owner of rental properties who wrote to me about the Government's original bill as follows:

> At this very moment our agents and ourselves are working to restore a property to a satisfactory condition after one of the original leasees moved on without notifying our agent, and the illegal sub-let arranged by the remaining tenant vanished when the property was vacated, leaving the original person who had paid the bond to pay the costs involved to return the property to a reasonable condition—but not as good as when the tenants moved in less than one year previously.

But their ordeal went on:

> Very recently we were contacted by our tenant's neighbour who advised that up to seven different people at one time or another were living in our unit leased to a 'good tenant', his wife and two small children. Our agent attended the unit immediately on receiving this advice and met four newly arrived immigrants fresh from the airport who advised him that they were each to pay the 'good tenant' a weekly amount, which was well in excess of the lease rental. Our tenant had 'moved on' we believe at least six months previously, only returning to collect his 'rent'. In the meantime, he was making a profit from his illegal sub-let to numerous people without permission and unbeknownst to our agent or ourselves.

I have also been approached by landlords who have had problems with their dwellings. A Medowie landlord wrote to me after his tenant was disgruntled on being asked to leave the premises and did a little bit of damage. I quote:

> The damage done to the two-bedroom cottage has rendered it uninhabitable and it is very likely that it will have to be demolished.

> Every wall in every room was kicked in, Silastic was used to seal windows shut.
>
> The toilets were filled with cement, the new hot water system ripped from the wall and thrown into the paddock, [with the] plumbing ripped out.
>
> An outside tape turned on—and let to run—until someone who heard the perpetrator brag about this at the pub went to turn it off.
>
> Terrible insults, unfit for me to repeat in Parliament were scribbled on the walls, paint splattered around inside, battery acid tipped on the floors.
>
> Eggs were thrown around the home, rubbish; including rotten eggs were left in the kitchen, which created maggots.
>
> Outside did not fair much better with the walls of a shed kicked in, oil poured on the floor and windows smashed.
>
> Most hurtful to the family was a rose bush, which marked the graves of the children's childhood pets, was poisoned and the poison bottle threaded on one of its branches as a sick calling card of the perpetrator.
>
> The [perpetrator] was subsequently charged with malicious damage and slapped on the wrist with a 12-month good behaviour bond and a small fine.
>
> The estimated cost to the owners [to fix to] the cottage—$15,000.

In another well-publicised local case in Nelson Bay the owner of a Nelson Bay property tried unsuccessfully for five months to get rid of unwanted tenants, and it cost him dearly. A Nelson Bay real estate agent said it was one of the worst cases of damage he had seen and estimated the damage bill to be between $80,000 and $100,000. The damage caused by the former occupants included smashed windows, smashed toilets, kicked in walls, ripped out kitchen cupboard doors, which were used with the furniture to fuel a backyard bonfire.

But the bill still is not perfect. The Government's bill contains no measures aimed at attracting those mum and dad investors we need so badly to invest in rental homes. There are still drafting errors—a result of short-sighted and rushed legislation. It is important that the Government allow time for stakeholders to adapt to the changes and fully comprehend what has changed. However, of more concern is the fact that the Government has missed a fantastic opportunity to create and implement incentives to encourage more people, like mum and dad investors, to put their money into residential property for tenancy. This could have gone a long way towards addressing the lengthy queue for affordable housing, both public and otherwise.

Mr ROBERT COOMBS (Swansea) [6.16 p.m.]: I welcome this opportunity to lend my support to the Residential Tenancy Bill 2010. The Minister for Fair Trading should be commended for developing and introducing such a fair and balanced set of reforms. As the Minister made clear when introducing the bill, this reform package will deliver clear benefits to both landlords and tenants. The bill applies a more reasonable approach to many aspects of residential tenancy law. I have no doubt that many members have had the experience of being a tenant or a landlord. They may also have friends and family members who are a tenant, a landlord or a real estate agent.

The tenancy laws affect the lives of a substantial proportion of the New South Wales population. As at 31 May 2010, New South Wales Fair Trading held more than 647,000 rental bonds. The figures from the last census indicate that nearly a quarter of the population of New South Wales are living in rental accommodation. If one adds to this equation the fact that many landlords only own one or two rented properties the reach and significance of this reform package becomes very clear. This is a key reason why it is so important for the tenancy laws to be brought up to date to reflect twenty-first century expectations about how the relationship between property investors and tenants should work in practice.

The Minister has already highlighted the key aspects of the bill, such as greater control of tenancy databases to streamline the process for rent arrears evictions, allow tenants to seek landlords' consent, make minor alterations and provide certainty for landlords to be able to recover possession once a lease has ended. I am certain that these reasonable proposals will have an overall positive impact for tenants and landlords. I focus my comments mainly on the provisions in part 4 of the bill dealing with subletting. The common sense and practical approach taken to this issue exemplifies what the Government is aiming to achieve with the overall bill—namely, to update and reform the laws in a balanced way.

Under proposed section 74 , tenants may sublet part of the premises or change one or more of the names on a lease, but only if they have firstly obtained the consent of the landlord. The bill provides that such consent should not be unreasonably refused. If landlords act unreasonably, the bill gives tenants the option of taking the matter to the tribunal to seek redress. I think that is a perfectly reasonable and fair process, much more so than the current law, which allows the landlord to be completely unreasonable or to simply refuse, for

no reason at all, and there is no avenue of appeal for the tenant. Such provisions belong in the dark ages and have no place in a modern, twenty-first century set of tenancy laws. Tenants who have a spare bedroom or a garage they do not use should be able to sublet that part of the premises within reason. This would enable them to get some extra money to help pay the rent. In turn, this may help to prolong a tenancy, which would be of benefit to the landlord as well as the tenant.

The ever-increasing cost of rent means that more and more people are needing to form a shared household in order to split the bills. This may be with friends, family or total strangers. Sometimes these arrangements do not work out for various reasons. It is only fair and reasonable to expect that, when one or more flatmates leave, the tenants left behind should be able to replace them rather than break their lease or fall behind in the rent. We are not talking about all of the tenants leaving and seeking to pass on the tenancy to a completely different lot of tenants. The bill makes it perfectly clear that where a tenant seeks to sublet or transfer the whole tenancy, it can only be done with the agreement of the landlord, who has the final say. The tribunal cannot review these decisions.

I understand that some of the critics of this part of the bill have noted that New South Wales is planning to adopt a similar system to those of major cities such as New York, Montreal and Paris. This, in itself, is hardly a reason to criticise the proposal, in my view. Sydney is a major international city and it is only appropriate that we keep pace with what is happening in the rest of the world. But one does not have to travel to New York, Montreal or Paris to pick up this idea. All other Australian States have recognised this, and have long maintained laws to require landlords to be reasonable when considering any requests for tenants to sublet.

The Government is not legalising illegal subletting. The Government is not bringing in an amnesty or retrospectively approving illegal subletting, which has gone on in the past. Subletting with the consent of the landlord has always been perfectly legal. Tenants who sublet without seeking consent are in breach of their lease. This will remain the case under this bill. Some unfounded concern is being circulated that this reform will somehow open the floodgates and allow tenants to sublet to their heart's content, cramming up to 10 or more people into each room. This could not be further from the truth.

A degree of concern has also been expressed about the type of person a tenant may choose as a subtenant, and about whether this could be a backdoor way in for tenants with bad rental histories. The bill makes it clear that a landlord is well within his or her rights to knock back a subletting request if the number of proposed occupants exceeds the maximum number the landlord has permitted on the lease, the number of persons living in the property would exceed any applicable consent or approval under the planning laws, the proposed subtenant is listed on a "bad tenant" database, or the landlord is reasonably of the opinion that the request would result in the premises being overcrowded. This is not an exhaustive list, and it remains open to the landlord to put his or her case as to why the proposed subtenant should not be approved.

By establishing an expectation that landlords will be reasonable, the reforms proposed in the bill will encourage tenants to bring subtenancy arrangements to their landlords' attention. This not only provides landlords with better information about the occupants of their premises but also gives them a chance to decide who those subtenants are. Of course, as a subtenant is not a party to the lease, his or her actions are the responsibility of the tenant. Any nuisance or damage or other problems caused by the subtenant could result in extra costs or even eviction for all occupants, including the tenant. On that basis, it is expected that tenants will do their own homework on prospective subtenants, to minimise their own risk. This provides an additional safeguard for landlords, who will still retain all of their rights under the tenancy agreement and the Act in relation to the occupants of their premises.

In any case, if the landlord refuses, the tenant may well accept the decision as it is in his or her interests to maintain a cooperative relationship with the landlord and the prospective subtenant may not be able to wait the weeks it may take to obtain a decision from the tribunal. The bill clearly reforms the laws regarding subletting in a simple and straightforward way, while providing appropriate safeguards. The greater clarity arising from these provisions will assist landlords and tenants alike. These amendments are rational and warranted. I urge all members to support these provisions and, indeed, to support the bill in its entirety. I commend the bill to the House.

Mr MICHAEL RICHARDSON (Castle Hill) [6.25 p.m.]: The Residential Tenancies Bill 2010 is, as the member for East Hills said to me a moment ago, an important piece of legislation. Indeed, the bill is the first real overhaul of the Residential Tenancies Act since 1987. That is why I think it is a little bizarre that the Minister for Fair Trading in her agreement in principle speech spent almost half her time talking about the

Coalition's attitude to the Residential Tenancies Bill in 1987. Anyone who wants to hear how reasonable the Coalition is about this issue has only to read what the outstanding shadow Minister for Fair Trading, the member for Albury, had to say about the bill. I thought his speech was one of the most considered and reasonable I have heard on a potentially contentious piece of legislation.

As we have heard from the member for Albury, many, many people had concerns about the Government's original draft legislation, which was released in November last year. The Consumer, Trader and Tenancy Tribunal has for years been biased in favour of tenants, and the draft bill would have increased that bias. I have been a member of this place for almost 17 years. During that time, most of the people who have come to see me about tenancy problems have been landlords, rather than tenants. The bias has clearly been anti-landlord and pro-tenant. As I said, the draft bill the Minister released late last year would have increased that bias.

Members do not need to take my word for that. One has only to read the statement issued by the Property Owners Association of New South Wales at the time the draft bill was released. The association described the bill as "the biggest attack on landlords in NSW's history". The Real Estate Institute of New South Wales was equally scathing in its condemnation of the draft legislation. Therefore, I am pleased that the Minister listened to the concerns expressed and amended that dangerous piece of legislation to make it far more reasonable and balanced, as the Minister herself said she had done in her agreement in principle speech.

The Real Estate Institute of New South Wales said in a release dated 4 June 2010 that it was pleased the Government had listened to its concerns and made key changes. However, the institute indicated that it still had some concerns about the legislation. It said that the Government was trying to rush the legislation through without sufficient time for proper consultation. I suspect that that is because the Government has made so many changes to the legislation that the full impact of those changes still needs to be considered. Some of the changes the Real Estate Institute of New South Wales pressured the Government to make include abandoning a proposal to give tenants the right to break a fixed term tenancy agreement during the fixed term in return for payment of a "break fee".

As the member for Albury said, essentially that would have meant that that overruled the contract law and the tenant could simply tear up the contract, pay the "break fee", and walk out the door. The institute also pressured the Government to scrap the compulsory proposal to cap a landlord's damages, including loss of rent, if a tenant abandoned rented premises, and to maintain the current obligation on a landlord to mitigate their loss in such circumstances. That is only sensible. The Real Estate Institute further pressured the Government to provide greater certainty for landlords when terminating periodic tenancies, and to further limit its proposals to allow tenants to make minor changes to the landlord's property or to sublet the property without the landlord's consent. However, the institute still opposes these two proposals in principle and will continue to lobby against them.

Allowing tenants to make minor changes to landlords' property was the area of greatest concern in the bill for the Real Estate Institute of New South Wales and the Property Owners' Association of New South Wales. Having discussed this with some of my colleagues on this side of the House, I remain sceptical that the bill will encourage more people to invest in residential property and ease the rental shortage in this city that is pushing rents to unprecedented levels. Nevertheless, it is significantly better than the draft bill put out last November.

As to the issue of eviction notices, the bill does away with the previous provisions that meant that landlords had to allow four days for the receipt of eviction notices. The Minister claims that landlords will now save up to three weeks because the bill allows them to place eviction notices directly into tenants' letterboxes. That is debatable. The fours days referred to by the Minister in her agreement in principle speech is probably all that landlords will save. The bill also extends the period for a notice to evict a tenant from 60 days to 90 days. If you have a problem tenant and you want to get them out, perhaps because you want to live in the property yourself—I was in that situation almost 30 years ago—you now have to wait an extra month for the tenants to go. That is to be offset by a four-day saving in service time. One could even be in the situation where the tenants might not pay their rent for that three months and there is nothing the landlord can do about it.

At the same time, tenants have to give only 21 days notice to vacate. The Minister said in her agreement in principle speech that tenants have to find somewhere else to live and to move, whereas landlords are required only to advertise their premises, and the rental shortage is such that people would be belting down the door to get in. I recently bought a property that I now rent out. It took me about a month to get suitable

tenants for that property, so the market is obviously not as tight as some articles might have you believe. It is expensive for landlords to pay the mortgage, strata levy, rates and other bills if a tenant is not in residence to help defray those costs. Landlords who are—to use the words of the Minister—"depending on the rent to meet the mortgage" could have no income coming in for months.

The Minister also claimed that the bill has been improved for landlords by removing the discretion of the New South Wales Consumer, Trader and Tenancy Tribunal to refuse to make an eviction order. Henceforth the tribunal must make an eviction order if the lease has expired and proper notice has been given. That is an improvement on the current situation. Under the existing law, landlords have to specify an exact date for tenants to move out. Many tenants will wait until that day passes before they even start looking for another place to live because if they leave early they could end up paying double rent. The bill allows tenants to move out at any time during the notice period. That benefits both parties and is a sensible amendment.

The issue of subletting has also received a degree of criticism. Under the bill, landlords will be able to say no to subletting only if they have a reasonable objection—which, in reality, means almost never. I listened to the comments by the member for Swansea about this issue, but he missed the mark. The Minister said in her agreement in principle speech that, as most landlords are reasonable people, coming up with a reasonable objection should not "present any major hurdles." But I think it does. Every landlord wants someone who will pay the rent and will not wreck their place, but they could end up with the exact opposite. If a chosen lessee sublets to another person, unless the landlord can provide a good reason for objecting to the subtenant they will be saddled with them. The member for Swansea outlined two reasons for making an objection: first, the tenant may be listed on a bad tenant database; and, second, adding an extra person could mean that more people than the lease or the planning laws permit are occupying the property.

When I was looking recently for an investment property I inspected a number of flats in Parramatta. I was absolutely astounded by the number that housed 10 or 12 people—many of them sleeping on the floor. The rents on a lot of those units are very high. Therefore, a lessee offers to pay a landlord a higher-than-average rent—something over the odds—which the lessee defrays by bringing in his friends and relatives, often from overseas. Such places become something of a dosshouse. Under the bill, I suspect that there is the potential for the same situation to obtain with landlords and tenants when there is no indication originally that that might occur. The saving grace for landlords is that the original lessee will be responsible for the condition of the property so if the subtenants damage the property the head tenant will be responsible. However, the bond—which is usually four weeks rent—is unlikely to cover major damage. The bond might be as little as $1,200 or $1,500, and it is very easy to do more damage than that to a property.

I have mentioned the issue of minor alterations. Tenants will be able to incorporate window safety measures for young children, put a deadlock on the front door, install a grab rail in the bathroom, hang a picture in the living room or plant some flowers in the garden. They will no longer be able to paint. Planting flowers is okay but there should be consultation with landlords about window safety measures and grab rails in bathrooms. An inexpert installation could damage the bathroom tiles, for example, and the bathroom may need to be redone. A deadlock on the front door should not be permitted, as that would allow a tenant to change the locks—a major problem. Holes are often drilled in walls when hanging pictures. In the early 1980s I went to live in Adelaide for a while and while I was gone I rented my Beecroft house to a bank manager. When I returned I found that the bank manager had drilled holes through the wallpaper in one room and so I had to repaper the walls. The bank only paid for the two walls that had been drilled into and as the wallpaper was no longer available I had to repaper the entire room, which cost me money. Hanging pictures is a serious issue, and the Government has not thought this through very well.

The bill also effectively requires landlords to be mediators in disputes between co-tenants or domestic disputes, which is completely beyond their remit. I do not know whether the Government expects landlords to undertake a course in mediation before they sign on the dotted line. Proposed section 39 of the bill requires rented premises to contain water-efficiency measures before tenants can be asked to pay for water usage. That is not unreasonable, but the efficiency standards will be set by regulation. The Minister said in her agreement in principle speech that Sydney Water's WaterFix service, which costs $22, would suffice in most cases. We should be looking at water-saving showerheads and dual-flush toilets as a bare minimum. If the Government is fair dinkum about wanting to save water—as I hope we all are—it would make more sense for it to invest in individual metering of older blocks of units. It is anomalous that many of these units are not metered and thus there is no incentive for the tenants or the owners of those flats to save water. The bill will affect many mum and dad investors, who are already doing it tough, but it is significantly better than the draft bill. As the member for Albury has said, the Opposition does not oppose the bill.

Mr NINOS KHOSHABA (Smithfield) [6.39 p.m.]: I shall make a brief contribution in support of the Residential Tenancies Bill 2010. The major thrust of the bill is to provide greater clarity and certainty and to help reduce disputes that arise between landlords and tenants. The bill also contains many measures aimed at reducing red tape and establishing more streamlined procedures. The Minister for Fair Trading has already outlined the extensive consultation and review process that preceded the finalisation of the proposed amendments. It is clear that stakeholders have had a substantial influence over these extensive reforms to the tenancy laws. In particular, I want to highlight reforms in the bill dealing with goods left behind when a tenant vacates. Division 2 of part 6 of the bill sets out a sensible and commonsense approach to dealing with goods left behind.

Goods may be left behind when a tenant vacates in a number of different circumstances. Some tenants deliberately leave goods, such as a broken-down refrigerator or an old couch, because they no longer need them and cannot be bothered disposing of the items properly. Tenants can mistakenly leave goods behind because they have forgotten to clean out a kitchen drawer or have overlooked a passport hidden away at the back of a cupboard. Tenants who are evicted by a sheriff must leave all their goods behind. Some tenants leave piles of rubbish, while others disappear leaving a mixture of goods behind. Clearly, a one-size-fits-all approach is not appropriate. The main goal of regulation in this area should be to provide practical measures aimed at tenants retrieving their goods wherever possible without imposing unnecessary costs on landlords. I believe the bill delivers such measures.

Tenants must take some personal responsibility for their actions and cannot expect landlords to provide a free storage service or to hang onto their goods forever. Conversely, landlords must act reasonably and not immediately throw out a tenant's personal or valuable goods. It is generally accepted by all sides that the current system of dealing with goods left behind by a tenant is not achieving the desired outcomes. Where goods of value are left behind, the current law requires landlords to pack them up, store them for 30 days and then sell them by public auction. During this process the landlord must place an advertisement in either the *Daily Telegraph* or the *Sydney Morning Herald* to try to let a tenant know that goods have been left behind and the landlord intends to sell them. This must occur even though tenants who leave goods behind may be unlikely to read the public notice section of a newspaper or have no intention of collecting their unwanted possessions.

This whole process places unnecessary costs on landlords and involves them in a great deal of time and effort, when their main focus should be on trying to relet the premises. Not surprisingly, many landlords avoid their obligations and dump a tenant's belongings onto the footpath or take them to the tip. Under clause 128 of the bill landlords will be able to immediately dispose of perishable items and rubbish left behind by a tenant. This is an improvement on the current law, which requires landlords to wait two working days before disposing of rubbish. The bill requires landlords or their agents to make reasonable efforts to contact the former tenant in relation to any goods left behind that are not perishable or rubbish. This can be done in writing, in person or over the telephone. If contact is made, the parties should discuss whether the tenant intends to retrieve the items and, if so, make necessary arrangements. I expect that these practical measures will lead to the early resolution of most of these types of situations.

If the tenant does not wish to retrieve the goods or cannot be contacted, the bill provides for ordinary household items such as furniture or clothing to be sold or otherwise disposed of after 14 days. I believe this is a fair and equitable time frame. It gives tenants a reasonable opportunity to get their goods back if they want them, while not unduly burdening landlords with an obligation to store the goods either at the premises or elsewhere for an extended period. A number of submissions focused on a provision in the exposure draft bill that specified that unclaimed goods could be disposed of by donating them to a charitable organisation. Charities were concerned that this could create problems, including the increased dumping of goods in front of opportunity shops. I am pleased that this provision is no longer in the bill. This does not prevent useful goods from being donated to charities but it should remove the temptation to dump this problem onto them.

I am also pleased to see a distinction in the bill between ordinary goods left behind and personal documents, such as photographs, passports and financial statements. It refers to the types of documents that no-one would want thrown out—that is, documents of importance or items of sentimental value that may not be able to be replaced. The bill requires that if such documents are left behind they must be kept for up to 90 days and if they are not claimed be returned to the authority that issued them or be disposed of in an appropriate manner. This process for dealing with personal documents left behind already works well in Victoria and Queensland.

The bill retains the option for landlords to apply to the tribunal for directions if they are unsure about what to do with goods left behind by a tenant. The bill also gives tenants the ability to seek compensation if

landlords fail to comply with their obligations. This important element is missing from the current law. The tribunal will have a range of sensible order-making powers, including being able to order that a landlord return goods to a tenant at any time they remain in the landlord's possession or pay the tenant the proceeds of sale or an amount equivalent to the value of the goods. This ensures that avenues are available if a tenant is unable to collect goods—for example, if a tenant is hospitalised for an extended period. As can be seen from the streamlined provisions for dealing with goods left behind by a tenant, the bill represents a fair, balanced and reasonable approach to clarifying the rights and responsibilities of tenants and landlords. This bill is both timely and warranted. I have no doubt that this significant package of amendments will introduce key improvements to the State's residential tenancy laws. I commend the bill to the House.

Mr GREG PIPER (Lake Macquarie) [6.46 p.m.]: I support the Residential Tenancies Bill 2010 because as a major revision of tenancy laws it provides a great improvement for tenants and landlords. Extensive comment was made about last year's consultation draft, principally from groups representing landlords who raised concerns about property owners having less control over their properties and the people who occupy them. Most of these concerns were resolved in the formulation of the current bill. A major outstanding concern was the 90-day period of notice required on the part of the landlord. An improvement within the bill is that whereas a termination period of 90 days is applied to a tenancy, the Consumer, Trader and Tenancy Tribunal will have no role in varying those terms. This gives some surety of possession to the landlord owner.

Significant objections were raised to the consultation draft because of concerns that it would affect the long-term profitability of the rental market and its ability to meet demand. The points on which these concerns were largely predicated appear to have been addressed in the final drafting of the bill. I am pleased to support the bill, but I also want to place on record my disappointment with the consultation draft. It was viewed, quite rightly, by the owners of rental properties as being hostile to their position. It was not a good starting point for a dialogue that is vital to the welfare of so many tenants. Landlords were extremely anxious about the legislation, and this may have already affected the rental market. The introduction of the 90-day notice period has the potential to impact on returns to property investors. However, this is relatively minor and it does provide a little more security for tenants. In relation to private tenancies, most complaints I receive relate to tenants and not to landlords. Of course, the problem is with a minority on both sides of the equation. Yet circumstances can become so dire that legislative protections are necessary. The balance achieved by this bill, in stark contrast to the propositions within the draft bill, is welcomed and should allow for the continued considered investment in rental properties in New South Wales.

The member for Sydney, in speaking in support of the bill, was critical of the arguments made by groups representing the rental industry. Yet their concerns, premised on the draft bill, were not a scare campaign. They were legitimate concerns about proposals that were seen by investors as unacceptable. Draft provisions such as the ability for tenants to make modifications to a property they did not own or to sublet to tenants that would be unacceptable to the owner were pushing the arguments about tenants' rights past the point of balance. The current bill is largely supported by the industry, individual landlords that I have spoken with and tenants advocacy groups.

Calls for greater restrictions of landlord rights denied, and continue to deny, the obvious fact that such provisions would drive many investors to seek safer areas for their investments. This would not be in the best interests of tenants in New South Wales and would perhaps have an effect on investment similar to former Treasurer Michael Egan's ill-considered and short-lived vendor tax in the 1990s. Tenants in New South Wales will always be in a better position when there are rental options available, and this bill should have had, as a primary goal, incentives for investors to put their money into rental property. This is largely a missed opportunity but, on balance, the bill is a comprehensive revision of tenancy laws and deserves support for the number of positive changes it introduces. I commend the bill to the House.

Mr WAYNE MERTON (Baulkham Hills) [6.50 p.m.]: I have been a member of Parliament long enough to recall the previous residential tenancies bill that was debated at length in the late 1980s. The Residential Tenancies Bill 2010 is a revision of the legislation that was passed some 23 years ago. The bill was put on display and many submissions and proposals were put before the Minister for Fair Trading. Many people in my electorate were distressed by the original proposals in the draft bill. If the Minister were to revisit the situation and start afresh, she might allow for greater consultation before even the draft bill was put on display. But full credit goes to the Minister and to the Office of Fair Trading for taking note of the many submissions made by a number of concerned people from both sides of the property industry, owners and tenants. This bill is now before the Parliament, in effect, to try to achieve a balanced perspective.

I believe the Government has not been 100 per cent successful in obtaining a balanced view. Nevertheless, this bill is certainly far more balanced and more acceptable to property owners than the draft legislation. We must understand that the whole residential tenancies concept is very important to our community. As the Minister said in her agreement in principle speech, many more people are renting now than in the past and the rental market in New South Wales has changed significantly since the current laws were developed more than 20 years ago. About one-third of New South Wales households currently live in approximately 800,000 rental properties, and that figure will only grow in the years ahead as our population expands.

People now rent for longer periods. I will not go completely down this road, but one reason for that is the high cost of real estate in New South Wales, which is probably the most expensive in the whole of the Commonwealth. The State certainly has very expensive real estate. I bring to the attention of the House some of the concerns raised by people in my electorate. These are—to use that famous expression—working families. Mrs Barbara Brissett lives at Baulkham Hills and currently owns an investment property at Budgewoi. She wrote to me to express her concern about some of the proposals in the draft bill that she believed favoured tenants too much and could affect her ability to sustain her property. She was concerned about fitting water-saving devices, which she considered could entail substantial expense—for example, replacing toilets. She asked whether the proposal included the provision of water tanks.

Mrs Brissett also expressed concern about the subletting proposals—I believe those issues have since been resolved. She said that subletting must be monitored carefully because the landlord or agent cannot interview prospective new tenants. She was also concerned about the changing of locks. She believed that the legislation should provide that if a tenant changes the locks the landlord or agent must receive duplicate keys for any locks that are changed or installed. Another concern of Mrs Brissett, which seemed to rear its head in a number of letters I received, is the 90-day period of notice of termination by the landlord. She believes this time frame is unreasonable as it is too long for the landlord to wait to update the premises.

On reading the legislation, I understand that the 90 days notice is applicable when the fixed-term lease has expired and a periodic tenancy has commenced—from week to week or month or month. Instead of giving 60 days notice, which is normally given on expiry of the lease, 90 days notice must be given when it becomes a periodic tenancy. People are concerned about the 90 days because they think it is too long, unfair and does not strike a reasonable balance. Many years ago when the original bill came before Parliament the government of the day, of which I was a member, argued that it should be 30 days notice for either party. That was not accepted by the then Labor Opposition—which is now in government—and a proposal of 60 days notice at the expiration of the lease was agreed.

It is still the case that if the lease has expired and a periodic tenancy has not commenced then 60 days notice is allowed. However, if a periodic tenancy commences subsequent to the completion of the fixed-term lease then 90 days notice of termination applies. Owners are entitled to get their properties back within a reasonable time frame. However, I am mindful of the fact that when a lease expires and the owner wants to reclaim the property, the tenants have to find alternative accommodation in a sometimes busy and very competitive rental market. That is not easy to do; I understand and accept that. But it leads to another concern raised by the constituents who wrote to me: the concept behind residential tenancy legislation should be to make the proposition of owning a rental property fair and reasonable in order to attract investors. We need to balance the rights of the owner and the rights of the tenants to ensure that buying a rental property is an attractive proposition. If owners do not have a reasonable incentive to acquire rental properties there will be no rental market.

I understand that 90 days notice of termination was put in the legislation following numerous submissions from and discussions with interest groups. The constituents to whom I have referred and others to whom I have spoken have some concerns about the 90-day period. Many of them would be more than pleased to retain the present term, namely, 60 days. Different rules apply to a property that has been sold—that is, where a contract has been signed. In fact, when the lease has expired it is a period of only 30 days.

Mrs Brissett also raised the question of alterations. She is concerned about the term "cosmetic alterations" and would like to know what it means. I understand that the legislation has been amended and no longer refers to cosmetic alterations. However, the general question of alterations concerns many people. Although tenants may want to make a property as comfortable as possible, at the end of the day it belongs to the

landlord. In many cases, when the tenant leaves, the bond has been eroded by non-payment of rent at the end of the tenancy. Therefore, if any unacceptable or unnecessary alterations have been made they might have to be rectified at the landlord's expense. Mr Joe Tateno wrote me stating:

> I would like to express my opinion as a landlord of a property. I have two concerns as far as I read in the letter from my property management agent although I have not read the original bill myself.

He is probably in the same situation as most people. He addresses two issues—subletting and cosmetic changes. He states:

> The concept of permitting sub-letting without the consent of the landlord.
>
> Under the proposed reforms, a landlord's right to decide who inhabits their property may be able to be challenged.

With regard to cosmetic changes, he states:

> The proposed changes provide that a landlord must not unreasonably withhold consent "to a fixture, or to an alteration, addition or renovation that is of minor or cosmetic nature". There is no definition of what is "minor or cosmetic" in the bill. A minor or cosmetic change made by one tenant will not necessarily suit the next tenant and such changes may result in damage that is irreversible therefore the value of the property may drop.
>
> It seems the changes proposed shift the balance of power in favour of tenants. Therefore, I do not agree with the proposed change.

I received a letter from another constituent dealing with a very important matter relating to the provision of residential accommodation in a country town. The correspondent, who worked in a New South Wales government agency in the country for many years, states:

> Since leaving school in 1954 at 14 years of age, I have never been unemployed nor have I ever received a pension.
>
> I took an early retirement and invested my superannuation into rental properties.
>
> I presently own a strata Duplex of 2 X 2 bedroom units in Armidale. These units are permanently let to quality long term tenants...
>
> Early in 2009 my wife and I purchased in Tamworth, 12 bed sitters, plus a common room area. These were former Housing Commission Bed Sits. At some stage they were taken over by the Health Commission providing accommodation for people with special needs. The property had been vacant for 3-4 years prior to our purchasing it.
>
> We completely restored the property converting it into 6 two bedroom units and 2 bed sits. This included new kitchens, stoves, hot water units, bathroom renovations as well as moving walls, doors, painting inside and out, plus new floor coverings rewiring etc. The Units are now in wonderful condition.
>
> Last October we commenced letting the units. All are now let ... This agent vets applications, checks references does property checks and generally controls and keeps me informed at all times.

My constituent was very concerned when he received a copy of a circular put out by Peter Draper, the member for Tamworth. He states:

> On reading it, I am fearful that if this proposed Bill is passed and includes the material as included in this circular, that as a landlord we will lose control of who leases our property. Instead of being able to vet Tenants, check references and letting histories we could be faced with a procession of 'Tenants from Hell'. As a Landlord we will have no say in who rents our property.

These issues have concerned many people who fit the description of working families and who have battled to buy investment properties. They have made a substantial contribution by providing rental accommodation, which is very scarce at the moment.

Pursuant to standing orders business interrupted and set down as an order of the day for a future day.

INDUSTRIAL RELATIONS AMENDMENT (CONSEQUENTIAL PROVISIONS) BILL 2010

LIQUOR LEGISLATION AMENDMENT BILL 2010

LOCAL GOVERNMENT (GENERAL RATE EXEMPTIONS) BILL 2010

Messages received from the Legislative Council returning the bills without amendment.

STRATA REDEVELOPMENT

Matter of Public Importance

Mr GREG APLIN (Albury) [7.06 p.m.]: Strata is the fastest growing form of residential property ownership in Australia. According to City Futures, a university research centre at the University of New South Wales in the Faculty of Built Environment, in May 2009 there were 63,942 residential strata schemes in New South Wales. Approximately 21 per cent of these schemes might be called older, having been registered at least 30 years ago. Members should bear in mind that the building itself might be considerably older than the date of its registration—even as much as 80 or 90 years old. The vast majority of older schemes are in the Sydney metropolitan area, concentrated particularly around Rockdale, Botany Bay and Ashfield local government areas. Bellingen local government area has the highest concentration of older schemes outside Sydney.

The important public issue of what to do about ageing strata stock is primarily a Sydney problem, but other parts of the State now face, or will face, the same concerns about decaying or simply unsafe buildings, built to standards we now consider unsatisfactory or illegal. In July last year, the City Futures Research Centre issued a report entitled "Managing Major Repairs in Residential Strata Developments in New South Wales". This research, funded by the Office of Fair Trading, continued the centre's valuable work investigating town planning and social issues affecting strata title. The researchers carried out a survey of strata owners and found that one in 10 residents considered their building to be in poor condition. The report states:

> … it is only recently that issues surrounding the management of strata schemes have become prominent. Many of those properties built under strata title in the ten years following the introduction of the Strata Titles Act (1961) are now over 30 years old and this ageing stock requires increasing attention in terms of maintenance and repairs ...
>
> Concrete cancer is especially prevalent in coastal locations where the wet and salty environment has contributed to the problem and in buildings with magnesite toppings (a self-levelling material used as an insulator) where the chlorine has contributed to the problem when it has come into contact with water. Many balconies built in the 1960s and 1970s are now failing due to concrete cancer. Many apartment buildings built before the 1970s have balustrades that do not comply with the current legislation.

An owners' corporation can raise funds to deal with major repairs in a number of ways: through contributions to the sinking fund; issuing a special levy; by taking out loans; or even by legal action against the developer. One of the great attractions of the complete redevelopment of a site is that this might be the only way to finance the necessary improvements. If owners do not have the spare money, or cannot raise it through borrowings, they might be better off redeveloping the site and creating additional strata lots that can be sold to pay for the new construction.

Under the Strata Schemes (Freehold Development) Act 1973, in sections 51 and 51A, a strata scheme can be terminated either by an individual's application to the Supreme Court or to the Registrar General with the support of all lot owners, all mortgagees and all registered lessees. In short, if one is to avoid the road to the Supreme Court, unanimous support is necessary. One owner can stop the redevelopment proceeding. By section 62 of the Strata Schemes Management Act of 1996, the owners' corporation carries financial and legal responsibility for the maintenance and repair of common property, which includes the building, which must be kept in a state of good and serviceable repair.

By section 75 of the Act, newer strata schemes must now prepare 10-year sinking fund plans. This process will turn many minds towards redevelopment as they contemplate the costs that lie ahead. Repair bills can be frightening. The City Futures Research Centre report included sample estimates of repair costs provided by a building firm. To replace the roof membrane of an eight-story building, $150,000; to replace balustrades, $3,000 per unit; to fix external wall cracks, $100,000 for a five-storey, 20-unit building; to replace a lift in a 20-story building, $150,000; to treat concrete cancer, from $8,000 to $30,000 per balcony. Fire safety upgrades can also be costly.

What should a strata renewal policy include? First, government must establish the principle that in a redevelopment a lot owner should be placed in a similar position and space as before, with a similar lifestyle as before. There must be equivalence of position, space and lifestyle within the limits of whatever is realistically achievable. This will be hard to define other than in general terms. However, the principle must direct all those who play a role in the development process, including the owners' corporation, the developer and those assisting with dispute resolution.

Second, the necessary vote for support of the owners' corporation to terminate a strata scheme for the purpose of redevelopment should no longer be unanimous. Overseas schemes suggest a vote based on unit

entitlements could lie between 75 per cent and 90 per cent. Proportions may vary depending on a fixed set of factors such as the age of the building. A tribunal or like authority may need power to reduce the threshold in the circumstances. It might also be appropriate to institute a secondary threshold test based, this time, not on unit entitlements but on the number of individual lots. This might be a necessary protection where a small number of owners control a vast proportion of unit entitlements.

Third, government will also have to develop a variation on this procedure for small strata schemes where there are just two or three lots. What does a 75 per cent threshold vote mean when there are three equal lot owners? Some existing strata laws already apply differently to small schemes. Fourth, compensation will require a robust formula and independent valuation. Fifth, the dispute resolution process must be affordable and truly expert. These are the basics, but other issues cross a number of portfolios and governments. Should there be stamp duty waivers or concessions on internal property transfers? How might valuations affect pension assets tests? What will be the effect on investor owners of capital gains tax if they sell or stay for the redevelopment?

In concluding, I have two final matters of importance to draw to the Government's attention. First, lot owners must be protected from rapacious property developers who might seek to railroad them into selling up or moving into unacceptable alternative accommodation. With valuable locations the stakes are high indeed, and the potential profits huge. This will attract all sorts of entrepreneurs. From a consumer protection perspective this requires unusual precautions. Perhaps it must be unlawful for a developer or property entrepreneur to make an approach to an owners' corporation unless they are an approved developer under a system of government-control and supervision. A government agency such as Fair Trading should be the gatekeeper, ensuring that developers wishing to proceed under this policy hold all necessary licences, are of good reputation and are financially strong. They must have a demonstrated capacity to manage successfully a legal, financial, construction, housing relocation and caring process that might be expected to run from 18 months to two or even three years.

Second, let us take the emotional heat out of this issue until the policy and its processes are right. Consider an initial period of two years when the redevelopment policy is restricted to commercial and industrial strata properties. Leave the residential strata until such time as the procedures have been tested in the real world so that homeowners are spared the inevitable glitches that will accompany a policy with so many complex considerations.

Mr ROBERT FUROLO (Lakemba) [7.13 p.m.]: Today, Treasurer Eric Roozendaal delivered a historic New South Wales budget which has put New South Wales back in surplus—two years earlier than forecast. As our economy recovers from the global financial crisis the Keneally Government will take New South Wales forward into a new era of growth. We are building a better future for our families and businesses. New South Wales faces the challenge of how to accommodate an anticipated population increase of 1.7 million in Sydney by 2036. That is why in this budget we have introduced a $44 million comprehensive housing supply strategy to boost the rate at which new homes can be built in green field areas. The sum of $35 million over two years is being provided to accelerate and improve local planning approvals, and $8.9 million over two years will enable the Department of Planning to speed up planning assessment processes in high growth areas and ensure the construction of new, well-designed vibrant communities close to transport hubs.

However, we also need to look seriously at urban renewal in infill areas as part of the solution. The Government is always open to new or improved approaches to housing provision. In fact, there have been various approaches by the major industry bodies on the subject of strata title reform. Since the strata title system began in 1961, more than 65,000 strata schemes have been established in New South Wales. They range in size from two lots to high-density apartment buildings with hundreds of residents. As the House would be aware, this is a complex issue and an emotive issue and the subject of reform has been examined for a number of years. Before purchasing a strata lot, it is essential that the prospective buyer refers to the strata plan—the plan can be obtained from Land and Property Information New South Wales—and seeks professional advice about the complexities involved. This is particularly so with reference to the operation of the owners' corporation, which must set up and keep an administrative fund for day-to-day operational expenses and a sinking fund for long-term future expenditure.

While such mechanisms exist to maintain strata buildings it is also a fact that buildings do not last forever. There is growing support from within the strata industry for introducing a new process to terminate a strata title with less than the unanimous approval of all lot owners. Currently, a strata scheme can only be terminated by order of the Supreme Court or, if all of the owners agree, by the Registrar General. Ageing strata buildings are a serious issue. Many strata building have undoubtedly reached, or are approaching, the end of

their useful lives. Some require major renovation or redevelopment. A building may be in serious need of repair but to demolish or redevelop it currently requires the unanimous approval of the strata unit owners, which can be difficult to achieve.

The Land and Property Management Authority is currently preparing a paper on possible legislative amendments to address such issues. But let me emphasise, any suggestion of strata termination needs to be approached with the utmost respect for the individual's rights. This type of reform is one that requires careful consideration and a balanced and objective approach. I stress that if a decision to terminate a scheme has been made by an owners' corporation, any proposed legislation would need to include safeguards to protect the interests of dissenting owners. However, I stress that this proposal is yet to be considered by Cabinet. I assure the House that thorough consultation and careful and informed deliberations will take place before any decision is reached. The Government will continue to explore options to deliver affordable housing. But there will always be careful consultation and informed and objective deliberations before any decision is made. Urban renewal is needed. Strata reform may be an important part of such a strategy. However, nothing has been decided at this stage.

Mr WAYNE MERTON (Baulkham Hills) [7.18 p.m.]: I speak tonight in respect of the matter of public importance that has been lodged by the hardworking member for Albury, the Coalition's shadow Minister for Fair Trading. This is an interesting proposition. No doubt over the years many governments have looked at it carefully and decided, after some consultation, that it was simply too hard and put it on the backburner because it deals with some very important and fundamental issues. Some issues are emotive and some are basically about people's rights that they cannot deal with themselves.

Typically, a developer eyes off a block of perhaps a dozen flats, usually some years old, as a redevelopment proposition. Alternatively, a majority of residents think the land value of their site is high and they think they are in a wonderful position. Their units are getting old, the cost of maintaining them increases and their levies have to go up accordingly. They are anxious to get out and sell the site to a developer or, better still, sell it to a developer but receive a unit each in the new complex to be built by the proposed purchaser. That is not often the view shared by all the occupants of the strata title.

An illustration was given of a block of 12 units where it would not be uncommon for 9 or 10 people in the block to decide to move on or to move into a redevelopment on the same site. They would be only too pleased to sell the site rather than sell their individual units. The strata title system, which is a good system, allows people to own the fee simple of their own strata unit and there is no obstacle to them selling that unit. That is not the case with company title, where 9 or 10 owners in that block of 12 units might want to sell but the remaining two or three people do not.

It is a pretty drastic step for the Government to seek to pass legislation that would allow a majority of owners, perhaps 75 per cent or 90 per cent, to be sufficient for the property to be sold. People have expressed concern to me about the Metropolitan Strategy. The Government has released a discussion paper that contains a proposal that property can be acquired for urban renewal and on-sold to developers. It was raised in the media and in the upper House that the Government would introduce legislation to allow this type of acquisition. To date that has not happened.

Whilst I am pleased to speak on the matter of public importance, I am concerned about the matter. I believe that individuals who have bought real estate have certain rights. People who buy into an old building are faced with the problem that others may want to sell and pull it down. I am concerned about that because it is an extremely difficult situation to overcome. However, time does not permit me to speak further and I appreciate the forbearance of the House.

Mr GREG APLIN (Albury) [7.23 p.m.], in reply: I acknowledge the contributions of the member for Lakemba and the member for Baulkham Hills. I return to the theme of older buildings. There is an older building located on the Pacific Highway in the northern suburbs of this city which is used for commercial purposes. A few years ago, owners representing 92 per cent of unit entitlements wanted to redevelop the building for residential units, as these were more popular than offices. However, one owner, holding 8 per cent of unit entitlements, was able to block the move. Financial inducements were offered but this owner, a wealthy man, as a matter of personal pride I believe, would not budge. The opportunity was missed to profitably construct a new building in place of an old one to serve the requirements of a local community with a desirable

use in place of a fading use. There was no vulnerable tenant or owner to be displaced. Redevelopment of strata buildings is not just about signs of ageing, with its cracks, water penetration and failed services. An engineer wrote to me to express other concerns. He said:

> I live in a relatively modern apartment building (18 years old) that wastes $1,000 of electricity per apartment per annum for its 63 apartments. There are solutions with a one-off cost of less than that, that cannot be implemented because consultants and contractors are inexperienced and no two people will recommend the same thing (and something that will actually improve energy and water efficiency). It's easy to spend money on things and consultants that make no improvement.
>
> My colleagues on the executive committee of the owners corporation ... do not understand the services in the building as they are works of engineering.
>
> The strata manager provides financial, legal and administrative services but is totally in the dark on technical matters.
>
> A medium rise (11 storey) apartment building has all the technical complexity of a high rise CBD office block in Sydney or Melbourne.

How many of our owners corporations are taking advanced steps to reduce energy consumption and water waste? Strata owners are not always eligible for the various environmental rebates and incentive schemes. Policy makers have difficulties patching new technologies or imperatives onto properties in common ownership and old strata buildings in areas such as energy efficiency, recycling, reducing water usage and collection and reuse of water, use of solar technologies, confronting poor building orientation relative to the sun and weather, ineffective use of recreational space on the allotment, noise reduction, insulation, and appropriate heating and cooling technologies. These are all issues where much more could be achieved as a by-product of redeveloping old strata buildings. Old buildings may be the immediate issue, but troubles reported with some recent developments give serious cause for future concerns. The City Futures report's survey of strata owners states:

> Of the respondents who owned a property that was built since 1997, almost two-thirds owned a lot in a scheme with ongoing defects in the building. The defects most commonly identified by survey respondents related to water ingress.
>
> ... when asked why they considered the condition of their building to be poor, one person responded:
>
> > All the top floors roofs leak. Cracking in walls. Extensive water problems possibly because of poor waterproofing in flower beds. Incomplete works from builders. Fire certification incomplete.
>
> Another responded:
>
> > Concrete cancer throughout the building. Leaking windows. A demolition site for the past 8 years. Laundry closed down, drying court is out of action, landing has not been tiled for almost 2 years. Unsafe. Not meeting fire regulations. Pool out of action.

These are recent buildings. I suspect that many of the members here today will know of strata 'lemon buildings' in their own electorates. Some of these newer properties may one day require substantial redevelopment under the same policy we might now seek to create for older strata buildings. Make no mistake: if Parliament brings into law a policy which departs from the requirement for unanimous support to terminate a scheme and redevelop a strata building, there will one day be television cameras filming a story about a vulnerable elderly person being forced out of his or her home so it can be redeveloped. Equally realistic is the scenario that should Parliament not bring such a policy into law there will one day be television cameras filming a story about a vulnerable elderly person who was injured or whose health was compromised by being forced to live in a decayed or collapsing residential strata building.

We must move forward in the knowledge that no matter what precautions we take, no matter how thorough the process, there will be some individuals who will be hurt by a strata redevelopment policy. It is a complex process to create a policy with so many elements and which carries so much emotional weight. Policy inactivity, however, is the more dangerous course for us to take. Despite all that has been said and written about urban renewal, the issue of how to handle ageing strata buildings has been sitting in the Government's basket for many years, with only occasional slight references in documentation and assorted private discussions. Let us get the public involved now.

Discussion concluded.

The House adjourned, pursuant to standing and sessional orders, at 7.28 p.m. until Wednesday 9 June 2010 at 10.00 a.m.